

# MURRINDINDI SHIRE COUNCIL



2003–2004  
ANNUAL REPORT



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## Overview

This Report has been prepared in accordance with the provisions of Section 131 of the Local Government Act 1989. The Report sets out the achievements and challenges encountered in implementing the key actions in the 2002-2005 Community Plan for the 2003/2004 financial year.

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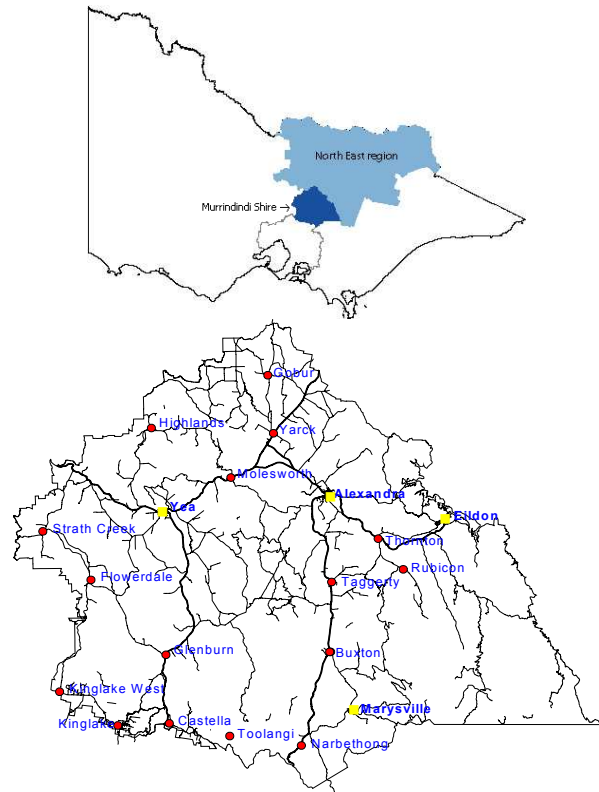
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Murrindindi Shire Council was created on 18 November, 1994 following the restructure and amalgamation of the former municipalities of Alexandra and Yea, and the consolidation of part of the former municipalities of Healesville, Broadford, Eltham, Whittlesea and Euroa. The township of Alexandra houses the main Council Office, with joint shopfront/ library facilities located in Kinglake and Yea.

Murrindindi Shire covers an area of 3,889 sq. kms incorporating the major centres of Alexandra, Eildon, Kinglake, Marysville, Yea and the smaller townships of Buxton, Flowerdale, Glenburn, Highlands, Molesworth, Narbethong, Strath Creek, Taggerty, Terip Terip, Thornton, Toolangi and Yarck.

Although the Shire is in a rural area, it is well suited for tourism growth. We have a large number of natural attractions such as Lake Mountain, Lake Eildon and Kinglake National Park, which provides for many outdoor leisure pursuits including nordic skiing, water skiing, bushwalking, boating, fishing, camping, cycling and touring.

The Shire also accommodates traditional agriculture and intensive horticultural pursuits and is also geared to day visitors and the agri-tourism market.

## STATISTICAL PROFILE OF THE SHIRE

<b>Population</b>	There are approximately 13,829 people living in over 5,000 households. Population growth is around 1% per annum.																
<b>Income</b>	Looking at adult income levels, 15% received an income of less than \$300 per week, 48% an annual income of \$300 to \$1,000 per week and 24% an income of \$1,000 or more per week. 13% did not disclose an income.																
<b>English Speaking</b>	91% of the population speaks English at home, compared to 79.1% for Victoria, and 82% of the population was born in Australia. Of those born overseas, 104 were born in Germany, 136 in New Zealand and 668 in the United Kingdom.																
<b>Employment</b>	Major employment in the Shire can be attributed to tourism, farming production, forestry, fishing and outdoor and lifestyle education.																
<b>Transport</b>	With little, if any public transport available, statistics show 70% of households have one (1) or two (2) motor vehicles and 25% have three (3) or more vehicles. Of those residents with motor vehicles, 36% use cars to commute to work. 5% do not own a vehicle.																
<b>Geography</b>	The southern boundary of the Shire borders the outer Melbourne metropolitan municipalities of Yarra Ranges, Nillumbik and Whittlesea. The Shire is bounded to the west by Mitchell Shire Council and the northern end of the Shire edging the Mansfield and Strathbogie Shires.																
<b>Topography</b>	The Shire is characterised by mountains, rivers and lakes, with the Black Range dividing the Shire through the middle and the Great Dividing Range on the southern boundary.																
<b>Finances</b>	<p><b>2003-2004 Actual</b></p> <table border="0"> <tr> <td>□ Total revenue</td> <td style="text-align: right;">\$20,905,101</td> </tr> <tr> <td>□ Rates revenue</td> <td style="text-align: right;">\$8,035,791</td> </tr> <tr> <td>Total expenditure</td> <td style="text-align: right;">\$18,949,531</td> </tr> <tr> <td>□ Garbage charge</td> <td style="text-align: right;">\$170</td> </tr> <tr> <td>□ Recycling charge</td> <td style="text-align: right;">\$31</td> </tr> <tr> <td>□ Municipal charge</td> <td style="text-align: right;">\$148</td> </tr> <tr> <td>□ Rateable properties</td> <td style="text-align: right;">8,854</td> </tr> <tr> <td>□ Loans</td> <td style="text-align: right;">\$4,231,796</td> </tr> </table> <p>Rate assessment growth was approximately 1.3% for 2003/2004.</p> <p>For further statistical information, please visit <a href="http://www.doi.vic.gov.au/knowyourarea">www.doi.vic.gov.au/knowyourarea</a></p>	□ Total revenue	\$20,905,101	□ Rates revenue	\$8,035,791	Total expenditure	\$18,949,531	□ Garbage charge	\$170	□ Recycling charge	\$31	□ Municipal charge	\$148	□ Rateable properties	8,854	□ Loans	\$4,231,796
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## RANGE OF COUNCIL SERVICES

### External Services

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<i>Human Services</i>	Adult Day Care Services Family Counselling Service Family Day Care Financial Counselling Service Health Promotion Home Care Service Home Maintenance Service Low Rental Housing Maternal and Child Health Meals on Wheels Playgroups	Pre-Schools Respite Care Senior Citizens' Centres Specific Home Care Welfare Counselling Art Show Prizes FReeZA Youth Concerts Leisure Centres Library Sporting Grounds Swimming Pools
<i>Economic Development &amp; Tourism</i>	Industry Advice & Assistance	Marketing Strategic Planning
<i>Physical Services</i>	Bridges, Footpaths, Kerb and Channel Civil Design Construction Drainage Maintenance Painting and Linemarking Plant and Equipment	Quarries Parks and Gardens Street Beautification and Tree Planting Street Lighting TV and Mobile Phone Towers
<i>Waste Management:</i>	Garbage Collection Kerbside Recycling Public Toilets Maintenance	Street Cleaning Tip/Landfill Maintenance and Development
<i>Planning &amp; Environmental Services</i>	Animal Control Building Control Building Permits/ Inspections/ Liaison Fire Prevention Service Food Sampling Health Inspections Local Law Enforcement Municipal Emergency	Management Plan Pest Control Permits and Inspections Planning and Subdivision Saleyards School Crossing Supervision Septic Tank Inspections Traffic Control

### Internal Services

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<i>Administration</i>	Accounting Corporate Systems Human Resources Information Technology Freedom of Information Customer Service Shire Website	Privacy Legislation Compliance National Competition Policy Compliance Payroll Rate Collection Valuations and Property
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**COUNCILLORS**



*Left to Right:*

- |                                     |   |
|-------------------------------------|---|
| <b>Peter Beales</b>                 | Dennis Riding<br>Phone: (03) 5786 5209<br>Elected March 2003, retires November 2005<br>Mayor 2000/2001                            |
| <b>Mike Dalmau</b><br>Mayor         | Redgate Riding<br>Phone: 0417 588 455<br>Elected March 2003, retires November 2005<br>Mayor 2004 (current)                        |
| <b>Bill Wall</b>                    | Cheviot Riding<br>Phone: (03) 5797 8241<br>Elected March 2003, retires November 2005  |
| <b>Lyn Gunter</b>                   | King Parrot Riding<br>Phone: 0417 535 566<br>Elected March 2003, retires November 2005<br>Deputy Mayor 2000/2001, Mayor 2002/2004 |
| <b>Andrew Collier</b>               | Koriella Riding<br>Phone: (03) 5772 1201<br>Elected March 2003, retires November 2005   |
| <b>Graeme Brown</b><br>Deputy Mayor | Cathedral Riding<br>Phone: (03) 5963 4113<br>Elected March 2003, retires November 2005  |

Please refer to page 52 for a more comprehensive overview of Councillors and Governance.

## MAYOR'S MESSAGE



*Cr Mike Dalmau*

This report is prepared for you, the people and communities, which are the Murrindindi Shire. Your Council has responsibilities to provide services for you. You have entrusted your elected Councillors and the Officers with this important role.

This Report sets out the diverse range of services your Council provides and it gives you an honest explanation of how well these services have been delivered.

It is important to understand that this Annual Report is directly related to the Community/ Council Plan. The Community/ Council Plan is the most important document of Council. It is developed with input from you, from your Councillors and from your staff.

The Plan sets out the Direction for the Council. This then indicates how Council will prioritise what it does in using the available resources, be they staff and or financial, to try to achieve the vision, mission and goals of our communities.

This Annual Report sets out how we have progressed.

Understanding how we have progressed can be explained in different ways. This report gives an explanation of how the various services were delivered. It also gives the financial view on how we performed. It provides certain key indicators and an important one is the Ratepayers Equity. It also gives us a report from you, with the results of the Community Satisfaction Survey.

In writing any Annual Report it is important to acknowledge those people that have made significant contributions to the performance of your Council throughout this year.

Firstly, I would like to acknowledge the tremendous input of so many individuals, volunteers and community groups have made. Without your contributions this Shire could not function.

Next I would like to acknowledge the tremendous effort and exceptional leadership shown by Cr. Lyn Gunter, who was Mayor for nine (9) months of this year. It has been a privilege to take over the role of Mayor from Lyn.

Your Councillors have also put in a tremendous team effort. They have contributed greatly with their valued input at countless extra meetings, in an attempt to improve your Shire.

The Chief Executive Officer- Danny Hogan, has led a team of very committed people, grappling with the challenges of delivering Local Government services to so many communities spread over an enormous area.

It has been a difficult year for some, with serious illness affecting certain people. I am proud to be part of an organisation that is made up of many individuals who have been so caring and helpful in difficult times.

To the Chief Executive and your team, we say a special thank you for your endeavors in trying to improve the quality of lives of the people and communities of Murrindindi.

I would also like to acknowledge the support and assistance we have received from our Federal and State Members of Parliament. To Fran Bailey, Ben Hardman and Bill Sykes, we appreciate your support and the assistance you were able to achieve from your Governments.

In looking at the results of any Annual Report, it is important to ask what can we learn from it and how can we improve on it next year.

Your Council has seriously looked at its performance, we know we have to improve, and we have done considerable work. This has resulted in a new Council Plan.

This new Council Plan is dramatically different from anything previously produced, during my three terms as a Councillor. I think it is exciting as it sets a new way forward.

Our Mission is:-

"The Murrindindi Shire Council will represent and balance the interests of individuals, its diverse communities, visitors and investors to promote sustainable growth and well being without compromising the ability of future generations to meet their own needs."

Please obtain a copy of this new Plan as next year we will be reporting to you on how well we have achieved the directions set out in it.

I commend the 2003/ 2004 Murrindindi Annual Report to you. Your feedback is welcome. We look forward to working together, in all of our diverse communities, to achieve our mission, which will lead to an improvement in the quality of life for all in Murrindindi.



*Alexandra Council Offices, Perkins Street.*



## CHIEF EXECUTIVE OFFICER'S OVERVIEW



*Daniel Hogan*

The 2003/2004 Annual Report of the Murrindindi Shire Council summarises a range of achievements and challenges for elected representatives and the organisation over the past 12 months. Key achievements included:

The development of a revised Council plan in accordance with new legislative requirements which also, in my opinion, achieves a higher level strategic focus than previous Council examples.

In response to the need to set a framework for total organisational improvement of outcomes, and in particular the overall level of staff satisfaction across the organisation, Council has committed to and commenced implementation of the Australian Business Excellence Framework.

This framework focuses on the key issues of improved relationships and processes as the drivers of improved outcomes at both a personal and organisational level. Whilst this is early days in what is seen as a lifelong change, the results are very encouraging.

A continuing theme of Council is the need for long-term sustainability at a financial level as well as through development of increased social capital across the municipality, environmental balance and continuing high quality governance principles.

The majority of programs implemented during 2003/2004 were achieved as a direct result of strategic work undertaken in previous year which identified and prioritised a range of works in accordance with sound assessment criteria. Many of these works were funded in-part from Federal and State funding sources which highlights the importance of well-prepared strategies which can then support funding applications.

Council faces an ongoing challenge of providing sufficient funding for infrastructure replacement and meeting the management requirements of the Road Management Act. Council is fortunate due to its proximity to Melbourne to be experiencing solid growth and Council considers that a well managed and sustainable growth strategy will enable Council to address its financial commitments through growth in the rate-base and resulting economic activity.

Council achieved the majority of its organisational and financial objectives during 2003/2004 however this understates the level of staffing effort required to maintain organisational output during a period where a number of staff experienced serious and life-threatening illnesses. The

impact on fellow staff members to have to cope with additional workload and responsibilities as well as the stresses associated with seriously ill work colleagues needs to be acknowledged. I wish to publicly record my appreciation, in particular to my executive team and the managers and staff in the engineering, planning and administrative areas of the Council, for their ongoing commitment to the organisation during this difficult time.

The Mayor and Councillors continue to support the organisation as well as making a very strong commitment to their professional development and taking the time to meet to work "on the system". I wish to thank former Mayor, Cr. Lyn Gunter and current Mayor, Cr. Mike Dalmau for their continuing support of my role and all staff who continue to strive to provide the best possible services on behalf of Murrindindi Shire to our various communities.

The Annual Accounts, incorporating the financial report, standard statements and performance statement, were not completed in a timely manner this year and reflects an organisation that is busy through high levels of economic activity and capital works programs. Further, the recognition, recording and valuation of infrastructure assets whilst improving, still requires a concerted effort. Business Excellence will deliver improvements in these areas over the 2004/2005 year.

It is pleasing to note that the Council continues to be in a sound financial position.

Higher than expected cash levels at the beginning and end of the 2003/2004 year reflects the high level of capital and grant funded projects that remained incomplete at year-end.

The Statement of Financial Position although clouded by the Asset Revaluation still displays a positive trend in the Ratepayers Equity as required by the Strategic Resource Plan and the Council Plan for the years ahead.

The Council's sound financial position is further emphasised with its ratios of debt, revenue and working capital in a position that would be welcomed by any mid-sized organisation.

Debt, although increasing with recent large loans for major capital works continues to reduce as a percentage of total revenues and is largely a result of rate revenues continuing to rise and grant and fees and fines being particularly high for the past year. The debt exposure ratio also continues to trend positively.

The key ratio of working capital has reduced when compared to 2002/2003 but current liabilities, that is likely to be called upon in the short-term, are covered by current assets 1.72 times.

The Local Government Act requires that performance indicators be published in relation to Affordability, Sustainability, Services, Infrastructure and Governance.

Of particular note is the average capital expenditure per assessment and the renewal and maintenance gap. The capital expenditure continues to trend positively however it is noted through the Strategic Resource Plan that this will be increasingly difficult unless capital grants are secured. Nonetheless, the increase in actual between the two (2) years is pleasing and would have been higher if all projects had been completed.



## MANAGEMENT PROFILES

### CHIEF EXECUTIVE OFFICER

**Daniel Hogan**

**Role:** Danny is responsible for the overall strategic direction of the Organisation and is accountable to the Council for the implementation of Council decisions.



### DIRECTOR CORPORATE AND COMMUNITY SERVICES

**Robert Croxford**

**Role:** Rob is responsible for the strategic planning and delivery of all Financial, Administration, Information Technology, Community Services and Library functions.



### DIRECTOR ORGANISATIONAL RESOURCES

**Michael Chesworth**

**Role:** Michael is responsible for the strategic planning and management of the Economic Development and Tourism functions.

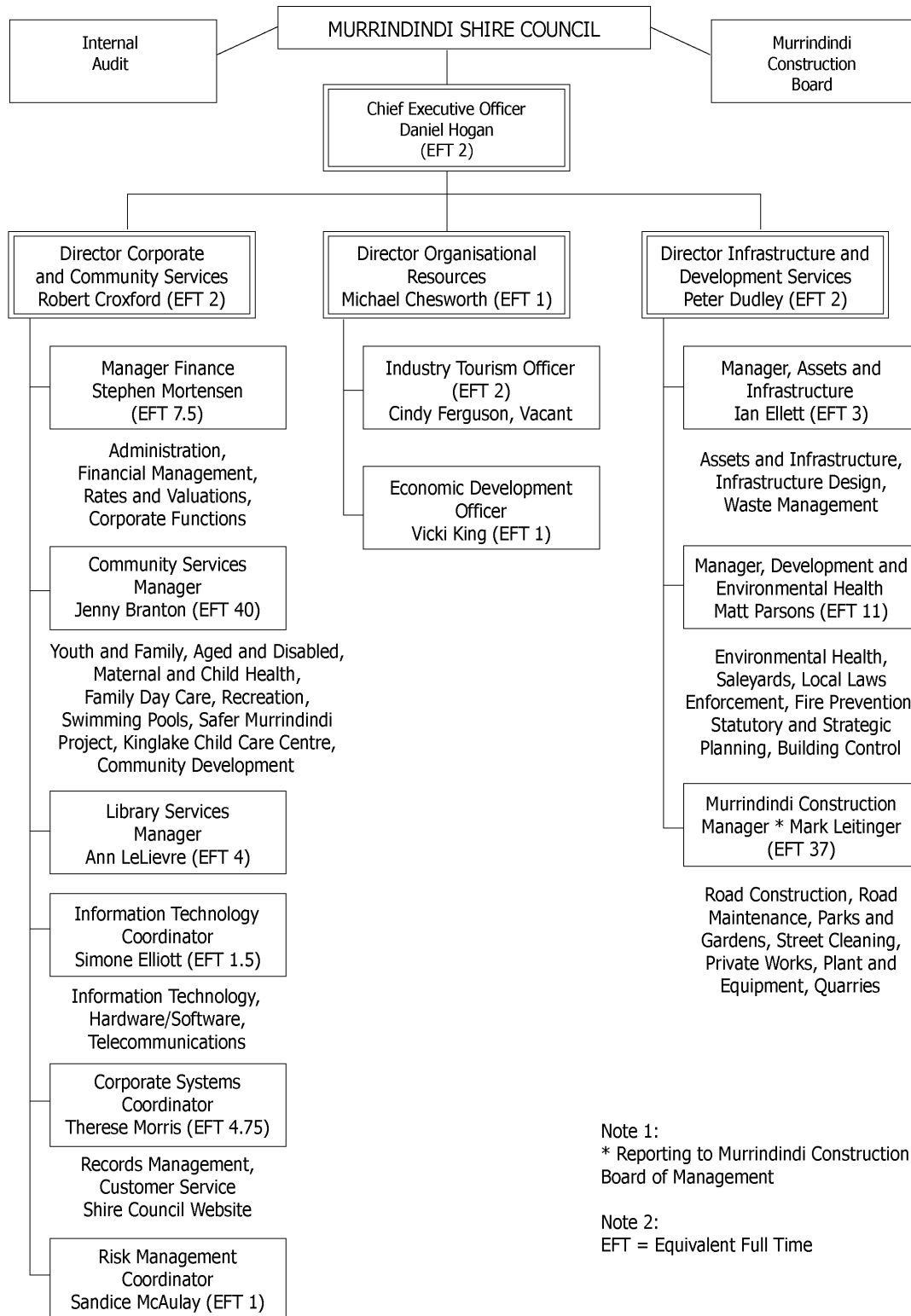


### DIRECTOR INFRASTRUCTURE AND DEVELOPMENT SERVICES

**Peter Dudley**

**Role:** Peter is responsible for the strategic planning and provision of all Infrastructure, Engineering, Town Planning, Building, Health and Local Laws functions.

**MANAGEMENT STRUCTURE**



Note 1:  
\* Reporting to Murrindindi Construction Board of Management

Note 2:  
EFT = Equivalent Full Time

## Chief Executive Officer's Office

**Chief Executive Officer:** Daniel Hogan

**Staff:** Tammy Blakeney (part year) and Cordelle Cannon - Executive Assistant  
Rob Croxford, Peter Dudley and Michael Chesworth - Directors.

### **AREAS OF RESPONSIBILITY:**

Corporate Governance, HR, Strategic Direction, Relationships with other Councils and levels of Government and associations, Coaching, Organisational Culture and implementation of the Community Plan and resolutions of the Council.

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### **Excellence in Local Government Program**

In February 2004 Murrindindi Shire Council began its journey to implement the Australian Business Excellence Framework (ABEF).

The majority of Council staff participated in Business Excellence induction, and with representatives from Council including Councillors, Managers and nominated staff members from across the organisation have participated in intensive Business Excellence training. Intensive training of more staff is planned for the future.

The aim of Excellence in Local Government is to provide Council with additional strategies and methods to improve performance, cope with change, and reduce stress. The program encourages thinking about how staff might work with others to improve life across the organisation and the municipality, and improve the delivery of value to all stakeholders.

Much of the journey to date has been developing an understanding of Business Excellence Principles and aligning the actions as an organisation with them.

Process improvement projects conducted as part of the training program for Business Excellence include:

- Customer Request System
- Project Management within Murrindindi Construction
- Induction of staff
- Website enhancement

Several other process improvement projects have been conducted successfully with savings in time but more importantly, improvement in relationships between individuals and departments.

Another very important part of this journey has been the process of identifying shared beliefs about what is desirable and worthy in life. This process has identified four (4) values that are shared across the organisation:

***Integrity    Respect    Consistency    Trust***

All staff working for Murrindindi Shire Council are committed to demonstrate these values and behaviours in their dealings with each other and with the community.

This year has seen the beginning of an exciting journey for the Council. Along the way we will be challenged, inspired, motivated and empowered to continually improve the service provided to the community.

*Business Excellence Principles recognised as the foundation of Business Excellence are:*

1. Clear direction allows organisational alignment and a focus on the achievement of goals.
2. Mutually agreed plans translate organisational direction into actions.
3. Understanding what customers value, now and in the future, influences organisational direction, strategy and action.
4. To improve the outcome, improve the system and its associated processes.
5. The potential of an organisation is realised through its people's enthusiasm, resourcefulness and participation.
6. Continual improvement and innovation depend on continual learning.
7. All people work in a system; outcomes are improved when people work on the system.
8. Effective use of facts, data and knowledge leads to improved decisions.
9. All systems and processes exhibit variability, which impacts on predictability and performance.
10. Organisations provide value to their community through their actions to ensure a clean, safe, fair and prosperous society.
11. Sustainability is determined by an organisation's ability to create and deliver value for all stakeholders.
12. Senior leadership's constant role modelling of these principles and their creation of a supportive environment to live these principles, are necessary for the organisation to reach its true potential.

### **Risk Management**

The Council recognises the fundamental importance of managing risks as we care for our staff and our community. Without this the Organisation can expect unnecessary injury and illness to staff members, community members, damage and business interruption.

A major focus of the Council's Risk and Safety Strategy in 2003/2004 has been the development and implementation of a systematic approach to managing risk, with a focus this year on the systems and processes relating to Occupational Health and Safety.

Significant achievements this last year have included:

- The engagement of managers of business units in high risk activities such as Home Care, Aged and Disability Services and Waste Management in the process of hazard identification; and
- The development of individual Risk and Safety Action Plans for these activities.

The Work Safe Victoria Local Government Project has provided a valuable resource and incentive in this area.

Another focus of the Risk and Safety Strategy 2003/2004 has been to address issues raised by the annual Civic Mutual Plus (CMP) Risk Assessment of Council activity.

In the Liability Assessment conducted by CMP in January 2004, Murrindindi Shire Council obtained a score of 55%.

This score provides an overall ranking of 47th in the CMP Victorian Scheme (of 78 Councils in the CMP Scheme). This represents an improvement in ranking from 55th in 2003. Similar, "small" Councils achieved scores from 25% to 72%. CMP have written in their Executive Summary of this audit report that "Murrindindi Shire Council rates well compared with its peers".

Overall Murrindindi Shire Council was acknowledged by CMP to have performed well in the organisational risk management, and fair to good in the playground management, road and footpath management, professional indemnity and property management areas in this recent assessment.

### *Training for Community Groups*

The Lower Hume Primary Care Partnership Conference conducted at Trawool on 22 April provided an ideal opportunity for the Coordinator of Administration and Risk Management to provide a Risk and Insurance workshop to 44 volunteers representing 34 local community groups.

The workshop provided practical ways that community groups can:

- Identify risks;
- Set up procedures that will reduce the risks to their organisation;
- Provide a safe environment for the members, supporters and members of the public.

### **Metropolitan Fringe Project**

Murrindindi Council has been an active participant in the Project, with particular involvement in the Landscape Protection Guidelines sub-project with Baw Baw Council and the Sustainable Development subproject with Mitchell Council.

There has been active community stakeholder participation in the project with high levels of support for the outcome.

A key outcome of the project will be a set of landscape development guidelines specifically written for all identified areas within Murrindindi Shire Council which will be in a format that is able to be implemented into the Murrindindi Planning Scheme at a future time.

It is anticipated that the project will be completed in October, 2004.

### **Water and Sewerage**

During 2003/2004 there has been a focus on the State Government's development of a Green, then White paper "Securing Our Water Future Together" which has defined and established strategies for the ongoing sustainability of water resources across the State. The White paper was published in June, 2004.

A key direction of wastewater policy which has been clarified, is the concept that the construction of formal waste-water treatment systems represent the final solution for waste-water management if and when it has been proven that other waste-water management strategies cannot achieve sustainable and acceptable environmental outcomes.

This direction has been identified as having significant implications for the Kinglake/Flowerdale Integrated Strategy and future development directions in the Kinglake area.

With clarification of government directions and policy during the 2003/2004 year, it is expected that Council will review and make a determination in relation to water/waste-water infrastructure during the 2004/2005 year.

### **Environmental Issues**

The Council continues to work closely with the Goulburn Broken Catchment Management Authority (GBCMA), Parks Victoria and the Department of Sustainability and Environment to promote environmental issues of mutual concern.

Councillors and staff participated in Landcare meetings hosted by the GBCMA as well as hosting a subregional meeting of the GBCMA where Council input to GBCMA strategies was welcomed and plans put forward to develop future shared projects.

A key achievement was the GBCMA funding assistance and participation in the development of Rural Living Development Guidelines for Murrindindi Shire to achieve sustainable development outcomes for subdivision and development in rural living zones. The guidelines support amendment C14 which implements the Murrindindi Shire Rural Residential Study to create additional rural living and low density rural zones adjacent to many of the Shire's townships.



*Goulburn River Bridge.*

### **Water**

As previously mentioned, the Council actively participated in submissions and forums associated with the State Government Green Paper and ultimate White Paper "Securing our water future together". The particular Council position relating to recognition of the value of the recreation/tourism industry on waterways has been acknowledged in the water White Paper.

The former Mayor and Chief Executive Officer, together with Mansfield Shire Council representatives met on several occasions with representatives of Goulburn Murray Water (GMW) to advocate its position in relation to recognition of recreation and the impact on lessees around the lake of GMW's water management policies. It is hoped that the new White Paper will enable an improved outcome for those who have been negatively impacted on by GMW policies relating to long-term leases on GMW land.

### **Lake Eildon Dam Wall**

The upgrade of the Eildon Dam Wall project was announced and commenced during the year. The Council along with the Shire of Mansfield played an integral part in securing this important project for the community. The funding provided by the State Government and irrigators is gratefully acknowledged.



## Networks

Council representatives have met with Mansfield Shire Council representative to discuss mutual issues of concern as well as actively participated in the North East Mayors Forum where the Mayor and Chief Executive Officer acted as Chair and Secretary/ Convenor of the Forum.

The Mayor and Chief Executive Officer participated in the Rural Council's Victoria forum for rural based municipalities of less than 20,000 residents. Council supported its neighbouring Strathbogie Council in its endeavours to block a Waste Containment Facility being built within that Shire.

A significant resource shared outcome is the development of a shared garbage/recycling tender arrangement between Murrindindi, Strathbogie and Mansfield Councils which is expected to produce results from late 2004.

## Kinglake District Services Centre



*Kinglake District Services Centre under construction.*

The Kinglake District Services Centre experienced continuing delays in the first half of the 2003/2004 year due to a legal claim by the builder for variations associated with design elements of the building.

Settlement with the builder was completed in March 2004 and a new construction contract was entered into with builder IPSCON Ltd to complete the project.

As at the end of the 2003/2004 year, the project under the control of the new contractor has been proceeding satisfactorily and it is anticipated that construction will now be completed in December, 2004.

## Telecommunications Infrastructure

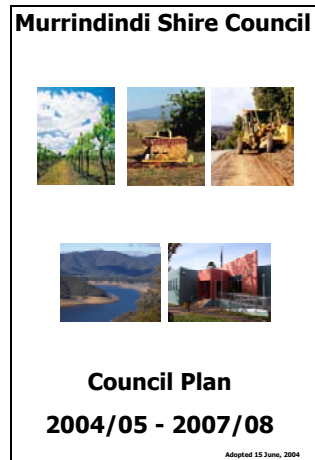
The Mayor and Chief Executive Officer advocated for improvements in telecommunications infrastructure, including a meeting co-ordinated by local Federal Member Fran Bailey with the Federal Minister for Information Technology and Communications, Daryl Williams. Council participated in a campaign with local ISP's and Telstra Countrywide to register sufficient interest to enable ADSL expansion within the Shire.

## Quarterly reviews of Community Plan goals

As part of the ongoing review of the Council and organisation, progress reports were provided to Council on Community Plan goals. Competing pressures resulted in the reports not occurring as regularly as intended.

## Community Plan

Council commenced a complete review of its Community Plan in November, 2003 which was finally adopted in June, 2004. The result of the detailed work undertaken jointly by Council and the senior management team was a plan which re-focussed the organisation under key sustainability principles based upon balancing economic, social, environmental and governance elements. The revised Council plan enabled a more focussed and less stressful 2004/2005 budget outcome.





## Corporate and Community Services

**Director:** Robert Croxford

**Managers:** Jenny Branton, Community Services  
Ann LeLievre, Library Services  
Stephen Mortensen, Financial Services

**Co-ordinators:** Therese Morris, Corporate Systems  
Lisa Elward, Administration  
Sandice McAulay, Risk Management and Business Excellence  
Simone Elliott, Information Technology

### AREAS OF RESPONSIBILITY:

Administration	Customer Services	Swimming Pools
Financial Management	Youth and Family	Community Development
Rates and Valuations	Aged and Disabled	Kinglake Child Care Centre
Corporate Functions	Maternal & Child Health	National Competition Policy
Information Technology	Privacy	Freedom of Information
Records Management	Family Day Care	
Library Services	Recreation Services	

### LIBRARY SERVICES



*Alexandra Library.*

#### New facilities

Two (2) significant capital works projects are highlights of this Annual Report. The first project is the construction of a new Services Centre in Kinglake, incorporating a new library component.

Plans are underway to make the transition from the existing out-of-date and cramped service to a spacious, well-lit and inviting community hub.

The second project is the redevelopment of the existing Alexandra Library with an extension situated to the north, taking great advantage of the leafy environment of the UT Creek.

This project became reality with funding from the Department for Victorian Communities Living Libraries programme and has a completion date of November 2004.



The monthly get-together of the Alexandra group has also evolved into a program called "On the Couch", where staff and members have lively discussions about the newest books received by the library.

### **Professional development**

Library staff took advantage of a range of training opportunities made available through the Statewide Training Initiative for public libraries. Courses attended during the year included library display, retail merchandising, reference on the Internet, Gulliver databases, Children's Book Week judge's talk and library futures.

Training in Business Excellence has given the impetus for the library staff to revisit work practices in library headquarters. Significant gains have been made in the area of time management and file management. Focus on both of these areas has streamlined work practices, resulting in time savings and clearer lines of communication.

## **ADMINISTRATION**

### **Committees of Management and Community Groups**

The Administration Co-ordinator has merged together S86 committee and Department of Sustainability and Environment (DSE) committees to form one (1) S86 committee over the Strath Creek Pioneer Reserve area. Additionally, Instruments of Delegations have been renewed for the Strath Creek Reserves and Hall Committee of Management and the Jarara Community Centre Committee of Management. These administrative improvements reflect the energy and commitment of the respective committees of management to address governance issues associated with these community based committees.

A similar process has also been commenced to facilitate the formation of an agreement between Yea Pioneer Reserve Committee of Management and the Yea Community House/Shed Inc.

Grazing Leases were renewed for several parcels of grazing land around the Yea area in the process of doing so a transparent methodology was employed whilst at the same time ensuring the lease documentation was in accordance with other lease standards.

A major project which will be continued on into 2004/2005 is the collection of data on the various arrangements the Council currently has with community groups and Council owned and controlled facilities and buildings. This task has implications for future arrangements. Various models used by other Councils are also being explored.

### **Saleyards**

The introduction of cattle scanning requirements by the Department of Sustainability and Environment resulted in the Administration Co-ordinator researching and implementing the National Livestock Identification Scheme into the Municipal Saleyards. This was a massive job requiring the coordination of the various stock agents, Information Technology and personalities to result in a system that is now running smoothly. The resources used by the Council in resolving this issue cannot be underestimated by the Community.

The increased focus on the saleyards did pre-empt the co-ordination of a consultancy services for the current and future operation of the Alexandra and Yea saleyards. The final strategic report into the future of the Yea Saleyard is yet to be received by the Council.

**National Competition Policy (NCP)**

The Council is required to comply with the requirements of the National Competition Policy. Minimum requirements for NCP were applied to the Kinglake Childcare Centre and the Council's Business Unit, Murrindindi Construction.

**CUSTOMER SERVICE**

Issues that have been addressed by the Customer Service team include:

- Mystery Shopper Survey
- National Relay Service
- Customer Request System
- Resident Guide
- Correspondence Tracking
- Customer Service Undertaking

**Mystery Shopper Survey**

A new initiative for the Customer Services function was the introduction of a mystery shopper survey. The objective of the Survey was to measure the degree of customer service supplied by all staff. It is the intention of Council to undertake the Mystery Shopper Survey on an annual basis, providing comparative figures.

93 telephone calls were made to staff over a period of one (1) week. The criterion used for the surveys and the results are as follows:

**1. Time to answer the call**

A high percentage of 91% of calls were answered between one (1) and four (4) rings.

**2. How the call was answered**

The number of calls answered with the correct greeting, department and/or name was impressive at 93% or over.

**3. What impression was given on the tone of voice**

By far the statistics showed that 98% of callers rated the tone of voice as acceptable.

**4. How knowledgeable was the staff person**

The staff knowledge statistics showed that the highest percentage of calls (81%) received an acceptable rating, while the percentage of calls given a vague rating was disappointing at 19%. The reason this occurred is that the callers tended to allocate a vague rating when their question could not be answered by the first contact, and the caller had to be referred on.

**5. Was the staff member willing to help**

The willingness to help statistics showed the acceptable rating having a significantly higher percentage than the excellent rating. It was pleasing to see the poor statistic had a very low rating of 2%. In total 98% of calls were rated as acceptable or better, which is a very positive result.

**6. The impression left at the end of the call**

The callers were simply asked to nominate how they felt at the end of each call. It is pleasing to note that 74% of calls left the callers with a "good" or "excellent" feeling, while 21% of calls were rated as average.

Overall, the survey results were good considering this is the first ever survey. Opportunities for improvement have also been identified.

## National Relay Service

The Council is continuing to open the communication channels. Council staff have undertaken training sessions with staff from the Australian Communication Exchange (ACE) to learn the processes and protocols involved with accepting telephone calls from customers via the National Relay Service (NRS). The NRS is open 24 hours a day, seven (7) days a week and provides access to the telephone network for people who are deaf or have hearing or speech impairment. Contact can be made with anyone through the NRS, using a TTY (teletypewriter) or a computer with a modem.

## Customer Request System

Whilst the expansion of the Customer Request System across the organisation was identified in the Best Value Review as an outcome, it has not yet been achieved. The Customer Request System has been nominated for review under the Business Excellence Program to ensure organisational standards and consistency.

Customer service requests resolved in 2003/2004 totalled 1,583 compared to 1,557 in 2002/2003.

## Resident Guide

The Resident Guide is a booklet which has been printed for distribution to new residents of the Murrindindi Shire. The booklet contains information about the services provided by Council, as well as about the district, its facilities and wider services.

## Correspondence Tracking

The system of tracking Council's inwards correspondence has been implemented across the organisation to enable improved monitoring of correspondence movement within the organisation and improved actionary timeframes, as well as monitoring overall workloads.

Shortening the actionary timeframes of correspondence is seen as an opportunity for improvement, with average response times at 30 June 2004 at 14 days, however within significant performance variations across the organisation. Contributing to this issue is a 25% increase in correspondence received compared to the previous 12 months.

## Customer Service Undertaking

The Customer Service Undertaking has been formulated, however, with the introduction of the Business Excellence, it is the belief that rather than focussing the Undertaking only on the Customer Service staff, that a generic Undertaking be developed for the organisation as a whole.



## INFORMATION TECHNOLOGY (IT)

The annual IT work plan for 2003/2004 year was prioritised and reduced due to resourcing issues following the long-term illness of one of Council's IT staff. Significant achievements related to Graphical Information System (GIS), Business Excellence, help desk, security and training.

The GIS system was further developed during the year. Data captured through a Tree and Bridge audit has been linked and can now be viewed on Councils mapping system. Further work has been carried out with the linking and viewing of data between Councils main corporate database Authority, streamlining the process of data extraction and expanding the amount of information available through the GIS.

The commencement of Business Excellence identified two (2) key processes with opportunities for improvement, namely the network security and the evaluation and assessment process for the purchase of software, hardware, databases and peripherals.

The personal computer (PC) roll-out process, which includes the replacing of hardware every three (3) years has improved the quality of computer equipment available to staff and the public at the Council Offices and Library.

Additionally, the introduction of sheriff cards to all public library computers has considerably reduced the number of IT support calls for these PCs.

The use of Council's Help Desk database for logging of IT requests has also been strengthened, with more users logging their requests via this system. This has enabled the IT department to capture valuable information which will be used in assessing future needs, bottlenecks and assist in the prioritisation and tracking of requests.

With a move to increased use of information technology by Councillors, the networking of the Council Chambers has assisted in enabling Council meetings to move to an electronic forum.

Additional network hardware was purchased to increase the number of gigabit network points available and to provide for redundancy in the event of failed equipment. A large capacity backup tape drive was installed to cater for the increasing volume of corporate data being stored on the Domain server and to provide for a seamless overnight backup process.

Finally, IT staff worked closely with Murrindindi Computers and Virtual Access (ISP) to provide for high speed and high capacity internet access. The introduction of ADSL to some areas late in the financial year will be a great benefit to the Murrindindi communities.

## **COMMUNITY SERVICES**

### **Playspaces**

As part of the Recreation, Reserves and Play Strategy completed by the Council during the year, a range of short-term urgent works were identified for playgrounds across the Shire. The work was subcontracted to the Council's Business Unit, Murrindindi Construction. Unfortunately not all works were completed by 30 June 2004, however the program will continue in 2004/2005 along with an injection of funds from the Department of Human Services.



*Bull Lucas Bridge, Marysville.*



## Swimming Pools

A Best Value Review of the four (4) outdoor swimming pools was commenced during the year. Due to the resignation mid-year of the Recreation Officer, only the survey component of the Review was completed. The survey established the following findings:

### The most important aspect of the facilities to users were

- The quality of the water
- Availability of shade
- A safe and pleasant environment
- Condition of the main pool
- Level of supervision

### How satisfied they were with these identified issues were

- 84% satisfied to completely satisfied
- 60% satisfied to completely satisfied
- 88% satisfied to completely satisfied
- 81% satisfied to completely satisfied
- 88% satisfied to completely satisfied

A new recreation officer will commence in the July of 2004. It is anticipated that the Pool Review will continue in the third quarter of 2004/2005 given other short-term priorities for the new officer.

## Service delivery gaps

Data relating to demand on services has been collected in relation to services delivered by Council and other organisations. Two (2) areas have been identified as requiring additional service.

Community Aged Care Packages, which provide a package of care to frail aged people with complex care needs that require care co-ordination has been identified as a priority. Additional strategies to attract further packages are being pursued.

The other gap in service is services for families with young children. Strategies have been developed and included in the Municipal Public Health Plan, which was recently completed.

## Public Transport

The Council has continued to raise the issue of insufficient public transport in regional and state-wide forums. Council also supported an application made by the Central Ranges Learning and Employment Network to look at possible models of linking existing public and community transport systems.

## Cyberbus

The Cyberbus Program continued to operate in 2003 and 2004. The visiting schedule was modified to enable a weekly service to Alexandra, Yea, Eildon, Marysville, Flowerdale and Kinglake. A pilot service to Strath Creek has commenced and will be evaluated once completed. Cyberbus programs include community based internet access and assistance with the internet, Centrelink access and the primary and secondary schools programs.

## Forums

The Council facilitated 12 Youth and Family Team meetings during the year. These meetings bring together local and regional providers of services for families to assist with coordination of services delivered in Murrindindi.

The Council also continues to work with the Lower Hume Health and Community Services Forum. The purpose of this forum is to create ongoing improvement in the health and well-being of communities within the Murrindindi and Mitchell Shires by facilitating coordination and planning by organisations including hospitals, community health, councils and community organisations.

### **Volunteer Training Program**

This program continued in 2003/2004 from the previous year with some alterations. The schools opted this year to remove the 'voluntary' focus of the program as feedback from students indicated they did not feel as though it was voluntary. Placements were still supported within organisations who use volunteers which were organised and supported by the Alexandra and Yea secondary schools.

The schools also decided to move away from running the program together and have focussed more on placements in their local area. This was necessary due to the logistical issues relating to transport and coordination.

Council continues to support the program through provision of placements in-house.

### **Community Development**

Through Council's role with the Lower Hume Primary Care Partnerships, a full-time Health Promotion Officer has been appointed to the Murrindindi Shire. This worker has been closely involved in a number of projects including:

- The officer worked with the Yea Senior Citizens group to assist them to successfully strengthen their membership;
- The primary schools in Alexandra and Kinglake were also consulted on the development of a proposal and subsequent successful funding application to implement the walking School Bus to the schools;
- A successful strategy was prepared in partnership with community health to develop a proposal and submission to support groups to increase walking as exercise in the community.

### **Hume Primary Care Partnership**

The 2004-2007 Municipal Public Health Plan has been completed including an early years plan and a disability access plan.

Council participated in a highly successful community conference for community groups in the Shires of Murrindindi and Mitchell. The conference was attended by 106 people, many of which were Murrindindi based.

Council continued to participate in the Lower Hume Primary Care Partnership secretariat and to provide the partnership with financial management assistance.

### **Childcare in the Yea district**

Research was undertaken earlier in the year into the childcare needs in the Yea District and included, demographic analysis, random Community Survey, survey through the Yea kindergarten and primary schools and the holding of a focus group.

In summary it would seem that in general demand for long day care is being met and is likely to continue to be met in the medium term. The results support the proposition that what is currently lacking is occasional care to provide a break for parents and interactive opportunities to young children.

## Services

An application for capital funding to develop a Yea and District Children's Centre is being developed in partnership with the local children's services. The applications will be submitted in July 2004.

### Home and Community Care Services

The Home Care Service underwent a formal assessment of its adherence to the HACC National Service Standards.

The team performed well against the seven standards (Access to services, Information and Consultation, Efficient and Effective Management, Co-ordinated, Planned and Reliable Service Delivery, Privacy, Confidentiality and Access to Personal Information and Advocacy).

The client survey results were very positive and indicated a high level of satisfaction with service provision, knowledge of their rights as clients and consultation.

The following table demonstrates the services that were provided during the year through the Aged and Disability team.

Service Type	Number of Clients assisted	Number of Client hours	Number of meals	Number of Assessments
Assessment and Care Co-ordination	630	1,123		2,462
Delivered Meals	1,094		11,710	
Centre Based Meals	116		3,302	
Home Care	352	13,381		
Property Maintenance	293	1,768		
Personal Care	24	568		
Carer Respite	38	2,672		
CHEVIOT Social Support	255	13,562		
<b>Total</b>	<b>2,802</b>	<b>33,074</b>	<b>15,012</b>	<b>2,462</b>

### Family Day Care Services

The Family Day Care Service (FDC) underwent an accreditation process and is proud to announce that the service is now accredited under the Family Day Care Quality Assurance (QA) program.

FDC staff worked towards this over a period of three (3) years and received "High Quality" in each of the six (6) QA elements (Interactions, Physical Environment, Children's Experiences Learning & Development, Health Hygiene Nutrition & Well Being, Carers and Coordination Unit Staff, Management and Administration). The next QA self study report is due in March 2005.

Carer training is a perennial challenge for Family Day Care and it is believed that the best training comes from obtaining a formal qualification. In June 2004 six (6) carers enrolled for their Certificate 111 in Community Services (Child Care). This is a major commitment, both in terms of time and cost, for these carers and staff are proud that they take the delivery of quality service so seriously.

Four (4) FDC carers already have this qualification so it is hoped that within a year or so to have more than half of the carers with a formal qualification. New carers who join the scheme will be offered the opportunity to enrol in this course as well, it is hoped that this may be an incentive for people to join FDC.

Carers are self-employed so recruitment and retention of carers is another major issue facing all Family Day Care Schemes. Adequate remuneration for services provided is critical to this issue and to that end, Carers were consulted on the setting of fees for the first time in the history of Murrindindi Family Day Care. The resulting fee increase passed on to parents was the first real fee increase in eight (8) years (previously fee increases have been absorbed by increase in parents childcare benefit subsidy). Despite fee increases Family Day Care remains a very economical childcare option for parents.



*Kinglake Kindergarten and Child Care Centre.*



## Infrastructure and Development Services

**Director:** Peter Dudley

**Managers:** Ian Ellett, Assets and Infrastructure  
Mark Leitinger, Murrindindi Construction  
Matt Parsons, Development and Environmental Services

### AREAS OF RESPONSIBILITY:

Buildings	Road Construction	Development Services
Saleyards	Road Maintenance	Town Planning
Infrastructure Design	Parks and Gardens	Building Control
Waste Management	Street Cleaning	Environmental Health
Emergency Management	Private Works	Local Laws Enforcement
Murrindindi Construction Business Unit	Plant and Equipment Quarries	Fire Prevention

### INFRASTRUCTURE ASSETS

The Council has for more than three (3) years now pursued a strategic approach to Infrastructure Assets through its Road and Bridge strategies. The Strategies aim to ensure that the Community's assets will be maintained at the best possible standard. Naturally, there are never sufficient dollars to maintain all that the Council is required to. The projects and initiatives set out below are the result of serious planning and resource allocation via the strategies.

#### Roads

Road construction works were completed on 4km of Springs Road, Killingworth Road was sealed in-part and seal-widening works for 1km of the Caveat Dropmore Road was also finalised. Roads to Recovery funding enabled this to happen.

Designs were also completed for Marysville streetscape (Murchison Street) and significant streetscape improvement works have also been completed.

Dust suppression requests have been on the rise for some years given the success of the program in selected areas and not all requests can be met. The program will continue to be rolled out in the future subject to ongoing funding.

The Road Management Act came into force on 1 July 2004 and has significant impacts for Council. Main roads are now VicRoads responsibility. As required by the Act, significant works toward development of Council's Road Management Plan have also been undertaken throughout the year.

In accordance with the strategies and sound asset management principles, a periodic audit (conducted every four to five years) was completed of the entire road network. This will also assist in asset revaluations and enable better understanding and management of road assets.

As part of the Council-wide push towards the completion of the Best Value Program, reviews were commenced in Road Maintenance and Waste Management Services and will be completed during 2004/2005.

Through Federal and State funded Blackspot Programs the following major initiatives were also undertaken during the year:

- Healesville-Kinglake Road, alignment and delineation improvements;
- Whittlesea-Yea Road, edge lining;
- Extons Road, delineation improvements;
- Eildon-Jamieson Road, linemarking signs and guideposts.

### **Bridges**

The program of bridge reconstruction and load limit testing was undertaken for the year resulting in Craigie Street bridge replacement being completed over a two (2) year period, the Kingdom Gap Bridge on Spring Creek Road being replaced and the Stoney Creek Road Bridge being replaced.

Various upgrade works were also carried out on 11 other bridges across the Shire to increase load carrying capacities.

### **Pathways**

The Buxton pathway and the bridge over Little Steavenson River was constructed by the local community in partnership with the Council during the year and, after a great deal of planning and negotiation, the Flowerdale Bicycle Path was extended north of Hazeldene and in Moores Road towards the Flowerdale Hotel. The bike path project will be completed in the early part of 2004/2005 to provide an excellent facility for the local community.

### **Water**

A Stormwater Management Plan which sets the framework for improving the quality of stormwater discharge in urban areas has been largely completed at year end and will provide a resource in the future planning of water flows in urban areas.

## **WASTE MANAGEMENT**

### **Hard Waste**

The Council introduced the collection of a hard waste in the 2002/2003 year as an additional service. 2003/2004 saw the continuation of Councils kerbside hard waste collection during May 2004, covering the western region of municipality.

This service has been very well utilised by the community but does come at a substantial cost. It is anticipated that the Council will continue the service into 2004/2005 so that all residents will have received the service twice in recent years. The costs and logistics of the service will need to be questioned in the preparation of the 2005/2006 Budget.

### **Waste Strategy**

In order to plan for the long-term sustainability of the Alexandra Waste Cell and the service generally, a waste management strategy was commenced during the year. As part of the review a Best Value Review of Councils Waste Management Services, including survey of residents/property owners was also undertaken. The Best Value review as previously rated will be completed during 2004/2005.

## Collection

A tendering process was commenced into Council contracts for Waste & Recyclables Collection and Recyclables Acceptance & Sorting. The tendering process is a joint arrangement between Murrindindi Shire Council, Strathbogie Shire Council, Mansfield Shire Council and Benalla Rural City Council. All four (4) Councils will jointly seek tenders for these services, with tenderers requested to submit prices for contracts with one or more of the Councils. Each Council will, however, have its own contract. It is hoped that substantial scales of economy in the delivery of waste services will be achieved.

## Other

Other initiatives for the year included installation of a Waste Oil Collection Facility at the Yea Transfer Station site through the Victorian Regional Oil Recycling Program and various capital improvement works at Council's Transfer Station sites. Capital works included construction of shelters for recyclable materials, installation of water tanks and septic systems to site offices.

## DEVELOPMENT AND ENVIRONMENTAL SERVICES

### Development Services

#### *Strategic Planning Reviews*

The review of the Murrindindi Planning Scheme was placed on hold during the year pending the outcomes of the State Governments review of the Rural Zones.

The implications of a direct translation to the new 'Farm Zone' will need the careful consideration of Council and the Community. The Council is committed to rescheduling the review program now that the new suite of zones has been released.

The Kinglake Flowerdale Integrated Strategy has not progressed due to continuing debate regarding water and sewerage infrastructure options for Kinglake. Council has continued to work closely with the State Government to build up a case to support future planning strategies. The planning strategy may need revisiting if the State Government is not in favour of supporting the long-term sewer and water servicing options for Kinglake.

#### *Urban Design Frameworks*

Small Towns Urban Design Frameworks are being prepared for the townships of Strath Creek, Glenburn, Molesworth, Yarck, Narbethong, Buxton, Taggerty and Thornton. The frameworks are being prepared in response to the land use, tourism, historic and economic importance of the towns in the region. Other key influences of the frameworks include the location of the towns on highways and main roads and their proximity to metropolitan Melbourne and the Plenty Valley.

#### *Best Value*

The Development Services Department completed a Best Value review of its services which has assisted the Development Services area in establishing a business plan with clear objectives in response to customer and community input.

Process improvement using the Business Excellence model, is acknowledged as the way forward and is the chosen approach to align purpose and commitment to achieving organisational goals.

*Melbourne 2030*

As a result of the 2030 initiative of the State Government the council has commenced projects entitled – “Sustainable Development Guidelines” and “Significant Landscapes”.

The Council also contributed \$25,000 (excluding staff resources) to 2030 projects.

*Land Capability Assessment Guidelines*

The Planning team have also produced Land Capability Assessment guidelines to assist local and the State Government and other referral agencies in evaluating land capability assessments. The project was so successful that the Department of Sustainability and Environment (Planning) is proposing to introduce the guidelines as a planning practice note.

*Guidelines*

Two (2) projects relating to rural living were prepared during 2003/2004. The “Living Together in Murrindindi” guide for new residents was prepared and addresses land use considerations and conflicts.

Additionally, the *Murrindindi Rural Living Development Guidelines* (MRLDG) were developed by the Council in conjunction with the Goulburn Broken Catchment Authority to guide land use change in the Rural Living Zones of the Murrindindi Shire.

The MRLDGs were developed as an innovative approach to support a Planning Scheme amendment (C14) for the release of rural living land in the Shire. This guideline has been nominated in two (2) categories with the Planning Institute of Australia for Awards in Planning Excellence.

A Land Management Directory has also been produced in conjunction with Landcare Victoria, Goulburn Broken Catchment Authority, National Heritage Trust, which provides advice and contacts of relevant agencies and private businesses relating to sustainable land management within the Shire

*Planning Scheme Amendments*

The following planning scheme amendments were finalised during the year

- C8     Flooding and wildfire amendment  
        Independent panel January 2004  
        Approved and gazetted July 2004
- C10    Corrective amendment to improve minor permit requirements of zonings.  
        Adopted August 2004 and submitted to Department of Sustainability  
        and Environment for approval.
- C13    Amendment to implement Eildon, Marysville and Yea Urban Design Frameworks.  
        Draft prepared and submitted to Department of Sustainability and Environment  
        for comment July 2004. To be exhibited in September 2004.
- C14    Major amendment to implement the rural residential study.  
        Comments received from Department of Sustainability and Environment.  
        Response sent back to DSE 23/8/2004.  
        To go to Council for public exhibition 7/9/2004.
- C15    Minor amendment to adjust shire boundaries at Pinch Gut Lane Kinglake.  
        Approved and gazetted August 2004.



# Services

## *Planning Services*

	<u>2002/03</u>	<u>2003/04</u>
Number of planning permits issued	361	400
Number of building permits issued	396	432

## **Environmental Services**

The focus of Environmental Services team during 2003/2004 was to administer Council's statutory functions in the Environmental Health, Building and Local Law Service areas. The following specific issues were also pursued.

### *Wastewater*

The North East Onsite Wastewater Management Program has been endorsed as the model approach for regions to establish important strategic indicators in relation to Septic Tank systems and to assist in determining whether alternative future servicing options, ie. sewer and water are feasible or an option worth pursuing longer term.

The 'Onsite Wastewater Management Plan' (OWMP) is a strategic framework plan that encourages Councils to align their planning processes with Planning Scheme directions in consultation with key referral agencies to achieve a more transparent and consistent whole of government approach to wastewater management.

The OWMP also addresses strategies for Councils to manage individual septic tank systems that may require maintaining or upgrading. Innovation in the ongoing maintenance and management of these processes is a key concern of all relevant stakeholders and an area that the North East region is collectively striving to improve via this initiative.

### *Food Safety*

Food Safety compliance inspections have been well received amongst our local food industry sector. The majority of proprietors and food safety supervisors have participated in training forums conducted by CEACA, which has raised proprietors levels of understanding of food safety issues.

A high level of compliance is now being achieved across this sector.

### *Animal Control*

The Council has undertaken a refurbishment of the existing pound facility as an interim measure whilst it considers alternative sites that may be appropriate for the relocation of the facility.

Pressure is being exerted by the Bureau of Animal Welfare to carry out works to the existing facility.



*Fire Issues*

The removal of Fire Refuges within the Municipality during the year was in response to the State Government’s Fire Refuges in Victoria – Policy and Practice discussion paper. A considerable amount of time and effort was commissioned to this task to ensure Council had adequately addressed its associated risks in this area without compromising the safety of the Community.

Following a review of the Municipal Fire Prevention Plan and subsequent audit the Murrindindi Shire Council has received a ‘Certificate of Accreditation’ for its fire prevention plan.

The Council was again very successful in receiving five (5) CFA Road Subsidy Scheme Grants in 2003/2004.

**TOURISM AND ECONOMIC DEVELOPMENT**

**Infrastructure Development Grant Projects**

Several grant funded community infrastructure projects were completed during the year, which are set out below.

The Yea Wetlands Pedestrian Bridge was finalised to provide safe pedestrian access between the Yea township and the Yea Wetlands Reserve.

The upgrade and refurbishment of the Acheron Mechanics Institute now provides an excellent venue and is the only community meeting facility in the Acheron district.

The renewal and structural stabilisation of the Yea Grandstand was completed and is one of the few remaining structures of its kind in country Victoria.

The upgrade of the Pavilion at the Yea Showgrounds and Recreation Reserve, including the installation of commercial kitchen facilities, now enables the facility to cater for a wider range of user groups and functions.

The Alexandra Visitor Information Centre, including an outdoor stage facility to facilitate community events and festivals, was completed during the year.



*Alexandra’s new Visitor Information Centre.*

The upgrade of the Flowerdale Hall, including the installation of heating, now enables the all-year-round use of the facility by the community.

The finalisation of a project to develop and enhance community park facilities in Yea on the grounds of the former Yea Railway Station has been a project phased over several years and now provides a drawcard to Yea visitors.

Officers were successful in working with representatives of the Upper Goulburn Community Radio to secure Federal Government funding to upgrade the old SES buildings adjacent to the Alexandra Council Chambers to provide a permanent venue from which the radio station can continue to operate and broadcast.

Officers from Murrindindi have worked with their counterparts in the adjoining Shires of Mitchell and Mansfield to place a funding application for the development of a business plan as the next stage in the Mitchell to Mansfield Rail Trail Development Project. Outcomes will not be known for some time.

### **Business Forums and Workshops**

As part of Council's Building Better Business Program, several State Government grants were sourced throughout the year to enable the staging of business networking workshops across the Shire. These were well attended by local business operators and included:

- Customer service and Networking Workshops in Kinglake, Yea and Marysville;
- E-Commerce workshop in Alexandra focusing on improving the value of business websites;
- A Waste Utilisation workshop in Alexandra, primarily focusing on the agribusiness sector, including olive, fruit and grape growers and the trout production sector; and
- A Sustainable water-use forum for businesses emerging from the recent drought.

### **Industrial Land Demand Study**

A study into the demand for, and supply of Industrial Land in Alexandra and Yea was completed during the year. The study identified opportunities for the future development of industrial land in the two (2) towns, including an assessment of land use planning requirements, infrastructure needs and possible marketing initiatives.

### **Tourism Marketing Collateral**

Officers were involved with industry representatives in the development and finalisation of a new format Official Visitors Guide for Murrindindi, and the development of a promotional brochure and touring map for the Upper Goulburn Food Wine and Culture Group.

### **Tourism Skill Enhancement Training Program**

A skill enhancement training program was co-ordinated by Council Officers during the year involving 15 tourism businesses from across the Shire. The training funded through a State Government grant focused on the development of business improvement plans for businesses to assist them in attaining Tourism Accreditation under the State Better Business Program.

### **Building Murrindindi Tourism Events**

Officers were successful in securing a Federal Government Grant to enable the enhanced marketing and promotion of four (4) of the Shire's main tourism events. Three (3) of the events were undertaken during the financial year, including the Yea Autumn Fest, Power on the Pondage and the Alexandra Truck, Rod and Ute Show with Officers assisting with grant management, event evaluation, and planning the co-operative media spend.

### **Trout Rivers, Trout Country Festival**

Council Officers assisted the Trout Rivers Opening Festival Committee with the planning, co-ordination and staging of a much enhanced Trout Event during 2003, involving collaboration for the first time from the local recreational fishing, trout production and food and wine sectors. The event was successful in strengthening the branding of Murrindindi as Trout Country and gained strong support from industry and government agencies.

**Trout Cluster Development**

Tourism Officers were successful in securing and facilitating two (2) grant projects on behalf of the Victorian Trout Association to further develop the potential of this important local industry. The first enabled the Association to complete an International Best Practice Project to enable the sector to benchmark itself against identified best practice. The second examined the feasibility of developing a Trout Industry Cluster within the Shire.

**Streetlife Building Better Business Project**

The Council successfully completed its Streetlife Grant Project in June 2004, which has enabled the employment of a Business Development Officer to assist in developing business networks across the Shire. During the financial year, the Officer assisted in the further development of the Upper Goulburn Food Wine and Culture Group including the development of a marketing strategy, industry sector logo and Suppliers Guide for the Industry Association.

**Tourism Industry Development Working Groups**

Through Council's continuing involvement in the Yarra Valley, Dandenongs and the Ranges Tourism Board, Officers have participated in two (2) industry development programs designed to improve the co-ordination of, and consistency in visitor services and improved co-ordination of local tourism festivals and events.



*Above, Eildon Pondage,  
and right, construction of  
the Eildon Pondage  
walking track.*



The Annual Business Plan contains the actions that were to be undertaken by Council in the 2003/2004 financial year, to address the goals, objectives and strategies outlined in Part 2 of the Community Plan.

The following table sets out the challenging year the Council embarked upon. Both the key action and target completion columns have been updated to reflect the status as at 30 June 2004.

## **GOAL 1 TO PROVIDE STRATEGIC AND SUSTAINABLE GROWTH AND DEVELOPMENT**

### 1.1 Land use and township development that is strategically planned throughout the Shire

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Finalise the Kinglake and Flowerdale Land Use Strategy Plans <i>Finalisation of the Plan has been deferred pending further consideration by Council of key elements of the plan.</i>	Development Services	September 2003 <i>Not completed.</i>
Complete industrial development plans for Yea and Alexandra <i>Consultants report has been formally accepted by Council. Council currently considering resolutions in relation to the various recommendations included in the Plan.</i>	Development Services	December 2003 <i>Completed in March, 2004.</i>
Complete the rural and low density residential study <i>Study completed March 2004. Amendment prepared – expected completion June 2005</i> <i>Rural Living Development Guidelines Murrindindi Shire 2004 prepared March 2004 to support amendment. Guidelines nominated for a Planning Institute Award – Awards for planning excellence</i>	Development Services	December 2003 <i>Completed in March, 2004.</i>

<p>Complete a review of those aspects of the Planning Scheme not already reviewed as part of recent planning strategy development.</p> <p><i>Council is seeking further assistance from a Consultant to review the Murrindindi Planning Scheme. The rural zones review implications for Council will need to be considered in the context of whether Council proceeds with an entire review of the Murrindindi Planning Scheme (MPS) or just a review of the Municipal Strategic Statement (MSS), which would incorporate Council Plan directions and the major strategic planning studies completed to date.</i></p> <p><i>A full review of the MPS will require a substantial increase in resource allocation due to recent rural zones changes. Any new zoning (Rural Activity etc.) will require further studies that may impact on Councils desired time frames and expectations</i></p>	<p>Development Services</p>	<p>December 2003 <i>Not completed.</i></p>
<p>Complete statutory processes to amend the Murrindindi Planning Scheme as required to give effect to land use strategy plans and gain ministerial approval</p> <p><i>Statutory amendment (C10) process adopted by Council on the 03/08/04</i></p>	<p>Development Services</p>	<p>June 2004 <i>Not completed.</i></p>
<p>Within budget resources, participate in the Metropolitan Fringe Strategy Project</p> <p><i>Completed by due date.</i></p>	<p>Chief Executive Officer</p>	<p>March 2004 <i>Completed.</i></p>
<p>Undertake Urban Design Frameworks for small towns across the Shire.</p> <p><i>Project commenced in April 2004. Small Towns UDF represent the townships of Strath Creek, Glenburn, Molesworth, Yarck, Narbethong, Buxton , Taggerty and Thornton</i></p>	<p>Development Services</p>	<p>June 2004 <i>Not completed.</i></p>
<p>Advocate for the development of water and sewerage infrastructure in Kinglake</p> <p><i>No significant progress made on this issue. Although issue appears to be well known in government. Further clarification required to assist in resolving future of Kinglake / Flowerdale Integrated Strategy.</i></p>	<p>Chief Executive Officer</p>	<p><i>Ongoing.</i></p>

- 1.2 Quality development that is sustainable, which enhances the key environmental character of the area and assists people to live and work well together

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Complete the review of the Special Charge Scheme Policy and Procedures  <i>Yet to be completed due to long term illness in the Engineering/Assets department.</i>	Assets & Infrastructure	March 2004  <i>Not completed.</i>

- 1.3 Natural and rural environments that are protected, restored and sustainable

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Liaise with Goulburn Broken Catchment Management Authority and other relevant authorities to promote environmental issues of mutual concern  <i>Ongoing healthy relationship taking place including joint work on development of sustainable aspects of proposed Rural Residential/Low Density Rural Zones</i>	Chief Executive Officer / Environmental Services	<i>Ongoing.</i>

- 1.4 Council assets that are maintained in a condition that maximises their useful working life

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Implement Year 3 of the Infrastructure Maintenance Strategies, including roads, bridges, buildings and plant  <i>Implementation taking place in accordance with Plan. Several major resheeting works will be undertaken in next financial year to take advantage of opportunities.</i>	Assets and Infrastructure	June 2004  <i>Completed.</i>
Implement priority bridge maintenance items as a result of the bridge load limit audit  <i>Bridge maintenance undertaken as per Audit.</i>	Assets and Infrastructure	June 2004  <i>Completed.</i>
As part of the Step Asset Management Program, undertake an asset audit of all urban and rural roads, bridges and footpaths within the Shire.  <i>Audit completed.</i>	Assets and Infrastructure	March 2004  <i>Completed.</i>
As part of the Step Asset Management Program, develop a road policy manual (road hierarchy and standards) for urban and rural roads  <i>First stages of manual completed, however work will need to continue during 2004/2005 as part of the Road Management Plan and Infrastructure Manual</i>	Assets and Infrastructure	December 2003  <i>Not completed.</i>

## 1.5 A shire that maximises sustainable economic development opportunities

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Within budget constraints support and implement the prioritised industry development actions within the Economic Development Strategy</p> <p><i>Implementation of actions identified within the strategy underway.</i></p>	Economic Development	<i>Ongoing.</i>
<p>Where appropriate actively support industry and regional initiatives that promote economic development within the Murrindindi Shire (such as agribusiness forums)</p> <p><i>Participated in the Yarra Valley Centre for Agribusiness Forum which resulted in the funding of two (2) projects within the Shire (Trout Cluster and Living in Harmony in Rural Victoria Program).</i></p>	Economic Development	<i>Ongoing.</i>
<p>Develop local initiatives that build upon the statewide Rural and Regional marketing campaign</p> <p><i>Participated in Provincial Victoria marketing campaign. Tactical materials currently in draft form and State Government deadline extended to 30 September 2004.</i></p>	Economic Development	<i>Ongoing.</i>
<p>Through the Streetlife Funding Program implement initiatives that promote the development of linkages and business networks within the Shire</p> <p><i>Support provided to Upper Goulburn Food Wine and Cultural Group as well as running of a number of Business Networking Forums across the Shire.</i></p>	Economic Development	June 2004 <i>Completed.</i>
<p>Continue to advocate Council's position on issues associated with water rights, access and quality within the Shire</p> <p><i>Council's position continues to be outlined with government and regional bodies. Recent release of Water White paper in June 2004 appears to have acknowledged importance of recreation.</i></p>	Chief Executive Officer	<i>Ongoing.</i>
<p>Strengthen partnerships with other municipalities facing similar economic development issues and opportunities as exist in the Murrindindi Shire</p> <p><i>Joint CEO meetings between Murrindindi, Mansfield and Strathbogie held to consider mutual shared options. Currently preparing shared Waste Management Tender.</i></p>	Chief Executive Officer	<i>Ongoing.</i>



## Council Plan 2003-2004

<p>Conduct a Best Value Review of Council's Economic Development Services, incorporating tourism services.</p> <p><i>Staffing shortages have limited the capacity to undertake this and being re-focused through Business Excellence program.</i></p>	<p>Economic Development / Tourism Services</p>	<p>June 2004</p> <p><i>Not Completed.</i></p>
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### 1.6 The development of facilities and programs within the Shire that meet the needs of the Shire's communities

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Further develop mechanisms to ensure satisfactory internal management of grant projects.</p> <p><i>This issue is being reviewed as the rollout of the current grant projects continues in 2003/2004 and 2004/2005. Key principles in relation to the role of the community, project management and scheduling need to be incorporated into future grant applications.</i></p>	<p>Economic Development</p>	<p>June 2004</p> <p><i>Not completed.</i></p>
<p>Only apply for grants that focus on the longer-term sustainability of the Shire.</p> <p><i>Grant applications based upon these philosophies.</i></p>	<p>All Services</p>	<p><i>Ongoing.</i></p>
<p>Complete the development of Kinglake Services Centre and the site development plan in consultation with the Kinglake Community.</p> <p><i>Project back on track with completion date expected to be November/December, 2004.</i></p>	<p>Chief Executive Officer</p>	<p>June 2004</p> <p><i>Not completed.</i></p>
<p>Work with Community Groups to ensure completion of infrastructure projects that were funded during the 2002/2003 financial year</p> <p><i>All projects involving community participation that were earmarked for completion by June 2004 have been achieved.</i></p>	<p>Organisational Resources</p>	<p>June 2004</p> <p><i>Completed.</i></p>
<p>Where possible within the existing budget, establish a grant seed funding pool for Council projects</p> <p><i>The 2003/2004 budgets didn't provide for a grant seed funding pool.</i></p>	<p>Chief Executive Officer</p>	<p>–</p>

1.7 Well developed Information Technology and Telecommunications Services and Infrastructure in the Shire

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Continue to lobby for improvements to telecommunications infrastructure and services in the Shire</p> <p><i>Mayor and CEO have represented Council's position with the Federal Minister for Information Technology and Communications, Daryl Williams. Council actively supporting ADSL roll out in conjunction with the community.</i></p>	Chief Executive Officer	<i>Ongoing.</i>

1.8 A self reliant, strong and expanding tourism industry within the Shire of Murrindindi in partnership with the Murrindindi Regional Tourism Association

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Within budgetary constraints implement the prioritised Tourism Action Agendas from the Economic Development Strategy</p> <p><i>Implemented in accordance with program and available resources.</i></p>	Tourism Services	<i>Ongoing.</i>
<p>Continue the review of the feasibility of establishing a tourism and economic development levy</p> <p><i>This project has not been implemented due to low level of interest to continue from the MRTA at this stage.</i></p>	Economic Development / Tourism Services / Chief Executive Officer	March 2004 <i>Not completed.</i>
<p>Pursue external funding opportunities for tourism development projects that ensure a sustainable tourism industry</p> <p><i>Application submitted for rail trail business plan. Awaiting decision from funding agency.</i></p>	Tourism Services	<i>Ongoing.</i>
<p>Work with Murrindindi Regional Tourism Association to restructure the roles of the regional organisation</p> <p><i>Initial work completed.</i></p>	Tourism Services	September 2003 <i>Completed.</i>
<p>Undertake work on stage one of the Murrindindi touring route project</p> <p><i>Funding submission was unsuccessful.</i></p>	Tourism Services	June 2004 <i>Not completed.</i>
<p>Continue to develop and promote tourism products within the Murrindindi Shire</p> <p><i>Release of new official visitors guide for Murrindindi Shire.</i></p>	Tourism Services	<i>Ongoing.</i>

## Council Plan 2003-2004

Secure external funds to undertake the Lake Eildon Touring Drive Feasibility Study <i>Funding being sought through Roads to Recovery Stage 2.</i>	Tourism Services	June 2004 <i>Not completed.</i>
Continue to support the Lake Eildon Tourist Operators Action Committee (LETOAC) without impact on Council's resources <i>Support was provided throughout 2003 / 2004, particularly in relation to marketing initiatives.</i>	Tourism Services	<i>Ongoing.</i>

## GOAL 2 TO DEVELOP THE SENSE OF PRIDE IN LOCAL COMMUNITIES

### 2.1 Provision of maintenance services that reflect the specific needs of individual communities

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Complete the Best Value Review of Parks and Gardens <i>Project yet to be finalised – to be dealt with through Business Excellence</i>	Assets and Infrastructure	December 2003 <i>Not completed.</i>
Conduct a Best Value Review of Council's Building Maintenance Services <i>Not achieved – to be dealt with through Business Excellence</i>	Development Services	December 2003 <i>Not completed.</i>

### 2.2 High quality streetscapes and physical environments which reflect the standards sought by the community and enhance the local character

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Conduct a Best Value Review of Local Roads and Infrastructure Design and Maintenance services <i>Road maintenance commenced but not completed – to be dealt with through Business Excellence</i>	Assets and Infrastructure	March 2004 <i>Not completed.</i>
Complete construction of a shared bicycle path / footpath in Flowerdale <i>Works expected to be finalised by October, 2004.</i>	Assets and Infrastructure	December 2003 <i>Not completed.</i>
Within budget resources implement immediate and short term playspace strategies from the Recreation, Reserves and Play Space Strategy 2003 <i>Major works completed by 30 June 2004</i>	Community Services	June 2004 <i>Not completed.</i>
Subject to grant funding, redevelop the retail streetscape precincts in Eildon and Yea <i>No funding options established in 2003/2004 budget.</i>	Assets and Infrastructure	<i>No Budget.</i>
Complete Streetscape designs for Marysville and Kinglake <i>Streetscape design completed for Marysville, yet to be finalised for Kinglake in 2003/2004 year.</i>	Assets and Infrastructure	June 2004 <i>Not completed.</i>
Conduct a Best Value Review of Council's Swimming Pool Services <i>Review commenced with community survey completed, review stalled due to resignation of recreation officer in December, 2003.</i>	Community Services	June 2004 <i>Not completed.</i>

### 2.3 Waste, recycling and environment services that reflect the needs of the community and their environmental concerns

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Undertake a Best Value review of Waste management <i>Still underway – being completed in conjunction with waste management review. Expect October 2004 completion</i>	Assets and Infrastructure	March 2004 <i>Not completed.</i>
Complete Storm water Management Plans for the shire <i>Draft plans received. Completed plans expected in August, 2004.</i>	Assets and Infrastructure	December 2003 <i>Not completed.</i>

## GOAL 3 TO SUPPORT AND STRENGTHEN LOCAL COMMUNITIES

### 3.1 Communities that have the capacity to achieve their full potential

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Monitor the provision of community services and lobby to fill identified gaps within the constraints of Council's Budget</p> <p><i>Participation in networking opportunities and Public Health Plan has assisted in filling service gaps.</i></p>	Community Services	<i>Ongoing.</i>
<p>Continue lobbying for the improvement in the provision of public transport</p> <p><i>No opportunities identified during year.</i></p>	Community Services	<i>Ongoing.</i>
<p>Deliver the Cyberbus program within budgetary constraints to enable all residents to gain access to technology, the private sector and government services</p> <p><i>Service delivered during year.</i></p>	Community Services	<i>Ongoing.</i>
<p>Participate in, and where budget permits, facilitate forums that bring together community service providers in the Shire to develop ways in which providers can work together to co-ordinate service provision for the community</p> <p><i>Successful community forum held at Trawool in May, 2004.</i></p>	Community Services	September 2003 <i>Completed.</i>

### 3.2 Strong and empowered local communities and groups

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Continue to support secondary colleges in maintaining the Murrindindi volunteer training program, in conjunction with local schools and community groups</p> <p><i>Program has been passed across to Secondary Colleges.</i></p>	Community Services	<i>Ongoing.</i>
<p>Pursue funding opportunities for community development resources</p> <p><i>No opportunities identified.</i></p>	Community Services	<i>Ongoing.</i>
<p>Work with community groups to improve their capacity to operate successfully, attract members and funding and provide leadership to the broader community</p> <p><i>Primary Care Partnership activities during the year have assisted community groups.</i></p>	Community Services	<i>Ongoing.</i>

## Council Plan 2003-2004

Develop Community based networks to improve local delivery of activities and services to young people and their families <i>Youth and Family Team (YAFT) forum continuing to operate successfully.</i>	Community Services	<i>Ongoing.</i>
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3.3 A Library Service that provides a gateway to knowledge, a place of sanctuary, trust and respect and a catalyst for change

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Review and update the Library best Value review and Collection Development Strategy	Library Services	June 2003 <i>Completed.</i>
Commence the operation of the relocated Kinglake Library within budgetary constraints <i>Awaiting completion of building construction scheduled for December, 2004.</i>	Library Services	December 2003 <i>Not completed.</i>
Commence the redevelopment of the Alexandra Library in accordance with Living Libraries guidelines <i>Works underway. Delays due to costs difficulties.</i>	Library Services	March 2003 <i>Not completed.</i>

3.4 A strong health and community service system that is responsive to community needs

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Within budget constraints, implement the outcomes of the Lower Hume Primary Care Partnership Health Plan to improve community health and well-being <i>Draft Municipal Public Health Plan completed.</i>	Community Services	<i>Ongoing.</i>
Examine options for the provision of childcare in Yea and District <i>Working party formed and funding submission prepared. Funding unsuccessful for 2004/2004.</i>	Community Services	December 2003 <i>Ongoing.</i>
Complete a Best Value Review of Council's Family and Youth Services <i>Commenced – will be reviewed from a Business Excellence perspective.</i>	Community Services	June 2004 <i>Not completed.</i>
Commence a Best Value Service Review of Council's Home and Community Service <i>Not Commenced – will be addressed in Business Excellence program.</i>	Community Services	March 2003 <i>Not completed.</i>

<p>Commence a Best Value Service Review of Council's Family Day Care Services</p> <p><i>Not Commenced under a Best Value framework, however, resource were committed to achievement of Childcare accreditation, which will assist to complete the Best Value requirements under the Business Excellence framework.</i></p>	<p>Community Services</p>	<p>June 2003</p> <p><i>Not completed.</i></p>
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### 3.5 A safer and healthier community

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Implement Council's Municipal Fire Prevention Plan</p> <p><i>Review complete. Implementation ongoing.</i></p>	<p>Environmental Services</p>	<p><i>Ongoing.</i></p>
<p>Implement essential services register for industrial and commercial premises</p>	<p>Environmental Services</p>	<p><i>Ongoing.</i></p>
<p>Review the Municipal Public Health Plan and implement the recommendations and strategies endorsed by Council</p> <p><i>Completed and scheduled for adoption at June Council meeting.</i></p>	<p>Community Services / Environmental Services</p>	<p>December 2003</p> <p><i>Completed.</i></p>
<p>Revise and further develop the Shire's Emergency Recovery Plan</p> <p><i>Strong links developed with the DHS regional plan.</i></p>	<p>Corporate Services</p>	<p>March 2004</p> <p><i>Not completed.</i></p>



# Council Plan 2003-2004

## GOAL 4 TO PROVIDE RELEVANT AND RESPONSIBLE GOVERNMENT

### 4.1 Council services and functions that reflect the core priorities of Council and the Community Plan

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Undertake a review of Council's operating budget and recurrent programs to determine overall service levels and service arrangements to ensure the long terms sustainability of the Shire. <i>Reviewed in preparation for 2004/2005 budget and embedded in Business Excellence framework.</i>	All Services	March 2004 <i>Completed.</i>
Continue to provide quarterly reviews of Council's progress towards achieving Community Plan goals <i>Reports not provided as regularly as required.</i>	Chief Executive Officer	<i>Ongoing.</i>
Undertake a major review of the Community Plan in accordance with Best value Principles including the vision and key goals and strategies of the Plan <i>New Council Plan prepared in accordance with legislative requirements and Council direction.</i>	Chief Executive Officer	December 2003 <i>Completed.</i>
Continue to review and implement Council's Risk Management policy and strategy and the Occupational Health & Safety strategy <i>Development continuing and rolled out across organisation.</i>	Corporate Services	<i>Ongoing.</i>

### 4.2 A well informed and involved community with regard to Council's policies, services, decisions, activities and performance

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
In conjunction with Best Value service reviews and within resource constraints, develop a communications strategy which promotes the achievements of Council and informs the community about Council services and decisions <i>Not achieved – increased funding allocation in this area for 2004/2005 will enable better achievement of this goal.</i>	Chief Executive Officer	December 2003 <i>Not completed.</i>
Continue to develop the provision of Council information over the Internet	Corporate Services	<i>Ongoing.</i>
Continue to further refine the On-line Community and Business Directory <i>On-line community directory being well used, Business Directory has not developed further at this stage.</i>	Corporate Services	<i>Ongoing.</i>

## 4.3 An organisation that provides responsive customer service

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Implement the recommendations and strategies contained in the Best value Review of Customer Services as endorsed by Council <i>Recommendations being implemented.</i>	Corporate Services	September 2003 <i>Completed.</i>
Extend the customer request and correspondence response tracking processes across the organisation <i>Correspondence tracking system implemented across organisation. Customer service request system currently being reviewed as a process improvement in Business Excellence.</i>	Corporate Services / Organisational Resources	December 2003 <i>Not completed.</i>
Complete a Best Value Review of Council's Planning Services <i>Completed and adopted by Council.</i>	Development Services	December 2003 <i>Completed.</i>
Conduct a Best Value Review of Council's Administration Services <i>Not Commenced – to be dealt with in Business Excellence program.</i>	Corporate Services	December 2003 <i>Not completed.</i>

## 4.4 Provision of high quality decision making with respect to the allocation of resources based on sound knowledge and information

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Continue to develop and Implement the internal audit program <i>Program being implemented.</i>	Corporate Services	<i>Ongoing.</i>
Introduce and monitor a Key Performance Indicator System for management and Councillors <i>KPI indicators being developed as part of systems view of organisation as well as in 2004/2005 Council plan.</i>	Corporate Services	December 2003 <i>Not completed.</i>

## 4.5 An Organisation that is economically sustainable into the future

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Conduct an annual review the five (5) year financial plan in preparation for 2004/2005 annual budget	Corporate Services	December 2003 <i>Completed.</i>
Review options for growing the Murrindindi rate-base <i>Incorporated into 2004/2005 Council plan.</i>	Chief Executive Officer	March 2004 <i>Completed.</i>

## Council Plan 2003-2004

Continue to develop the Murrindindi Construction business plan to meet the Board's and Council's financial objectives <i>Business Plan adopted and implemented.</i>	Murrindindi Construction	<i>Ongoing.</i>
Review the application of User Pays principles and alternative fee structures <i>Review undertaken as part of budget processes.</i>	Corporate Services	<i>Completed.</i>
Complete a Best Value review of finance department functions <i>Not Completed – will be undertaken through business excellence implementation.</i>	Corporate Services	December 2003 <i>Not completed.</i>

### 4.6 A highly skilled, motivated, and productive workforce

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Undertake a review of staff training in order to develop a coordinated and cost-effective approach to staff training across the organisation <i>Funding re-allocated to staff satisfaction survey and finalised.</i>	Organisational Resources	<i>Ongoing.</i>
Further develop the role of the Council's health and safety policy committee and review and enhance OHS systems and procedures <i>Underway and meeting regularly.</i>	Organisational Resources	<i>Ongoing.</i>

### 4.7 A Well equipped and resourced organization capable of meeting future needs and goals

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
Implement the IT Strategy recommendations and strategies as endorsed by council <i>Strategy implemented.</i>	Corporate Services	<i>Completed.</i>
Develop organisational processes to better manage community events <i>Due to staffing shortages, project re-scheduled to 2004/2005 budget year.</i>	Organisational Resources	December 2003 <i>Not completed.</i>

- 4.8 A highly developed team of Councillors that provide an effective and accountable system of corporate governance

<i>Key Action 2003/2004</i>	<b>Who</b>	<b>Target Completion</b>
<p>Establish and resource a professional development training program for Councillors in the areas of public mediation, meeting facilitation, planning and governance</p> <p><i>Councillors participating in Councillor development weekend as well as two (2) Councillors participating in accreditation course.</i></p>	Chief Executive Officer / Mayor	December 2003 <i>Completed.</i>

## **VICTORIAN LOCAL GOVERNMENT INDICATORS**

The Council in the preparation of its Community Plan has set Performance Indicators in relation to Affordability, Sustainability, Services, Infrastructure and Governance.

## COMMUNITY CONSULTATION

As part of the development of the Council Plan 2004 to 2008 eight (8) community meetings were held across the Shire in November 2003 to seek input from the Community on the type of Shire it wished to see in the future. An opportunity was also taken to seek input into the Council's Municipal Public Health Plan.

In order to gain the best possible consultation, the lower Hume Primary Care Partnership (PCP) was partnered to develop a new model of consultation. The PCP, Councillors and Council staff are to be commended on the initiative and improved outcomes from the sessions.

## COUNCILLORS

The 2003/2004 financial year was yet another busy period for the six (6) Murrindindi Shire Council Councillors. Councillors met every Tuesday, alternating between formal and informal discussions.

During this period, all Councillors attended a two (2) day Councillor Development weekend in Geelong in July 2003, which proved to be a great opportunity to work together on professional development.

Councillor Gunter and Councillor Brown more recently completed an 'Effective Councillor Course' through the Goulburn Ovens Institute of TAFE. The completion of this course marked a particular milestone as they were two (2) of 12 Councillors state-wide who completed this, the first course of its kind.

The Councillors also visited and toured a wide variety of industries within the Shire from The Outdoor Education Group in Eildon to Neville Smith Timber Industries in Murrindindi. They also undertook several 'road-trips' across the region.

All six (6) Councillors are involved in far too many Committees to mention. Their ongoing involvement at a hands-on level demonstrates further their commitment to the communities they serve.

To mention but a few, Councillor Collier regularly attends meetings with Eildon Alliance regarding the Eildon Dam Wall Improvements, Councillor Brown frequently attends Timber Towns and Murrindindi Regional Tourism meetings, whilst Councillor Dalmau has had regular involvement with Skate Park, Alexandra District Ambulance Service and Visitor Information Committees.

Councillor Gunter has significant involvement with the Goulburn Broken Catchment Management Association, NEVACC, and the Motorcycle Safety Strategy. Councillor Wall attends regular road safety workshops and meetings, whilst also supporting the Yea Wetlands Committee. Councillor Beales has been involved in Kinglake Streetscape project and supports the Murrindindi Public Hall Reserve Committee of Management. A more comprehensive list follows overleaf.

## Councillors and Governance

### COUNCILLOR COMMITTEE REPRESENTATIVES – MARCH 2003

<b>Committee</b>	<b>Councillor/ Officer Representative</b>
Administration and Finance Committee	<i>Chairperson</i> – Cr. A. Collier
Planning and Environment Committee	<i>Chairperson</i> – Cr. L. Gunter
Recreation and Community Services Committee	<i>Chairperson</i> – Cr. P. Beales
Roads and Waste Management Committee	<i>Chairperson</i> – Cr. W. Wall
Tourism and Economic Development Committee	<i>Chairperson</i> – Cr. G. Brown
Audit Committee	Mayor – Cr. M. Dalmau or Cr. G. Brown Chief Executive Officer – Danny Hogan External Representative – Rod Thomas External Representative – Jeff Hunter Internal Auditor – Philip Delahunty Director Corporate Services – Rob Croxford
Alexandra Community Leisure Centre Committee of Management	Cr. M. Dalmau Director Corporate Services – Rob Croxford
Alexandra Showgrounds Committee of Management	Cr. M. Dalmau
Alexandra (Bill Clapham) Saleyards Committee of Management	Cr. A. Collier (Substitute Representative Cr. M. Dalmau)
Economic Development Strategy Focus Group	Cr. G. Brown (Substitute Representative Cr. M. Dalmau)
Eildon Community Centre Committee of Management	Cr. A. Collier
Flood Planning Committee	Cr. L. Gunter
Forest Industries Municipalities of Victoria (formally Timber Towns)	Cr. M. Dalmau (Substitute Representative Cr. G. Brown) Economic Development Officer
Friends of Yea Railway Committee of Management	Cr. W. Wall
Gallipoli Park Committee of Management	Cr. G. Brown
Goulburn Murray Waters Public Liaison Committee	Cr. M. Dalmau
Goulburn Murray Water Storages Water Quality Study Reference Committee	Cr. L. Gunter
Goulburn North East Water Growth Initiative Committee	Cr. M Dalmau
Goulburn System Drought Recovery Committee	Cr. L. Gunter
Goulburn River Interested Peoples Group (GRIP)	Cr. M Dalmau
Goulburn Valley Regional Waste Management Authority	Cr. W. Wall Mgr Assets & Infrastructure or appointee
Goulburn Valley Road Safety Council	Cr. W. Wall
Kinglake Memorial Reserve Committee of Management	Cr. L Gunter
King Parrot Creek Catchment Streamflow Management Working Group	Cr. L Gunter

## Councillors and Governance

<b>Committee</b>	<b>Councillor/ Officer Representative</b>
Lake Eildon Traders and Operators Advisory Committee	Cr. M. Dalmau
Marysville Retirement Village Committee of Management	Cr. G. Brown Director Corporate Services – Rob Croxford
Marysville Village Residents Association	Cr. G. Brown Director Corporate Services – Rob Croxford
Melbourne 2030 Strategy	Cr. M. Dalmau (Substitute Representative Cr. L. Gunter)
Municipal Association of Victoria	Cr. M. Dalmau (Substitute Representative Cr. L. Gunter)
MAV (Local Agenda 21) Local Sustainability Group	Cr. G. Brown
MAV Strategic Environment Advisory Group	Cr. M. Dalmau
Municipal Emergency Management Planning Committee	Cr. W. Wall
Murrindindi Construction Board	Cr. M. Dalmau (Mayor) Cr. W. Wall (Chairperson)
Murrindindi Regional Tourist Association	Cr. G. Brown (Substitute Representative Cr. M. Dalmau)
Murrindindi Regional Tourism Levy Working Party	Cr. M. Dalmau Cr. G. Brown Cr. L. Gunter
Primary Care Partnerships	Cr. P. Beales Manager Community Services
Regional Fire Committee	Cr. W. Wall
Steavenson Falls/ Beauty Spot Scenic Reserve Committee of Management	Cr. G. Brown
Timber Roads Advisory Committee	Cr. M. Dalmau
Yea Cemetery Trust	Cr. W. Wall
Yea Indoor Recreation Centre	Cr. W. Wall Cr. P. Beales
Yea River Catchment Streamflow Management Plan Committee	Cr. L. Gunter
Yea Saleyards Committee of Management	Cr. W. Wall (Substitute Representative Cr. A. Coller)
Yea Wetlands Committee of Management	Cr. W. Wall

### Professional development undertaken by Councillors in 2003/2004

July 2003	Cr. W. Wall	Councillor Development Weekend
August 2003	Cr. L. Gunter	VLGA Resourceful Communities Seminar
August 2003	Cr. W. Wall	Future Directions for Municipal Waste Management in Victoria
October 2003	Cr. L. Gunter and M. Dalmau	MAV Annual Conference
November 2003	Cr. L. Gunter	National General Assembly of Local Government Conference
April 2004	Cr. G. Brown	Strengthening Our Communities Conference
May 2004	Cr. W. Wall	Unauthorised Occupations & Adverse Possession of Public Land Workshop
May 2004	All Councillors	Annual General Meeting of State Council
June 2004	Cr. M. Dalmau	Communities In Control Conference
June 2004	Cr. L. Gunter and G. Brown	Modules 1&2 The Effective Councillor Leadership Program
June 2004	Cr. M. Dalmau and L. Gunter	Irrigation Future Projects

### Organisations Council met with at Council and Committee meetings in 2003/2004

August 2003	Goulburn Broken Catchment Management Authority Presentation to Council
September 2003	Goulburn Murray Water Presentation
October 2003	Superintendent & Acting Inspector from Division 4 Seymour
October 2003	Governor of Victoria John Landy AC, MBE & Mrs Landy visited the Murrindindi Shire
December 2003	Alexandra Timber Tramway Museum Inc. Presentation
December 2003	Best Value Review of Waste Services
February 2004	Dame Pattie Menzies Centre Presentation
April 2004	Discussions with VicRoads
May 2004	Yarra Valley, Dandenong's & The Ranges Tourism Board Presentation
June 2004	Upper Goulburn Implementation Committee Discussions
June 2004	Tourism Victoria & Country Tourism Victoria Presentation



## AUDIT COMMITTEE

The Audit committee comprises two (2) external independent representatives and the Mayor. In attendance at each of the meetings is the Internal Auditor, Mr Phil Delahunty of Richmond Sinnott and Delahunty, the Chief Executive Officer and the Director Corporate and Community Services who provide advice and information to the Committee but do not have voting rights.

Rodney Thomas and Jeff Hunter are the independent members on the Committee who provide expert advice and internal audit project planning based on a wealth of experience in banking and accounting roles over their distinguished careers.

The Internal Audit Program for the year included a review of the Council's Fraud Policy and Strategy and a review of the current Unfunded Superannuation Strategy.

The Committee also addressed the Council's Business Continuity Plan in particular strategies relating to Information Technology which is a project still underway, the Business Excellence (Best Value Program) and the 2002/2003 External Audit letter issues.

The work of the Audit Committee for 2003/2004 builds on the previous projects including cash receipting and invoicing, FBT, tendering and contract management.

## KEY ISSUES CONSIDERED BY THE COUNCIL DURING THE YEAR

The Council has once again this year considered a broad range of complex topics that impacted upon the communities of Murrindindi. A brief synopsis of the projects and issues are set out below in chronological order

### July 2003

- Community Shed in Yea
- Rates and Charges 2003/2004
- Kinglake West Hall
- Yea Wetlands
- Green Paper on water (later the White Paper)
- Drought Recovery
- Eildon Wall Project
- Eildon Boat Ramp Access
- Black Spur Road Works

### September 2003

- Asset Management Policy
- Alexandra Branch Library redevelopment
- Business Excellence Program
- Rural Road numbering – Kinglake

### August 2003

- Flowerdale Area Improvement Works
- Alexandra Pool works
- Trout Rivers Festival
- Urban Design Frameworks for Yea and Eildon
- Water and sewerage issues for Kinglake

### October 2003

- Community Recreation and Arts Projects
- Rural Residential Study
- Council Plan
- Council Plan community consultation process
- Email Policy
- Alpine Resorts 2020 draft strategy

### November 2003

- Local Government Act 1989 – changes
- UGFM project
- Recreation Strategy adopted
- Roads to Recovery funding
- Timber and Tramway Museum
- Financial quarterly review
- Sporting Pavilion Maintenance
- Buxton Drainage

### January 2004

- Yea Pavilion upgrade
- Business Excellence roll out program
- Black Spur closure

### March 2004

- Flowerdale Bike Path construction
- Rainbow Lorikeets Playgroup (Flowerdale)
- Alexandra Kindergarten
- Yea and Alexandra Industrial Land demand study

### May 2004

- Lamont Street Alexandra – zoning issues
- Alexandra Kindergarten
- Business Excellence
- Library Collection and Development policy and Best Value

### December 2003

- Inquiry into cost shifting report
- Yea Wetlands trust fund
- 2003 – 2006 Community Plan
- Kinglake CERT team
- Best Value – Town Planning
- Rural Residential Study
- Marysville Streetscape
- Fire refuges

### February 2004

- Yea Caravan park
- Boat ramp – Jerusalem Creek
- Thornton District Sports Club

### April 2004

- Victorian Community support grants
- Parking Development Plans
- Jarara Community Centre
- Pool season 2003/2004 report
- Industrial Land Demand Study – Lamont Street Alexandra
- Council Plan and Strategic Resource Plan
- Flowerdale Bike Path
- Community Recreation Arts and Culture Grants Program
- Road and Bridge Strategies 2004/2005

### June 2004

- 2004/2005 Budget adoption
- Lamont Street Alexandra
- Review of Best Value Program
- Review of Council Business Plan 2003/2004
- Information Technology Strategy
- Municipal Public Health Plan
- 2004 Revaluation of property
- Racecourse Road Yea development plan
- Kinglake Child Care Centre and National Competition Policy
- Results of the 2004 Community Satisfaction Survey

## COMMUNITY SATISFACTION SURVEY

Each year since 1998, an independent market research company, under the direction of the Department of Infrastructure, has conducted a community satisfaction survey within each municipality in the state concerning the performance of each Council.

The survey involves telephone interviews with approximately 350 adults, selected randomly within each municipality. The survey measures resident's perceptions of Council's performance across several key service areas. It also provides a measure of the overall performance of the Council, its responsiveness in dealing with the public and its advocacy and representation on key local issues.

The interviews were conducted during February to March 2004.

### 1. Results for Service Areas

The following table provides a summary of the results for the nine (9) service areas. The figures are based on an index where 90 to 100 = excellent, 70 to 89 = good, 50 to 69 = adequate, 30 to 49 = needs some improvement, and 0 to 29 = needs a lot of improvement. The index is derived from the average of the ratings from the survey. The services are listed below in order from those perceived to be in need of the most improvement in 2004 to those perceived to be the strongest performing.

Service Area	1998	1999	2000	2001	2002	2003	2004
Local Roads and Footpaths	51	48	50	51	51	55	52
Town Planning Policy and Approvals	52	53	57_	56	56	55	56
Economic Development	48	50	52	58_	56	57	59
Traffic Management and Parking Facilities	60	59	64_	60_	63_	60_	61
Enforcement of Local Laws	59	61	62	63	64	63	63
Recreational Facilities	50	54_	59_	58	58	66_	64
Waste Management	60	50_	58_	69_	67	68	68
Health and Human Services	64	68_	72_	75_	74	73	69_
Appearance of Public Areas	68	66	71_	67	71	71	70
<i>Average Across all Above Services</i>	<i>57</i>	<i>56</i>	<i>60</i>	<i>61</i>	<i>62</i>	<i>63</i>	<i>62</i>

\_ = Statistically significant change previous year

The following trends are evident in the above results for 2004:

- On average most services continue to be viewed in the "acceptable" range, with the exception of the Appearance of Public Areas, which is rated more positively in the "good" category.
- Overall performance across most services has not changed significantly in the minds of residents since 2003, with the exception of Health and Human Services where there has been a statistically significant decline in performance ratings.
- Despite this decline, Health and Human Services and the Appearance of Public Areas continue to be perceived to be the strongest performing services by the Murrindindi Community.
- In contrast local roads and footpaths, Town Planning Policy and Approvals, Economic Development and Traffic Management and Parking Facilities continue to be perceived by the community to be in the greatest need for improvement.

Those aspects of the poorer performing services that people would like to see improved are shown below. People could nominate more than one (1) issue. The percentages shown are based on the number of people who rated the service as needing improvement. Those issues marked **New** indicate that the issues were not a major source of dissatisfaction in last year's survey and therefore represent an emerging issue.

### *Local Roads and Footpaths (171 people)*

- More frequent/ better slashing of road verges (33%)
- Standard of unsealed roads (23%)
- More frequent re-surfacing of roads (19%)
- More frequent grading/ re-sheeting of unsealed roads (19%)
- Improve/ fix/ repair uneven surface of footpaths (18%)

### *Town Planning Policy and Approvals (112 people)*

- Better planning policies needed (22%)
- More/ efficient faster approval processes (16%)
- Too much residential subdivision (13%)
- More consultation needed with community (12%)
- Take better account of environmental issues (12%) **New**

### *Economic Development (109 People)*

- Need more/ better job creation programs and employment opportunities (49%)
- Encourage more tourism (25%)
- Not aware of any Economic development/ they don't do anything (10%) **New**
- Encourage more companies/ industries to relocate to the area (8%)

### *Traffic Management and Parking (100 people)*

- More parking facilities adjacent to shopping and business centres (46%)
- More parking facilities/ capacity (31%)
- Poor traffic / parking management (17%) **New**
- Improve traffic management at intersections (7%)

While overall the community perceives Health and Human Services to be one of the stronger performing Council services, one (1) issue that has emerged this year in the comments of those respondents who rated the service as needing improvement is:

- More facilities/ resources for Aged Care (elderly)/ better nursing homes (22%)

This issue was not mentioned as a significant dissatisfier in the 2003 and 2004 surveys and may be the one of main emerging issues underlying the fall in ratings for Health and Human Services this year.

# Councillors and Governance

## 2. Results for Council's Overall Performance

The results for the remaining aspects of Council's performance, which extend to governance issues are shown in the table below.

<b>Council's Performance</b>	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>
Advocacy and Representation	50	53	59_	65_	62	66_	66
Customer Contact and Responsiveness	70	67	74_	74	73	73	74
Community Engagement	N/A	N/A	N/A	N/A	57	61_	62
Overall Performance of the Council	54	53	57_	62_	63	63	63

The community's perception of Council's overall performance has not changed significantly since 2001.

The significant improvement in perceptions of Council's advocacy role and representation on key local issues and Council's performance in engaging the community in decision making in 2003 have been sustained in the 2004 results. Furthermore, Council's performance in Customer Contact and Responsiveness continues to be rated relatively highly in the "Good" category.

Issues that people would like to see improved are shown below for each of overall performance areas. People could nominate more than one issue. The percentages shown are again based on the number of people who rated the area as needing improvement:

### Overall Performance of Council (89 people)

- Favouring certain areas of Shire over others (24%)
- Local roads and footpaths (20%)
- Rates are not giving value for money (10%)
- The make up their own minds despite community consultation (10%)

### Community Engagement (85 people)

- Need to keep community better informed (40%)
- Don't consult sufficiently/ effectively (24%)
- Should consult more with community/ use consultants less (24%)

### Advocacy and Representation On Key Local Issues (42 people) – Note small sample size

- Council represents some areas/ services/ interests but neglect others (36%)
- Not sure what the Council does/ don't communicate effectively (19%)
- Don't represent the interests of the community (30%)
- Council does not make sufficient effort (19%)
- Don't represent the interests of the community (19%)
- Council doesn't have much impact (17%)

### Customer Contact (44 people) – Note small sample size

- Lack of follow-up (34%)
- Not interested in helping (24%)
- Took too long to respond (20%)

### 3. Comparisons with Other Small Rural Councils

Consistent with previous years the report shows Murrindindi's performance compared to the strongest, poorest and median (mid point) result across all small rural shires in Victoria.

This comparison indicates that Murrindindi's performance is generally close to the median result on most indicators including Advocacy, customer contact, community engagement, appearance of public areas, waste management, enforcement of By-Laws and Economic Development.

Council's performance in Local Roads and Footpaths continues to be higher than the median result.

In contrast, several services are currently rated slightly below the median result across rural councils and include:

- Health and Human Services
- Recreational Facilities
- Traffic Management and Parking Facilities
- Town Planning Policy and Approvals

From a relatively broad perspective some of the movements are understandable in the context of when the survey was undertaken.

For example:

- In the roads area, Council has experienced a level of concern about dust on Council roads over the long summer period which may have influenced this rating.
- In addition, rainfall in late spring last year resulted in significant road regrowth even though the slashing program was fully implemented as scheduled.
- Councillors are aware of emerging traffic issues, particularly in Alexandra and Yea.
- Town Planning policy and processes have been identified as areas for improvement in the Council Plan currently out for community comment.
- Information about Council service provision has also been identified as needing improvement and is being addressed in the proposed Council plan.
- Whilst Council's aged service program has been operated on a status quo basis as in previous years, the issue of the need for increased aged persons accommodation has become a broad community issue, which appears to have involved the Council's services in the debate.

#### Summary

Overall, the 2004 survey has shown a mainly status quo result compared with the 2003 results, with little significant improvement or decline in key indicators of community satisfaction, and with similar priorities for improvement being highlighted, particularly within the service areas.

Improvements observed in Council's advocacy role and community engagement observed in the 2003 results have been sustained in the current results.

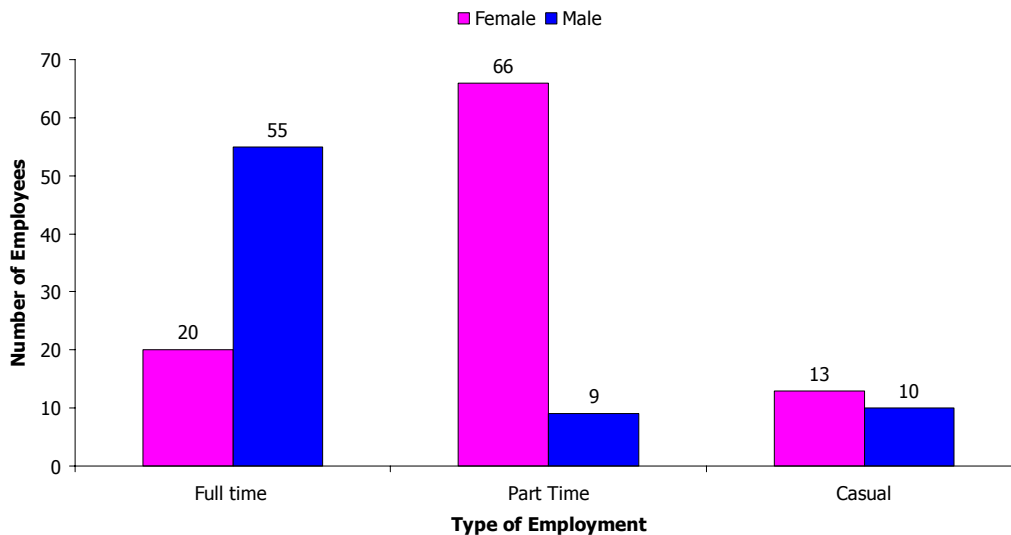
# Councillors and Governance

## EQUAL EMPLOYMENT OPPORTUNITY

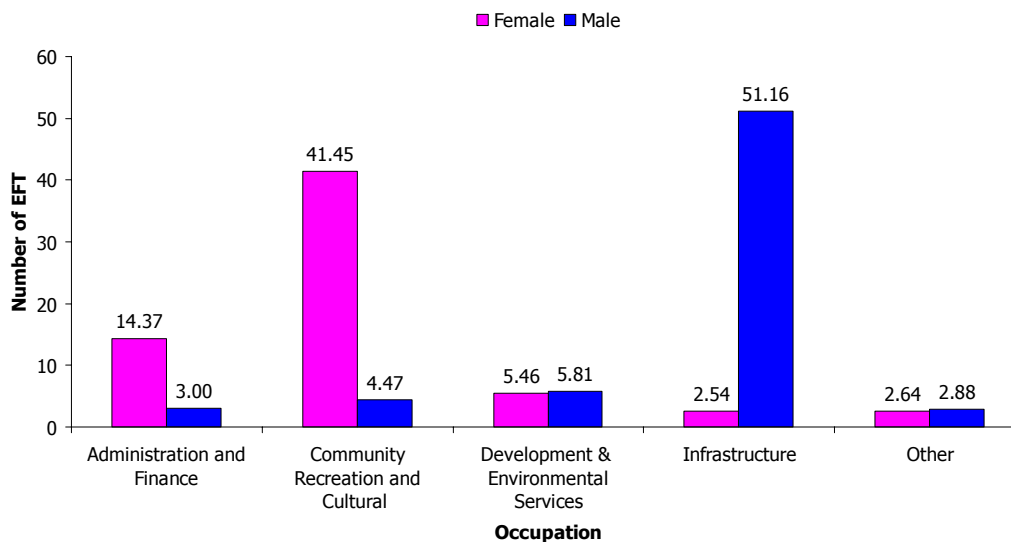
The Council's Equal Employment Opportunity Policy covers all of Council's employees, contractors, policies, practices and facilities. The policy reflects Council's desire for a workplace free of discrimination, where each person has the opportunity to progress to the extent of their ability.

Council's Internal Grievance Committee has been established to implement the principles of the policy and to facilitate the resolution of staff grievances and issues that may arise in relation to equal opportunity, harassment and victimisation.

### Employees by Employment Type



### Employees by Occupation Equivalent Full Time



### COUNCIL INFORMATION AVAILABLE FOR INSPECTION

The following documents are available for inspection as at 30 June 2004 at the Municipal Offices at Alexandra, in accordance with Section 222 of the Local Government Act, 1989.

- Voter's Roll
- Financial Statements
- Details of allowances fixed for the Mayor and Councillors.
- Details of Senior Officers current gross salaries, allowances and other benefits for the current financial year and two (2) previous financial years.
- Details of overseas and interstate travel undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months.
- Names of Council Officers who were required to submit a return of interest during the financial year and the dates returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas for and Minutes of Ordinary and Special Meetings kept under Section 93 of the Act, except where such minutes relate to parts of meetings, which have been closed to members of the public under Section 89 of the Act.
- A list of all major committees established by Council and the purpose for which each committee was established.
- A list of all major committees established by Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of Special Committees established under Section 86 of the Act except where such minutes relate to parts of meeting which have been closed to members of the public under Section 89 of the Act.
- Applications for enrolment on the voter's roll under Sections 12 and 13 of the Act for the immediate past roll and the next roll being prepared.
- Register of delegations kept under Section 87 of the Act.
- Register of delegations kept under Section 88 of the Act.
- Submissions received under Section 223 of the Act during the previous 12 months.
- Register of leases entered into by Council.
- Register of Authorised Officers.
- List of donations and grants made by Council during the financial year.
- List of names of organisations of which Council was a member during the financial year.
- List of contracts valued at \$100,000 or more which Council entered into during the financial year without first engaging in a competitive process.



## Councillors and Governance

### DONATIONS AND GRANTS 2003/2004

<b>Received By</b>	<b>Amount</b>
Alexandra Brass Band	\$1,180.00
Alexandra & District Pony Club	\$1,486.00
Alexandra & Yea Pony Club	\$2,820.00
Alexandra Community Leisure Centre	\$2,000.00
Alexandra Junior Soccer Club	\$264.00
Alexandra Pre-School	\$2,000.00
Alexandra Rotary Club	\$1,500.00
Alexandra Urban Fire Brigade	\$1,250.00
Eildon Community Leisure Centre	\$1,000.00
Eildon Lions Club	\$300.00
Eildon Pre-School	\$4,000.00
Eildon Resource Centre	\$500.00
Flowerdale Pre-School	\$4,000.00
Gallipoli Park Committee of Management	\$6,048.00
Jarara Community Centre	\$2,000.00
Kinglake Community Centre	\$2,000.00
Kinglake & District Neighbourhood House	\$1,000.00
Kinglake Memorial Reserve	\$9,000.00
Kinglake Pre-School	\$2,000.00
Kinglake Senior Citizens	\$4,000.00
Kinglake West Hall	\$2,136.00
Marysville Cricket Club	\$553.00
Marysville Primary School	\$1,000.00
Marysville Pre-School	\$4,000.00
Murrindindi Historical Register	\$600.00
Spring Valley Recreation Reserve	\$1,000.00
State Emergency Service - Alexandra	\$9,450.00
State Emergency Service - Kinglake	\$9,450.00
State Emergency Service - Marysville	\$9,450.00
Upper Goulburn Rural Counselling Service	\$2,000.00
Yea Film Society	\$330.00
Yea Indoor Recreation Centre	\$4,000.00
Yea Pre-School	\$1,000.00
Yea Rural Fire Brigade	\$1,250.00
Yea Senior Citizens	\$2,000.00
Yea Water Tigers	\$773.00
<b>Total</b>	<b><u>\$97,340.00</u></b>

## ORGANISATIONS OF WHICH COUNCIL WAS A MEMBER DURING THE PAST FINANCIAL YEAR

Organisation	Membership fee
Local Government Professionals	\$500.00
Australian Local Government Job Directory	\$440.00
Municipal Association Of Victoria	\$15,600.00
Australian Library	\$284.00
Goulburn Valley Regional Waste Management Group	\$6,000.00
National Family Day Care Council	\$100.00
Victorian Employers Chamber Of Commerce & Industry	\$1,429.00
Timber Towns Victoria	\$2,000.00
Family Day Care Association	\$116.85
Livestock Saleyards Association Of Victoria	\$641.44
National Saleyards Quality Assurance Ltd	\$330.00
Royal Life Saving Society	\$50.00
Yarra Valley, Dandenongs & the Ranges	\$16,000.00
Childrens Book Council of Australia	\$50.00
Cultural Tourism Industry	\$200.00
SAI Global	\$340.00
Country Public Libraries Group Victoria	\$110.00
<b>Total</b>	<b>\$44,391.29</b>

## **WHISTLEBLOWER PROTECTION**

Whilst Council has in place procedures to facilitate the making of disclosures under the Whistleblower Protection Act 2001, for the past 12 months, there have been no such disclosures made to Council.

## **PRIVACY ACT**

In accordance with the Victorian Information Privacy Act 2000, Council believes that the responsible handling of personal information is a key aspect of governance, and is strongly committed to protecting an individual's right to privacy.

Council will only collect personal information that is necessary for its functions and activities and will disclose that personal information only for authorised use, or if required or authorised by law.

Responsibility for the implementation of this legislation lies with all Councillors, staff, contractors and volunteers engaged with the Murrindindi Shire Council.

## **FREEDOM OF INFORMATION**

The purpose of the Freedom of Information Act 1982 is to provide members of the public with a means of access to documents and information held by Council.

Applications recorded:	<b>2003/04</b>	<b>2002/03</b>
	5	4

**Responsible Officer:** Therese Morris, Co-ordinator Corporate Systems

**Principal Officer:** Rob Croxford, Director Corporate and Community Services

### REPORT AS REQUIRED BY THE WHISTLEBLOWER PROTECTION ACT 2001

*Current procedures established by the public body under Part 6 of the Act:*

Murrindindi Council has established Whistleblower Protection Act Procedures as at January 2002.

*The number and types of disclosures made to the public body during the year:*

Nil

*The number of disclosures referred during the year by the public body to the Ombudsman for determination as to whether they are public interest disclosures:*

Nil

*The number and types of disclosed matters referred to the public body during the year by the Ombudsman:*

Nil

*The number and types of disclosed matters referred during the year by the public body to the Ombudsman to investigate:*

Nil

*The number and types of investigations of disclosed matters taken over by the Ombudsman from the public body during the year:*

Nil

*The number of requests made under Section 74 during the year to the Ombudsman to investigate disclosed matters:*

Nil

*The number and types of disclosed matters that the public body has declined to investigate during the year:*

Nil

*The number and types of disclosed matters that were substantiated on investigation and the action taken on completion of the investigation:*

Nil

*Any recommendations of the Ombudsman under this Act that relate to the public body.*

Nil

# Councillors and Governance

## LOCAL GOVERNMENT IMPROVEMENT INCENTIVE PROGRAM STATEMENT – 2003/04

### Murrindindi Shire Council

#### Certification by Chief Executive Officer

Murrindindi Shire Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:-

- National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*;
- Best Value (Ministerial Code of Reporting Best Value Principles) in accordance with the *Ministerial Code of Reporting Best Value Principles*; and
- Asset management (Asset Management Reporting) in accordance with the Municipal Association of Victoria's (MAV) STEP program

for the financial year 2003/04 as set out below:

1.	<p><b>.....NATIONAL COMPETITION POLICY.....</b></p> <p><b>A. Trade Practices Compliance</b>  <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p>	<i>Compliant</i>
	<p><b>B. Local Laws Compliance</b>  <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p>	<i>Compliant</i>
	<p><b>C. Best Value Competitive Neutrality Compliance</b>  <i>State whether the Council is compliant or non-compliant for all significant businesses. If non-compliant, justify or cite actions to redress. (If Council has scheduled, but not yet completed Best Value reviews for all of its significant businesses, this does not in itself constitute non-compliance.</i></p>	<p style="text-align: center;"><i>Compliant</i></p> <p><i>The Council on 15 June 2004 considered a report on the Kinglake Child Care Centre and resolved that it was not a significant business.</i></p>
2.	<p><b>.....BEST VALUE.....</b></p> <p><b>Ministerial Code of Reporting Best Value Principles Compliance</b>  <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p>	<i>Compliant</i>
3.	<p><b>.....ASSET MANAGEMENT.....</b></p> <p><b>Asset management Reporting Compliance</b>  <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i></p>	<i>Compliant</i>

I certify that:

- a) this statement has been prepared in accordance with the 2002/03 Local Government Improvement Incentive guidelines issued by the Minister for Local Government (April 2003) for reporting on the following three criteria :- National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*, Best Value (Best Value Principles Ministerial Code of Reporting) in accordance with the *Ministerial Code of Reporting Best Value Principles*, as published in the Victoria Government Gazette dated 30 November 2000; and Asset Management (Asset Management Reporting) in accordance with the MAV's STEP program; and
- b) this statement presents fairly the Council's implementation of the National Competition Policy, Best Value Principles and Asset Management Plans.

Signed:



(Chief Executive Officer)

Date: 27 September, 2004

# Councillors and Governance

## PART 1: .....NATIONAL COMPETITION POLICY.....

### National Competition Policy Report for 2003/04

#### Murrindindi Shire Council

#### A. Trade Practices Compliance

Councils must comply with national trade practices legislation (enacted in Victoria as the Competition Code in the *Competition Policy Reform Act 1995*) and maintain a trade practices compliance program.

<p><b>Trade Practices Compliance Program</b>  <i>Identify whether the Council has maintained a trade practices compliance program during 2002/03 to raise and maintain awareness of conduct that is prohibited as anti-competitive under the Competition Code and to promote behaviour that complies with the Code.</i></p>	<p><i>The Council's management team regularly addresses issues that are relevant to the Competition Code. Additionally, the Murrindindi Construction Board are aware of and address issues relevant to Trade Practices compliance.</i></p>
<p><b>Trade Practices Complaints</b>  <i>(a) Identify whether any complaints were made to the Council or the Australian Competition and Consumer Commission during 2002/03 concerning the Council's trade practices.</i>  <i>(b) If complaints were received, provide information on:</i></p> <ul style="list-style-type: none"> <li>▪ <i>the nature of the complaint;</i></li> <li>▪ <i>the Council's response to the complaint; and</i></li> <li>▪ <i>the final outcome of the complaint, including whether there was any independent investigation by the Australian Competition and Consumer Commission.</i></li> </ul>	<p><i>(a) No complaints have been received for 2002/03</i>   <i>(b) N/A</i></p>

#### B. Local Laws Compliance

For each local law made or amended during 2003/2004, indicate whether competition is restricted. If the local law restricts competition, identify:

- whether the benefits of the restriction to the community outweighed the costs; and
- whether the objectives of the local law can only be achieved by restricting competition.

<b>Subject of Local Law</b>	<b>New or Amended?</b>	<b>Does the Local Law Restrict Competition?</b>	<b>Application of Competition Test</b> If competition is restricted, what is the rationale for this?
<p><i>No local laws were made or amended during 2003/04</i></p>			

## C. Best Value Competitive Neutrality Compliance

To demonstrate the application of competitive neutrality in the context of Best Value:

- Identify whether the Council has any significant businesses (including contracts or in-house agreements) and list these in Section C (ii);
- Detail the process used to determine whether the Council had any significant businesses; or
- If no significant businesses were identified, provide justification for this
- Provide details of the competitive neutrality measures applied to any significant businesses (e.g. full cost reflective pricing);
- Justify any non-application of competitive neutrality measures to any significant businesses (e.g. public policy);
- Indicate whether any competitive neutrality complaints were made to the Council or the Competitive Neutrality Unit during 2003/04; and
- Identify the actions taken by the Council to address any issues arising from any complaints.

### (i) Identification of Significant Businesses

<b>Detail the process used to determine whether the Council had any significant businesses</b>	Report to Council October 2001 and June 2004.
<b>If the Council has determined that it had no significant businesses, provide justification for this.</b> If there are some significant businesses that were identified in last year's statement and are excluded from this year's statement, provide an explanation.	<i>Compliant</i>  <i>The Council on 15 June 2004 considered a report on the Kinglake Child Care Centre and resolved that it was not a significant business.</i>

### (ii) Application of Best Value Competitive Neutrality Measures

<b>Significant Business</b> Include external contracts or in-house agreements	<b>What Competitive Neutrality Measure has been Applied?</b> Detail the competitive neutrality measures applied to the significant business.	<b>Justification for Non-Application of Competitive Neutrality Measures</b> If competitive neutrality measures have not been applied, what is the rationale for this? Provide details and timing of any public interest test conducted or scheduled, and whether this is as part of a Best Value Review
<i>Murrindindi Construction</i>	<i>Full cost reflective pricing</i>	-
<i>Note: The Council on 15 June 2004 resolved that the Kinglake Childcare Centre was not a significant business.</i>		

### (iii) Competitive Neutrality Complaints

<b>Nature of Complaint</b>	<b>Council Response</b> What was the Council's complaints process?	<b>Outcome of the Complaint</b> Was the complaint referred to or investigated by the Competitive Neutrality Unit? What was the outcome of the complaint?	<b>Post-Complaint Action</b> Identify the actions taken by the Council to address any issues arising from the complaint.
<i>No Complaints were received</i>			



# Councillors and Governance

## PART 2: .....BEST VALUE.....

### Best Value Victoria Report for 2003/04

#### Murrindindi Shire Council

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#### Ministerial Code of Reporting Best Value Principles Compliance

To demonstrate compliance in reporting on the implementation of the Best Value Principles:

		YES	NO
<b>Has the Council published a Best Value Victoria Report for the community?</b>		✓	
<b>Does the Report specifically address the six Best Value Principles?</b>	<ul style="list-style-type: none"><li>- <b>Quality and cost standards</b></li><li>- <b>Responsiveness</b></li><li>- <b>Accessibility</b></li><li>- <b>Continuous improvement</b></li><li>- <b>Community consultation</b></li><li>- <b>Community reporting</b></li></ul>	✓	
<b>Was a copy of the report provided to the Minister for Local Government by 30 September 2004?</b>		✓	

## PART 3: .....ASSET MANAGEMENT.....

### Asset Management Report for 2003/04

#### Murrindindi Shire Council

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#### Asset Management Reporting Compliance

To demonstrate progress in implementing improved management of infrastructure assets:

- Indicate whether the Council has joined the STEP program developed by the Municipal Association of Victoria (MAV);
- If so, indicate whether the Council has set targets; or
- If the Council has not joined the MAV STEP program, provide details of the actions being taken to demonstrate an improvement

#### (i) Progress in Developing and Implementing Asset Management Plans

<b>Has the Council joined the MAV's STEP program Yes/No</b>	Yes
<b>If yes, indicate whether the Council has set targets to be met under the STEP program</b>	Yes
<b>If the Council has not joined the MAV's STEP program, detail the actions taken to demonstrate an improvement in the management of the Council's local infrastructure assets during 2003/04</b>	-

#### ASSET MANAGEMENT REPORTING

The Council in the early part of 2002/2003 embarked on the STEP asset management program developed by the Municipal Association of Victoria.

A meeting between STEP consultants and the Council's management team was held in November 2002 to map out a process to improve the management of infrastructure assets such as local roads and bridges and buildings.

The work for 2002/2003 culminated in the preparation of an Asset Management Policy that was presented to the Council and adopted in the early part of 2003/2004.

The purpose of the Policy is to outline the importance of Asset Management to the Murrindindi Shire Council and to set out the broad framework for undertaking asset management in a structured and coordinated way.

Council's management team and staff responsible for infrastructure assets continue to participate in an asset management balanced score approach to set key goals and strategies.

## Councillors and Governance

### BEST VALUE

The Council has obligations to complete Best Value Reviews of the organisation in accordance with legislation and also to meet funding requirements for allocation of National Competition Policy grants.

The Best Value review process is scheduled to be completed by 31st December, 2005 and at this stage the roll-out of the best value program is falling behind schedule.

Reasons for the slow rollout include:

- Staff shortages in key management positions and increasing workload, which have taken the focus off the Best Value Review program;
- The individual reviews taking longer than originally envisaged by the scoping of the projects;
- The program not considered a high priority compared to meeting day to day deadlines; and
- The lack of a consistent framework for undertaking reviews across the Organisation.

The adoption of the Business Excellence program by the Council has, at one level slowed the Best Value program down, however, at another level it is considered that the Business Excellence Program provides a very sound framework for meeting the Best Value guidelines within the overall deadline.

A chart is outlined below which summarises the Business Excellence program implementation by identified systems within Murrindindi Shire Council. Subsequent pages outline the three (3) reviews that have been completed.

<i>Council System</i>	<i>Responsibility</i>	<i>Anticipated Completion Date of all systems.</i>
<ul style="list-style-type: none"> <li>• Councillors Agenda preparation Meeting Process Governance Budget Review</li> </ul>	CEO and Councillors.	30th June, 2005
<ul style="list-style-type: none"> <li>• Administration – General</li> </ul>	Coordinator Corporate Systems	30th June, 2005
<ul style="list-style-type: none"> <li>• Rates Collection Process</li> </ul>	Director Corporate & Community Services	30th June, 2005
<ul style="list-style-type: none"> <li>• Administrative Support Services</li> </ul>	Director Corporate & Community Services	30th June, 2005
<ul style="list-style-type: none"> <li>• Reception/Service Centre Services</li> </ul>	Coordinator Corporate Systems	30th June, 2005
<ul style="list-style-type: none"> <li>• Finance</li> </ul>	Director Corporate & Community Services	30th June, 2005
<ul style="list-style-type: none"> <li>• Information Technology</li> </ul>	Coordinator Information Technology	30th June, 2005

## Councillors and Governance

• Community Services	Manager Community Services	30th June, 2005
• Kinglake Child Care Centre	Childcare Centre Manager	30th June, 2005
• Family Day Care	Family Day Care Coordinator	30th June, 2005
• HACC Services	Community Services Officer	30th June, 2005
• Swimming Pools/Recreation	Director Corporate & Community Services/Manager Community Services	30th June, 2005
• Counselling/Cyberbus/ FREEZA	Manager Community Services	30th June, 2005
• Maternal & Child Health Services	Manager Community Services	30th June, 2005
• Library Services	Shire Librarian	30th June, 2005
• Planning Services	Manager Development & Environmental Services	30th June, 2005
• Building Services	Manager Development & Environmental Services	30th June, 2005
• Health Services	Manager Development & Environmental Services	30th June, 2005
• Local Laws Services	Manager Development & Environmental Services	30th June, 2005
• Engineering Administration	Manager Assets & Infrastructure & Director Infrastructure & Development Services	30th June, 2005
• Murrindindi Construction Administration / management (and plant)	Manager Murrindindi Construction	30th June, 2005
• MCBU – Parks	Manager Murrindindi Construction	30th June, 2005
• MCBU – Road Maintenance	Manager Murrindindi Construction	30th June, 2005
• MCBU – Road Construction	Manager Murrindindi Construction	30th June, 2005
• MCBU – landfill and transfer	Manager Murrindindi Construction	30th June, 2005
• Tourism and Economic Development Services	Manager Murrindindi Construction	30th June, 2005
• Sale yards operations	Director Corporate & Community Services and Director Infrastructure & Development Services	30th June, 2005
• Occupational Health and Safety	Risk Management Coordinator	30th June, 2005
• Risk / Continuous Improvement / Business Excellence/Best Value	Risk Management Coordinator	30th June, 2005
• Executive Team	Chief Executive Officer	30th June, 2005

## Councillors and Governance

It needs to be noted that a number of Best Value reviews have been completed across a number of the systems as set out below.

### Report on Service Reviews

Library Services	Report Details					
Outcomes of the Service Review by principles						
<b>208B(a) and 208D Quality and Cost Standards</b>						
	2001/2002	2002/2003 Target	2002/2003 Actual	2003/2004 Target	2003/2004 Actual	Variance
<b>Quality Standards</b>						
Loans	95317	98177	93200	95996	93407	-3%
population	13779	13917	13736	13829	13829	
Loans per capita	6.92	7.05	6.79	6.94	6.75	-3%
New Members	776	799	781	804	724	-10%
Number of items acquired	2518	3200	4092	4174	3862	-7%
Population	13779	13917	13736	13829	13829	
Number of items acquired per capita	0.18	0.23	0.30	0.30	0.28	-7%
Number of complaints	0	0	0	0	0	0%
Bookstock turnover	2.25	2.23	2.26	2.31	2.38	3%
Total items in collection	31000	31000	31000	31930	32888	3%
<b>Cost Standards</b>						
Library Expenditure (operating)	447223	405336	418140	404878	405280	0%
Population	13779	13917	13917	13829	13829	
Library Expenditure (Op) per capita	32.46	29.13	30.05	29.28	29.31	0%
Library Expenditure (capital)	53437	80000	76436	65000	64674	
Population	13779	13917	13917	13829	13829	
Library Expenditure (Cap) per capita	3.88	5.75	5.49	4.70	4.68	-1%

<p><b>Commentary on quality and cost standards</b></p>	<p><b>Increase in new library members over previous year</b></p> <p><i>Target 2003/04: +3%</i>  <i>Actual performance: Decline in membership</i></p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 20%;">New Members 2003/4</th> <th style="width: 20%;">New Members 2002/3</th> <th style="width: 20%;">New Members 2001/2002</th> </tr> </thead> <tbody> <tr> <td>Yea</td> <td style="text-align: right;">126</td> <td style="text-align: right;">130</td> <td style="text-align: right;">130</td> </tr> <tr> <td>Kinglake</td> <td style="text-align: right;">127</td> <td style="text-align: right;">115</td> <td style="text-align: right;">128</td> </tr> <tr> <td>Alexandra</td> <td style="text-align: right;">328</td> <td style="text-align: right;">419</td> <td style="text-align: right;">322</td> </tr> <tr> <td>Mobile</td> <td style="text-align: right;">134</td> <td style="text-align: right;">103</td> <td style="text-align: right;">194</td> </tr> <tr> <td>HQ</td> <td style="text-align: right;">9</td> <td style="text-align: right;">14</td> <td style="text-align: right;">2</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>724</b></td> <td style="text-align: right;"><b>781</b></td> <td style="text-align: right;"><b>776</b></td> </tr> </tbody> </table> <p style="margin-top: 10px;"><b>Comments</b></p> <p>The overall decline in new members can be attributed in part to the “inflated” figure of 419 new members for Alexandra Library for the previous financial year. This is due to a major membership drive for children conducted in the prior financial year in conjunction with the school visitation program.</p> <p style="margin-top: 10px;"><b>Increase in number of loans over previous year</b></p> <p><i>Target 2003/4: +3%</i>  <i>Actual performance: Decline in loans.</i></p> <table style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 15%;"></th> <th style="width: 20%;">Loans 2003/4</th> <th style="width: 20%;">Loans 2002/2003</th> </tr> </thead> <tbody> <tr> <td>Yea</td> <td style="text-align: right;">19,225</td> <td style="text-align: right;">18,666</td> </tr> <tr> <td>Kinglake</td> <td style="text-align: right;">12,311</td> <td style="text-align: right;">12,809</td> </tr> <tr> <td>Alexandra</td> <td style="text-align: right;">42,861</td> <td style="text-align: right;">42,204</td> </tr> <tr> <td>Mobile</td> <td style="text-align: right;">19,010</td> <td style="text-align: right;">19,521</td> </tr> <tr> <td><b>Total</b></td> <td style="text-align: right;"><b>93,407</b></td> <td style="text-align: right;"><b>93,200</b></td> </tr> </tbody> </table> <p style="margin-top: 10px;">Note: Headquarters has been removed from the above table as loans recorded for HQ skew the figure for loans for library sites.</p> <p style="margin-top: 10px;"><b>Comments</b></p> <p>There has been little change in loans over the two (2) financial years. In one way this is disappointing, given that expenditure on library materials has increased to \$65,000 since the Best Value review in 2002. In conjunction with the increase in expenditure, a rigorous program of weeding has also been conducted. These conditions have been aimed at making the collection more appealing, relevant and up-to-date.</p> <p style="margin-top: 10px;"><b>Collection Development</b></p> <p>In addition to loans, a further measure of the relevance of the collection is the figure for additions and deletions. If the stock maintenance targets have been achieved, then it can be assumed that the new stock is continually replacing older stock.</p> <p>Items added for 2003/04 totalled 3,862 items compared with 4,092 items in 2002/03 (the figure for 2002/03 is higher as it incorporates additional funding of \$15,000 for book purchases). This figure meets the requirements set by the Collection Development Policy (2002).</p> <p>Items withdrawn for 2003/04 totalled 3,967 compared with 5,456 items in 2002/03. The figure for 2003/4 meets the requirements set by the Collection Development Policy (2002)</p> <p style="margin-top: 10px;"><b>Cost Standards</b></p> <p>The 2003/4 financial year is the second year in which an increased budget has been allocated to library materials (\$50,000 2001/02, \$65,000 2003/03 and 2003/04). Ordering, cataloguing and processing were all up-to-date at year end with no backlog.</p> <p>From an operating perspective the cost standards for the Library were achieved with a 0.1% variation. This is an excellent result on a budget in excess of \$400,000.</p> <p>The minor variation of 1% on capital expenditure reflects the difficulty of estimating the cost of preparation of books and materials which could be capitalized.</p>		New Members 2003/4	New Members 2002/3	New Members 2001/2002	Yea	126	130	130	Kinglake	127	115	128	Alexandra	328	419	322	Mobile	134	103	194	HQ	9	14	2	<b>Total</b>	<b>724</b>	<b>781</b>	<b>776</b>		Loans 2003/4	Loans 2002/2003	Yea	19,225	18,666	Kinglake	12,311	12,809	Alexandra	42,861	42,204	Mobile	19,010	19,521	<b>Total</b>	<b>93,407</b>	<b>93,200</b>
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## Councillors and Governance

<p><b>b) Responsive to Community Needs 208B(b)</b></p>	<p><b>Library Promotions and Activities</b></p> <p>Storytimes for pre-schoolers were provided by both Kinglake and Yea Offices. Both offices offer storytimes on a fortnightly basis. An additional feature of the annual program was the hosting by these offices of the Writers on the Road program.</p> <p>A productive relationship with Alexandra Friends of the Library continued this year with a major joint undertaking – the publication of Nigel Sinnott’s “Place names of Alexandra”. The project was funded by the State Government’s Local History Grants Program which fosters projects that preserve, record and share the community history of Victoria. The project was managed by library staff from design through to layout and production, and included resourcing photographs, designing the front cover, formatting the text and liaising with printers.</p> <p>The Alexandra Junior Friends of the Library were also very active this year, the highlight of their busy year was the Artrageous Art Show in the Shire Hall during July. The show attracted 175 entries and 200 visitors attending during the day. The event was a fabulous showcase for the talented youth of our Shire. The Junior Friends glowed in their entrepreneurial role and raised enough money to cover the costs of the day.</p> <p>The Library hosted a series of school visits during term 2, in which all primary school children from the two local schools visited the library for 2 sessions each. Over 200 children were involved in the program. One of the main aims of the program was to expose children to not only the range of library resources available (Mad magazine proved very popular), but also to inform them of the wide range of activities that are held for children. Many new members were enrolled and attendance at library programs has noticeably increased.</p> <p>Another major promotional event was the return of the Writers on the Road program, funded by the State Library of Victoria. Two Australian authors toured 7 venues throughout the Shire over two days, with audiences totalling 130 people. One of the main features of this program is the inclusion of small communities on the list of venues. One venue, the Strath Creek Hotel, attracted an audience of 20 people and was catered for by the local community. One participant expressed the following sentiment:</p> <p>“It is a privilege to meet and talk to such notable writers, and very encouraging for those of us who want to tell stories.”</p> <p>Marketing concepts for the library service received an “edge” with the input of ideas from a seminar conducted by John Stanley &amp; Associates. Alexandra and Yea libraries have purchased new furniture and have revamped methods for the display of books. Furniture purchased for both sites included couches, display tables and a multi-purpose display board.</p> <p>A new avenue for library promotion was taken up with the commencement of a weekly radio segment on UGFM Community Radio was commenced in May 2003. The half hour session includes book reviews and promotion of library events. During the Writers on the Road tour, the segment offered a convenient opportunity to interview one of the authors, Anson Cameron.</p>
<p><b>c) Accessible 208B(c)</b></p>	<p>The introduction of the Buxton Mobile Library service in February 2002 is an example of improved accessibility since the conduct of the Best value Review.</p> <p>Additionally, as part of the ongoing major maintenance works at the Yea Library and office it is envisaged that improved physical access will be addressed in 2004/2005.</p>
<p><b>d) Continuous improvement 208B(d)</b></p>	<p><b>Customer Service: improved efficiencies</b></p> <p>The customer survey of 2001 highlighted the need for an improved system for notification of overdue items. During 2003 new procedures were introduced. Library users now receive two overdue notices, with a final invoice if accounts have not been paid. A large backlog of invoices dating back to 2001 has now been processed.</p> <p>Another new initiative for library headquarters is to ensure that all items in process through the cataloguing and processing procedures, are made available to fill holds. In past years this material has been lent to “in process” and not made available for holds until circulated to branches. This initiative enhances the relationship with Yarra Plenty Regional Library, as the Murrindindi copy of a new bestseller will circulate as soon as it is processed.</p>

## Councillors and Governance

<b>e) Consultation 208B(e)</b>	In the development of the Collection Development Policy, which was an outcome of the Best Value review, consultation was undertaken with the friends of the libraries groups and experienced staff. Additionally, the Council in adopting the policy was able to have input and influence the final document and strategy.  Further, in the development of the concept plans for the Alexandra Library redevelopment extensive consultation and the formation of a Community Consultative Group in April 2003 has been completed.
<b>f) Reporting 208B(f)</b>	A six monthly progress report to Council and this annual report are two examples of increased reporting regimes undertaken by the Library service
<b>208C</b>	In applying the Best Value principles, the Council took into account sections (a) to (g) of Section 208C. Full details are contained in the Best Value Review which is available upon request.

Customer Services	Report Details			
Outcomes of the Service Review by principles	Standard and Performance Indicators	Targets	Actual Performance & trends	Discussion on variance.
<b>a) 208B(a) and 208D Quality and Cost Standards</b>				
<b>Quality</b>	Substantiated complaints < 2 per month	<2	0	
	Deliver all inwards correspondence on day of delivery	100%	100%	
	Respond to correspondence within 10 working days	Monthly report	The target of 10 working days was not achieved.	Further work is being carried out in this area though Business Excellence. Timeframes and systems are under review.
	Issue Receipts with an error rate <= 5% on volume per day	0	0	
<b>Cost</b>	Actual cost of service delivery/budget allocation < 1.	\$220,610	\$208,017	0.94
	Cost per capita < \$16.50	\$15.95	\$15.04	\$0.91
	Customer Service Expenditure as a % of total operating Expenditure	1%	1%	0%
<b>b) Responsive to Community Needs 208B(b)</b>	The rollout of the Customer Service undertaking and the Mystery Shopper Survey are two examples of the response to community needs.			
<b>c) Accessible 208B(c)</b>	<p>Access to customer service is available from three static sites, telephone, email, letter, facsimile and the web.</p> <p>Construction works on the Kinglake District Services Centre have encountered a number of difficulties and are yet to be completed. The new facilities will no doubt provide many opportunities for improved customer service.</p> <p>A submission has been made to the 2004/05 budget process for the redesign of the entrance to the Yea Council Offices incorporating disabled access.</p>			



<p><b>d) Continuous improvement 208B(d)</b></p>	<p><b>Mystery Shopper Survey</b></p> <p>A new initiative for customer service was the introduction of a mystery shopper survey. The objective of the survey was to measure the degree of customer service supplied by staff. Ninety-three telephone calls were made to staff over a period of 1 week.</p> <p>For further information with regard to the survey outcomes, please refer to the earlier section in this report headed Corporate &amp; Community Services.</p> <p><b>National Relay Service</b></p> <p>Murrindindi Shire Council is continuing to open the communication channels. Council staff have undertaken training sessions with staff from the Australian Communication Exchange (ACE) to learn the processes and protocols involved with accepting telephone calls from customers via the National Relay Service (NRS). The NRS is open 24 hours a day, 7 days a week and provides access to the telephone network for people who are Deaf or have hearing or speech impairment. Contact can be made with anyone through the NRS, using a TTY (teletypewriter) or a computer with a modem.</p> <p><b>Customer Request System</b></p> <p>Whilst the expansion of the Customer Request System across the organisation was identified in the Best Value Review as an outcome, it has yet to be happen. The Customer Request System has been nominated for review under the Business Excellence Program to ensure organisational standards and consistency.</p> <p><b>Resident Guide</b></p> <p>The Resident Guide is a booklet which has been printed for distribution to new residents of the Shire of Murrindindi. The booklet contains information about the services provided by Council, as well as about the district, its facilities and wider services. Guidelines are to be developed with regard to the means of distribution.</p> <p><b>Correspondence Tracking</b></p> <p>The system of tracking our inwards correspondence has been implemented across the organisation with varying degrees of success. As a standard across the organisation, officers are given 10 days within which to initiate action on a piece of correspondence. The tracking device allows officers to monitor workloads, officers are able to report on the progress of a piece of correspondence and it provides management with the means by which to monitor the movement of correspondence around the organisation.</p> <p><b>Customer Service Undertaking</b></p> <p>The Customer Service Undertaking has been formulated, however, with the introduction of the Business Excellence, it is the belief that rather than focussing the Undertaking only on the Customer Service staff, that a generic Undertaking be developed for the organisation as a whole.</p> <p>Other recommendations as outlined in the Best value Review such as phone training for staff members and analysis works regarding 1800 numbers and credit cards have not been able to be undertaken due to resource issues within departments. These works will be undertaken.</p>
<p><b>e) Consultation 208B(e)</b></p>	<p>Initiatives implemented during this year have largely been internally focused with regard to refining and expanding existing procedures and processes. This has meant that close consultation and relations have had to be developed with staff members to ensure their success.</p>
<p><b>f) Reporting 208B(f)</b></p>	<p>In addition to quarterly reports to Council, the annual Best Value report to the community will be used as a tool to satisfy section 208B(f).</p>
<p><b>208C</b></p>	<p>In applying the Best Value principles, the Council took into account sections (a) to (g) of Section 208C. Full details are contained in the Best Value Review which is available upon request.</p>

Planning Services	Report Details					
<b>a) 208B(a) and 208D Quality and Cost Standards</b>	<b>Quality Standards</b>					
	<b>TITLE</b>	<b>03/04 Performance Level</b>	<b>Target</b>			
			<b>03/04</b>	<b>04/05</b>	<b>05/06</b>	
	% of planning permits issued within 40 day period (Statutory period 60 days)*	50%	60%	65%	70%	
	% of planning permits issued within 60 day period (as per Planning and Environment Act, 1987)*	70%	80%	90%	99%	
	% of planning certificates issued within 5 day period	90%	90%	90%	90%	
	VCAT determinations consistent with officers recommendation to refuse/grant a permit	NA	100%	100%	100%	
	<b>Cost Standards</b>					
		Actual 2002/03	Budget 2003/04	Actual 2003/04	Variance \$	Variance <1
	Revenues	\$156,180	\$259,700	\$333,084	\$73,384	
Expenses	\$468,164	\$475,182	\$510,341	(\$35,159)		
Net Cost	\$311,984	\$215,482	\$177,257	\$38,225	0.82	
<p><i>Commentary on quality and cost standards</i></p> <p>The cost standard of actual cost of service delivery/ budget allocation &lt; 1 has been achieved with a result of 0.82.</p> <p>The only performance indicator achieved from a qualitative perspective was the % of planning certificates achieved within 5 days.</p>						

# Councillors and Governance

<p><b>b) Responsive to Community needs 208B(b)</b></p>	<p>The vision of the planning services business plan is to achieve good planning and environmental outcomes for all stakeholders of the community, where Murrindindi is a better place to live and where the Planning Services Department is well regarded within the community of quality services it provides.</p> <p>The Planning Services Department has a relationship with a wide range of stakeholders. These involve different service areas of Council, Councillors, Government organisations, State and Federal agencies and organisations, commercial, industry, contractors and consultants, community groups and individuals and internal stakeholders across Council's corporate organisation.</p> <p style="text-align: center;"><i>Customers</i></p> <table border="1" data-bbox="544 514 1331 871"> <thead> <tr> <th>External Customers</th> <th>Internal Customers</th> </tr> </thead> <tbody> <tr> <td> <ul style="list-style-type: none"> <li>• General Public and Councillors</li> <li>• Referral Authorities</li> <li>• Country Fire Authority</li> <li>• Department of Sustainability and Environment</li> <li>• Goulburn Murray Water</li> <li>• Goulburn Broken Catchment Management Authority</li> <li>• Goulburn Valley Water</li> <li>• TXU – Electricity</li> <li>• Telstra</li> <li>• Vic Roads</li> <li>• Environmental Protection Authority</li> <li>• Consultants</li> </ul> </td> <td> <ul style="list-style-type: none"> <li>• Engineering</li> <li>• Environmental Health</li> <li>• Building</li> <li>• Locals Laws</li> <li>• Recreation</li> <li>• Community Services</li> <li>• Customer Services</li> <li>• Finance</li> <li>• Economic Development</li> <li>• Council</li> <li>• Executive Management Team</li> </ul> </td> </tr> </tbody> </table> <p><i>Customers and Stakeholder Analysis</i></p> <p>To enhance the level of information obtained to address community and stakeholder needs, group sessions were facilitated by an external consultant experienced in Service Planning area and especially in engaging and receiving input into the review.</p> <p>The workshops focused on determining a clear direction (vision and purpose) of the department, undertaking a challenging analysis of current service provision and then identifying the key issues and actions required.</p> <p>Five (5) objectives were developed in response to key issues identified in the consultation process.</p> <p><i>Objective 1</i> Continuous improvement of the planning process, ensuring that it is understood by Council and the community and is consistently administered by planning staff.</p> <p><i>Objective 2</i> Undertake a "journey" to achieve a high level of customer service and to improve the efficiency of planning processing.</p> <p><i>Objective 3</i> Establish a quality working relationship with external and internal customers that promotes a work environment where the workload is manageable that allows for timely and quality decision making.</p> <p><i>Objective 4</i> Attract, develop and retain highly skilled staff in a team environment.</p> <p><i>Objective 5</i> Ensure ongoing compliance with planning permit conditions.</p> <p><i>Note:</i> The Business Plan individualises key activities to achieve each objective including date and responsible officer. Refer to Murrindindi Planning Department Business Plan for key actions and responsibilities.</p>	External Customers	Internal Customers	<ul style="list-style-type: none"> <li>• General Public and Councillors</li> <li>• Referral Authorities</li> <li>• Country Fire Authority</li> <li>• Department of Sustainability and Environment</li> <li>• Goulburn Murray Water</li> <li>• Goulburn Broken Catchment Management Authority</li> <li>• Goulburn Valley Water</li> <li>• TXU – Electricity</li> <li>• Telstra</li> <li>• Vic Roads</li> <li>• Environmental Protection Authority</li> <li>• Consultants</li> </ul>	<ul style="list-style-type: none"> <li>• Engineering</li> <li>• Environmental Health</li> <li>• Building</li> <li>• Locals Laws</li> <li>• Recreation</li> <li>• Community Services</li> <li>• Customer Services</li> <li>• Finance</li> <li>• Economic Development</li> <li>• Council</li> <li>• Executive Management Team</li> </ul>
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<p><b>c) Accessible 208B(c)</b></p>	<ul style="list-style-type: none"> <li>• Improved level of information to applicants and accessibility to planning staff and key personnel.</li> <li>• Improved access via dedicated appointment times</li> <li>• Strategic studies that encourage community input and facilitation</li> </ul>				

<p><b>d) Continual Improvement 208B(d)</b></p>	<p>The review of the planning service has highlighted the need to embark on a journey of continuous improvement to systematically review and map all service function processes. The planning department has developed a systems view of the department and has set immediate priorities for review and improvement. Further information regarding this approach is documented in the Chief Executive Officers response to Murrindindi Shire Council's Best Value performance report. This report details how Business Excellence addresses Councils statutory obligations to comply with the Best Value Principles as specified in section 208 of the Local Government Act.</p>
<p><b>e) Consultation 208B(e)</b></p>	<p>Group sessions were facilitated by an external consultant experienced in how the planning system works, the types of customers and broad community interest in planning issues. The group sessions were structured to ensure the consultation phase engaged participants maximising input into the review.</p> <p>The workshops focused on determining a clear direction (vision and purpose) of the department, undertaking a challenging analysis of current service provision and then identifying the key issues and actions required. (Refer above for key objectives)</p>
<p><b>f) Reporting 208B(f)</b></p>	<p>Monthly statistical reporting to council and Council Plan reporting are two examples of increased reporting regimes undertaken by the Planning Services area.</p>
<p><b>208C</b></p>	<p>In applying the Best Value principles, the Council took into account sections (a) to (g) of Section 208C. Full details are contained in the Best Value Review which is available upon request.</p>

## Councillors and Governance

### CAPITAL WORKS UNDERTAKEN AND COMPLETED DURING 2003-2004

Description of Works	Works in Progress Balance	Value of Works	Total Value of Works
	1 July 2003	2003-2004	30 June 2004
<b>Buildings</b>			
Alexandra Transfer Station		10,989	10,989
Eildon Transfer Station		11,457	11,457
Kinglake Transfer Station		23,757	23,757
Yea Transfer Station		8,852	8,852
Alexandra Saleyards		4,174	4,174
Yea Shire Hall works		13,759	13,759
Marysville Caravan Park		27,585	27,585
Yea Recreation Reserve Pavilion		194,336	194,336
Yea Pioneer Reserve upgrade		69,894	69,894
Yea Recreation Grandstand Upgrade		90,699	90,699
Yea Railway Project		23,556	23,556
<b>Total</b>	<b>0</b>	<b>479,058</b>	<b>479,058</b>
<b>Plant And Machinery</b>			
Minor Items		6,955	6,955
Major Items		573,206	573,206
Motor Vehicles		350,131	350,131
<b>Total</b>	<b>0</b>	<b>930,292</b>	<b>930,292</b>
<b>Roads, Streets &amp; Bridges</b>			
Killingworth Road Western End	53,923	113,990	167,913
Craige St Bridge Yea	27,249	436,827	464,076
Crystal Creek Rd Pavement Rehab		4,444	4,444
Gravel Roads Resheeting		394,692	394,692
Reseals		433,844	433,844
Caveat Dropmore Road Works		34,808	34,808
Ghin Ghin Rd Seal Widening		23,104	23,104
Springs Road		544,374	544,374
Eildon Jamieson Rd (Blackspot)		57,777	57,777
Extons Road Signs & Makers (Blackspot)		1,919	1,919
Buxton Walking Track		55,189	55,189
Bridge Load Limits Upgrades		102,151	102,151
Flowerdale Bicycle/Pathway Bridges		133,321	133,321
<b>Total Road, Streets &amp; Bridges</b>	<b>81,172</b>	<b>2,336,440</b>	<b>2,417,612</b>

## Councillors and Governance

### Historical Assets

Art Show Prizes	0	4,000	4,000
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### Furniture & Equipment

Computers	0	67,545	67,545
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Others	0	43,279	43,279
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<b>Total Furniture &amp; Equipment</b>	<b>0</b>	<b>110,824</b>	<b>110,824</b>
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### Library Materials

Books		50,733	50,733
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Magazines		3,830	3,830
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Videos and DVDs		10,109	10,109
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<b>Total Library Materials</b>	<b>0</b>	<b>64,672</b>	<b>64,672</b>
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### Work In Progress

Alexandra Library Extension		124,885	124,885
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Alexandra Visitors Information Centre		193,078	193,078
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Break'O'Day Rd (Blackspot)		1,410	1,410
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Buxton Rise \ Cathedral Close		790	790
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Flowerdale Bicycle/Pathway		214,306	214,306
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Jouvelet Street		31,584	31,584
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Kingslake District Services Centre		221,513	221,513
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Marysville Streetscape		318,904	318,904
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Pedestrian Crossing Grant Street		1,030	1,030
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Pool Development Stage III		37,462	37,462
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Snobs Creek Road (Blackspot)		572	572
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Taylor Bay Left Arm		6,385	6,385
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<b>Total Works In Progress</b>	<b>0</b>	<b>1,151,919</b>	<b>1,151,919</b>
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<b>Total value of Capital works completed 2003-2004</b>	<b>81,172</b>	<b>5,077,205</b>	<b>5,158,377</b>
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## INTERPRETING THE FINANCIAL STATEMENTS

A full explanation of the Statements is set out below and on face value there are no surprises from a financial perspective.

### International Financial Reporting Standards (IFRS)

Note 1 (b) of the Accounts sets out that steps have been taken to comply with the IFRS from 1 July 2005. This does require however that comparative figures need to be prepared as at 30 June 2004. It is apparent that there are no significant impacts on the presentation and treatment of accounting information however further work is required.

### Asset Recognition and Valuation

An area of ongoing concern is the identification, recognition, valuation and recording of the Council's assets in accordance with AASB1041.

Whilst the theory is reasonably straight forward, the administration has again this year uncovered that bridges on VicRoads controlled roads have been previously recognised in the Council's accounts and further, several new bridges have been identified on roads for which the Council is responsible. There is some comfort in that the Council's asset data is of a higher standard than previous 2000 data, however there is further work to review the asset system.

It is pointed out that the Council's assets are spread over 4000 sq.km. and the responsibility for some areas and assets has only been clarified in recent years.

### Changes to the Local Government Act

The Local Government Act 1989 was amended during the year by the Local Government (Democratic Reform) Act 2003.

One of the main changes is the requirement to provide a closer link between the Council Plan, Strategic Resource Plan, Annual Budget, Annual Report and Performance Statement.

As such, the requirement to present Standard Statements in the Annual Report has been introduced which requires, in addition to the financial statements, a section that compares the original budget adopted to the year end financial result. The closer link between the various strategic documents of the Council is welcomed. The Standard Statements are set out from Page 31 of the Financial Report. This year a transitional arrangement applies where only the Statement of Financial Performance and the Cashflow Statement have been addressed.

## REVIEW OF THE FINANCIAL STATEMENTS

### Statement of Financial Performance

#### REVENUES

Notes 7 – 12 provide a broad explanation for the variances, however a more detailed review of Rates, Grants and Recognition of Assets is required.

#### *Rates*

The \$657,000 increase in Rates is a result of a rate, garbage and recycling increases for 2003/2004 of 7%. Encouragingly, as a result of unprecedented building and property sales activity, supplementary rates of \$77,000 were raised during the year. This increased activity is also reflected in user charges in the accounts.

### *Grants*

The Strategic Resource Plan previously considered by the Council sets out that there is an expectation that the overall level of Grants will reduce from the heady days of 2001/2002 and 2002/2003 where the Council was very successful in securing grant funded projects.

Looking at the split between recurrent and non-recurrent grants it is apparent that the Council continues to receive favourable recognition from the Victorian Grants Commission resulting in increased untied revenues.

Non Recurrent Grants have however reduced largely as a result of the completion of the following projects or the receipt of the grant funds in advance.

- Kinglake District Services Centre
- Flowerdale Mobile Phone Tower
- Blackspot road funding
- Better Roads Victoria Funding
- Flowerdale Bike Path
- Eildon fishing Trail
- Marysville Streetscape

### *Recognition of non—current assets*

As mentioned above there was some difficulty in accounting for the Council's Roads and Bridges.

Note 7 to the accounts sets out the non-cash impact of the bridge issue.

This aspect will be considered in greater detail in the Statement of Financial Position.

## **EXPENSES**

Several expense items require a further level of explanation.

### **Employee costs**

On face value there appears to be a significant variation in employee costs between the two (2) accounting periods. Reference to the Standard Statement however shows that a minor variance of 2.55% occurred against budget. It needs to be appreciated that additional staff were appointed on a casual or limited tenure arrangement during the year to meet peak workloads including Murrindindi Construction and Home Care. Additional costs in these areas are offset to a large extent by increased revenues as shown in "User Charges".

An EBA payment was made in January 2004 of 3.75% to all non-contracted employees.

### **Contractors and Materials**

The substantial increase in Contractors and Materials is a result of external works carried out by Murrindindi Construction from \$1.158 million in 2002/2003 to \$1.883 million in 2003/2004.

### **Depreciation**

The moderate increase in Depreciation is a consequence of recognising an increased value for land and buildings following the revaluation of 2003.



### Unfunded superannuation

Accounting Policy 3 set out on page 12 of the Statements provides a background to the Council's Superannuation liability for all staff.

A report was commissioned during 2003/2004 from the Council's internal auditor which was not received at 30 June 2004. The report will review the current policy of the Council in making payments of \$50,000 per year over the next ten years to repay interest only whilst global equity markets recover. This strategy has been endorsed by the internal audit committee at this stage until a further consideration in early 2004/2005.

The variance between the two (2) accounting periods reflects the recognition of the liability in 2002/2003 and the interest payment and contributions tax in 2003/2004.

### Revaluation Reserve

In accordance with the Council's Policy 1 (d), non current assets are revalued on a cyclical basis.

The effect of revaluing Road, Streets and Bridges during the 2003/2004 year has resulted in a substantial increase in the value of the road network using revised unit rates.

The accounting treatment of this recognised increased (or decreased) value requires that the value of the asset be increased in the Statement of Financial Position and the corresponding effect being recognised in the Statement of Financial Performance where the asset has not previously been recognised through the assets revaluation reserve.

The total changes in equity is clouded by the revaluation of the assets.

### Net Result for the Reporting Period

It is pleasing that the net result for the 2003/2004 excluding the impact of the revaluation is a surplus of \$474,360. This is consistent with the objectives of the Strategic Resource Plan to deliver a surplus on the Statement of Financial Performance.

## STATEMENT OF FINANCIAL POSITION

In addition to the explanations contained in notes 14 to 24 the following additional comments are made:

### Current Assets

The level of cash at year-end will be further evaluated in the Statement of Cashflows.

The high level of receivables is however cause for concern. Sundry debtors have risen from \$670,588 to \$1,549,326 and is attributable to several long-term debtors for private works carried out by Murrindindi Construction of \$700,000 and VicRoads grants of \$160,000.

This issue has been considered in detail by the Murrindindi Construction Business Unit Board and the Council. An improved process is now in place which has been achieved through Business Excellence.

It is pleasing to note that rate debtors, that is, rates outstanding continues to reduce. The level of rates collected is approximately 97%.

The level of prepayments also increased substantially and is a consequence the insurance invoice being paid in advance.

### Non Current Assets

The revaluation of assets has previously been discussed. Reference to note 17(a) (pg 18), shows the recognition "at cost" of activities during the 2003/2004 year and the increase in depreciation as a consequence of the higher asset values. It is notable that several classes of assets are recorded at deemed cost and will not be revalued.

The Council's drainage assets will be revalued during 2004/2005 and is the last class in the cycle of land and buildings, infrastructure and drainage.

### Current liabilities

The increase in accounts payable at 30 June 2004 from \$927,868 to \$1,389,520 reflects the end of year rush to complete large maintenance and capital projects. The increase is only temporary as the July accounts payable process clears the increased liability.

The increase in "Other" current liabilities is also of interest and is a reflection of the increase in Deposits and Trust Accounts held. These funds will be refunded when requirements have been finalised and are largely a function of the increased economic activity of the Shire during the year.

### Ratepayers Equity

One of the key objectives of the Strategic Resource Plan and the 2004/2005 Council Plan is to provide a positive trend in the Ratepayers Equity.

When the effect of the asset revaluation is backed out of the Statement the ratepayers equity is \$77,580,014. The increase between the two (2) financial years on an adjusted basis is \$299,784.

It is pleasing to at least see that Equity has been maintained.

Please also see the Performance Statement and the Financial Ratios section for a more detailed analysis of the Statement of Financial Position.

### Financial Ratios

The Council is in sound financial position with its ratios of debt, revenue and working capital in a position that would be welcomed by any mid-sized organisation.

Debt, although increasing with recent large loans for major capital works, continues to reduce as a percentage of total revenues and is largely a result of rate revenues continuing to rise and grant and fees and fines being particularly high for the past year. The debt exposure ratio also continues to trend positively

The key ratio of working capital has reduced when compare to 2002/2003 but current liabilities, that is likely to be called upon in the short term, are covered by current assets 1.72 times.

### Performance Statement

The Local Government Act requires that performance indicators be published in relation to Affordability, Sustainability, Services, Infrastructure and Governance.

Of particular note is the average capital expenditure per assessment and the renewal and maintenance gap. The capital expenditure continues to trend positively however it is noted through the Strategic Resource Plan that this will be increasingly difficult unless capital grant are secured. Nonetheless, the increase in actual between the two (2) years is pleasing and would have been higher if all projects had been completed.

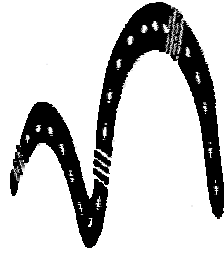
### **STATEMENT OF CASHFLOWS**

The variations in the Operating, Investing and Financing Activities can be explained by reference to the variances in the Financial Performance and Financial Position Statements.

Of particular note is the variation in the opening and closing cash balance when compared to the budgeted amount and further the consumption of cash during the year.

The variation in the opening balance is the result of works not completed at year-end of 2002/2003 and similarly the major variation this year is for similar reasons.

This is the first year where a rate determination statement has not been used to present a year-end position. From this point on variations against Cash forecasts will be used.



Murrindindi Shire Council

**FINANCIAL REPORT,  
STANDARD STATEMENTS  
AND PERFORMANCE STATEMENT  
FOR YEAR ENDED 30 JUNE 2004**



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**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2004**

		2003/ 04	2002/ 03
	Note	\$	\$
<b>Revenues</b>			
<b>Revenue from ordinary activities</b>			
Rates	8	8,035,791	7,379,466
User Charges	9	2,931,415	2,207,477
Fees & Fines		568,960	457,773
Grants	11	6,478,832	7,247,503
Interest		306,186	284,019
Other	10	865,783	730,053
Proceeds from Sale of Fixed Assets	12	521,758	437,396
Revenue from ordinary activities		<u>19,708,725</u>	<u>18,743,687</u>
Recognition of previously unrecognised non-current assets	7	1,196,376	1,156,000
<b>Total Revenue</b>		<u>20,905,101</u>	<u>19,899,687</u>
<b>Expenses</b>			
<b>Expenses from ordinary activities</b>			
Employee Costs	4	(7,155,731)	(6,675,768)
Contractors & Materials	5	(7,463,293)	(6,843,984)
Depreciation	6	(3,763,359)	(3,560,273)
Carrying Amount of Fixed Assets Sold	12	(488,860)	(487,917)
Other		(21,339)	(19,720)
Unfunded Superannuation		0	(491,559)
		<u>(18,892,582)</u>	<u>(18,079,221)</u>
Borrowing Costs		(341,783)	(282,486)
Assets written off- no longer under Council control	7	(224,116)	(28,001)
Result from ordinary activities		<u>1,446,620</u>	<u>1,509,979</u>
<b>Net result for the reporting period</b>		<u>1,446,620</u>	<u>1,509,979</u>
<b>Movements in equity</b>			
Net increase (decrease) in asset revaluation reserve	24	38,904,085	5,191,959
<b>Total movements directly recognised as equity</b>		<u>38,904,085</u>	<u>5,191,959</u>
<b>Total changes in equity for the year</b>		<u>40,350,705</u>	<u>6,701,938</u>

The above statement should be read in conjunction with the accompanying notes.



**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2004**

<b>ASSETS</b>		<b>2004</b>	<b>2003</b>
<b>Current Assets</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>
Cash Assets	14	4,015,529	4,588,137
Receivables	15	2,016,556	1,194,533
Inventories		122,951	178,735
Other	16	315,779	153,383
<b>Total Current Assets</b>		<b>6,470,815</b>	<b>6,114,788</b>
<b>Non Current Assets</b>			
Property, Plant and Equipment	17	146,116,265	105,414,934
Receivables	15	101,326	134,363
<b>Total Non-Current Assets</b>		<b>146,217,591</b>	<b>105,549,297</b>
<b>TOTAL ASSETS</b>		<b>152,688,406</b>	<b>111,664,085</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	19	1,669,169	1,192,473
Employee Benefits	20	628,342	592,246
Interest Bearing Liabilities	27	546,872	524,426
Other	21	910,647	776,862
<b>Total Current Liabilities</b>		<b>3,755,030</b>	<b>3,086,007</b>
<b>Non-Current Liabilities</b>			
Employee Benefits	20	802,242	766,351
Interest Bearing Liabilities	27	4,182,366	4,191,489
Other	21	105,100	127,275
<b>Total Non-Current Liabilities</b>		<b>5,089,708</b>	<b>5,085,115</b>
<b>TOTAL LIABILITIES</b>		<b>8,844,738</b>	<b>8,171,122</b>
<b>NET ASSETS</b>		<b>143,843,668</b>	<b>103,492,963</b>
<b>EQUITY:</b>			
Accumulated Surplus		78,552,274	77,280,230
Asset Revaluation Reserve	24(a)	64,315,881	25,411,796
Other Reserves	24(b)	975,513	800,937
<b>RATEPAYERS EQUITY</b>		<b>143,843,668</b>	<b>103,492,963</b>

The statement of financial position should be read in conjunction with the accompanying notes



**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR**  
**01 JULY 2003 TO 30 JUNE 2004**

Note	Total		Accumulated Surplus		Asset Revaluation Reserve		Other Reserves	
	2003/ 04	2002/ 03 \$	2003/ 04	2002/ 03 \$	2003/ 04	2002/ 03 \$	2003/ 04	2002/ 03 \$
Balance at Beginning of Reporting Period	103,492,963	96,791,025	77,280,230	76,081,215	25,411,796	20,219,837	800,937	489,973
Increase/(Decrease) in Net Assets Resulting from Operations	1,446,620	1,509,979	1,446,620	1,509,979	0	0	0	0
Net asset revaluation increment (decrement)	24(a) 38,904,085	5,191,959	0	0	38,904,085	5,191,959	0	0
Transfer to Reserves	24(b)	0	(237,914)	(384,090)	0	0	237,914	384,090
Transfer from Reserves	24(c)	0	63,338	73,126	0	0	(63,338)	(73,126)
Balance at End of Reporting Period	143,843,668	103,492,963	78,552,274	77,280,230	64,315,881	25,411,796	975,513	800,937

The statement of Changes in Equity should be read in conjunction with the accompanying notes.





**STATEMENT OF CASH FLOWS**  
**01 JULY 2003 TO 30 JUNE 2004**

		2003/ 04	2003/ 04	2002/ 03	2002/ 03
		Actual	Budget	Actual	Budget
		Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)	Inflows/ (Outflows)
<b>Cash Flow From Operating Activities</b>	<b>Note</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Receipts from Ratepayers		8,063,774	7,962,202	7,332,691	7,375,000
Government Grants (inclusive of GST)		6,660,609	6,950,672	7,470,797	6,975,294
Interest Received		309,055	182,500	289,340	262,000
User Charges and Reimbursements (inclusive of GST)		3,901,144	4,073,469	3,953,476	4,050,203
Net GST refund		589,172	600,000	625,568	500,000
Payments to Employees		(7,083,744)	(6,978,002)	(6,501,382)	(6,748,000)
Payment to Suppliers (inclusive of GST)		(8,240,143)	(7,820,755)	(8,498,653)	(8,757,065)
Interest Expense		(335,012)	(338,951)	(281,877)	(282,000)
<b>Net Cash Flow Provided by Operating Activities</b>	25(a)	<b>3,864,855</b>	<b>4,631,135</b>	<b>4,389,960</b>	<b>3,375,432</b>
<b>Cash Flow From Investing Activities</b>					
Proceeds from Sale of Fixed Assets	12	521,758	539,074	437,396	527,000
Payment for Fixed Assets		(5,077,205)	(6,336,464)	(4,802,380)	(5,328,000)
<b>Net Cash Flow Used In Investing Activities</b>		<b>(4,555,447)</b>	<b>(5,797,390)</b>	<b>(4,364,984)</b>	<b>(4,801,000)</b>
<b>Cash Flow From Financing Activities</b>					
Proceeds from Borrowings		500,000	500,000	500,000	500,000
Payment of Borrowings		(493,626)	(492,559)	(428,644)	(428,000)
Deposits and Trusts		111,610	-	(66,754)	-
<b>Net Cash Flow Provided By / (Used in) Financing Activities</b>		<b>117,984</b>	<b>7,441</b>	<b>4,602</b>	<b>72,000</b>
Increase/(Decrease) in Cash Held		(572,608)	(1,158,814)	29,578	(1,353,568)
Cash at Beginning of Year		4,588,137	3,353,000	4,558,559	4,558,000
Cash at End of Year	25(b)	<b>4,015,529</b>	<b>2,194,186</b>	<b>4,588,137</b>	<b>3,204,432</b>

The Statement of Cash Flows should be read in conjunction with the accompanying notes.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2004.**

**1. SIGNIFICANT ACCOUNTING POLICIES**

a.) Basis of Accounting

These general purpose statements are prepared to comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus views, the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

Where applicable, comparatives have been amended to accord with current presentation.

Unless otherwise stated, all accounting policies are consistent with the prior year.

This financial report has been prepared on an accrual and going concern basis.

This financial report has also been prepared under the historical cost convention except where otherwise stated.

b.) Transition to International Financial Reporting Standards (IFRS)

As from 1 July 2005, the Council's financial reports are to comply with the Australian equivalents of the IFRS. The Council will apply these new standards when preparing its financial report for the year ending 30 June, 2006. As comparative information for the year ending 30 June 2005 will be required in the IFRS format, the opening balances for that year (ie. 1 July 2004) may require amendment.

The Impact of Adopting Australian Equivalents To International Financial Reporting Standards

(i) Managing transition

The Council has taken the following steps in managing the transition to Australian equivalents to IFRSs:

- established a project team to oversee the transition to and implementation of the Australian equivalents to IFRSs;
- commenced activities to identify key issues and the likely impacts resulting from the adoption; and
- established an education process to raise awareness of the changes in reporting requirements.

(ii) Current Assessment of Potential Impacts

Based on our analysis of the requirements in the proposed standards relating specifically to local government entities there is considered to be little potential for a material impact on the Council's financial position and future financial performance following adoption of the requirements of the Australian equivalent to IFRS.

However, the impacts of the proposed standards have yet to be fully analysed. In addition, certain decisions have yet to be made where choices of accounting policies are available.

c.) The Local Government Reporting Entity

Funds through which Council controls resources to carry on its functions have been brought to account.

In the process of reporting on Council as a single unit, all transactions between funds have been eliminated.



### Trust Funds

The Murrindindi Shire Council has received moneys to hold in trust for various local service groups.

Amounts received as deposits, retention amounts and general trusts controlled by Council are also recognised in the financial statements as liabilities.

Refer Note 21 for details of amounts held.

### d). Valuation of Non-Current Assets

Non-Current assets have been valued on the following basis:-

#### **Land**

Land is recorded at fair value, being market value based on highest and best use permitted by relevant land planning provisions. The valuation was undertaken by Peter Hann FAPI Certificate Practising Valuer of LG Valuation Services as at 30 June 2003, and first applied in the financial year ended 30 June 2003.

#### **Buildings**

Buildings are recorded at fair value based on current market buying price. In the absence of available evidence of market buying price, the valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation was undertaken by Peter Hann FAPI Certificate Practising Valuer of LG Valuation Services as at 30 June 2003, and first applied in the financial year ended 30 June 2003.

#### **Roads, Streets and Bridges**

Roads, Streets and Bridges have been valued by Council Officer Ian Ellett B.Eng. The valuation was undertaken as at the 30 June 2004 and first applied in the financial year ended 30 June 2004.

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

#### **Drainage**

Drainage Assets have been recorded at replacement cost written down to reflect the remaining economic value embodied in the assets as at the 1 January 2000. The valuation was undertaken by Council Officer Brett Martini B.Eng. The valuation was undertaken as at the 1 January, 2000 and first applied in the financial year ended 30 June 2000.

Drainage Assets are to be revalued in 2004/ 05 and will be recorded at fair value as at 30 June 2005.

#### **Plant and Machinery Furniture and Equipment Library Bookstock Historical Assets**

Plant and Machinery, Furniture and Equipment, Library Bookstock and Historical Assets, previously measured on a revaluation basis, have been accounted for as deemed cost. Acquisitions after the 1 January 2000 have been recorded at cost.

#### **Work in Progress**

Work in progress at the 30 June 2004 is valued at cost.



Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirements to recognise and measure land under roads as an asset of Council until 30 June 2007.

Subsequent to initial recognition as assets, non-current physical assets other than plant and machinery, furniture and equipment, library book stock and historical assets are measured at either cost or fair value. Revaluations are made with sufficient regularity to ensure that the carrying amount of each asset does not differ materially from its fair value at the reporting date.

e). Depreciation of Non-Current Assets

All non-current assets having a limited useful life are systematically depreciated over their useful lives to Council in a manner which reflects the consumption of the service potential embodied in those assets.

Assets purchased in excess of \$2,000 are capitalised, with the exception of computer equipment which is recognised in excess of \$1,000. Depreciation, for assets which have an historic cost, is recognised on a straight line basis, using rates which are reviewed each reporting period. Major depreciation periods are:-

▪ Bridges - Timber	30 to 40 years
▪ Bridges - Steel and Concrete	80 to 100 years
▪ Buildings	30 to 50 years
▪ Library Books	3 to 10 years
▪ Main drains and water retarding basins	50 to 85 years
▪ Plant and Equipment	3 to 15 years
▪ Sealed roads and streets	
- formation	100 to 200 years
- pavement	20 to 40 years
- original surfacing and major resurfacing	
- bituminous seals	8 to 12 years
- asphalt surfaces	15 to 20 years
▪ Unsealed roads	
- formation	100 to 200 years
- pavement	40 to 60 years
▪ Artworks and statues	200 years

Depreciation rates are consistent with the previous year.

f). Work in Progress

Work in progress as at 30 June is identified and recorded as a non-current asset. Upon completion of each project, the value of the work in progress will be transferred to non-current depreciable assets and will be subject to appropriate depreciation charges thereafter.

g). Employee Benefits

*Wages and Salaries*

Liabilities for wages, salaries and rostered days off are recognised and measured as the amount unpaid at the reporting date and include appropriate oncosts such as WorkCover charges.

*Annual Leave*

Annual leave entitlements are accrued on a pro-rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled.

*Long Service Leave*

A liability for Long Service Leave is recognised and is measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.



Consideration is given to expected future wage levels, including oncosts, experience of employee departures and periods of service.

The proportion of long service leave estimated to be payable within the next financial year is classified as a current liability.

h). Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the schemes' assets at balance date. The liability also includes applicable contributions tax.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/ unfavourable) in the position of any defined benefits schemes. Details of these arrangements are detailed in note 3.

i). Cash Assets

For the purposes of the statement of cash flows, cash assets include cash on hand and highly liquid investments with short periods to maturity that are readily convertible to cash on hand at the Council's option and are subject to insignificant risk of changes in values, net of outstanding bank overdrafts.

j). Investments

Investments are valued at cost. Interest revenues are recognised as they accrue.

k). Sale of Land

Revenue arising from the sale of property is recognised as at the time of signing a binding contract of sale.

l). Leases

Leased assets classified as finance leases are capitalised as fixed assets. The Council does not have any finance leases. The amount initially brought to account is the present value of the minimum lease payments.

A finance lease is the one which effectively transfers from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased property.

Capitalised leased assets are amortised on a straight-line basis over the estimated useful life of the assets.

Finance lease payments are allocated between interest expense and reduction of lease liability over the term of the lease. The interest is determined by applying the interest rate implicit to the lease to the outstanding lease liability at the beginning of each lease payment period.

Operating lease payments where the lessor effectively retains substantially all of the risks and benefits incidental to ownership of the leased items, are expensed over the lease term.

m). Rates, grants, donations, user charges, fees, fines and other contributions

Rates, grants, donations and contributions other than reciprocal contributions received from owners are recognised as revenues when the municipality obtains control over the assets comprising these receipts. In the determination of control, consideration has been given to the provisions relating to control over grants and contributions in Australian Accounting Standards AAS27 *Financial Reporting by Local Governments*.



Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of rates.

User charges and fees are recognised at the fair value of the considerations received or receivable and in accordance with the recommendations of AAS15 Revenue. Revenue arising from the sale of goods or services are recognised when, and only when, all the following conditions have been satisfied:

- (i) the entity has passed control of the goods or other assets to the buyer;
- (ii) it is probable that the economic benefits comprising the compensation will flow to Council; and
- (iii) the amount of revenue can be measured reliably.

Fines are recognised on a cash basis.

n). Allocation between current and non-current.

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be realised or paid.

o). Inventories

Inventories consist of quarry stock and general stores and are valued at the lower of cost or net realisable value, using the average cost valuation principle.

p). Realisable Assets

For the purposes of the calculation of financial ratios, realisable assets have been considered to be those assets, which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset is excluded from total indebtedness.

q). Debt Service Costs

Debt service costs are distributed to functions based on the use of the loan funds by the different functions.

r). Municipal Revaluation for Rating Purposes

A revaluation of the Murrindindi Shire Council for rating purposes was returned during the 2001/2002 year.

This revaluation was used for the first time during 2002/ 2003. The valuation was prepared by Peter Hann of LG Valuation Services., Registered Valuer FVLE (Val.) was based on Capital Improved Value at 1 January, 2002 and totalled \$1,485,372,500.

The last general revaluation was returned as at 1 January, 2004 and the valuation will be first applied in the rating year commencing 1 July 2004.

s). Budget Information

Amounts shown in the financial report as budget information have been disclosed for information purposes only. Where necessary, budget information has been recast to comply with current presentation requirements. The budgeted figures have been drawn from Council's budget approved at the time the rates and Community Plan were adopted by Council for the 2003 – 2004 year.

t). Yea Cemetery Trust

The Murrindindi Shire Council acts as trustee for the Yea Cemetery Trust. The accounts of the Yea Cemetery are not included as part of the Financial Statements for the Murrindindi Shire Council, as Council does not have control of these assets.



## **2(a). COMPONENT FUNCTIONS/ACTIVITIES**

The activities relating to the municipality's components are as follows:-

### ***Civic***

Provides for the governance functions of Council. Revenue comprises general revenue grants, interest on investment and reimbursements from associated entities. Expenses comprise governance costs relating directly to the provision of Local Government to the community.

### ***Economic Development & Tourism***

Economic Development & Tourism Promotion.

### ***Human Services***

Infants and mothers, education, preventative services, Environmental Health, Senior Citizen's centres, Adult Day Care, HACC services, Family Day Care, Youth support, Community and Aged housing and counselling services.

### ***Planning & Environmental Services***

Environmental Health, Building Control, Planning and Subdivision control, Local Laws and Saleyard operations.

### ***Plant Operating***

Operations and maintenance of Council's fleet.

### ***Rates and Valuations***

Rate revenue, collection and valuations.

### ***Recreation and Culture***

Maintenance of public halls, swimming pools, parks and gardens, recreation centres and reserves, operation of libraries and cultural activities.

### ***Transport***

Construction and maintenance of roads, bridges, drainage works, footpaths, kerb and channels, parking facilities, traffic control, street lighting and depot maintenance.

### ***Waste and Environment***

Rubbish collections, operations of tips and transfer stations, recycling, street cleaning, public convenience cleaning and maintenance, emergency services and river management contribution.

## **2(b). SPECIAL COMMITTEE OF COUNCIL**

### **Marysville Retirement Village Committee of Management**

The Marysville Retirement Village comprises 11 units (7 single-bedroom and 4 two-bedroom units) and a central meeting room/function room for its residents.

Two (2) of these units are owned by Murrindindi Shire Council which are occupied by residents who have "life-long leases" over these units.

The Committee of Management is responsible for the upkeep of the facility including maintenance of gardens and buildings and setting of maintenance contributions from residents.

All financial transactions of the Committee of Management are conducted through the accounts of Murrindindi Shire Council and are included in these financial statements under the appropriate functional area.



**3. SUPERANNUATION: *Local Authorities Superannuation Fund***

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two (2) categories of membership, each of which is funded differently.

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Fund's Trustee on the advice of the actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2002, the Trustee has determined that the Council should make the following contributions:

- 9.25% of members salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to its retrenched employees (same as previous year);
- Council's share of the funding shortfall in the Local Authorities Superannuation Fund Defined Benefit Plan of \$127M at 31 December 2002 (Council's share - \$417,815). The funding or "actuarial" shortfall is the amount by which the current value of assets plus expected future contributions is less than the value of expected future benefits and expenses. The Local Authorities Superannuation Fund Defined Benefit Plan is operated as a mutual plan.

The Fund's liability for accrued benefits was determined in the 31 December 2002 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	<b>31-Dec-02</b>
	<b>\$'000</b>
Net Market Value of Assets	\$2,013,748
Accrued Benefits (per accounting standards)	<u>\$2,085,204</u>
Difference between Assets and Accrued Benefits	<u>(\$71,456)</u>
Vested Benefits	\$2,013,156

Details of contributions to superannuation funds during the year and contributions payable at 30 June 2004 are as follows:

	<b>2004</b>	<b>2003</b>
Employer contributions to Local Authorities Superannuation Fund	\$488,228	\$450,220
Employer contributions payable to Local Authorities Superannuation Fund at reporting date (including contributions tax)	\$498,508	\$491,559





**4. EMPLOYEE COSTS**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	\$	\$
Salary and Wages	6,437,305	5,995,782
Superannuation	488,228	450,220
WorkCover	230,198	229,766
	<u><b>7,155,731</b></u>	<u><b>6,675,768</b></u>

**5. CONTRACTORS AND MATERIALS EXPENSES**

Utility Payments	342,386	335,970
Contractors	5,705,471	5,203,056
Legal Expenses	102,465	97,451
Insurances	291,784	238,748
Materials	756,852	691,788
Contributions	240,094	242,181
Audit	24,241	34,790
	<u><b>7,463,293</b></u>	<u><b>6,843,984</b></u>

**6. DEPRECIATION EXPENSES**

Buildings	294,475	230,676
Plant and Machinery	424,178	416,278
Furniture and Equipment	123,655	116,100
Library Bookstock	56,489	48,076
Roads, Streets and Bridges	2,788,770	2,677,726
Drainage	75,149	70,813
Historical	643	604
	<u><b>3,763,359</b></u>	<u><b>3,560,273</b></u>



**7. ASSET ADJUSTMENTS**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue Recognition</b>		
Previously unrecognised assets	<u><b>1,196,376</b></u>	<u><b>1,156,000</b></u>
<b>Expenses</b>		
Write-out duplicate asset identified as part of Land and Buildings Revaluation	0	28,001
Write-out asset no longer under Council's control identified as part of Bridge's Revaluation	<u>224,116</u>	<u>0</u>
	<u><b>224,116</b></u>	<u><b>28,001</b></u>

**8. RATES, GARBAGE AND RECYCLING CHARGES**

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property includes the value of the land and improvements.

The valuation base used to calculate rates in 2003/04 was \$1.475 million (2002/03 \$1.447 million). The 2003/04 general rate in dollar was 0.004100 of the capital improved value of the property. (2002/03 – 0.003832). Council has a differential rate for Rural 1 land of 75% of the general rate. Rural 1 land means rateable land which is not less than 40 hectares in area.

The 2003/04 Municipal Charge was \$148.75 (2002/03 \$139.00) per rateable assessment. In 2003/04 the Garbage Service Charge was \$170.00 (2002/03 \$170.00) and Recycling Service Charge \$31.00 (2002/03 \$31.00).

Residential	2,347,555	2,123,375
Commercial	420,241	390,087
Rural 1	1,564,480	1,448,169
Rural 2	1,269,851	1,108,195
Municipal Charge	1,270,700	1,171,039
Agreement in lieu of rates	44,851	43,587
Garbage Charge	950,203	930,671
Recycling Charge	167,910	164,343
	<u><b>8,035,791</b></u>	<u><b>7,379,466</b></u>

**9. USER CHARGES**

Private Works	1,883,988	1,158,606
Rental of Council Assets	82,315	87,974
Landfill Charges	196,263	177,660
Service User Charges	768,849	783,237
	<u><b>2,931,415</b></u>	<u><b>2,207,477</b></u>

**10. OTHER REVENUE**

Contributions and Donations	338,723	283,445
Reimbursements	167,470	188,282
Return from Business Unit	359,590	258,326
	<u><b>865,783</b></u>	<u><b>730,053</b></u>



**11. SUMMARY OF GRANTS**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>	<b>\$</b>
<b>Recurrent</b>		
Civic	1,775,716	1,417,498
Human Services	1,368,878	1,214,345
Planning and Environmental Services	15,799	11,376
Recreation and Culture	96,819	90,393
Transport	1,682,262	1,553,743
Waste and Environment	14,175	13,800
	<hr/>	<hr/>
	4,953,649	4,301,155
<b>Non Recurrent</b>		
Civic	12,670	504,800
Economic Development & Tourism	213,775	160,283
Human Services	29,450	49,749
Planning and Environmental Services	136,527	28,012
Recreation and Culture	394,938	293,583
Transport	710,823	1,902,421
Waste and Environment	27,000	7,500
	<hr/>	<hr/>
	1,525,183	2,946,348
	<hr/>	<hr/>
	<b>6,478,832</b>	<b>7,247,503</b>

Grants received and recognised as income but not yet expended in the manner for which they were obtained:-

Civic	0	20,000
Economic Development and Tourism	23,807	20,000
Human Services	8,268	5,675
Planning and Environmental Services	66,479	0
Recreation and Culture	112,553	48,700
Transport	0	473,487
Waste and Environment	0	2,500
	<hr/>	<hr/>
	<b>211,107</b>	<b>570,362</b>

Grants which were recognised as income in a previous reporting period and were expended during the current financial year in the manner for which they were obtained:-

Civic	24,440	1,858
Economic Development & Tourism	23,194	89,465
Human Services	0	15,004
Planning and Environmental Services	0	30,000
Recreation and Culture	61,056	158,921
Transport	513,896	161,944
Waste and Environment	2,500	23,000
	<hr/>	<hr/>
	<b>625,086</b>	<b>480,192</b>

**12. GAIN/(LOSS) ON DISPOSAL OF CAPITAL ASSETS**

Proceeds from sales	521,758	437,396
Less : Carrying amount of assets sold	488,860	487,917
	<hr/>	<hr/>
Gain/(Loss) on Disposal	<b>32,898</b>	<b>(50,521)</b>



**13. STATEMENT OF FINANCIAL PERFORMANCE BY FUNCTION**

	<b>2003/ 04</b>		<b>2002/ 03</b>	
	\$	%	\$	%
<b>Expenditure</b>				
Civic	2,613,207	13.43%	3,062,176	16.65%
Economic Development and Tourism	511,677	2.63%	687,308	3.74%
Human Services	2,759,307	14.18%	2,721,345	14.80%
Planning and Environmental Services	1,471,713	7.56%	1,418,897	7.72%
Plant Operating	336,295	1.73%	254,487	1.38%
Rates and Valuations	256,194	1.32%	188,306	1.02%
Recreation and Culture	1,981,959	10.19%	2,003,763	10.90%
Transport	7,914,791	40.67%	6,623,023	36.01%
Waste and Environment	1,613,338	8.29%	1,430,403	7.78%
	<b><u>19,458,481</u></b>	100.00%	<b><u>18,389,708</u></b>	100%
<b>Income</b>				
Civic	2,519,999	12.05%	3,799,670	19.09%
Economic Development and Tourism	292,123	1.40%	282,122	1.42%
Human Services	2,146,034	10.27%	1,920,359	9.65%
Planning and Environmental Services	934,177	4.47%	615,066	3.09%
Plant Operating	430,858	2.06%	294,669	1.48%
Rates and Valuations	7,077,590	33.85%	6,485,313	32.60%
Recreation and Culture	649,906	3.11%	595,380	2.99%
Transport	5,483,284	26.23%	4,597,009	23.10%
Waste and Environment	1,371,130	6.56%	1,310,099	6.58%
	<b><u>20,905,101</u></b>	100.00%	<b><u>19,899,687</u></b>	100%
<b>Increase/ (Decrease) in net assets resulting from operations</b>	<b><u>1,446,620</u></b>		<b><u>1,509,979</u></b>	

**14. CASH ASSETS**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	\$	\$
Cash at Bank and on hand	166,661	474,920
Short Term Deposits/ At Call	3,848,868	4,113,217
	<b><u>4,015,529</u></b>	<b><u>4,588,137</u></b>

The following assets are limited by restrictions that have been imposed by regulation or other externally or internally imposed requirements.

Long Service Leave	682,795	648,088
Reserve Funds	975,513	800,937
General Trust Accounts	356,586	248,625
Quarry Bank Guarantee	112,500	112,500
	<b><u>2,127,394</u></b>	<b><u>1,810,150</u></b>



**15. RECEIVABLES**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Rate Debtors	250,186	278,169
Garbage Debtors	61,059	68,960
Sundry Debtors	1,549,326	670,588
Provision for Doubtful Debts	(29,000)	(29,000)
Special Charge Debtors	16,947	21,066
Goods and Services Tax Debtor	168,038	184,750
	<b><u>2,016,556</u></b>	<b><u>1,194,533</u></b>

**Non-Current**

Sundry Debtors	49,806	62,000
Special Charge Debtors	51,520	72,363
	<b><u>101,326</u></b>	<b><u>134,363</u></b>

**16. OTHER CURRENT ASSETS**

Prepayments	285,711	97,972
Accrued Income - Interest on Investments	22,011	24,880
Accrued Income - Other	8,057	30,531
	<b><u>315,779</u></b>	<b><u>153,383</u></b>



**17(a). PROPERTY, INFRASTRUCTURE, PLANT & EQUIPMENT**

	2003/ 04		2002/ 03	
	\$	\$	\$	\$
<b>Land</b>				
- at Valuation	10,371,448	<b>10,371,448</b>	9,685,010	<b>9,685,010</b>
<b>Buildings</b>				
- at Cost	479,058		0	
Less: Accumulated Depreciation	0	479,058	0	0
- at Valuation	15,377,077		14,499,600	
Less: Accumulated Depreciation	(292,337)	15,084,740	0	14,499,600
		<b>15,563,798</b>		<b>14,499,600</b>
<b>Plant and Machinery</b>				
- at Cost	2,769,046		2,130,702	
Less: Accumulated Depreciation	(448,329)	2,320,717	(281,279)	1,849,423
- at deemed cost as at 1 July 2001	1,556,470		1,814,454	
Less: Accumulated Depreciation	(474,299)	1,082,171	(430,808)	1,383,646
		<b>3,402,888</b>		<b>3,233,069</b>
<b>Furniture and Equipment</b>				
- at Cost	567,624		461,273	
Less: Accumulated Depreciation	(242,971)	324,653	(147,947)	313,326
- at deemed cost as at 1 July 2001	223,827		235,492	
Less: Accumulated Depreciation	(88,989)	134,838	(76,193)	159,299
		<b>459,491</b>		<b>472,625</b>
<b>Roads, Streets &amp; Bridges</b>				
- at Cost	0		8,131,999	
Less: Accumulated Depreciation	0	0	(455,378)	7,676,621
- at Valuation	150,130,941		110,191,536	
Less: Accumulated Depreciation	(37,819,002)	112,311,939	(43,343,090)	66,848,446
		<b>112,311,939</b>		<b>74,525,067</b>
<b>Drainage</b>				
- at cost	92,493		92,493	
Less: Accumulated Depreciation	(4,938)	87,555	(301)	92,192
- at valuation	3,525,965		3,525,965	
Less: Accumulated Depreciation	(1,727,593)	1,798,372	(1,657,081)	1,868,884
		<b>1,885,927</b>		<b>1,961,076</b>
<b>Historical Assets</b>				
- at cost	19,000		15,000	
Less: Accumulated Depreciation	(246)	18,754	(135)	14,865
- at deemed cost as at 1 July 2001	105,861		105,861	
Less: Accumulated Depreciation	(1,596)	104,265	(1,064)	104,797
		<b>123,019</b>		<b>119,662</b>
<b>Library Bookstock</b>				
- at Cost	247,558		185,178	
Less: Accumulated Depreciation	(45,120)	202,438	(23,823)	161,355
- at deemed cost as at 1 July 2001	279,693		283,104	
Less: Accumulated Depreciation	(98,699)	180,994	(69,210)	213,894
		<b>383,432</b>		<b>375,249</b>
<b>Works In Progress</b>				
- at cost				
- Buildings and Other Structures	845,484		268,547	
- Roads Streets and Bridges	768,839	<b>1,614,323</b>	275,029	<b>543,576</b>
		<b>146,116,265</b>		<b>105,414,934</b>

The Valuation basis on Non-Current Assets is disclosed in Note 1.d).



**17(b). RECONCILIATION**

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and the end of the current and previous financial years are set out below.

2003/ 2004	Land	Buildings	Plant & Machinery	Roads, Streets and Bridges	Drainage	Historical Assets	Furniture & Equipment	Library Bookstock	Works In Progress	Total
Carrying amount at start of year	9,685,010	14,499,600	3,233,069	74,525,067	1,961,076	119,662	472,625	375,249	543,576	105,414,934
Additions		479,058	930,292	2,336,440		4,000	110,824	64,672	1,151,919	5,077,205
Completed Works In Progress Projects				81,172					(81,172)	0
Disposals	(25,900)	(126,362)	(336,295)				(303)			(488,860)
Revaluation/ increments	712,338	1,005,977		37,185,770						38,904,085
Asset recognition / write down				972,260						972,260
Depreciation / amortisation		(294,475)	(424,178)	(2,788,770)	(75,149)	(643)	(123,655)	(56,489)		(3,763,359)
Carrying amount at end of year	10,371,448	15,563,798	3,402,888	112,311,939	1,885,927	123,019	459,491	383,432	1,614,323	146,116,265

2002/ 2003	Land	Buildings	Plant & Machinery	Roads, Streets and Bridges	Drainage	Historical Assets	Furniture & Equipment	Library Bookstock	Works In Progress	Total
Carrying amount at start of year	5,915,301	10,699,951	3,002,474	74,127,470	1,945,423	116,266	417,153	346,890	1,769,858	98,340,786
Additions	173,410	306,641	901,360	2,692,184	8,008	4,000	171,812	76,435	468,530	4,802,380
Completed Works In Progress Projects		1,233,215		383,139	78,458				(1,694,812)	
Disposals	(160,000)	(73,190)	(254,487)				(240)			(487,917)
Revaluation/ increments	2,628,300	2,563,659								5,191,959
Asset recognition / write down	1,127,999									1,127,999
Depreciation / amortisation		(230,676)	(416,278)	(2,677,726)	(70,813)	(604)	(116,100)	(48,076)		(3,560,273)
Carrying amount at end of year	9,685,010	14,499,600	3,233,069	74,525,067	1,961,076	119,662	472,625	375,249	543,576	105,414,934



**18. ASSETS ATTRIBUTABLE TO FUNCTIONAL AREAS**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>	<b>\$</b>
Civic	4,231,840	9,591,330
Economic Development and Tourism	578,899	25,320
Human Services	3,078,357	2,257,279
Planning and Environmental Services	287,140	718,355
Plant Operating	3,556,821	3,224,938
Rates and Valuations	1,397	1,250
Recreation and Culture	16,861,375	15,409,673
Transport	121,256,410	77,559,388
Waste and Environment	2,836,167	2,876,552
	<b><u>152,688,406</u></b>	<b><u>111,664,085</u></b>

**19. PAYABLES**

**Current**

Accounts Payable	1,389,520	927,868
Loan Interest	45,998	46,176
Expenses Other	233,651	218,429
	<b><u>1,669,169</u></b>	<b><u>1,192,473</u></b>

**20. EMPLOYEE BENEFITS**

**Current**

Annual Leave	543,342	523,246
Long Service Leave	85,000	69,000
	<b><u>628,342</u></b>	<b><u>592,246</u></b>

**Non-Current**

Long Service Leave	<b><u>802,242</u></b>	<b><u>766,351</u></b>
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**21. OTHER LIABILITIES**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	\$	\$
<b>Current</b>		
Deposits*	379,987	286,784
General Trust Accounts*	510,660	412,078
Marysville Retirement Village Leases	0	58,000
Library Land Purchase	20,000	20,000
	<b>910,647</b>	<b>776,862</b>
<b>Non-Current</b>		
Marysville Retirement Village Leases	105,100	107,275
Library Land Purchase	0	20,000
	<b>105,100</b>	<b>127,275</b>

\* These funds represent amounts that will be refunded when requirements have been finalised or paid in accordance with instructions of person/organisation on whose behalf the monies are held.

**22. COMMITMENTS FOR CAPITAL AND OTHER EXPENDITURE**

Garbage/ Recycling Collection	545,250	867,750
Tip Attendants	0	11,771
Cleaning Services	0	40,369
Construction Works	23,677	488,000
Valuation Services	32,017	81,445
Audit - Internal	10,000	20,000
Building Construction	1,068,015	737,782
Consultancy Services	8,622	12,000
	<b>1,687,581</b>	<b>2,259,117</b>

These expenditures are due for payment:

Not later than one year	1,399,581	1,693,867
Later than one year and not later than five years	288,000	565,250
	<b>1,687,581</b>	<b>2,259,117</b>

The description of these various contracts has not been disclosed separately due to commercial confidentiality

**23. OPERATING LEASE COMMITMENTS**

At the reporting date, the Council had the following obligations under non-cancellable operating leases for buildings and office equipment (these obligations are not recognised as liabilities):-

	<b>2003/ 04</b>	<b>2002/ 03</b>
	\$	\$
Not later than one year	227,488	199,308
Later than one year and not later than five years	607,282	442,535
Later than five years	33,403	27,475
	<b>868,173</b>	<b>669,318</b>



**24. RESERVES**

	<b>2003/ 04</b>	<b>2002/ 03</b>
<b>(a) Asset Revaluation Reserve</b>	<b>\$</b>	
Balance at beginning of financial year	25,411,796	20,219,837
Revaluation of Land	712,338	2,628,300
Revaluation of Buildings	1,005,977	2,563,659
Revaluation of Roads, Streets and Bridges	37,185,770	0
Balance at end of financial year	<u><b>64,315,881</b></u>	<u><b>25,411,796</b></u>

**(b) Reserve Funds**

Other Reserves:		
Public Open Space	141,914	57,914
Coster Street Units	7,295	4,125
Recreation Facilities	0	20,934
Marysville Retirement Village	214,670	200,165
Subdividers Contribution to Road Maintenance	16,044	16,044
Yea Saleyards	152,664	113,742
Alexandra Saleyards	19,241	8,017
Garbage Landfill	313,879	310,672
Shaw Avenue Redevelopment	63,087	66,000
Yea Caravan Park	5,832	3,324
Marysville Caravan Park	2,032	0
Information Technology	38,855	0
	<u><b>975,513</b></u>	<u><b>800,937</b></u>

**(c) Movement in Reserve Funds**

<b>Reserve Fund</b>	<b>Transfer to Reserve</b>		<b>Transfer from Reserve</b>	
	<b>2003/ 04</b>	<b>2002/ 03</b>	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>		<b>\$</b>	
Public Open Space	84,000	76,000	0	50,000
Coster Street Units	3,557	1,873	387	1,397
Saleyards Development	71,755	51,071	21,609	6,837
Marysville Retirement Village	32,000	0	17,495	3,835
Garbage Landfill	3,207	185,822	0	0
Yea Caravan Park	2,508	3,324	0	0
Recreation Facilities	0	0	20,934	2,400
Shaw Avenue Redevelopment	0	66,000	2,913	0
Family Day Care	0	0	0	8,657
Marysville Caravan Park	2,032	0	0	0
Information Technology	38,855	0	0	0
	<u><b>237,914</b></u>	<u><b>384,090</b></u>	<u><b>63,338</b></u>	<u><b>73,126</b></u>

**(d) Nature and Purpose of Reserve Funds**

Asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 1(d).

Public Open Space reserve represents payments from Subdividers as specified under the Subdivisions Act, to fund the future creation of areas of recreational land.

Coster Streets Unit reserve represents funds set aside for future maintenance costs of these units.

Recreational Facilities reserves represents funds set aside from Subdividers as a contribution to the future costs of provision of recreational facilities.

Marysville Retirement Village reserve represents funds set aside for future developments.

Subdividers Contribution to Road Maintenance reserve consists of contributions from Subdividers to future road maintenance cost impacted by respective subdivisions.

Yea Saleyards reserve is surplus operational funds set aside for future capital works.

Alexandra Saleyards reserve is surplus operational funds set aside for future capital works.

Garbage reserve represents funds set aside for rehabilitation of Landfill site.

Shaw Avenue reserve represents funds set aside for the redevelopment of remaining land.

Yea Caravan Park reserve is surplus operational funds set aside for future capital works.

Marysville Caravan Park reserve is surplus operational funds set aside for future capital works.

Information Technology reserve represents funds set aside for future developments.



**25. NOTES TO THE STATEMENT OF CASH FLOWS**

**(a) Reconciliation of result from ordinary activities with net cash from operations**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	\$	\$
Increase/(Decrease) in net Assets resulting from Operations	1,446,620	1,509,979
Depreciation	3,763,359	3,560,273
(Increase)/Decrease in Debtors	(788,986)	291,986
(Increase)/Decrease in Pre-payments	(187,739)	(19,551)
(Increase)/Decrease in Accrued Income	25,343	(1,470)
(Increase)/Decrease in Stock on Hand	55,784	145,070
Increase/(Decrease) in Creditors	461,652	(744,565)
Increase/(Decrease) in Accrued Expenses	15,044	59,771
Increase/(Decrease) in Employee Benefits	71,987	174,386
Increase/(Decrease) in Unfunded Superannuation	6,949	491,559
Carrying Amount of Fixed Assets Disposed of	488,860	487,917
Proceeds From Disposal of Fixed Assets	(521,758)	(437,396)
Assets written off – no longer under Council control	224,116	28,001
Recognition of previously unrecognised Assets	(1,196,376)	(1,156,000)
<b>Net Cash Provided By Operating Activities</b>	<b>3,864,855</b>	<b>4,389,960</b>

**(b) Reconciliation of Cash**

	<b>Note</b>		
Cash at Bank and on hand		166,661	474,920
Investments		3,848,868	4,113,217
		<u><b>4,015,529</b></u>	<u><b>4,588,137</b></u>
Of these, the following amounts are restricted by regulation or other externally imposed conditions	14	<b>2,127,394</b>	<b>1,810,150</b>

**26. CREDIT STANDBY ARRANGEMENT**

Bank Overdraft	400,000	400,000
Used Facilities		0
Unused Facilities	<u><b>400,000</b></u>	<u><b>400,000</b></u>



**27. INTEREST BEARING LIABILITIES**

	<b>2003/ 04</b>	<b>2002/ 03</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Bank Loans	546,872	475,270
Unfunded Superannuation Liability	0	49,156
	<u><b>546,872</b></u>	<u><b>524,426</b></u>
<b>Non-Current</b>		
Bank Loans	3,683,858	3,749,086
Unfunded Superannuation Liability	498,508	442,403
	<u><b>4,182,366</b></u>	<u><b>4,191,489</b></u>

Bank Loans are secured by a charge over the general rates of the Council.

Bank Loans due for maturity:

Not later than one year	546,872	475,270
Later than one year and not later than two years	581,775	508,260
Later than two years and not later than five years	1,984,180	1,730,432
Later than five years	1,117,903	1,510,394
	<u><b>4,230,730</b></u>	<u><b>4,224,356</b></u>

Unfunded Superannuation contribution is recorded as an interest bearing liability.

Contributions due for payment:

Not later than one year	0	49,156
Later than one year and not later than two years	62,313	49,156
Later than two years and not later than five years	186,940	147,468
Later than five years	249,255	245,779
	<u><b>498,508</b></u>	<u><b>491,559</b></u>

**28. CONTINGENT LIABILITIES**

The Council is presently involved in a confidential legal matter, which is being conducted through Council's solicitors.

As this matter is yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.



**29. FINANCIAL INSTRUMENTS**

**(a) Terms, Conditions and Accounting Policies**

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
Cash, cash equivalents & short term investments	14	Carried at nominal value. Interest is recognised as it accrues	Deposits returning fixed interest rates vary between 4.61% and 5.49%. The average rate at balance date was 5.35%
Rate Debtors	15	Rates are carried at nominal amount due plus interest less any provision for doubtful debts. Rate debts are a charge attached to the rateable land. Interest rates are reviewed annually.	Rates are payable by four (4) installments during the year. Arrears, including deferred rates, attract interest. The interest rate was 11.25% at balance date for general rates. Interest rates charged on private schemes was also 11.25%.
Receivables – General Debtors	15	Receivables are carried at nominal amount due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest free. Credit terms are usually 30 days.
<b>Financial Liabilities</b>			
Payables	19	Liabilities are recognised for amounts being paid in the future for goods received and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest Bearing Liabilities	27	Loan Borrowings are carried at the principal amount outstanding. Loan borrowings are subject to borrowing limits imposed by the State Government under Loan Council approval arrangements. Interest is charged as an expense as it accrues.	Loan borrowings are secured by a mortgage over the rates of Council. The interest rate for individual loans is fixed for the period of the loan. The loan is repayable in equal installments comprising principal and interest. Interest rates vary between 6.23% and 11.29% with a weighted average interest rate of 7.01%.



**(b) Interest Rate Risk**

The entity's exposure to interest rate risk and the effective weighted average interest rate for each class of financial asset and financial liability is set out below:-

Financial Instruments	Note	Floating Interest Rate		Fixed interest rate maturing in						Non-interest bearing		Total carrying amount as per the balance sheet		Weighted average effective interest rate	
				1 year or less		Over 1 to 5 years		More than 5 years							
		2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 %	2002/ 03 %
Financial Assets															
Cash	14									167	475	167	475		
Receivables	15			328	368	61	58	2	34	1,727	869	2,118	1,329	11.25	11.25
Cash Investments	14			3,849	4,113							3,849	4,113	5.35	4.70
<b>Total financial assets</b>				<b>4,177</b>	<b>4,481</b>	<b>61</b>	<b>58</b>	<b>2</b>	<b>34</b>	<b>1,894</b>	<b>1,344</b>	<b>6,134</b>	<b>5,917</b>		
Financial Liabilities															
Payables	19									1,669	1,192	1,669	1,192		
Interest Bearing Liabilities	27			547	524	3,566	2,435	616	1,756			4,729	4,715	7.01	6.54
<b>Total financial liabilities</b>				<b>547</b>	<b>524</b>	<b>3,566</b>	<b>2,435</b>	<b>616</b>	<b>1,756</b>	<b>1,669</b>	<b>1,192</b>	<b>6,398</b>	<b>5,907</b>		



**(c) Credit Risk Exposure**

Credit risk represents the loss that would be recognised if counterparts failed to perform as contracted.

The credit risk on financial assets of the entity which have been recognised on the balance sheet, is the carrying amount, net of any provisions for doubtful debts. The entity minimises concentration of credit risk by undertaking transactions with unrelated debtors. The entity is not materially exposed to any individual debtor.

**(d) Net Fair Values**

	Note	Total carrying amount as per balance sheet		Aggregate net fair value	
		2003/ 04 \$'000	2002/ 03 \$'000	2003/ 04 \$'000	2002/ 03 \$'000
Financial assets					
Cash, cash equivalents and short-term Investments	14	4,016	4,588	4,016	4,588
Receivables – Rate Debtors	15	311	347	311	347
Receivables - General Debtors	15	1,807	982	1,807	982
<b>Total financial assets</b>		<b>6,134</b>	<b>5,917</b>	<b>6,134</b>	<b>5,917</b>
Financial Liabilities					
Payables	19	1,669	1,192	1,669	1,192
Interest Bearing Liabilities	27	4,729	4,715	3,675	3,726
<b>Total financial liabilities</b>		<b>6,398</b>	<b>5,907</b>	<b>5,344</b>	<b>4,918</b>

The following methods and assumptions are used to determine the net fair values of financial assets and liabilities:-

- Cash, cash equivalent and short term investments.: The carrying amount approximates fair value because of their short term to maturity.
- Receivables - Rates Debtors: The carrying amount approximates fair value.
- Receivables - General Debtors: The carrying amount approximates fair value.
- Payables: The carrying amount approximates fair value.
- Loan Borrowings: The fair values of borrowings are estimated using discounted cash flow analysis, based on the borrowing rates for similar types of borrowing arrangements.



**30. FINANCIAL RATIOS**

<b>(a) Debt Servicing Ratio</b>	<b>2003/ 04</b>	<b>2003/ 04</b>	<b>2002/ 03</b>	<b>2001/ 02</b>
To identify the capacity of a Council to service its outstanding debt.				
<u>Debt Servicing Costs</u>	<u>341,783</u>			
Total Revenue	20,905,101	1.63%	1.42%	1.65%
 <b>(b) Debt Commitment Ratio</b>				
To identify a Council's debt redemption strategy				
Debt servicing and redemption costs	<u>835,409</u>			
Rate Revenue	8,035,791	10.40%	9.64%	11.06%
 <b>(c) Revenue Ratio</b>				
To identify a Council's dependence on non-rate income				
Rate Revenue	<u>8,035,791</u>			
Total Revenue	20,905,101	38.44%	37.08%	38.33%
 <b>(d) Debt Exposure Ratio</b>				
To identify a Council's exposure to debt				
Total indebtedness	<u>6,717,344</u>			
Total realisable assets	35,594,307	1 : 5.30	1 : 5.20	1 : 3.94
 <b>(e) Working Capital Ratio</b>				
To assess Council's ability to meet current commitments				
Current assets	<u>6,470,815</u>			
Current liabilities	3,755,030	1.72 : 1	1.98 : 1	1.79 : 1

**DEFINITIONS:**

- Debt Servicing Costs** Includes interest and charges on loans, overdrafts and financial leases
- Debt Redemption** Includes the principal component of repayment on loans and financial leases.
- Rate Revenue** Includes revenue from general rates, municipal charges and service charges.
- Total Revenue** Total Revenue as shown in the Statement of Financial Performance.
- Current Assets** Total Current Assets as shown in the Statement of Financial Position
- Current Liabilities** Total Current Liabilities as shown in the Statement of Financial Position
- Total Indebtedness** Total Liabilities, both Current and Non-Current, as shown in the Statement of Financial Position, less liabilities related to restricted assets.
- Total Realisable Assets** Total Current Assets plus total realisable Non-Current Assets, less any restricted assets.





**31. RELATED PARTY TRANSACTIONS**

**(a) Responsible Persons**

The names of persons holding positions as Responsible Persons for Murrindindi Shire Council during the reporting period were:-

➤ **Councillors**

Michael Dalmau  
 Peter Beales  
 Lynette Gunter  
 Graeme Brown  
 Andrew Coller  
 William Wall

➤ **Chief Executive Officer**

Daniel Hogan

**(b) Remuneration of Responsible Persons (Councillors and Chief Executive officer)**

Annualised remuneration of responsible persons were within the following bands:

	<b>2004</b>	<b>2003</b>
<i>\$0 - \$10,000</i>	-	8
<i>\$10,001 - \$20,000</i>	5	-
<i>\$20,001 - \$30,000</i>	1	1
<i>\$110,001 - \$120,000</i>	-	1
<i>\$120,001 - \$130,000</i>	1	-
	<u>7</u>	<u>10</u>

Total Remuneration for the reporting year for Responsible Persons included above amounted to:-

\$218,275	\$202,683
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**(c) No retirement benefits have been made by the Council to a Responsible Person.**

**(d) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year.**

**(e) Other transactions**

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year.

**(f) Senior Officers other than Responsible Persons remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands.

<u>Amount</u>	<u>Number</u>	
	<b>2004</b>	<b>2003</b>
Under \$100,000	3	3
	<u>3</u>	<u>3</u>

Total Remuneration for the reporting year for Senior Officers included above amounted to:-

\$294,263	\$278,823
-----------	-----------



**CERTIFICATION OF THE FINANCIAL REPORT**

In my opinion, the accompanying financial report of Murrindindi Shire Council for the year ended 30 June, 2004 has been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*, Australian Accounting Standards and other mandatory professional reporting requirements.

Handwritten signature of Daniel D. Hogan in black ink.

Principal Accounting Officer  
(Daniel D. Hogan, B. Bus (Local Govt))

Dated: 24 September 2004  
Alexandra.

In our opinion, the accompanying financial report presents fairly the financial transactions of the Murrindindi Shire Council for the year ended 30 June, 2004 and the financial position of the Council as of that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial report to be misleading or inaccurate.

We have been authorised by Council on 14 September, 2004 to certify the financial report in its final form.

Handwritten signature of Michael Dalmau in black ink.

Councillor  
(Michael Dalmau)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Graeme Brown in black ink.

Councillor  
(Graeme Brown)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Daniel D. Hogan in black ink.

Chief Executive Officer  
(Daniel D. Hogan)

Dated: 24 September 2004  
Alexandra.



**Standard Statement of Financial Performance**

Comparison Report for year ended 30 June 2004

Revenue from Ordinary Operations	Budget	\$	Variances	Ref	Actuals
	2003/04		%		2003/04
Rates	7,962,202	73,589	0.92%		8,035,791
User Charges	2,682,793	248,622	9.27%		2,931,415
Fees & Fines	447,076	121,884	27.26%	1	568,960
Grants	6,769,672	(290,840)	-4.30%		6,478,832
Interest	182,500	123,686	67.77%	2	306,186
Other	614,600	251,183	40.87%	3	865,783
Proceeds from Sale of Fixed Assets	539,074	(17,316)	-3.21%		521,758
Recognition of Assets	0	1,196,376	100%	4	1,196,376
<b>Total Revenues</b>	<b>19,197,917</b>	<b>1,707,184</b>	<b>8.89%</b>		<b>20,905,101</b>
<b>Expenses from Ordinary Operations</b>					
Employee Costs	6,978,002	177,729	2.55%		7,155,731
Contractors & Materials	6,667,711	795,582	11.93%	5	7,463,293
Depreciation	3,609,000	154,359	4.28%		3,763,359
Carrying Amount of Fixed Assets Sold	539,074	(50,214)	-9.31%		488,860
Other	19,044	2,295	12.05%	6	21,339
Interest	338,951	2,832	0.84%		341,783
Assets written off – No longer under Council control	0	224,116	100%	7	224,116
<b>Total expenses</b>	<b>18,151,782</b>	<b>1,306,699</b>	<b>7.20%</b>		<b>19,458,481</b>
<b>Net surplus (deficit) from operations</b>	<b>1,046,135</b>	<b>400,485</b>	<b>38.28%</b>		<b>1,446,620</b>
<b>Movement in Equity</b>					
Net increase (decrease) in asset revaluation reserve	0	38,904,085	100%		38,904,085
<b>Total changes in equity</b>	<b>1,046,135</b>	<b>39,304,570</b>	<b>138.28%</b>		<b>40,350,705</b>



**Standard Statement of Cash Flows**

Comparison Report for year ended 30 June 2004

	<b>Budget</b>		<b>Variances</b>		<b>Actuals</b>
	<b>2003/04</b>	<b>\$</b>	<b>%</b>	<b>Ref</b>	<b>2003/04</b>
<b>Cash Flows From Operating Activities</b>					
Receipts from Ratepayers	7,962,202	101,572	1.28%		8,063,774
Government Grants (inclusive of GST)	6,950,672	(290,063)	-4.17%		6,660,609
Interest Received	182,500	126,555	69.35%	<b>8</b>	309,055
User Charges and Reimbursements (inclusive of GST)	4,073,469	(172,325)	-4.23%		3,901,144
Net GST refund	600,000	(10,828)	-1.80%		589,172
Payments to Employees	(6,978,002)	(105,742)	1.52%		(7,083,744)
Payments to Suppliers (inclusive of GST)	(7,820,755)	(419,388)	5.36%		(8,240,143)
Interest Expense	(338,951)	3,939	-1.16%		(335,012)
<b>Net Cash inflow (outflow) from Operating Activities</b>	<b>4,631,135</b>	<b>(766,280)</b>	<b>-16.55%</b>		<b>3,864,855</b>
<b>Cash Flows From Investing Activities</b>					
Proceeds from Sale of Fixed Assets	539,074	(17,316)	-3.21%		521,758
Payment for Fixed Assets	(6,336,464)	1,259,259	-19.87%	<b>9</b>	(5,077,205)
<b>Net Cash inflow (outflow) from Investing Activities</b>	<b>(5,797,390)</b>	<b>1,241,943</b>	<b>-21.42%</b>		<b>(4,555,447)</b>
<b>Cash Flows From Financing Activities</b>					
Proceeds from Borrowings	500,000	-	0.00%		500,000
Payment of Borrowings	(492,559)	(1,067)	0.22%		(493,626)
Deposits and Trusts	0	111,610	100.00%	<b>10</b>	111,610
<b>Net Cash inflow (outflow) from Financing Activities</b>	<b>7,441</b>	<b>110,543</b>	<b>1485.59%</b>		<b>117,984</b>
Net Increase (Decrease) in Cash Held	(1,158,814)	586,206	-50.59%		(572,608)
Cash at the beginning of the year	3,353,000	1,235,137	36.84%	<b>11</b>	4,588,137
Cash at the end of the year	<b>2,194,186</b>	<b>1,821,343</b>	<b>83.01%</b>		<b>4,015,529</b>

**Reconciliation of Operating Result and Net Cash Flows from Operating Activities**

For year ending 30 June 2004

<b>Net Surplus (deficit) from operations</b>	<b>1,046,135</b>	<b>400,485</b>	<b>32.28%</b>		<b>1,446,620</b>
Depreciation and amortisation	3,609,000	154,359	4.28%		3,763,359
(Profit) Loss on sale of property, plant and equipment	-	32,898	100.00%		32,898
Net movement in current assets and liabilities	(24,000)	(1,354,022)			(1,378,022)
<b>Net cash inflow (outflow) from operating activities</b>	<b>4,631,135</b>	<b>(766,280)</b>	<b>-16.55%</b>		<b>3,864,855</b>



## **NOTES TO THE STANDARD STATEMENTS**

### **1. Basis of preparation of Standard Statements**

Council is required to prepare and include audited Standard Statements for the first time this financial year within its Annual Report. Two Statements are required this year - a Standard Statement of Financial Performance and a Standard Statement of Cash Flows, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting bases consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 2 to 5 of the Financial Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 15 July 2003. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 2 to 5. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.



**2. STANDARD STATEMENT OF FINANCIAL PERFORMANCE – COMPARISON REPORT  
 FOR THE YEAR ENDED 30 JUNE 2004**

<b>Ref</b>	<b>Item</b>	<b>Commentary</b>
1	Fees and Fines (Revenue)	A high level of activity was experienced during the year in the Planning and Building functions of the Council and as such, higher levels of charges have been realised.
2	Interest (revenue)	Interest on investment was higher than anticipated as projects were not completed during the year and higher levels of cash on-hand occurred.
3	Other recurrent (revenue)	Additional revenues were received from the recoup of fees for the supervision of a high level of capital works. Other sources of additional revenues included, return from the Murrindindi Construction Business Unit, recoup of legal fees, public open space contributions and contributions to capital works.
4	Recognition of Assets	Recognition of assets identified as being under Council control as part of Revaluation of Roads, Streets and Bridges.
5	Contractors and Materials (expenses)	The Council's business unit was particularly successful in securing external contracts during the year and as such, the expenditure incurred in completing the contract works was higher than anticipated.
6	Other (expenses)	This minor variation relates to rates and charges abandoned and waivers.
7	Write-Out of Assets no longer under Council control	Write-out of Bridge assets identified as not under Council control as part of Revaluation of Roads, Streets and Bridges.

**3. STANDARD STATEMENT OF CASH FLOWS - COMPARISON REPORT  
 FOR THE YEAR ENDED 30 JUNE 2004**

<b>Ref</b>	<b>Item</b>	<b>Commentary</b>
8	Interest Received	As explained in the Standard Statement of Financial Performance, interest revenues were higher than anticipated.
9	Payment for Fixed Assets	The ambitious capital works and grants funded program for the year was unable to be fully completed and included the following major variations: <ul style="list-style-type: none"> <li>▪ Road works and resheeting program</li> <li>▪ Private streets scheme for Taylor Bay</li> <li>▪ Kinglake Service Centre</li> <li>▪ Flowerdale Bike path</li> <li>▪ Marysville Streetscape</li> <li>▪ Goat Track, Flowerdale intersection</li> </ul>
10	Deposits and trusts	The original budget did not anticipate substantial funds as deposits and trusts and as such a variation against actual has occurred.
11	Cash at Beginning of Year	The actual brought forward cash surplus was higher than budgeted because of uncompleted capital works and grants received in 2002/ 2003. Major variations from 2002/ 2003 included: <ul style="list-style-type: none"> <li>▪ Kinglake Services Centre</li> <li>▪ Marysville Streetscape (grant)</li> <li>▪ Primary Care Partnership fund holder</li> </ul>



**CERTIFICATION OF STANDARD STATEMENTS**

In my opinion, the accompanying standard statements of Murrindindi Shire Council for the year ended 30 June, 2004 have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989* and the *Local Government (Finance and Reporting) Regulations 2004*.

Handwritten signature of Daniel D. Hogan in black ink.

Principal Accounting Officer  
(Daniel D. Hogan, B. Bus (Local Govt))

Dated: 24 September 2004  
Alexandra.

In our opinion, the accompanying standard statements of Murrindindi Shire Council for the year ended 30 June, 2004 have been prepared on accounting bases consistent with the financial statements and in accordance with the *Local Government Act 1989*, the *Local Government (Finance and Reporting) Regulations 2004*.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by Council on 14 September, 2004 to certify the Standard Statements in their final form.

Handwritten signature of Michael Dalmau in black ink.

Councillor  
(Michael Dalmau)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Graeme Brown in black ink.

Councillor  
(Graeme Brown)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Daniel D. Hogan in black ink.

Chief Executive Officer  
(Daniel D. Hogan)

Dated: 24 September 2004  
Alexandra.



**AUDITOR GENERAL**  
**VICTORIA**

**AUDITOR-GENERAL'S REPORT**

**To the responsible Ministers and Councillors of Murrindindi Shire Council**

**Audit Scope**

The accompanying financial report and standard statements of Murrindindi Shire Council for the financial year ended 30 June 2004 have been audited. The financial report comprises a statement of financial performance, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements. The standard statements comprise a standard statement of financial performance and standard statement of cash flows.

The Councillors are responsible for the preparation and presentation of the financial report and the standard statements and the information they contain. An independent audit of the financial report and standard statements has been carried out in order to express an opinion on them to the responsible Ministers and the Councillors as required by the *Audit Act 1994*.

Each audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report and standard statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects:

- (i) the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Local Government Act 1989*, so as to present a view which is consistent with my understanding of the Council's financial position, financial performance and its cash flows; and
- (ii) the standard statements are presented fairly, consistent with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act 1989* and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

**Audit Opinions**

In my opinion:

- (i) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia and the financial reporting requirements of the *Local Government Act 1989*, the financial position of Murrindindi Shire Council as at 30 June 2004, its financial performance and cash flows for the year then ended; and
- (ii) the standard statements for the year ended 30 June 2004 are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
28 September 2004

  
J.W. CAMERON  
Auditor-General





**PERFORMANCE STATEMENT FOR THE YEAR**  
**01 JULY 2003 TO 30 JUNE 2004**

<b>Category</b>	<b>Indicators</b>	<b>Actual Result 2002/ 03</b>	<b>Target Result 2003/ 04</b>	<b>Actual Result 2003/ 04</b>	<b>Difference Actual Result to Target 2003/ 04</b>
Affordability / Cost of Governance:					
	Average rates and charges per assessment	\$840.98	\$901.42	\$900.40	(\$1.02)
	Average rates and charges per residential assessment	\$696.66	\$738.28	\$739.83	\$1.55
Sustainability:					
	Average liabilities per assessment	\$843.14	\$749.92	\$884.23	\$134.31
	Operating result per assessment	\$173.32	\$120.96	\$163.39	\$42.43
Services:					
	Average operating expenditure per assessment	\$2,110.85	\$2,024.66	\$2,197.71	\$173.05
	Community Satisfaction Rating for Overall Performance generally of the Council – Indexed mean (out of 100)	63	65	63	(2)
Infrastructure					
	Average capital expenditure per assessment	\$551.24	\$685.66	\$573.44	(\$112.22)
	Renewal Gap	59.40%	62.85%	55.97%	(6.88%)
	Renewal & Maintenance Gap	78.16%	79.43%	77.06%	(2.37%)
Governance:					
	Community Satisfaction Rating for Council's Advocacy and community representation on key local issues – Indexed mean (out of 100)	66	66	66	0
	Community Satisfaction Rating for Council's Engagement in Decision making on key local issues – Indexed mean (out of 100)	61	61	62	1

The above statement should be read in conjunction with the accompanying notes.



## **NOTES TO AND FORMING PART OF THE PERFORMANCE STATEMENT FOR 2003/ 2004**

### ***Introduction to the Performance Statement***

The Victorian Government is of the view that it is reasonable to expect all Councils to collect and publish performance information. The Government has amended the Local Government Act (Section 153 of the Local Government Act 1989) to ensure that local government develops new performance accountability mechanisms which allow for a consistent approach in the collection and reporting of information regarding financial performance, operating costs and community satisfaction.

The use of performance indicators by local government is a significant first step towards achieving:-

- an improved capacity to objectively measure Council performance leading to a better set of relationships between state and local government;
- better informed local communities.

From the 1 July, 1998, there has been a requirement for Councils to adopt an annual business plan as part of its corporate planning cycle and to include in its Annual Report a statement of performance against the targets set in the annual business plan.

### ***Common Terms***

The majority of the terms used in the performance statement are the same as those used in the financial statements, however some of the terms are different. A full and detailed explanation of each indicator, how it is calculated, its purpose and interpretation etc. can be found in the "Explanatory Guide" which is available from the Council.

Short explanations of the "different" terms used are listed below:-

#### **Assessments**

The number of assessments (or rate notices) used in the calculation of the adopted rate.

#### **Capital Expenditure**

Is the amount capitalised to the Balance Sheet (ie. the aggregate additions to non-current assets for the year) and contributions by Council to major assets not owned by Council.

#### **Community Satisfaction Ratings**

Indexed mean of 350 respondents' answers in a survey, conducted by the independent strategic research consultants Newton Wayman Chong, asking them to rate council's performance. The indexed mean is a weighted score across five performance ratings being 100 – for the excellent/ outstanding performance, 80 – a good/high standard, 60 – adequate/acceptable, 40 – needs some improvement and 20 – needs a lot of improvement.

#### **Average Liabilities**

Total liabilities as per the financial report less items held in trust (reflected in assets also held).

#### **Operating Expenditure**

Operating expenditure as per the financial report, including asset sales and depreciation.

#### **Operating Result**

Operating result as per the financial report – Statement of Financial Performance.



**Rates and Charges**

Rates and charges declared being receivable, in the calculations for the adopted rates, at the beginning of the year, including supplementary rates declared.

**Renewal Gap**

Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally to the AAAC (Average Annual Asset Consumption).

**Renewal & Maintenance Gap**

Ratio of current spending on capital renewal of existing infrastructure assets which returns the service potential or the life of the asset up to that which it had originally plus current spending on maintenance to AAAC plus all anticipated planned and unplanned maintenance (this is, the expected level of maintenance which was used in the calculation of the useful life of the asset).

**AAAC**

Average Annual Asset Consumption (AAAC) is the amount of the local government's asset base consumed during a year based on current replacement cost, divided by useful life and totalled for each and every infrastructure asset.



### ***Summary Of Explanation Of Variations***

A more detailed analysis of the variations is set out below.

#### **Affordability / Cost of Governance**

There is no material difference in this indicator.

#### **Sustainability**

The average liabilities for assessment increased significantly because of an increase between the two financial years in accounts payable of around \$450,000. This reflects the high workload of major works and projects in June of 2004.

The Operating result per assessment has varied largely for the reasons set out in the Standard Statement of Financial Performance. Additionally, the following variations against target are also worthy of note.

The higher level of employee costs and contractors and materials is attributable to the higher level of capital works and grant programs. This variance is offset largely by the favourable variance in user charges. The higher carrying value of fixed assets has resulted in a higher level of depreciation when compared to budget. Further, the lower level of grants received as against that budgeted because of projects such as Kinglake Services Centre and Flowerdale Bike Path which are yet to be completed and acquitted together with the Marysville Streetscape funds which were partially received in the previous year has resulted in an unfavourable revenues variance. The higher variance in fees and fines has previously been explained through the higher level of building and town planning activity in the Shire during 2003/ 2004.

#### **Services / Governance**

The increase in operating expenditure was a result of higher expenditure in employee costs and contractors and materials following the success in gaining external works contracts. This has also been explained in the sustainability section above.

Overall, the 2004 Community Satisfaction Survey has shown mainly status quo results compared with 2003 results, maintaining the improvement in Council's advocacy, representation and engagement in decision making on key local issues experienced in 2003.

#### **Infrastructure**

Capital expenditure indicators are heavily influenced by the completion of capital projects against budget. The renewal gap indicators provide an indication as to whether infrastructure assets are being maintained or eroded.

The variation on capital expenditure per assessment is due to the higher than expected level of uncompleted capital works as previously explained.



**COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT**

In our opinion, the accompanying performance statement of the Murrindindi Shire Council in respect of 2003/ 2004 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's Community Plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

As at the time of signing, we are not aware of any circumstances which would render any particulars in the statement to be misleading or inaccurate.

Handwritten signature of Michael Dalmau in black ink.

Councillor  
(Michael Dalmau)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Graeme Brown in black ink.

Councillor  
(Graeme Brown)

Dated: 24 September 2004  
Alexandra.

Handwritten signature of Daniel D. Hogan in black ink.

Chief Executive Officer  
(Daniel D. Hogan)

Dated: 24 September 2004  
Alexandra.



**AUDITOR GENERAL**  
**VICTORIA**

**AUDITOR GENERAL'S REPORT**

**To the responsible Ministers and the Councillors of Murrindindi Shire Council**

**Audit Scope**

The accompanying performance statement of the Murrindindi Shire Council in respect of the 30 June 2004 financial year has been audited. The Councillors are responsible for the preparation and presentation of the statement and the information it contains. An independent audit of the statement has been carried out in order to express an opinion on the statement to the responsible Ministers and the Councillors as required by the *Local Government Act 1989*.

The *Local Government Act 1989* requires the performance statement to outline the performance targets and measures set out in relation to the achievement of the business plan as described in the council's corporate plan submitted to the responsible Minister and to describe the extent to which the business plan was met having regard to those targets and measures.

The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement. The audit procedures included an examination, on a test basis, of evidence supporting the amounts and other disclosures in the statement. These procedures, which did not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion has been expressed in this report has been formed on the above basis.

**Audit Opinion**

In my opinion, the performance statement of the Murrindindi Shire Council in respect of the 30 June 2004 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE  
28 September 2004



J.W. CAMERON  
Auditor-General