

HINDMARSH SHIRE COUNCIL ANNUAL REPORT



FOR THE YEAR ENDED 30 JUNE 2017



Pink Lake, Dimboola



Welcome to Hindmarsh Shire Council's Annual Report for 2016-17

Each year Hindmarsh Shire Council prepares an Annual Report which provides information on the services we have provided, our finances and our performance to our community.

Under the Local Government Act, the Annual Report must contain:

- a **Report of Operations** of the Council Page 4
- an audited **Performance Statement** Page 71
- audited **Financial Statements** Page 84
- a copy of the **auditor's report on the financial statements** Page 78
- a copy of the **auditor's report on the performance statement** Page 80
- any other matter required by the regulations.

To make it easier to find your way around this report, we have colour coded the different parts.



Report of Operations

01

This section provides a snapshot of the municipality and its people, along with a summary of Council's activities during 2016-17. It also includes messages from Hindmarsh Shire Council's Mayor and Chief Executive Officer.



Table of Contents

Introduction

Welcome to the Report of Operations 2016/17	6
Snapshot of council	6

The year in review

Mayor & CEO's message	8
Financial summary	12

Our council

Shire profile	22
Council offices	23
Councillors	23

Our people

Organisational structure	25
Council staff	26
Equal employment opportunity program	27

Our performance

Planning and accountability framework	28
Council plan	29
Performance	28

Governance, management and other information

Governance	57
Management	61
Governance and management checklist	63
Statutory information	66



Introduction

Welcome to the Report of Operations 2016/17

Hindmarsh Shire Council is committed to transparent reporting and accountability to the community and the Report of Operations 2016/17 is the primary means of advising our community about Council's operations and performance during the financial year. This introduction provides a brief overview of Council's operation and performance for the year. Further detail can be found in the later parts of this report.

Snapshot of Council

Profile of our Shire:

We are

- Located in the Wimmera region in western Victoria, covering an area of 7,527 km².
- Bound by two National Parks, the Little Desert in the South and Wyperfeld in the North.
- Rich in natural beauty like the Wimmera River and Lakes Hindmarsh and Albacutya.
- Based in or around the Shire's four main towns of Dimboola, Jeparit, Nhill and Rainbow.
- A closely linked community of 5,721 people, with a median age of 50 years.
- Mainly born in Australia (83% of people), with English the only language spoken in 88% of our homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 135 Karen people calling Nhill home.
- Employed in farming, health care, retail, manufacturing, education and transport.
- Community minded with our rate of volunteering 18% higher than the national average.

Our purpose:

Vision A caring, active community enhanced by its liveability, environment and economy.

Mission

- To provide accessible services to enable the community to be healthy, active and engaged.
- To provide infrastructure essential to support the community.
- To protect and enhance our natural environment.
- To foster a thriving and diversified local economy where economic growth is encouraged and supported.
- To realise the excellence in our people, processes and systems.

Values

1. Leadership and direction;
2. Transparency and accountability;
3. Honesty and integrity;
4. Trust and respect;
5. Diversity and equality;
6. Justice and fairness;
7. Sustainability; and
8. Aspiration.



FAST FACTS 2016/17

Over 111,000 people viewed Faces of Hindmarsh on Council's Facebook page

276 resolutions were carried at Council Meetings

48 movies were shown at the Nhill Memorial Community Centre

217 calls were made to local laws after hours

152 Animals came through the pound

97 food premises were inspected

5,311 meals were delivered to Hindmarsh Shire residents

80 hours of home and community care assessments were completed

34,444 people visited the libraries in Hindmarsh Shire

9,994 hours of service from home and community care was delivered to 553 residents across Hindmarsh Shire



The year in review

Mayor & CEO's Message

We are pleased to report that Hindmarsh Shire Council has performed strongly during the 2016/17 financial year, delivering significant progress in the areas of community communication, new or upgraded community infrastructure and strategic planning. Our successes have been made possible through productive partnerships with our community, businesses and other stakeholders, in particular the state and federal governments. We extend our gratitude to all our project partners and acknowledge the difference they have made to the liveability of our Shire.

It is with great pleasure and pride in the Hindmarsh Shire that we offer this report on the achievements of Council for the financial year ending 30 June 2017.

Community Planning:

Throughout the past year extensive community consultation was undertaken to ensure the future needs of our community were acknowledged.

Precinct Plans for Dimboola and Nhill were adopted by Council in September 2016, Jeparit and Rainbow Community Plans were adopted in August 2016. Initiatives prioritised in the plans include skate parks in Dimboola and Rainbow. Council has been successful in receiving funding for the skate parks and look forward to works commencing in the 2017/18 year.

Council's settlement officer continues to assist the settlement of our newest residents. Council staff are working with the Nhill Learning Centre on further developing and implementing the capacity building project to improve settlement outcomes, increase community participation and leadership opportunities for our newest residents.

The Wimmera Mallee Pioneer Museum Master Plan was prepared by consultants Lilford Smith Design during 2016/17. The professionally developed document presents an assessment of the current situation and provides clear achievable visions for future redevelopment.

Grant Funding:

A key role of Council is to advocate and work with other levels of government to bring funding into our Shire which will enable the delivery of community goals. In 2016/17 Council received \$500,000 for the upgrade of the Dimboola Library to incorporate a Civic Hub. Construction of this project will commence in 2017/18.

Funding of \$14,000 received through the Victorian Government's Boating Safety and Facility Program saw the installation of a boating pontoon along the Wimmera River in Dimboola.

The Nhill Integrated Early Years Hub project construction of the Hub commenced in April 2016 and was completed in June 2017. This project was funded by both State and Federal Government. We commend the community on their fundraising efforts raising close to \$200,000.

Council also received funding for smaller projects, effective in terms of improving the liveability and visitor amenity of our towns. This included funding for the Walk to School Program, Youth Participation Program, Mosquito Management and Local History Jeparit Heritage Walk.



Council continued its commitment to the engagement of youth throughout our shire with ongoing support for the Hindmarsh Shire Youth Council. Our youth councillors again provided a fresh perspective to our 'regular' Councillors on all matters relating to youth and with the support of Council's youth and early years officer delivered several major projects including mental health first aid, running quarterly FreeZa events and fundraising to assist Syrian refugees. We look forward to all of the initiatives they will deliver during the remainder of their term.

The Community Action Grants program has enabled 28 community groups from across the shire to undertake projects that have enhanced community engagement and upgraded their facilities with minor works and small equipment. Among the initiatives supported, this program has allowed Dimboola Rowing Club to purchase trophies for their annual Rowing Regatta, Jeparit and District Bowling Club to upgrade their shade sails, Rainbow Tennis to purchase new nets and the establishment of Park Run in Nhill. The program will continue to support community groups in the next financial year to undertake projects to support and enhance the aspirations of our communities.

Events:

Many community groups have worked tirelessly over the past 12 months to ensure Hindmarsh Shire continues to be a great place to live.

Regional events included the inaugural Dimboola Food Festival in August 2016 which attracted 'foodies' from far and wide and showcased the great produce available in our region. The Wimmera Mallee Pioneer Museum Rally on the Queen's Birthday Long Weekend in June continues to attract visitors from all over Victoria, providing a glimpse of what life might have been like in the Wimmera in the 19th and early 20th centuries.

Fishing is a major attraction for our Shire and the Jeparit Easter Fishing Competition, offering thousands of dollars in prizes sees hundreds of keen anglers spend their Easter long weekend on the banks of the Wimmera River at Jeparit. Similarly the annual Dimboola Fishing Classic provides anglers with another opportunity to 'catch the big one', again with thousands of dollars of prizes up for grabs.

Dimboola also hosted its Annual Rowing Regatta and for car enthusiasts the Swap Meet was again a success last October. Motorcycling fans weren't forgotten either with the Nhill Motorcycle Club running their annual Pony Express event back in July 2016.

In June Nhill Aviation Heritage Museum hosted a Military Vehicle Rendezvous with owners of all types of military vehicles travelling to the Museum at Nhill Aerodrome to show off their bikes, motorcycles, jeeps and trucks.

Hindmarsh Shire thanks all of the hardworking volunteers involved in delivering a hectic schedule of events across our Shire!

Other events in the Shire include the Nhill Lake February Fiestas, the Agricultural and Pastoral Society Shows, markets, fun runs and horse races.

Volunteers:

Council would like to thank the many volunteers that support our operations around the Shire. Council has 17 Section 86 Committees, set up as delegates of Council under the Local Government Act. These groups vary from four town committees, who undertake an extraordinary amount of work within our towns and perform a valuable role as Council's conduit to our community, through to hall and other facility managers. The contribution that these committees make to our Shire is significant and Council is very grateful for their



support.

Community Satisfaction:

Our scores in the Community Satisfaction Survey have continued to improve in community consultation and customer service, with performance on all five core measures, overall performance, community consultation, customer service, advocacy and overall council direction, significantly higher than the Small Rural Shires averages.

Performance Measures	Hindmarsh 2014	Hindmarsh 2015	Hindmarsh 2016	Hindmarsh 2017	Small Rural Shires 2017
Overall Performance	63	64	62	63	58
Community Consultation (community consultation & engagement)	62	59	60	59	55
Advocacy (lobbying on behalf of the community)	60	59	59	60	55
Making community decisions (Decisions made in the interest of the community)	59	60	57	58	55
Sealed Local Roads (Condition of sealed local roads)	47	47	45	52	50
Customer Service	73	71	73	71	69
Overall Council Direction	62	61	57	55	52

The trend over the last four years has been pleasing; however, Council is committed to continuing to improve across all community survey measures.

Advocacy:

Council continued to work hard during the year ended 30 June 2016 to lobby on behalf of the Shire's community for the services and funding required to make Hindmarsh an even better place to live, improve community well-being and to build our economy.

Many of the successful grant applications discussed above are the direct result of lobbying. The funding received from the Federal Government Department of Employment is a direct result of Council's advocacy work. Council has been very successful in developing partnerships with organisations with which we have common goals.

Capital Works:

Council completed another challenging Capital Works schedule during 2016/17.

- 2 shoulder resheets totalling \$63,000
- 12 road sealing projects totalling \$702,000
- 5 footpath projects totalling \$181,000
- 10 sealed road construction projects totalling \$940,000
- 13 unsealed road construction projects totalling \$1,034,000
- 1 kerb and channel replacement project \$123,000

These works are in addition to the significant amount of maintenance work Council undertakes on its road network and town amenity projects such as work to maintain and improve playgrounds, parks and sporting facilities.



Maintaining our 3,200kms of roads is a significant challenge for Council and we continue to lobby the state and federal governments for more appropriate funding in recognition of the size of this challenge and the importance of our road network to our economy.

Community Enquiries

Council received approximately 13,978 telephone calls during the year from residents with various enquiries. Council is looking to provide our community with other options to lodge enquiries or transact with Council. A new website has recently been implemented, which will include the ability for the community to lodge enquiries. Council is working towards the website having the ability for residents to make payments, such as rates and animal registrations online.

Future

Council looks to the future of our community with excitement and anticipation of the many great initiatives the community and Council, will deliver together over the next five years.

Council is in continued dialogue with the State Government about our priority projects that we are looking to be funded through the Regional Jobs and Infrastructure Fund and the Tourism Pipeline. These will include projects that will focus on building our economy through delivery of initiatives detailed in our Economic Development Strategy, a number of which will be tourism related, including the development of the Wimmera River Discovery Trail.

We will continue to work closely with our regional partners to promote the growth and development of the overall region. The Wimmera municipalities have a long and strong history as collaborators on regional issues such as transportation, sustainability, economic development and so on and we look forward to building on this strength with new projects and activities.

2017/18 will be a busy year as we deliver the significant number of projects that were funded through grants during the 2016/17 year. This includes several construction projects with the most significant being the Dimboola Library incorporating the Civic Hub and Skate Park construction at Dimboola and Rainbow.

We have achieved an extraordinary amount over the last 12 months, making considerable operational reforms to our business which has significantly reduced costs. This work will continue in 2017/18 so that we ensure we are driving great value and return to our community for the rates they pay. We will also continue laying a strong strategic footprint that will deliver exciting outcomes over the next 5 to 10 years.

Council has a dynamic team that is absolutely committed to its community. We look forward to continuing to improve our administrative and operational practises while maintaining our efforts to work with our community to make the Shire of Hindmarsh the best community for all of us.



Cr Debra Nelson
Mayor



Greg Wood
Chief Executive Officer

Financial Summary

Council’s financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to Council’s financial performance is included within the Financial Statements and Performance Statement sections of this Report.

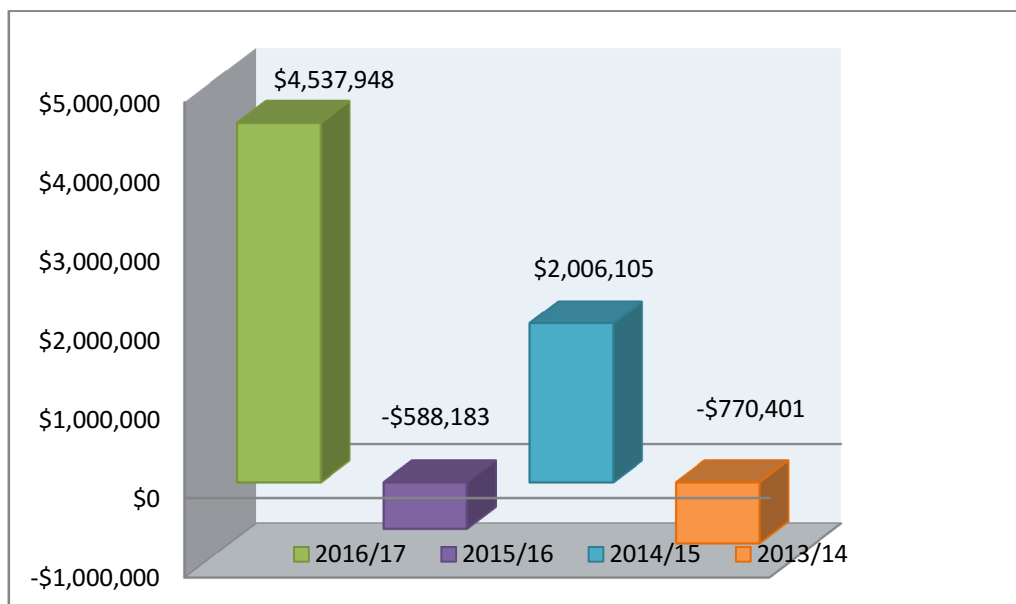
Operating Position

Council reported a surplus of \$4,537,948 in 2016/17. As per the Comprehensive Income Statement in the Financial Report, the favourable variance is due mainly to the early payment of \$2.096 million from the Victoria Grants Commission received in June 2017 for the 2017/18 financial year.

Council received additional grants that were not budgeted for. These included grants for Youth Inclusion, VicHealth, Mosquito Management, Emergency Water Supply Points and Disaster Recovery.

Employee costs were lower than budgeted due to under expenditure in employees’ salaries and the WorkCover premium. Materials and services, depreciation and other expenses show a favourable variance.

Council’s adjusted underlying result, that is, the result after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a surplus of \$1.965 million.

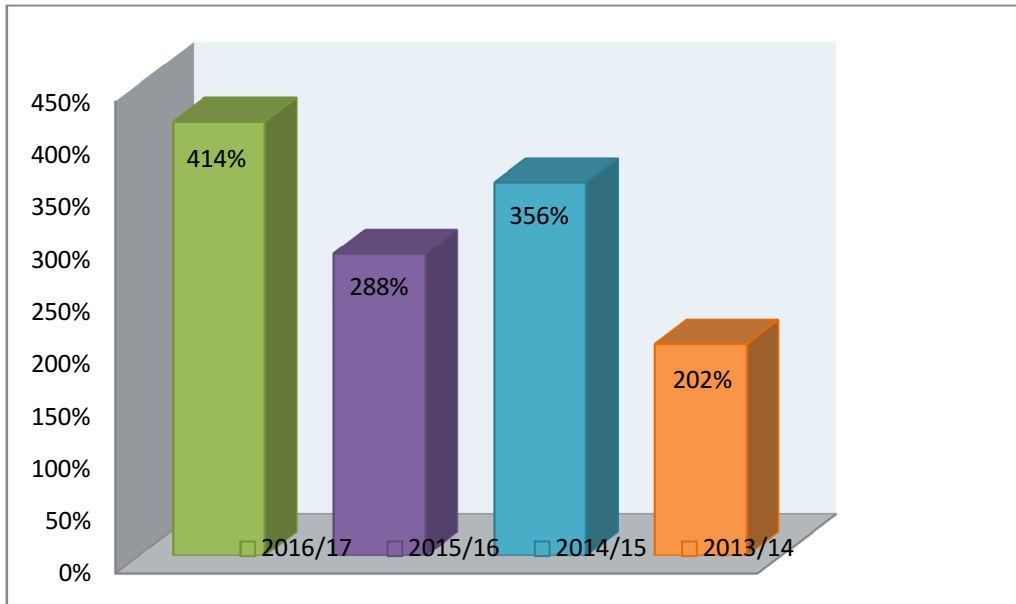


Surplus/(deficit) for the year

Liquidity

Cash increased by \$3.099 million from the previous year mainly due to the early Victoria Grants Commission payment received on 30 June 2016 for the 2017/18 financial year. The working capital ratio which assesses Council’s ability to meet its current commitments is calculated by measuring Council’s current assets as a percentage of current liabilities. Council’s result of 414% is an indicator of its strong financial position and well within the band of 150% or more for the Victorian Auditor-General’s Office’s (VAGO) assessment as “low risk”.

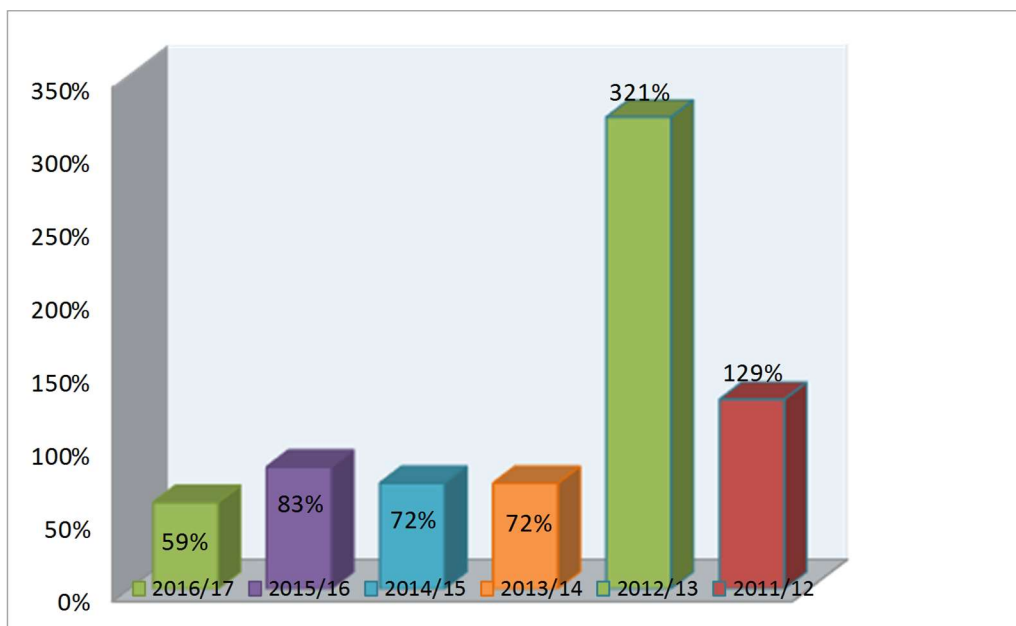




Working capital ratio %

Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by its community. With more than \$125 million worth of land, building and infrastructure assets to maintain with an income of just \$21.70 million, that is a fair challenge. Assets deteriorating faster than their maintenance and renewal can be funded create an “infrastructure renewal gap”. To bridge this gap, Council invested \$2.94 million in infrastructure renewal works during the 2016/17 year. Council’s asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation (the reduction in the value of our assets over time, due in particular to wear and tear) was 59%. While this percentage sits within VAGO’s range of medium risk rather than the low risk spectrum, the impact of the lower renewal expenditure remains manageable for the short term due to the substantial (flood related) renewal expenditure in 2012/13 and 2011/12.



Asset renewal ratio %



Description of Operations

Hindmarsh Shire Council is responsible for more than 120 services, ranging from services for children to those for older adults, from open space to community buildings, waste management and infrastructure to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of community services and infrastructure support the wellbeing and prosperity of our community. Council's vision, strategic objectives and strategies to further improve services and facilities are described in our Council Plan 2013-2017 and the associated Budget 2016/2017 and reported upon in this document. More information about Council services is contained in the section on Our Performance.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and Australian legislation.

Economic or other factors

Due to our relatively remote location, we continued to encounter difficulties in attracting suitable applicants to a number of positions advertised in 2016/17. Having to undertake extended or repeated recruitment processes for a number of critical positions increased recruitment costs and added further pressure to Council's already stretched staff resources.

The uncertainty around Federal and State Government roads funding led to difficulties in the preparation of forecasts and the Budget for the coming year. The discontinuation of the State Government's Roads and Bridges funding continued to impact on Council's ability to undertake road related projects in 2016/17, mitigated to some extent for 2016/17, by an increase in the Federal Government's Roads to Recovery program. The Roads to Recovery program will reduce to normal funding levels from 2018/19.

Council has managed its financial position prudently and remains debt free with a capacity to meet short term unforeseen economic challenges.

Major Capital Works

During 2016/17 the major capital works included the following:



Riverside Holiday Park, Dimboola

Council were successful in securing funding from the State Government to further the development of the Riverside Holiday Park with the installation of five cabins. The tender for the cabins was awarded to Kookaburra Homes and the cabins were installed in May 2017. The five cabins consist of four standard two bedroom cabins and one Access-to-All two bedroom cabin to cater for guests with mobility concerns. The cabins enable the

Riverside Holiday Park to offer a broader range of accommodation styles and present modern and attractive facilities to visitors.

The Park's upgrade plans also saw the installation and refitting of a larger recreation room in 2017. The new recreation room offers a substantially larger indoor recreation area for visitors to utilise as well as a more aesthetically pleasing building, deck and ramp, replacing the previous aging building. The new recreation room sits nicely with the cabins and camp kitchen, presenting the Riverside Holiday Park as a more modern and progressive site delivering positive visitor experiences.

Nhill Integrated Early Years Hub

This new state of the art facility, which will host three and four year old kindergarten programs, childcare facilities, maternal and child health services, playgroups, toy library and other visiting specialist services, was completed in June 2017.



Dimboola boating pontoon

Boating enthusiasts are now enjoying better access to the Wimmera River at Dimboola with the installation of a boating pontoon on the river adjacent to the Riverside Holiday Park. The low maintenance aluminium pontoon allows for recreational watercraft (fishing, skiing) to be temporarily moored close to the Holiday Park, Recreation Reserve and town centre. The pontoon will also allow easier access for those that are less mobile to hop aboard a boat.

The pontoon also includes a Kayak launching point. A new concept, the Kayak launch allows kayakers to sit in their kayak safely without the risk of overturning before launching off on their river adventure.

Rainbow Community Pavilion Refurbishment

The Rainbow community are enjoying the benefits of a new Community Pavilion with the major construction project completed at the Rainbow Recreation Reserve in early 2017.

Funded by Regional Development Victoria, Sport and Recreation Victoria, the Rainbow community, and Hindmarsh Shire Council, contractors completed an extensive refurbishment of the pavilion which had remained largely unchanged for almost 50 years.

Externally, the building benefitted from structural upgrades including new windows, doors and low maintenance Colorbond cladding. Internally the upgrades included a new larger kitchen with commercial appliances, new bar area with a large walk in cool room, new toilets and carpeting throughout both the bar area and in the main hall. In line with modern standards, the facility now also has all abilities access provisions including dedicated external parking, an access ramp and accessible toilets.

The financial and in kind contribution of the Rainbow community was integral to delivering a positive outcome for this project.

Infrastructure

Council's capital works program included a substantial number of road reconstructions, reseals, final seals and shoulder resheets:

- 2 shoulder resheets totalling \$63,000
- 12 road sealing projects totalling \$702,000
- 5 footpath projects totalling \$181,000
- 10 sealed road construction projects totalling \$940,000
- 13 unsealed road construction projects totalling \$1,034,000
- 1 kerb and channel replacement project totalling \$123,000

Council maintained its ongoing commitment to improve the east-west freight corridor through the reconstruction of another section of the Lorquon East Road. Other reconstruction projects completed during the 2016/17 year included the Rainbow Nhill Road, Lorquon Station Road, George Street, Nhill and McDonald Street, Dimboola.

12 roads were resealed as part of Council's Annual Resealing program and commitment to maintaining our road assets.

Five footpath projects were completed - Broadway and Peterson Avenue in Jeparit, Whitehead Avenue in Nhill, and Wimmera Street and McDonald Street in Dimboola, which enhanced the connectivity of our local communities.

Flood Damaged Infrastructure Recovery Program

Following extensive rainfall in September 2016, a state of natural disaster was declared throughout a large portion of Victoria, including the entire Hindmarsh Shire.

The impact on Council infrastructure has been significant with damage assessments identifying approximately 150 locations requiring rehabilitation works at a cost of approximately \$3.5 million.

The infrastructure recovery program will be funded through financial assistance from Commonwealth Natural Disaster and Recovery Arrangements administered by the Victorian Government.

Residents will particularly notice works occurring at floodways' and on gravel roads throughout the shire during the 2017/18 financial year.



Major Achievements

During 2016/17 the major achievements included the following:

Menzies Square Official Opening

Mr Alexander Menzies, grandson of Sir Robert Menzies was joined by his wife, Maria, Ms Sarah Hardy, CEO Menzies Foundation, Associate Professor Geoff Lord, Federation University, Cr Debra Nelson, Mayor Hindmarsh Shire Council and other dignitaries at the official opening of the redeveloped Menzies Square in Jeparit on Friday, 16 December 2016. Around 100 locals and visitors joined in the opening celebrations.

Council purchased two blocks of land adjacent to the original Menzies Square after two shops burnt down in May 2012. As there were limited opportunities for new retail outlets to be rebuilt on the site, Council's vision was to extend Menzies Square to include a unique landscape design, activities area, seating, interpretative signage and a BBQ.

Funding for the project was announced in October 2014 from the Victorian Government, Menzies Foundation and Federation University, adding to Hindmarsh Shire Council financial and in-kind contribution.

A key feature of the redeveloped Menzies Square are the interpretative signage which includes twelve panels depicting the life of Sir Robert Menzies with two of these being audio visual panels and large chess set featuring political figures from the Menzies era as the chess pieces.



Hindmarsh Heritage Drive

The Hindmarsh Heritage Drive (HHD) is a self-guided regional touring route highlighting the heritage of four major townships and surrounding areas in the Hindmarsh Shire. It is a key regional tourism product delivering increased visitation and revenue to all major centres within the Shire.

The drive offers a 150km alternative tourist route to the Western Highway between Dimboola and Nhill along well maintained sealed roads. The route can be extended by utilising a further 126km of side trips on sealed or gravel roads.

The drive plays a unique role in linking major heritage tourism attractions of the region, including the Wimmera Mallee Pioneer Museum (WMPM), Yurunga Homestead, and the Nhill Aviation Heritage Centre (NAHC), visiting 8 Victorian Heritage listed sites and 5 National Trust listed sites.

The self-paced and self-guided drive is supported by an information guide (available from visitor information centres and downloadable from the Visit Hindmarsh website), links to more information on the dedicated HHD webpage (www.visithindmarsh.com.au/heritagedrive), planned interpretation signage along the route. There is potential for the development of an interactive Hindmarsh Heritage Drive mobile application to further enhance the visitor experience.

Wimmera Pioneer Museum Masterplan and Interpretation Plan

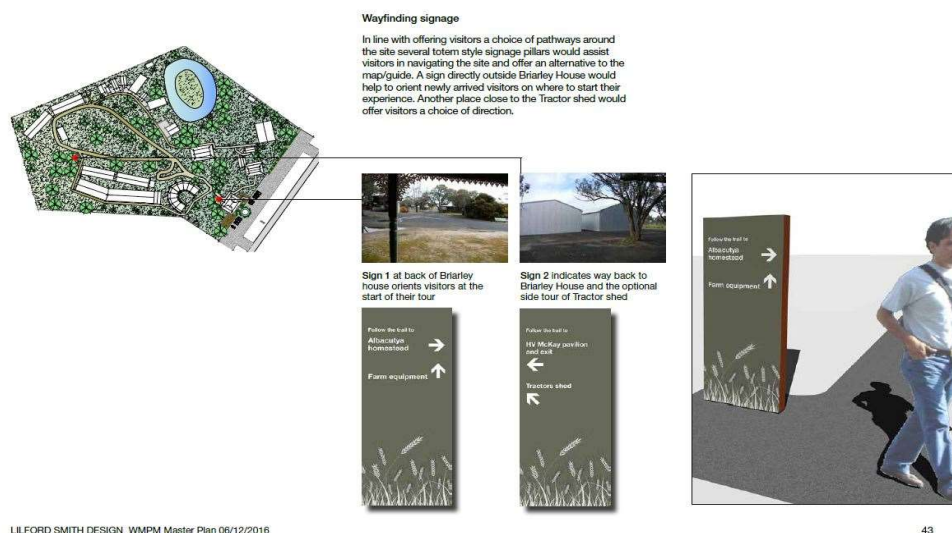
The Wimmera Mallee Pioneer Museum Master Plan was prepared by consultants Lilford Smith Design following site visits and discussion with Council officers, members of the Wimmera Mallee Pioneer Museum (WMPM) S86 Committee of Management, and WMPM volunteers. The final masterplan was delivered in December following a number of drafts and feedback from both HSC and WMPM.

The Wimmera Mallee Pioneer Museum Master Plan, December 2016 is a professionally developed document presenting an assessment of the current situation and providing clear achievable vision for redevelopment of the WMPM into a relevant and competitive tourism destination reflecting present-day visitor markets and expectations. It represents a guiding document for short term and longer term site and display development. The report recognises that it is imperative for the long term future of the WMPM that visitor numbers are increased and maintained, and presents a re-imagining of the visitor experience through site redevelopment.

The development of the Interpretive Plan was highlighted as a first priority in the staged implementation of the Masterplan and was completed utilising remaining funds from the initial Masterplan project. It provides direction and detail to upgrades of museum assets and displays. It is developed as a working document as a tool to guide focussed research and assessment when deciding on individual collection pieces to highlight in displays and interpretation signage.

This Plan creates a framework to re-imagine the visitor experience and revitalise the Museum. It aims to establish the Museum as a relevant attractive tourist destination in the modern market.

With the Masterplan and Interpretive Plan we now have two inclusive documents to give both future direction and leverage for funding for future upgrades to the facility.



Advocacy

One of Council's key roles is to advocate on behalf of our community. Council's advocacy efforts in 2016/17 continued to be successful, leading to the reinstatement of indexation to the Federal Assistance Grants which provides \$4m funding to Council annually.



Hindmarsh Community Conversations

In March and April 2017, Council held eight Community Conversation meetings within the Shire. The meetings involved approximately 100 people who provided council with feedback on our draft 2017/18 budget; 2017-2021 Council Plan incorporating Municipal Health and Wellbeing Plan; and rate cap variation.

Regional Tourism

Wimmera Mallee Tourism (regional tourism organisation representing Hindmarsh, Buloke, West Wimmera and Yarriambiack) have been proactive throughout 2016/17 capitalising on regional tourism growth through the hugely successful Silo Art Trail initiative of Yarriambiack Shire. In July 2016, the Wimmera Mallee featured in an instalment of the “Travel Oz” series on Chanel Seven and affiliated stations. This initiative by Wimmera Mallee Tourism (WMT) featured a number of Hindmarsh attractions including: Pink Lake, Wimmera Mallee Pioneer Museum, Nhill Golf Club, Nhill Aviation Heritage Centre, Little Desert National Park, Dimboola Print Museum, and Wimmera River. The program will be on repeat rotation over the coming years, and raw footage taken in the creation of the program was supplied to WMT for use for future promotional material. WMT also continued to update regional brochures, increase website and social media reach, and purchased a drone for use by all four councils for producing exciting promotional footage and images.

HSC has been closely involved with other regional tourism projects such as:

- Wimmera Indigenous Tourism Group
- *Wimmera Southern Mallee Socio-Economic Value of Recreational Water* report
- *Grampians Region Cycling and Trails Master Plan* project

Council and Wimmera Mallee Tourism continue to leverage for greater representation and promotion from Visit Victoria and Grampians Tourism.

Faces of Hindmarsh

During 2016/17 Council was excited to be able to introduce some of our community's unsung heroes and identities through the “Faces of Hindmarsh” project. The project was funded through the Victorian Government and the photos and stories were published on Council's Facebook page and in local media.

Through Facebook the stories reached over 111,000 people.



School Holiday Program & Youth Council

Council again provided the School Holiday Program in 2016/17. Over 500 young people aged from 0-18 participated in a range of different activities held during school holidays.

The Hindmarsh Shire Youth Council completed several major programs and projects during 2016/17. These included receiving funding to run in school Mental Health First Aid Training; receiving funding to create a youth and family friendly tourism brochure; running quarterly FreeZa events; Fundraising over \$1,000 for the Syrian Refugees; volunteering with different community groups; attending Youth Forums to provide a voice for rural young people and their needs; attend the National Young Leaders Day; and assist in securing funding to upgrade our skateparks.



Challenges

Councils' need to maintain our existing infrastructure, particularly our extensive road network, whilst funding new projects that improve liveability within our Shire and build a strong future. The introduction of Rates Capping in 2016 has reduced Council's ability to increase rates to meet service requirements. Council are taking a three-pronged approach to address this substantial challenge through continually creating efficiencies and savings within our business, continuing to seek additional funding from the state and federal governments, and pursue a variation of the average rate cap in 2017/18.

Albacutya Bridge, a single lane, 55m long, reinforced concrete T-beam bridge at the terminal of Outlet Creek, built in 1919/1920, created another challenge during the financial year and for years ahead. The bridge was designed for Class A heavy vehicles or 15 to 20 tonnes. Today's B-Double trucks can weigh up to 68 tonnes. Council has progressively introduced weight limits on the bridge to ensure it remains serviceable until a replacement bridge can be funded. In April 2016, Council resolved to commence the design process for a new dual lane bridge that will cross outlet creek at Albacutya. The cost of this development is expected to be approximately \$3.3 million, a major challenge to fund with Council's limited revenue.

Efficiencies

Council staff continue to focus on streamlining operations to achieve organisational efficiencies and reduce operating costs. Initiatives continue with ongoing review to our road making methodology, employing just-in-time principles and new technology and materials that are allowing reuse of road base materials.

During 2016/17 Council identified efficiencies over a range of services which have been summarised below:

Services area	Savings/efficiency measures	Savings
Aged & Disability Services	Outsourcing of property maintenance	\$11,241/year
	Introduction of HACC Pac Mobile	\$16,120/year
Civic Leadership & Governance	Communications Officer	\$19,332/year
Asset Management	Discontinuation of STEP Program	\$8,200/year
Local Roads and Bridges	Shared procurement of bituminous surfacing program	\$120,000/year
	Reuse of crushed concrete waste in place of Class 4 aggregate	\$17,500/year
	Project methodology and construction technique changes	\$260,000/year
	Changing over of all street lighting to LED.	\$30,000/year
Fleet Management	Motor vehicle policy changes – delay change over	\$153,000/year
Financial Management	Electronic purchase orders	\$8,800/year
Payroll and Human Resources Services	Emailing of payslips, previously issued in hardcopy.	\$3,900/year
Customer Services Centres	Change over to updated VOIP phone system	\$8,000/year





Our Council

Shire Profile

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527 km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

Hindmarsh Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all town's offer spacious rural living, inclusive small communities and wonderful natural amenities.

Today, 5,721 people live in Hindmarsh Shire (2016 census data), with a median age of 50 years. 83% of people in Hindmarsh Shire were born in Australia; with English the only language spoken in 88% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 135 Karen people calling Nhill home.

The median weekly household income is \$907, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than the national average.



Council Offices

Nhill Office

92 Nelson Street
NHILL VIC 3418
Phone: 03 5391 4444
Fax: 03 5391 1376

Jeparit Office

10 Roy Street
JEPARIT VIC 3423
Phone: 03 5391 445
Fax: 03 5397 2263

Postal address:
PO Box 250
NHILL VIC 3418
Email: info@hindmarsh.vic.gov.au

Dimboola Office

101 Lloyd Street
DIMBOOLA VIC 3414
Phone: 03 5361 4452
Fax: 03 5389 1734

Rainbow Office

15 Federal Street
RAINBOW VIC 3424
Phone: 03 5391 4451
Fax: 03 5395 1436

Website: www.hindmarsh.vic.gov.au
Facebook:
<http://www.facebook.com/hindmarshshirecouncil>

Councillors

On 22 October 2016, the Hindmarsh Shire community elected its Council for a four year term to provide leadership for the good governance of the municipal district and the local community. The municipality is divided into three wards, represented by two Councillors in each ward. The Councillors are the elected representatives of residents and ratepayers and have the responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below.

Cr Debra Nelson Mayor

East Ward
Date elected: 22 October 2016
E: dnelson@hindmarsh.vic.gov.au
M: 0459 021 802



Cr Ron Lowe Deputy Mayor

North Ward
Date elected: 22 October 2016
E: rlowe@hindmarsh.vic.gov.au
M: 0427 318 067



Cr David Colbert

West Ward
Date elected: 22 October 2016
E: dcolbert@hindmarsh.vic.gov.au
M: 0459 034 233



Cr Rob Gersch

West Ward
Date elected: 22 October 2016
E: rgersch@hindmarsh.vic.gov.au
M: 0427 600 122



Cr Ron Ismay

North Ward
Date elected: 22 October 2016
E: rgersch@hindmarsh.vic.gov.au
M: 0459 021 745



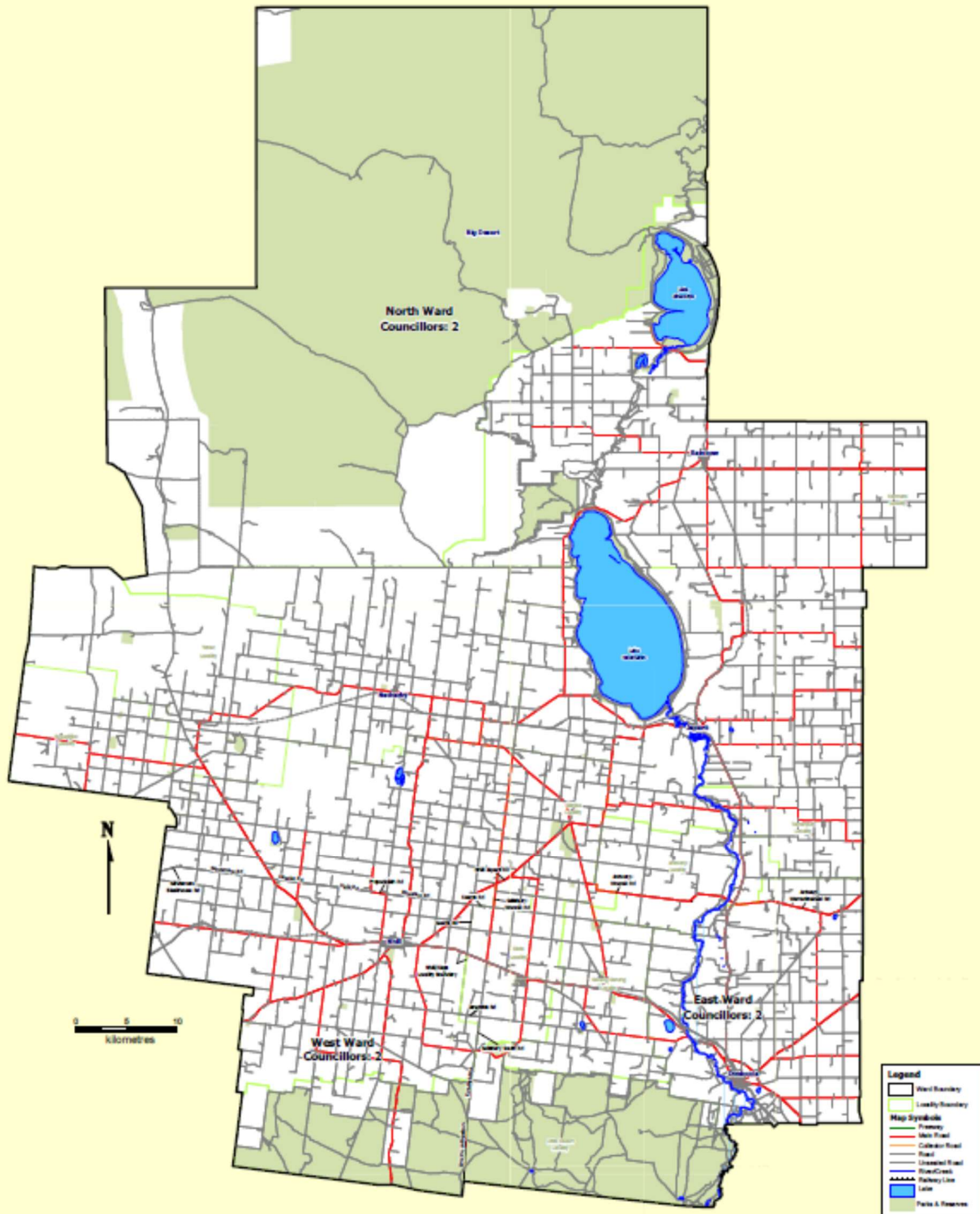
Cr Tony Schneider

East Ward
Date elected: 22 October 2016
E: tschneider@hindmarsh.vic.gov.au
M: 0459 035 917



**Local Government Act 1989
ELECTORAL STRUCTURE OF HINDMARSH SHIRE COUNCIL**

NOTE: By Order in Council made under Section 220Q (k), (l), (m) and (n) of the Local Government Act 1989, the boundaries of the wards, the names of the wards and the number of councillors assigned to each ward of the Hindmarsh Shire Council are fixed as described in this plan.



Not prepared by the Electoral Boundaries Commission
 The Electoral Boundaries Commission is responsible for determining the boundaries of local government areas and the number of councillors for each ward.
 Copyright © 2016, Hindmarsh Shire Council

I hereby certify that the electoral boundaries shown on this map are as presented to the Electoral Boundaries Commission and that I am a member of the Hindmarsh Shire Council, submitted to the Minister for Local Government on 21 February 2016.
 Steven Tully, Mayor, Hindmarsh Shire Council

Electoral Structure of
 Hindmarsh Shire Council
LEGL./04-191



Our people

Organisational Structure

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Two Directors and the CEO form the Senior Management Team (SMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



Greg Wood
Chief Executive Officer

Areas of responsibility:
Overall responsibility for Council's operations.

Senior Officers reporting directly to the Chief Executive Officer:



Anne Champness
Director Corporate & Community Services



Adrian Gasperoni
Director Infrastructure Services

Areas of responsibility:

- Business development
- Finance
- Information technology
- Family, youth and leisure
- Aged and disability
- Governance
- Economic development
- Local laws

Areas of responsibility:

- Asset planning
- Engineering and traffic
- Environment and sustainability
- Infrastructure
- Parks and gardens
- Building
- Planning and development

A chart setting out the organisational structure of the Council is shown below:



Council Staff

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

Employee type/gender	Our People Our Processes	Built and Natural Environment	Competitive and Innovative Economy	Community Liveability	Total FTE
Permanent FT –F	6.70	2.55	1.50	0.25	11
Permanent FT –M	5.20	42.95	2.95	1.90	53
Permanent PT –F	3.89	0.88	1.18	10.75	16.7
Permanent PT –M	0.00	1.10	0.40	0.00	1.5
Casual – F	1.23	0.21	0.10	0.96	2.5
Casual - M	0.00	0.10	0.20	0.00	0.3
SEO FT – F	0.80	0.00	0.00	0.20	1
SEO FT – M	1.30	0.50	0.20	0.00	2

FT-Full time PT-Part time F-Female M-Male SEO-Senior Executive Officer

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	0.0	0.0	0.0	2.0	3.0	3.0	1.0	2.0	1.0	12.0
Permanent Full Time - Male	0.0	6.0	31.0	3.0	4.0	5.0	1.0	3.0	2.0	55.0
Permanent Part Time - Female	1.4	4.8	1.0	3.9	4.2	0.9	0.5	0.0	0.0	16.7
Permanent Part Time - Male	0.0	0.9	0.0	0.6	0.0	0.0	0.0	0.0	0.0	1.5
Casual - Female	1.1	0.3	0.5	0.2	0.0	0.4	0.0	0.0	0.0	2.5
Casual - Male	0.1	0.0	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.3
TOTAL	2.6	12.0	32.7	9.7	11.2	9.3	2.5	5.0	3.0	88

Equal Employment Opportunity Program

Council is committed to the principles of Equal Opportunity. In all policies and practices of the Council, there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, or religious or political affiliation. Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved. Council's policy on Equal Opportunity reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability.



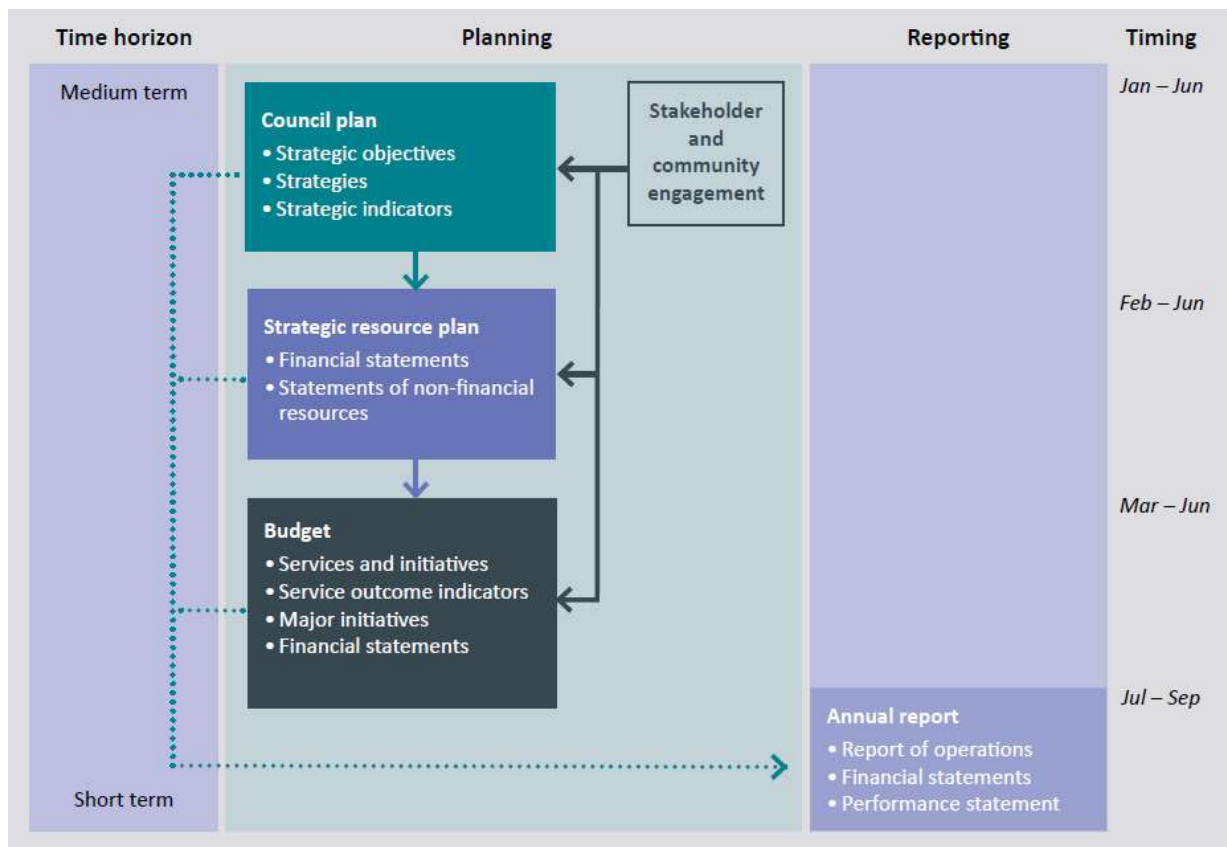
Our Performance

Planning and Accountability Framework

The Planning and Accountability Framework is found in part 6 of the Local Government Act. The Act requires councils to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is later;
- A strategic resource plan for a period of at least four years and include this in the council plan;
- A budget for each financial year;
- An annual report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Council Plan

The Council Plan 2013-17 includes strategic objectives, strategies for achieving these for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan. The following are the four strategic objectives as detailed in the Council Plan.

<p>1. Community Liveability</p> 	<p>1.1 An actively engaged community. 1.2 A range of effective and accessible services to support the health and wellbeing of our community. 1.3 A community that is physically active with access to a wide range of leisure, sporting and recreation facilities.</p>
<p>2. Built and Natural Environment</p> 	<p>2.1 Well-maintained physical assets and infrastructure to meet community and organisational needs. 2.2 A community that reduces its reliance on water and manages this resource wisely. 2.3 A healthy natural environment. 2.4 A community living more sustainably.</p>
<p>3. Competitive and Innovative Economy</p> 	<p>3.1 A strong rural economy and thriving towns. 3.2 A thriving tourism industry. 3.3 Modern and affordable information and communication technology throughout the municipality. 3.4 Transport solutions that support the needs of our communities and businesses.</p>
<p>4. Our people and our processes</p> 	<p>4.1 Long-term financial sustainability. 4.2 Quality customer services. 4.3 An engaged, skilled Council and workforce capable of meeting community needs. 4.4 Efficient and effective information communications technology. 4.5 Support for the community in the areas of emergency preparedness, response and recovery. 4.6 An organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.</p>

Performance

Council's performance for the 2016/17 year has been reported against each strategic objective to demonstrate how we are performing in achieving the 2013-17 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan;
- Progress in relation to the major initiatives identified in the Budget;
- Services funded in the Budget and the persons or sections of the community who are provided those services;
- Results against the prescribed service performance indicators and measures.

Strategic Objective 1: Community Liveability



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
1.1.1 Strong community and Council ties between City of Port Phillip and Hindmarsh Shire Council.	One event held.	Formal friendship agreement concluded at 30 June 2015, while informal arrangements of mutual support continue. Informal partnership between Hindmarsh and Port Phillips continues with the promotion of activities beneficial to our communities and ongoing support to community members when such opportunities arise.
1.1.2 Establish stronger links with the indigenous community through the Barengi Gadjin Land Council and Wurega Aboriginal Corporation.	One cultural activity.	Council supported the annual NAIDOC week student competition. Cultural awareness training has been undertaken by Senior Management in December 2016, and the Wimmera River Discovery Trail partnership developed.
1.1.3 Review Community Action Plans for Dimboola, Jeparit, Nhill and Rainbow. Follow up on Community Action Plans and their working group projects.	Review and projects underway.	Community Action Plans have been reviewed as part of the Precinct Plan and Recreation Strategy consultations in October 2015. Following further consultation in June 2016, Dimboola and Nhill Community Plans were adopted by Council in September 2016, Jeparit and Rainbow Community Plans were adopted in August 2016.
1.1.4 Develop a Community Engagement Strategy.	Strategy adopted.	The Community Engagement Strategy was adopted by Council on 18 March 2015. No further action required.
1.1.5 Support integration of migrants into the community.	Cultural event and information sessions held.	<p>Council's Settlement Officer continues to assist the settlement of our newest residents. Further Karen information sessions have been held. Council's Migration and Employment Coordinator, a position funded by the Federal Government, commenced in May 2016, to provide further assistance linking business and (prospective) new residents.</p> <p>The Office of Multicultural Affairs and Citizenship has provided additional funding under its Capacity Building and Participation Program. Partners include Nhill Learning Centre, Ballarat Community Health, Wimmera Development Association, West Wimmera Health Service, the Centre for Multicultural Youth and Luv-a-duck.</p>
1.1.6 Support and encourage volunteering and work collaboratively with Volunteering Western Victoria.	Volunteer Week events, youth volunteering workshop, Volunteer awards.	<p>The efforts of our volunteers were recognised during Volunteer Week (May). A handbook for Council's S86 committees was prepared and training undertaken in February and March 2016. Council continues to collaborate with Volunteering Western Victoria on the Memory Lane Café's, HACC Wimmera project group and the Wimmera community transport model.</p> <p>Actively looking for ways to support Council's tourism volunteers, Town Committees, and HACC volunteers. Continue to support local community groups (Rainbow Small Towns Transformation project, Yurunga Homestead, Wimmera Mallee Pioneer Museum etc.).</p>



Strategic Indicator/measure	Result	Comments
1.2.1 Implement initiatives to improve Youth engagement in the Shire.	2017 Hindmarsh Shire Youth Council established.	<p>Activities include the continuation of FReeZA Programs and the facilitation of the Hindmarsh Shire Youth Council. We have run school holiday programs as well as a variety of FReeZA events. Council has increased its reach and engagement of young people substantially over the last 12 months and exceeded its funding targets. Council was successful in gaining renewed FReeZA funding for the next three years.</p> <p>The Hindmarsh Shire Youth Council was established in April 2015. Youth Councillors have supported youth events, attended Community Planning/Precinct Plan/Recreation Strategy consultations, prepared and promoted a youth survey to inform the Hindmarsh Youth Strategy and been closely involved in the Strategy's development.</p> <p>The 2017 Youth Council was officially launched on 5 April 2017. The "new" Youth Councillors have attended a leadership retreat with Y Lead as well as held a couple of Youth Council meetings.</p>
1.2.2 Implement actions in Council's Positive Ageing and Inclusion Plan.	Hindmarsh Seniors Festival hosted.	<p>Aged & Disability Services aim to support people in their own homes and communities by providing services that promote and maintain independence. The program assists frail older people, people with a disability and their carers. In 2016, the team's focus has been on the transition of Home and Community Care services from the State to the Federal Government.</p> <p>In 2016, Council ran another very successful Seniors Concert attended by more than 320 residents.</p>
1.2.3 Review the level of financial support provided to community groups.	Review conducted.	<p>We continue to work proactively with our community groups and Town Committees to use our financial contributions as leverage for the attraction of support from other sources. Council continued to support Community Action Grants program in 2016/17.</p>
1.2.4 Review and implement Municipal Public Health and Community Wellbeing Plan.	Plan adopted 23 August 2017.	<p>The Municipal Public Health and Community Wellbeing Plan was adopted by Council on 23 August 2017. The Plan has been incorporated into Council's 2017-2021 Council Plan.</p>
1.2.5 Adopt and implement Domestic Animal Management Plan.	Domestic Animal Management Plan adopted.	<p>We have undertaken our annual review of the Domestic Animal Management Plan to ensure it remains relevant and in line with regulations. Council will adopt the 2017-2021 Domestic Animal Management Plan prior to 3 November 2017.</p>

Strategic Indicator/measure	Result	Comments
1.2.6 Review and implement Municipal Early Years Plan.	Municipal Early Years Plan (MEYP) reviewed and implemented.	State Government funding of \$800,000 and Federal Government funding for \$500,000 towards the Nhill Integrated Early Years Hub (NiEYH) approved. NiEYH Fundraising Committee established as a S86 committee at Council's December 2014 meeting, and members appointed in August 2015. Tender awarded for the architectural design and project administration in August 2015. The plans for the early years centre have been revised and early years professionals, community members and parents consulted. Final plans were adopted at Council's November 2015 meeting. The construction tender was awarded in March 2016. Construction commenced in April 2016 and the centre commenced operating in August 2017. A review of early years services in the Shire, in particular the transition of Nhill child care from a budget based service to a child care subsidy registered service commenced in May 2016.
1.2.7 Review public safety in the CBDs of our towns.	Safety work (lighting) completed.	Applications for funding to improve lighting in Rainbow and Dimboola were successful and implementation completed. We continue to work with communities and Police to identify opportunities to improve public safety. In response to community priorities, Council officers are currently exploring CCTV with the Dimboola community and Victoria Police.
1.2.8 Establish a training program for S86 committees.	Instrument of Delegation reviewed.	Review of status of S86 Committees continues. One instrument of delegation was rescinded for the Dim-e-Shop in December 2016.
1.3.1 Review Council's Recreation Strategy (including a Skate Park Strategy).	Recreation Strategy adopted by Council.	Consultations for the Recreation Strategy have occurred in conjunction with precinct planning consultations. The Hindmarsh Shire Sport and Recreation Strategy was adopted at Council's May 2016 meeting. Projects completed included the Dimboola and Jeparit Fishing Pontoons and Dimboola Boating Pontoon.
1.3.2 Encourage establishment of community gardens.	Community garden.	Council's Community Grants Program provided \$1000 towards the establishment of Jeparit's Community Garden, however, the proposed location is no longer available and the garden has not progressed further.
1.3.3 Create a trail along the Wimmera River and Lake Hindmarsh, subject to a feasibility study and funding.	Draft Feasibility study developed.	Grant funding was obtained to undertake initial feasibility study. A Hindmarsh Trail Steering Committee was formed and has supported the development of the draft feasibility study and master plan which were presented to the July 2016 Council meeting. Council will continue to advocate and seek funding for the establishment of the Trail.

Strategic Indicator/measure	Result	Comments
1.3.4 Prepare a Precinct Plan for Dimboola.	Precinct Plan adopted.	Contract awarded to SED Consulting to complete Precinct Plans for Dimboola and Nhill. Consultations for Precinct Plans have taken place in conjunction with Recreation Strategy consultations. Consultations commenced with surveys in June 2015, community workshops were held in August and October 2015, May and July 2016. The Plans were formally adopted in September 2016.
1.3.5 Prepare a Precinct Plan for Jeparit.	Precinct Plan adopted and Implementation commenced.	Due to government funding priorities, funding for the Jeparit Precinct Plan is yet to be obtained.
1.3.6 Prepare a Precinct Plan for Nhill.	Draft Precinct Plan developed.	Contract awarded to SED Consulting to complete Precinct Plans for Dimboola and Nhill. Consultations for Precinct Plans have taken place in conjunction with Recreation Strategy consultations. Consultations commenced with surveys in June 2015, community workshops were held in August and October 2015, May and July 2016. The Plans were formally adopted in September 2016.
1.3.7 Review recreation reserve Masterplan for Rainbow.	Masterplan adopted. Community pavilion completed.	The Masterplan was adopted by the Rainbow Recreation Reserve committee of management. Funding was obtained for the redevelopment of the Rainbow Community Pavilion, the project was officially opened on 24 March 2017.
1.3.8 Digital projection equipment for NMCC.	Installation complete.	Digital equipment installed November 2014. First movie screened 12 December 2014. Two screenings per week from January 2015. In addition, Council's most successful events have been children's movies during the school holidays, Andre Rieu's Maastricht Concert and Andrew Lloyd Webber's Phantom of the Opera.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress
Completed construction of the new Nhill Integrated Early Years Centre.	Construction commenced in 2015/16. The centre began operating in August 2017.
Complete concept designs for a new Library in Dimboola.	Concept designs complete and funding successfully obtained from the State Governments Living Libraries program.
Support locally-significant community-driven events and festivals that stimulate tourism and growth in the region.	<p>Continued support of the Wimmera Mallee Pioneer Museum's <i>Annual Vintage Rally</i>.</p> <p>Increased marketing and promotion support of shire-wide local events through Visit Hindmarsh Facebook page and event listing page, along with continued quarterly events advertising in <i>Out and About</i> magazine.</p> <p>Identified and planned for a <i>Human Powered Vehicle</i> expo event at the Dimboola Recreation Reserve, with potential for future annual full race events.</p> <p>In conjunction with the Victorian Off Road Racing Association, Council hosted the final round of the Australian Off Road Championship at the inaugural Rainbow Desert Enduro.</p>

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Community Development	Work with community groups, organisations and individuals to assist communities reach their aspirations and be healthy, active and engaged.	163,862 <u>130,811</u> (33,051)
Maternal Child Health Centres	Maintain the maternal and child health centres in Dimboola and Nhill and provide support to child service providers through the Municipal Early Years Plan. (Council does not provide maternal and child health services. This service is provided by West Wimmera Health Service.)	13,907 <u>17,561</u> 3,654
Kindergarten Services	Provision of Kindergarten services in Dimboola, Jeparit, Nhill and Rainbow under contract with Wimmera Uniting Care. (Council does not directly deliver Kindergarten Services)	1,013,333 <u>21,036</u> (992,297)
Youth Services	Improve the wellbeing and opportunities for youth within the Shire.	21,202 <u>66,605</u> 45,403
Aged and Disability Services	Home and Community Care Services aim to support people in their own homes and communities by providing services that promote and maintain independence. Deliver the full range of services provided by Council's Home and Community Care Department including: <ul style="list-style-type: none"> • Assessments • Delivered Meals and Centre Based Meals • Personal Care • Respite Care services • Home care / Domestic Assistance services • Property Maintenance and minor modifications. 	(75,535) <u>20,386</u> 95,921
Health Promotions	To protect and enhance the health of the community.	48,543 <u>61,434</u> 12,891
Libraries	Provision of permanent library services in Dimboola and Nhill and mobile library services in Jeparit and Rainbow.	(323,812) <u>239,585</u> 563,397
Arts, Culture and Community Events	Promote and support activities relating to arts, culture and community events throughout the Shire.	112,675 <u>92,120</u> (20,555)
Recreation Programs	Providing a range of recreation programs that encourage an active and healthy life.	11,242 <u>11,112</u> (130)
Public Order and Safety	Educate the community about public order and safety and enforce compliance with the local laws when required. Maintain and operate school crossings for Dimboola, Jeparit, Nhill and Rainbow. The school crossing on the Western Highway in Nhill is the only staffed crossing in the Shire. Other crossings on local roads are manned by volunteers or school teachers.	93,732 <u>71,904</u> (21,828)
Early Years	Lead a joint effort that will give Hindmarsh children the best start in life, working collaboratively with community and early years providers.	30,842 <u>33,476</u> 2,634

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Maternal and Child Health (MCH)				
Satisfaction				
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Service standard				
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Participation				
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
<i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Home and Community Care				
Timeliness				
<i>Time taken to commence the HACC services</i> [Number of days between the referral of a new client and the commencement of HACC service/Number of new clients who have received a HACC service]	n/a	6.64	n/a	Reporting ceased on 1 July 2016
Service standard				
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	n/a	100.00%	100.00%	Reporting ceased on 1 July 2016
Service cost				
<i>Cost of domestic care service</i> [Cost of the domestic care services/Hours of domestic care service provided]	n/a	\$46.40	n/a	Reporting ceased on 1 July 2016.
Service cost				
<i>Cost of personal care service</i> [Cost of the personal care services/Hours of personal care service provided]	n/a	\$42.77	n/a	Reporting ceased on 1 July 2016
Service cost				
<i>Cost of respite care service</i> [Cost of the respite care services / Hours of respite care service provided]	n/a	\$45.47	n/a	Reporting ceased on 1 July 2016

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Participation				
<i>Participation in HACCC service</i>				
[Number of people that received a HACCC service / Municipal target population for HACCC services] x100	n/a	60.85%	30.09%	Reporting ceased on 1 July 2016
<i>Participation in HACCC service by CALD people</i>				
[Number of CALD people who receive a HACCC service / Municipal target population in relation to CALD people for HACCC services] x100	n/a	60.53%	30.77%	Reporting ceased on 1 July 2016
Food Safety				
Timeliness				
<i>Time taken to action food complaints</i>				
[Number of days between receipt and first response action for all food complaints / Number of food complaints]	5.25	1.40	0.67	Council shares Environmental Health Services with a neighbouring council. Time taken to action requests is dependent on the days the Environmental Health Officer is present at our Council.
Service standard				
<i>Food safety assessments</i>				
[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	77.92	75.64%	50.85%	Council spent considerable time ensuring food assessments for class 1 and class 2 premises were completed during 2015/16 and 2016/17.
Service cost				
<i>Cost of food safety service</i>				
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$750.82	\$740.23	\$701.85	No material variations.
Health and safety				
<i>Critical and major non-compliance outcome notifications</i>				
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about food premises] x100	0.00%	100.00%	100.00%	Council did not receive any notifications of non-compliance during 2016/17.
Libraries				
<i>Utilisation</i>				
<i>Library collection usage</i>				
[Number of library collection item loans / Number of library collection items]	1.23	1.39	1.28	An increase in virtual loans during 2016/17 saw a decrease in physical loans.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Libraries				
Resource standard				
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	39.35%	41.75%	41.95%	The overall size of the collection has decreased slightly from 2015/16 to 2016/17.
Service cost				
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$7.14	\$5.47	\$5.14	A reduction in the number of Library visits has meant the cost of delivering the services has increased per visit.
Participation				
<i>Active library members</i> [Number of active library members / Municipal population] x100	10.03%	10.64%	14.30%	Because our rural location means our membership base is small, even a small reduction in membership will show as a material variation.
Animal Management				
Timeliness				
<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	Animal Management requests are responded to within 1 business day.
Service standard				
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	36.69%	41.99%	52.08%	In 2015/2016 and 2016/17, Council dealt with a large amount of feral cats, this was the result of a campaign encouraging rate payers to notify Council of feral cat populations.
Service cost				
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$97.52	\$74.42	\$50.00	At 30 June 2016, the number of animals registered was lower than in the previous year. The decrease in animals along with a slight increase in service costs results in a higher cost of service.
Health and safety				
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	No animal matters required prosecution during 2016/17.

Strategic Objective 2: Build and Natural Environment



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
2.1.1 Re-develop and maintain attractive streetscapes, open spaces and public places.	Variety of streetscape projects completed.	Completed the redevelopment of Lochiel St, Dimboola. Open spaces projects completed which included high profile streetscape improvements for Dimboola, Nhill, Jeparit and Rainbow. Funding for the development of Menzies Square, Jeparit, was approved in October 2014 and designs were prepared in partnership with Federation University and the Menzies Foundation in June 2015. The 'new' Square including interpretive panels, shop fronts representing the Menzies family's original shops and BBQ shelter was officially opened in December 2016.
2.1.2 That Council encourage and support residents and ratepayers to maintain the cleanliness and good order of the properties for which they are responsible.	One free green waste collection months held.	Green waste month successfully completed in October 2016.
2.1.3 Re-develop and beautify the Lochiel/Lloyd Streets corner in Dimboola.	Redevelopment complete.	Works completed.
2.1.4 Develop and prioritise detailed plans relating to infrastructure upgrade and renewal (including roads, bridges, drains, footpaths and buildings) for each town.	Capital Improvement Plan developed.	Planning has been completed, forming the basis for Council's 2016/17 Budget. The four year Capital Works Program has been reviewed and an updated plan prepared for the 2017/18 Budget.
2.1.5 Review roads and bridges hierarchy.	Roads and Bridges Hierarchy adopted.	Council approved the revised Road Hierarchy at its April 2016 meeting. The Road Management Plan and Road Hierarchy were endorsed for public consultation at Council's 1 February 2017 meeting. The Plan and Hierarchy were adopted on 17 May 2017.
2.1.6 Implement recommendations from drainage studies.	One drainage project completed.	Major works detailed in the plan (such as Wimmera Street, Dimboola and Ramsay Street, Nhill). Drainage works undertaken in Nhill and Dimboola, most notably the completion of Denham Street drainage project.
2.1.7 Prepare a footpath strategy.	Footpath Strategy adopted.	Council's Pathway and Mobility Strategy 2015 was adopted on 15 July 2015.
2.1.8 Complete Shire Office redevelopment in Nhill.	New building operational.	The office redevelopment achieved practical completion in October 2013. The building was officially opened by the Victorian Governor on 28 March 2014.



Strategic Indicator/measure	Result	Comments
2.1.9 Undertake Heritage Study subject to funding.	Heritage Study adopted.	No further action has been taken as no funding opportunities presented themselves for this venture and current State Government priorities make it unlikely this would occur.
2.1.10 Support the community in determining options for the use of the former Rainbow Primary School.	Options for the former Rainbow Primary School identified.	Council has attended meetings with the Rainbow community in relation to potential uses and lobbied the Minister of Education for the community's use of the site. On 28 January 2016, the Education Department issued a Surplus Government Land First Right of Refusal (FROR) Notification (Local Government). Following its March 2016 meeting, Council formally expressed its interest in acquiring the site. The Rainbow community's funding application to the Small Towns Transformation Program which includes the school site has been successful and the site was purchase in May 2017.
2.1.11 Advocate for the co-location of emergency services in Dimboola	Discussions held with emergency services.	Council has met with the community and stakeholders and progressed discussions about an appropriate site for co-located services. Council wrote to the State Emergency Services Minister in late 2014, advocating for the expedition of the Dimboola development. Meeting between CEO, Ward Councillors and Senior CFA personnel held to discuss options. The CFA has now finalised a site for a CFA only development. Council will continue to advocate for the progression of this development.
2.2.1 Implement recommendations from the Climate Change Adaptation Strategy, subject to funding.	Two projects implemented.	We have undertaken pool leakage repairs (Dimboola, Jeparit and Rainbow pools) and are participating in the Lighting the Regions project.
2.2.2 Implement the Integrated Water Management Plan.	One project implemented.	Council has exchanged potable water use in road construction to bore water utilising the Davis Park Bore. Further work has been done on testing and repairing various pools in the Council's jurisdiction. Further reductions on Council's reliance on potable water are planned, including decreased water use at recreation facilities.
2.3.1 Continue to support local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	A new Memorandum of Understanding between Council and the Hindmarsh Landcare Network was signed in 2017.
2.3.2 Review the Minyip Road Revegetation Pilot Project.	Review of the Minyip Road Revegetation Pilot Project completed.	No further action on revegetation project due to lack of funding and reintroduction of roadside cropping.

Strategic Indicator/measure	Result	Comments
2.3.3 Review and implement Hindmarsh Environmental Strategy, subject to funding.	Hindmarsh Environmental Strategy adopted.	We have implemented actions from the Roadside Pest Plant and Animals Plan including rabbit control in line with funding received from the State Government.
2.3.4 Develop a Planning Program to improve tree coverage and shade cover in high traffic urban areas.	Audit completed.	A local contractor was engaged to undertake this work. A report was presented to the June 2016 Council briefing. The 2017 Urban Tree Planting Program saw 300 trees and shrubs purchased and planted, giving consideration to the higher priority locations identified in the 2016 tree audit.
2.4.1 Advocate for distributed energy generation for Shire towns using solar, waste and biomass, wind and geothermal sources, subject to funding.	Renewable energy development underway	Renewable energy trial program dependent on provider interest and proposal of an appropriate project. Private operator currently pursuing wind farm development.
2.4.2 Establishment of Pyrolysis Plan	Deleted.	Not achieved – the limitation of funding for these types of developments has meant the commencement of this project is now likely to be outside the timeframe of the Council Plan. It was deleted in the Council Plan's June 2014 revision.
2.4.3 Continue to support Wimmera Mallee Sustainability Alliance.	Wimmera Mallee Sustainability Alliance membership and support continued.	We continue our membership of the Alliance.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress
3 large reconstruction projects: sections along the Lorquon East Road, the Lorquon Station Road and the Katyil Wail Road.	The reconstruction projects were completed in time and on budget.
Develop and prioritise detailed plans relating to infrastructure upgrade and renewal (including roads, bridges, drains, footpaths and buildings) for each town.	Ongoing – four year forward capital works program adopted by Council as part of its Annual Budget process.
Implement recommendations from drainage studies.	We have continued the overland path from Denham Street to Upper Regions Street, further works in the 2016/17 budget were not completed due to unforeseen issues encountered during the design phase. Further planning has been undertaken and works are expected to be completed in 2017/18.
Commence the instigation of outcomes and projects identified and prioritised following the development of the Hindmarsh Recreation Strategy.	Initiatives have been identified and funding received for Skate Parks in Dimboola and Rainbow.
Complete Landscaping at the Jeparit Recreation Fishing Pontoon.	Installation of picnic table, pathway and bollards were completed during 2016/17



The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Local Roads and Bridges	The aim of Council's road and bridges program is to provide safe, all weather access to residences and allow for efficient transport of goods to and from the Shire.	6,385,511 <u>7,559,289</u> 1,173,778
Drainage Management	The aim of this program is to have well maintained, fit for purpose drainage systems within townships.	493,752 <u>735,407</u> 241,655
Paths and Trails	The aim of Council's paths and trails program is to provide well maintained pedestrian, including disabled, access to critical and popular destinations around our townships.	438,147 <u>448,317</u> 10,170
Tree Management	The aim of Council's Tree Management program is to conduct maintenance, inspections and replanting works on Council road reserves, parks and gardens and recreation reserves.	226,080 <u>299,054</u> 72,974
Town Beautification	The aim of Council's Town Beautification program is to maintain and redevelop public open spaces in Dimboola, Jeparit, Nhill and Rainbow.	729,222 <u>799,929</u> 70,707
Community Centres and Public Halls	Maintenance, renewal and upgrade of Council-owned and controlled community centres and halls, and supporting communities that undertake these activities on behalf of Council.	272,357 <u>318,995</u> 46,638
Recreation Facilities	Maintenance, renewal and upgrade of Council owned and controlled recreational land, buildings and facilities. Council also supports groups that undertake these activities on behalf of Council.	901,928 <u>1,074,917</u> 172,989
Waste Management	Management of Council's transfer stations and collection and disposal of domestic waste and recyclables across the Shire.	(50,280) <u>(16,059)</u> 34,221
Quarry Operations	Management of Council-owned and controlled quarries and gravel pits for extraction of gravel for road making.	(107,370) <u>(195)</u> 107,175
Waterway Management	Management of Council-controlled waterways including weir pools and lakes.	85,845 <u>62,072</u> (23,773)
Environment Management	Manage, protect and enhance Council's natural assets in conjunction with Government departments and environmental groups.	49,143 <u>72,315</u> 23,172
Fire Protection	To identify potential fire hazards and to prevent loss to life and property caused by fire.	63,391 <u>59,405</u> (3,986)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Roads				
Satisfaction of use				
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	26.53	27.72	4.91	The increase in requests for sealed local roads is a result of the extensive consultations undertaken with farmers.
Condition				
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	99.91%	97.72%	97.72%	No material variations.
Service cost				
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$34.95	\$29.36	\$18.74	An increase in urban works during 2016/17 has resulted in a higher cost for local road reconstruction.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.79	\$4.32	\$5.61	Council staff spent considerable time crack patching prior to resealing in 2016/17. This allows for a better performing seal.
Satisfaction				
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	52	45	47	The increase in satisfaction is a result of community education in relation to Council maintained roads and State Government maintained roads.
Aquatic Facilities				
Service standard				
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.50	0.00	1.75	Council undertook inspections at two aquatic facilities during the opening periods.
Health and Safety				
<i>Reportable safety incidents at aquatic facilities</i> [Number of Worksafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	No material variations.
Service cost				
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$0.00	\$0.00	\$0.00	Council does not operate indoor aquatic facilities.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$17.68	\$18.14	\$17.48	An increase in the number of visits during 2016/17 has resulted in a decrease in the cost of aquatic facility visits per person.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Aquatic Facilities				
Utilisation				
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.47	3.31	3.01	There was a larger utilisation of aquatic facilities in January and March than in the previous year due to warmer weather conditions.
Waste Collection				
Satisfaction				
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000	11.47	10.17	5.96	Due to Council's small rate base, even a small increase or decrease of requests will result in a material variation. Council received 24 requests in 2015/16 compared to 27 requests in 2016/17.
Service standard				
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.26	2.11	3.25	The increase is due to one street being missed in December 2016.
Service cost				
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$165.77	\$164.20	\$171.06	Council contracts out Waste and Recycling collection. The service costs reflect costs invoiced to Council by the contractor.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$80.78	\$78.05	\$70.61	Council contracts out Waste and Recycling collection. The increase in kerbside recycling collection reflects an increase in contractor fees.
Waste Diversion				
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	23.29%	21.88%	23.85%	No material variations.

Strategic Objective 3: Competitive and Innovative Economy



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
3.1.1 Run "Open for Business" project in Nhill.	"Open for Business" held.	<i>Nhill Alive with Business Opportunity</i> was held in October 2013.
3.1.2 Market the Shire's liveability.	Development of marketing materials and continued promotion of Council and tourism websites.	Achieved – Council attended the Regional Living Expo in April 2014. Vacant shop and home audits were undertaken in the first half of 2015. While the audit found long term vacant homes to often correlate with the rates arrears data base, the vacant shop audit has proven a useful tool in linking new enterprises to available premises. Council officers are working closely with local real estate agents to keep this data up to date. In August 2016 Council's Visit Hindmarsh tourism website went live.
3.1.3 Support Wimmera Development Association's Cadet Program.	Intern employed.	We continue our partnership with the Wimmera Development Association's internship program and in February 2017 we again employed an engineering cadet.
3.1.4 Develop and implement an economic development strategy with a strong tourism focus.	Economic Development Strategy adopted.	Council adopted the Economic Development Strategy after extensive community consultation on 15 July 2015. Two initiatives from the Strategy, the Town Branding Strategy and Business prospectus, have been completed. The Steering Committee established in July 2014 to help the Economic Development Strategy, will reconvene to facilitate its implementation.
3.1.5 Pilot Emerging Entrepreneurs Program	Not yet commenced.	Professional development activities have not yet commenced.
3.1.6 Active involvement in Rural Councils Victoria (RCV) and Wimmera Development Association (WDA).	Continued membership of Rural Councils Victoria and Wimmera Development Association.	Membership with both organisations continues.
3.1.7 Work regionally/ collaboratively with other organisations.	Continued support/membership of Western Highway Action Group, Wimmera Regional Transport Group and business associations.	Membership with WHAG and WRTG continues.

Strategic Indicator/measure	Result	Comments
3.1.8 Review Hindmarsh Planning Scheme, including Municipal Strategic Statement, with a focus on industrial and residential development.	Revised Municipal Strategic Statement (MSS) adopted.	Adoption of a new MSS was delayed due to changes in Victoria's planning framework. At its May 2015 meeting, Council resolved to proceed with a planning scheme amendment to incorporate a revised Municipal Strategic Statement in the Hindmarsh Planning Scheme.
3.1.9 Advocate for increased supply of appropriate housing within the Shire.	Advocacy undertaken.	Council inspected WWHS housing solution. Onsite visit to Pyrenees Shire residential subdivision at its February 2015 retreat. Several meetings undertaken to lobby for a continuation of NRAS funding. Council officers are working closely with local real estate agents to keep this data up to date.
3.2.1 Develop a Strategic Plan for the Wimmera Mallee Pioneer Museum.	Not achieved.	Council's funding application to the State Government for the development of the Strategic Plan has been declined. An allowance was made in Council's 2016/17 Budget to complete the Strategic Plan with own source funds. Council adopted the Wimmera Mallee Pioneer Museum Master Plan on 1 March 2017. An Interpretive Plan is currently being developed. Initiatives from the plan, such as Wimmera Mallee Pioneer Museum information signage at the front of the museum, have been implemented.
3.2.2 Appealing tourism facilities that promote visitation and meet visitor needs.	Tourism facility improvements completed.	Stage 1 works at the Riverside Holiday Park Dimboola were completed and the Park reopened in December 2015. The installation of camp kitchens at Four Mile Beach and Riverside Holiday Park has been completed. State Government funding was received for the installation of cabins at the Holiday Park, Dimboola. The installation of five cabins was completed in June 2017. The Menzies Square redevelopment has been completed, creating a vibrant visitor and community park in central Jeparit.
3.2.3 Support locally significant community driven events and festivals that stimulate tourism growth in the region.	Community events supported.	Events supported include the Dimboola Rowing Regatta, Wimmera Mallee Bushfire Recovery Concert, and Nhill Air Show. Jeparit Easter Angling Competition, Karen New Year and a broad range of events funded under the State Government's drought support initiatives. An Event Management Guide to assist all business and community group in coordinating successful events in Hindmarsh Shire has been developed by Council's Tourism Officer, in conjunction with other staff.

Strategic Indicator/measure	Result	Comments
3.2.4 Review and upgrade current caravan and camping accommodation in the Shire.	Caravan/ camping facility improvements completed.	Council successfully applied for funding from the State Government for the installation of cabins at the Riverside Holiday Park, Dimboola. After delays due to lack of suitable tenders, installation of five cabins was completed in June 2017. Visitor feedback forms have been developed for the Riverside Holiday Park and Jeparit Caravan Park, encouraging visitors to post on Trip Advisor.
3.2.5 Construct the Nhill Aviation Heritage Centre.	Stage 1 completed.	The Nhill Aviation Heritage Centre was officially opened on 23 May 2014.
3.2.6 Promote and support local historic assets and heritage groups.	Local historic assets and heritage groups supported.	We acknowledge the incredible importance our heritage assets have to the wellbeing of our communities and in the attraction of visitors to our towns. We have worked with a number of our heritage groups to improve these assets, most notably the Wimmera Mallee Pioneer Museum and Yurunga Homestead. A self-drive brochure for Hindmarsh Heritage Trail, linking and promoting our Shire's historic assets, has been developed. Yurunga's restored picket fence, a partnership between the Committee, Hands-On-Learning and Council was officially opened on 16 March 2017.
3.2.7 Consider provision of RV facilities for an 'RV friendly' town.	Dimboola, Jeparit, Nhill and Rainbow to be 'RV friendly'.	Dimboola, Jeparit, Nhill and Rainbow have achieved RV friendly status with RV friendly parking and RV dump points installed.
3.3.1 Advocate for appropriate NBN coverage.	Supported the Wimmera Development Association and Wimmera Mallee councils in advocacy efforts.	Multiple meetings held by CEO and Mayor with external stakeholders and a Heads of Agreement entered into with NBN Co. Case studies on six Hindmarsh based businesses have been presented to the Parliamentary Secretary for Communications. Broadband towers covering Jeparit, Rainbow and part of Dimboola. FTTN confirmed for Nhill in 2018.
3.3.2 Promote the availability and encourage take-up of the NBN.	In progress.	Delayed due to Federal Government policy and implementation changes.
3.3.3 Advocate for appropriate mobile phone coverage.	In progress.	Advocacy to Federal and State Governments has been extensive. Mobile coverage was discussed during Canberra deputations. In response to advocacy efforts, additional infrastructure will be installed at Netherby under round 2 of the Federal Black Spot Program.
3.4.1 Advocate for flexible and responsive public and freight transport.	Active involvement in Western Highway Action Committee and Wimmera Regional Transport Group.	Council's membership with WHAC and WRTG continues. Road transport and bulk grain handling featured heavily in the Economic Development Strategy discussions. Participating in a freight logistics study as part of State Government project.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress
Identification and construction of infrastructure to improve visitor amenities throughout the Shire, including signage.	<p>Council secured funding from the State Government to the development of the Riverside Holiday Park with the installation of five cabins. The five cabins consist of four standard two bedroom cabins and one Access-to-All two bedroom cabin to cater for guests with mobility concerns.</p> <p>Council also upgraded the Recreation room at the Riverside Holiday Park. The new recreation room offers a substantially larger indoor recreation area for visitors to utilise.</p> <p>Council conducted a sign audit by council staff, this resulted in the development of a signage plan. Quotations are being sought for proposed signage. A priority list will be presented to VicRoads for approval prior to roll out.</p>
Continue the upgrades of infrastructure at Riverside Holiday Park, Dimboola.	As above – completed.
Upgrade Fencing at the Riverside Holiday Park, Dimboola.	Fencing completed during 2016/17.

The following statements provide information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Economic Development	To encourage Economic Development throughout the municipality.	364,315 <u>394,341</u> 30,026
Tourism	To develop a thriving Wimmera Mallee Tourism industry predominantly based on, but not limited to, the Shire's heritage and environmental assets.	314,216 <u>306,589</u> (7,627)
Private Works	Provision of private civil works services. <ul style="list-style-type: none"> • Provide quotations for private works undertaken by the Council works department to residents, contractors and other authorities. • Potential private works include grading of farm driveways, grading of fence lines, construction of driveway cross-overs, and supply of labour, plant and materials. ▪ Private works also include repair to Council's infrastructure caused by repair to third party assets. 	(4,903) <u>(23,034)</u> (22,544)
Caravan Parks and Camping Grounds	Maintenance, renewal and upgrade of Council Caravan Parks and Camping Grounds.	409,800 <u>158,615</u> (251,185)
Land Use Planning	To ensure that any development that occurs in Hindmarsh Shire is carried out in accordance with relevant planning policies, principles and controls. <ul style="list-style-type: none"> • Provide customers with advice on planning scheme requirements. • Prepare and assess planning scheme amendments and consider planning permit applications. • Represent Council at Panel Hearings and at Victorian Civil and Administrative Tribunal. • Undertake planning scheme compliance checks when necessary. • Process subdivisions and planning certificates. • Implement actions from the Wimmera Southern Mallee Regional Growth Plan. 	132,401 <u>135,739</u> 3,338
Building Control	To provide statutory and private building services to the community. <ul style="list-style-type: none"> • To carry out Council's statutory private building requirements. • Issuing of building permits and certificates. • Receipt and recording of building permits undertaken by private building surveyors. • Undertake building enforcement and compliance checks. • Provision of reports to the Building Control Commission. 	115,329 <u>115,183</u> (146)
Aerodrome	Manage and maintain the Nhill Aerodrome.	56,844 <u>73,436</u> 16,592

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Statutory Planning				
Timeliness				
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	37	31	35	Council received more permits in 2016/17 that required referral onto external authorities, meaning permits were able to be dealt with in a shorter period of time.
Service standard				
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	86.67%	97.22%	94.29%	No material variations.
Service cost				
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$5,350	\$4,366	\$4,092	The increase in costs during 2016/17 is due to additional time required by Council's planning contractor on applications.
Decision making				
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	100%	0.00%	No planning decisions were taken to VCAT during 2016/17.

Strategic Objective 4: Our people, our processes



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
4.1.1 An equitable, efficient and transparent rating strategy.	Adoption of Stage 2 of Council's Rating Strategy.	We reviewed the rating strategy for Council's 2017/18 Budget.
4.1.2 Further develop 10 year financial plan.	Ten Year Plan updated annually.	We have developed a Long Term Financial Plan, which has been reviewed by our internal auditors and is updated annually as part of the Budget process.
4.1.3 Advocate to State and Federal Governments regarding Victoria Grants Commission funding.	Advocacy on various levels.	Deputations to Canberra were undertaken in March 2016. We will continue to advocate for VGC allocations with Federal and State members.
4.1.4 Advocate for the continuation of Local Roads and Bridges and Local Government Infrastructure Program funding.	Advocacy on various levels.	We will continue to advocate for the restoration of equivalent funding through MAV advocacy efforts and meetings with various State Government Ministers as opportunities arise. Deputations to Canberra were again undertaken in March 2017.
4.2.1 Develop and implement a communications strategy.	Communication Strategy adopted.	The Communications Strategy was adopted at Council's September 2014 meeting.
4.3.1 Implement a project management system, including software and training for key staff.	Risk Management tool developed.	A Risk Management tool has been developed to improve Council's project management processes.
4.3.2 Develop and implement organisation development plan	Not achieved.	Still to be completed.
4.3.3 Provide professional development opportunities for staff and Councillors.	Employees and Councillors participated in professional development opportunities.	A number of staff and Councillors have participated in professional development activities including Induction to Local Government, public speaking, working with media training, Responsible Service of Alcohol, Freedom of Information request and InfoXpert training.
4.3.4 Facilitate a program that encourages women to assume leadership roles in the community.	Community forum/workshop held.	A Community and Candidate Information Session regarding the 2016 General Elections was held in May 2016. A session encouraging women to stand for local government was held in Nhill in June 2016.

Strategic Indicator/measure	Result	Comments
4.4.1 Develop and implement an IT strategy.	IT Strategy completed, implementation underway.	The IT strategy was completed by Fourier in June 2014. New servers have been purchased and the migration of data and programs has been completed. We have updated desktops and computer peripherals. We also introduced HACC PAC mobile to improve rostering, increase safety of staff and achieve payroll efficiencies.
4.5.1 Implement recommendations from Community Flood Response study.	Recommendations implemented.	In progress. Work to implement actions from the Flood Response Study is continuing, including greater communication and involvement with the Catchment Management Authority and affected communities.
4.5.2 Review and update the Hindmarsh Municipal Emergency Management Plan.	Hindmarsh Emergency Management Plan (MEMP) updated.	Council's MEMP was reviewed and adopted in July 2013. In September 2014 and November 2016, an external audit assessed the plan as complying with the guidelines. The plan is currently being reviewed and updated, with draft documentation to be presented to the MEMP Committee in November 2017 for endorsement.
4.5.3 Maintain and improve the Jeparit levee bank.	Jeparit levee bank improved.	A Jeparit Flood Levee Management Plan was developed in March 2014. The Wimmera Catchment Management Authority presented to Council in August on the draft Wimmera Flood Strategy.
4.6.1 Include risk management as a standing item of the Leadership Group and Audit Committee agendas.	All Leadership Group and Audit Committee meetings have considered risk management items.	Risk management is included as a standing item on Audit committee agendas.
4.6.2 Implement improvements to governance framework within Council.	JMAPP audit score and LMI audit score increased.	The LMI audit has been retired, the JMAPP audit is conducted on a biennial basis, last 2014/15.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016/17 budget for the year.

Major Initiatives	Progress
Complete road and infrastructure audit.	Audit completed in late 2016 by Talis Consultants and Australian Surface Testing. The audit involved both visual condition assessments and high speed laser and video capture.

The following statement provides information in relation to the services funded in the 2016/17 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Civic Leadership and Governance	To ensure that Council provides effective leadership and that its decisions are transparent, inclusive and based on sound recommendations and advice. <ul style="list-style-type: none"> • Management support for the Mayor and Council. • Regular media releases and newsletters to inform the community of current issues. • Lobbying of politicians and government departments. • Advocacy on behalf of the community on key local government issues. • Memberships include Municipal Association of Victoria, Rural Council Victoria, North West Municipalities Association and Wimmera Development Corporation • Community Satisfaction Feedback Survey 	772,490 <u>813,437</u> 40,947
Customer Service Centres	Operation and maintenance of customer service centres to provide facilities from which Council can efficiently deliver services to the community. <ul style="list-style-type: none"> • Management of professionally-focused Customer Service Centres in each township. • Seek improvement in the community satisfaction survey conducted annually. • Adherence to Council's Customer Services Charter. • Provide licensing and registration services on behalf of VicRoads. • Provision of information to ratepayers and the general public on a broad range of services provided by Council and other government agencies. 	527,453 <u>595,121</u> 67,668
Council Elections	Efficient and effective running of Elections by the Victorian Electoral Commission on behalf of Council. <ul style="list-style-type: none"> • Ongoing maintenance of the voters' rolls. 	87,711 <u>104,750</u> 17,039
Financial Management	To ensure the efficient and effective allocation of resources through sound financial planning and management that secures the long term financial viability of the municipality. <ul style="list-style-type: none"> • Preparation of the annual budget, including the capital works budget • Preparation of Council's Annual Report • Preparation of management reports to Council and Senior Managers. • Investment of surplus funds in accordance with Council's investment policy having regard to legislation and financial risk. • Support of the internal and external audit functions • Management of Council's taxation obligations • Continued lobbying of governments for additional funding and resources 	(5,887,283) <u>(3,831,362)</u> 2,055,921

Service	Description	Net Cost Actual Budget Variance
		\$
Rating and Valuations	Management of Council's rating system, including valuation of properties and the levying of rates and charges. <ul style="list-style-type: none"> • Maintenance of property and valuation records, including supplementary valuations. • Administering Pensioner rate concessions on behalf of the State Government. • Issue of quarterly Rates and Valuations notices. • Collection of rates and legal action where necessary. • Issue of Land Information Certificates. 	(7,008,897) <u>(7,035,137)</u> (26,240)
Records Management	Effective and efficient recording, storage, retrieval and disposal of records in line with the standards of the Public Records Office of Victoria. <ul style="list-style-type: none"> • Compliance with Privacy and Freedom of Information Legislation. • Ensure that Council records, stores and disposes of its records in accordance with statutory obligations. 	59,547 <u>57,306</u> (2,241)
Information Technology	Using Information Technology as a tool to connect with the community and provide efficient and effective services.	286,592 <u>251,671</u> (34,921)
Risk Management	Monitor and manage Council's risks in relation to operations, employment and infrastructure. <ul style="list-style-type: none"> • Monitor and review the Risk Register. • Regular review of the risks and control measures by Senior Management. • Ensuring that Council's assets and interests are insured adequately against risk. • Management of WorkCover Authority insurance and work place injury claims. • Quarterly meetings of the Risk Management Committee. • Quarterly meetings of the Audit Committee. • Advise staff and contractors in relation to Workplace Health and Safety. • Ensure that Council is aware of, and complies with, all of its statutory obligations. 	343,485 <u>392,883</u> 49,398
Contract Management	Preparation of contract specifications, administration of tender processes and management of Council's contracted services. <ul style="list-style-type: none"> • Tender preparation and specification development. • Supervision and management of contracted Council services. • Ensure that Council's tendering process (including letting of tenders and appointment of contractors) comply with Council purchasing policies and statutory obligations. • Ensure value for money and best products are achieved. 	90,376 <u>86,632</u> (3,744)
Payroll and Human Resources Services	Provision of payroll services to Council employees and the provision of human resources services to management.	211,116 <u>219,622</u> 8,506
Emergency Management	Provide support to the community in the areas of emergency preparedness, emergency response and emergency recovery.	57,548 <u>90,290</u> 32,742
Depots and Workshops	Operation of Council's depots and workshops including the provision of heavy plant and equipment. <ul style="list-style-type: none"> • Securely house plant, equipment and materials. • Provide a base for the outdoor staff. • Provide a location to carry out maintenance and repairs of Council's plant and equipment. 	332,171 <u>291,086</u> (41,085)

	<ul style="list-style-type: none"> • Purchase and maintain plant and equipment to enable the delivery of works 	
Asset Management	Provision of skills, resources and systems to ensure the most efficient and effective management of Council's assets. <ul style="list-style-type: none"> • Ensure that Council targets the correct level of asset expenditure to achieve and maintain the desired levels of service into the foreseeable future. • Ensure that Council's asset renewal expenditure targets the most critical assets. • Provide Council's asset valuations. 	268,171 <u>257,077</u> (11,094)
		Net Cost
		Actual
		Budget
		Variance
		\$
Service	Description	
Fleet Management	Ensure that Council's vehicle fleet is managed, maintained and replaced in the most efficient and effective way possible. <ul style="list-style-type: none"> • Timely maintenance of fleet vehicles. • Purchase and replacement of fleet vehicles in accordance with Council policy. 	397,614 <u>506,924</u> 109,310
Accounts Payable	Payment of invoices in an efficient and timely manner. <ul style="list-style-type: none"> • Maintenance of secure payment systems and processes. • Payment of invoices in accordance with Councils payment terms (within 30 days). • All payments to be made via EFT or Direct Credit. 	50,793 <u>50,526</u> (267)
Accounts Receivable	Receival of payments from debtors in an efficient and timely manner. <ul style="list-style-type: none"> • Monthly invoicing of accounts. • Ensure Council's Outstanding Debtor Policy is adhered to. • Regular reports to management on outstanding debtors. 	19,538 <u>19,356</u> (182)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result 2017	Result 2016	Result 2015	Material Variations
Governance				
Transparency				
<i>Council resolutions at meetings closed to the public</i> [Number of council resolutions made at ordinary or special meetings of council, or at meetings of a special committee consisting only of councillors, closed to the public / Number of council resolutions made at ordinary or special meetings of council or at meetings of a special committee consisting only of councillors] x100	15.00%	12.58%	16.73%	The majority of Council meetings closed to the public are closed for the consideration of contractual matters, that is, tenders to be awarded.
Consultation and engagement				
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	59	59	59	No material variations.
Attendance				
<i>Council attendance at Council meetings</i> [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100	99.33%	97.62%	97.10%	No material variations.
Service cost				
<i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$45,245	\$42,121	\$40,431	No material variations.
Satisfaction				
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58.00	57.00	60.00	No material variations.

Governance, management and other information

Governance

The Hindmarsh Shire Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community. Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes, including community consultation, public forums such as ward meetings and the ability to make submissions to Special Committees of Council.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Meetings of Council

Council conducts open public meetings on the first and third Wednesday of each month. Members of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the Council, make a submission or speak to an item. For the 2016/17 year, Council held the following meetings:

- 18 ordinary Council meetings
- 7 special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2016/17 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Debra Nelson (Mayor)	18	7	25
Cr Ron Lowe	18	7	25
Cr Rob Gersch	18	7	25
Cr Ron Ismay	18	7	25
Cr Tony Schneider	18	7	25
Cr Kenneth Colbert	14	2	16
Cr Wendy Robins	4	5	9
Total meetings held	18	7	25

Special Committees

The *Local Government Act 1989* allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons
- Any combination of the above.

The following table contains a list of all special committees established by Council and the purpose for which each committee was established.

Special Committee	Councillors	Officers	Other	Purpose
Planning Special Committee ¹	6	3	0	To make planning application decisions
Nhill Town Committee	1	1	6	To represent the diverse members of the Nhill community, identify community needs and interests, and advocate on behalf of the community.
Dimboola Town Committee	1	1	12	To represent the diverse members of the Dimboola community, identify community needs and interests, and advocate on behalf of the community.
Jeparit Town Committee	1	1	9	To represent the diverse members of the Jeparit community, identify community needs and interests, and advocate on behalf of the community.
Rainbow Town Committee	1	1	13	To represent the diverse members of the Rainbow community, identify community needs and interests, and advocate on behalf of the community.
Antwerp Hall Committee	No delegate	No delegate	8	To provide a public hall facility for the use and benefit of the citizens of Antwerp and district.
Diapur Hall Committee	No delegate	No delegate	12	To provide a public hall facility for the use and benefit of the citizens of Diapur and district.
Gerang Hall Committee	No delegate	No delegate	9	To provide a public hall facility for the use and benefit of the citizens of Gerang and district.
Jeparit Memorial Hall Committee	No delegate	No delegate	10	To provide a public hall facility for the use and benefit of the citizens of Jeparit and district, and to manage/sub lease the Returned Service League Clubrooms and Senior Citizens Clubrooms.
Lorquon Memorial Hall Committee	No delegate	No delegate	8	To provide a public hall facility for the use and benefit of the citizens of Lorquon and district.

Nhill Early Years Fundraising Committee	1	1	8	To raise funds for the construction fit out and establishment of the centre, including teaching aids
Special Committee	Councillors	Officers	Other	Purpose
Rainbow Civic Centre Committee	1	No delegate	8	To promote, develop and maintain the premises for the benefit of the community and to satisfy the financial return to the Council in
Yanac Hall & Recreation Reserve Committee	1	No delegate	11	To provide a public hall and recreation reserve for the use and benefit of the citizens of Yanac and district.
Dimboola Sports Stadium Committee	No delegate	No delegate	7	To provide a multi-use sports stadium for the use and benefit of the citizens of Dimboola and district.
Rainbow Recreation Reserve Committee	1	No delegate	7	To provide a public hall and recreation reserve facilities for the use and benefit of the citizens of Rainbow and district.
Nhill Sun Moth Reserve Committee of Management	No delegate	No delegate	9	To coordinate, manage, develop, maintain and promote the area known as the Nhill Sun Moth Reserve, area for the conservation of rare, threatened and endangered species of flora and fauna found there and in particular, the nationally endangered Golden and Pale Sun Moths.
Wimmera Mallee Pioneer Museum Committee	1	1	15	To manage the Wimmera Mallee Pioneer Museum.
Yurunga Homestead Committee	1	1	8	To manage the Yurunga Homestead.

¹ Has delegated functions, duties or powers

Code of Conduct

The Local Government Act 1989 requires councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 1 February 2017, Council adopted a revised Councillor Code of Conduct which is designed to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter;
- Attract the highest level of confidence from Council's stakeholders;
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest;
- Roles and relationships;
- Dispute resolution procedures.

Conflict of Interest

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a Council delegates its powers to a Council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2015/16, six conflicts of interest were declared at Council and Special Committee meetings.

Councillor Allowances

In accordance with Section 74 of the Local Government Act 1989, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance, Hindmarsh Shire Council is recognised as a category one council.

For the period 1 July 2016 to 30 November 2016, the councillor annual allowance for a category 1 council (as defined by the *Local Government Act 1989*) was fixed at \$19,350 per annum and the allowance for the Mayor was \$57,812 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect on 1 December 2016. The annual allowances were adjusted for the period 1 December 2016 to 30 June 2017 to \$19,833 per annum for the councillor allowance and \$59,257 per annum for the Mayoral allowance. The following table contains a summary of the allowances paid to each councillor during the year.

Councillors	Allowance \$
Cr Debra Nelson (Mayor)	\$55,988.69
Cr Ron Lowe	\$20,520.20
Cr Rob Gersch	\$20,520.20
Cr Ron Ismay	\$20,520.20
Cr Tony Schneider	\$20,520.20
Cr David Colbert (from 22 October 2016)	\$13,946.04
Cr Wendy Robins (until 22 October 2016)	\$6,574.16

Councillor Expenses

In accordance with Section 75 of the *Local Government Act 1989*, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the reimbursement of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council. The details of the expenses for the 2016/17 year are set out in the following table.

Councillors	TR \$	CM \$	CC \$	IC \$	CE \$	CT \$
Cr Debra Nelson (Mayor)					1312.42	
Cr Wendy Robins (Deputy Mayor)					443.84	
Cr Rob Gersch					731.41	
Cr Ron Ismay		1828.68			497.26	
Cr Tony Schneider					540.64	
Cr Kenneth Colbert					300.64	
Cr Ron Lowe	175	1809.74			1032.00	

Legend: TR-Travel CM-Car Mileage CC-Child Care IC-Information and CE-Communication expenses CT-Conferences and Training expenses.

Note: No expenses were paid by Council including reimbursements to members of Council committees during the year.

Management

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having a strong governance and management framework leads to better decision making by Council. The Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this assessment in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

Audit Committee

The Audit Committee's role is to review, evaluate and recommend improvements to the system of procedures and internal controls established by the Council. As part of the audit planning process, the Internal Auditor assists Council in identifying and assessing the operational and financial risks to which it is exposed. The internal audit function monitors compliance to ensure that internal controls over financial and operational areas are effective. The Audit Committee consists of two independent members, Mr Darren Welsh (Chair), Mr Venkata Peteti (until March 2017), and two Councillors. The desired Audit Committee membership comprises two Councillors and up to four independent members and their term of membership coincides with the term of the Councillors of the Hindmarsh Shire Council. The members of the Audit Committee elect a Chairman to fill that role until the Committee resolves that a new Chairman should be elected.

The Audit Committee meets at least three times in each financial year. The Internal Auditor, Chief Executive Officer and Director Corporate & Community Services attend all Audit Committee meetings. Other management representatives attend as required to present reports. The external auditors generally attend the May and September Audit Committee meetings to present the annual audit plan and Independent Audit Report.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.

Internal Audit

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. A risk based audit plan is prepared annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework, the Council Plan, the impact of any change on operations, systems or the business environment; prior audit coverage and outcomes and management input.

The Internal Auditor attends each Audit Committee meeting to report on the status of the audit plan, comment on the implementation of audit recommendations and to present findings of completed reviews.

Under the 2016/17 audit plan the following reviews were conducted:

- Local Government Act compliance;
- Procurement.

External Audit

Council is externally audited by the Victorian Auditor-General. For 2016/17, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Mr Richard Ainio of Crowe Horwath.

Crowe Horwath, VAGO's representative since the 2014/15 financial year, attended part of the September Audit Committee meeting via telephone to present the independent audit report for the 2015/16 financial year, and also attended part of the March and May 2017 meetings via telephone. The external audit management letter and responses are also provided to the Audit Committee.

Risk Management

In July 2013, Council adopted its Risk Management Policy, addressing items such as:

- Risk management processes and procedures;
- Communication and training;
- Responsibilities of internal and external stakeholders;
- Risk registers.

Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

Governance and Management Items	Assessment <input checked="" type="checkbox"/>
1. Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Community Engagement Framework was adopted by Council on 18 March 2015. It combines policy document and guidelines. <input checked="" type="checkbox"/>
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Framework was adopted by Council on 18 March 2015. It combines policy document and guidelines. <input checked="" type="checkbox"/>
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act. Date of adoption: 23 August 2017. <input checked="" type="checkbox"/>
4. Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act. Date of adoption: 23 August 2017. <input checked="" type="checkbox"/>
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Council adopted a new Asset Management Strategy on 17 June 2015. The Strategy guides the development and review of asset management plans that encompass fit-for-purpose services and facilities which are secure, reliable, technologically efficient, innovative, safe and meet customers' needs. Draft versions of Asset Management Plans will be finalised: Roads, Footpath December 2015, Drains, Buildings June 2016, Recreation & Open Space June 2017. <input checked="" type="checkbox"/>
6. Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 23 August 2017. <input checked="" type="checkbox"/>
7. Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 1 June 2013 <input checked="" type="checkbox"/>
8. Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: Theft and Fraud Policy 22 August 2008, Protected Disclosure 21 August 2013 <input checked="" type="checkbox"/>
9. Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 18 November 2015 <input checked="" type="checkbox"/>
10. Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 18 December 2013, reviewed 1 February 2017. <input checked="" type="checkbox"/>
11. Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Council has in place a business continuity plan, updated 1 July 2014. <input checked="" type="checkbox"/>



Governance and Management Items	Assessment
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Council has in place a disaster recovery plan, updated 1 July 2014.
13. Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Date of operation of current Risk Management Strategy, 1 July 2013
14. Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 22 January 2003 Reviewed: 16 July 2014
15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Date of engagement of current provider: 22 December 2006
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Date of operation of current framework: 1 July 2014
17. Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Quarterly reports on the performance against the Council Plan are presented to Council. Date reports presented: 1 February 2017 and 19 April 2017.
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 22 July 2016, 19 October 2016, 15 February 2017 and 3 May 2017.
19. Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 16 December 2015, 3 February 2016. Reports were presented to the Audit Committee meeting on 23 March 2017, and Council on 21 June 2017.
20. Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Date of reports: 19 September 2016 and 7 June 2017.
21. Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Annual report considered: 19 October 2016
22. Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 1 February 2017

Governance and Management Items	Assessment	<input checked="" type="checkbox"/>
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act Date of review: 1 February 2017	<input checked="" type="checkbox"/>
24. Meeting procedures (a local law governing the conduct of meetings of council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law made: 23 June 2014	<input checked="" type="checkbox"/>

I certify that this information presents fairly the status of Council's governance and management arrangements.



Cr Debra Nelson
Mayor
Date: 20 September 2017



Greg Wood
Chief Executive Officer
Date: 20 September 2017

Statutory information

The following information is provided in accordance with legislative and other requirements applying to Council.

Documents Available for Public Inspection

In accordance with Part 5 of the Local Government (General) Regulations 2004, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at 92 Nelson Street, Nhill:

- details of current allowances fixed for the Mayor and Councillors;
- details of senior officers' total salary packages for the current financial year and the previous year;
- details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) 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 the 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 held in the previous 12 months, except if the minutes relate to parts of meetings which have been closed to members of the public;
- a list of all special committees established by Council and the purpose for which each committee was established;
- a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public;
- a register of delegations;
- submissions received in accordance with Section 223 of the Act during the previous 12 months;
- agreements to establish regional libraries;
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- a register of authorised officers;
- a list of donations and grants made by the Council during the financial year;
- a list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council;
- a list of contracts valued at \$150,000 or more which the Council entered into during the financial year without first engaging in a competitive process.

Best Value

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation. To further reflect Council's commitment to Best Value, Council has commenced the design and planning of a Service



Planning Program which will be rolled out in stages across the whole organisation. This program will provide additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regards to service performance.

The following Best Value initiatives were undertaken during 2016/17:

- Budget process – review of guidelines and processes for the preparation of the annual budget;
- Long term financial planning – further evaluation and improvement of underlying assumptions.

Carers Recognition

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of that Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- Distributing printed material through relevant Council services;
- Providing information at Council's customer service centres.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Aged and Disability Services;
- Council induction and training programs for staff working in front-line positions with the general community;
- Induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship:

- Provision of respite services for carers;
- Providing regular carer support in the form of Memory Lane Cafés.

Contracts

During the 2016/17 financial year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council has prepared a Disability Action Plan - *Positive Ageing and Inclusion in Hindmarsh Shire 2013 – 2018*. Council must report on the implementation of the Disability Action Plan in its annual report.

Council has prepared a Disability Action Plan and implemented the following actions:

- The creation of the Hindmarsh Shire Event Management Guide, through public safety and security indicates that events are All Access to ensure that events cater for all abilities;
- Council continues to advocate for those with a disability by recognising training needs for staff to assist in giving those with a disability choice and control when it comes to accessing services through council. (attendance at NDIS forums);
- Continued participation in Wimmera Disability Access Forum;



- Continued partnerships with Wimmera service providers that provide Disability Advocacy;
- Council continues to explore funding opportunities and partnerships to enhance integrated and specific programs for people with disabilities (swimming program with a stroke victim etc.).

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals and evaluate its implementation in the annual report.

Council adopted its Domestic Animal Management Plan 2013-17 in September 2013. The plan was developed through consultation with Council's Local Laws Team and consideration of input from other Council departments. An operational review of the plan was undertaken in 2016/17.

Food Act Ministerial Directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

No such Ministerial Directions were received by Council during the financial year.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in its annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately, however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

- Requests should be in writing;
- Requests should identify as clearly as possible what documents are being requested;
- Requests should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged by email.

Access charges may apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au and on our website.

Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosure Act 2012*, a Council must include in its annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2016/17 year no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad Based Anti-corruption Commission (IBAC).

Road Management Act Ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, Council must publish a copy or summary of any Ministerial direction in its annual report. No such Ministerial Directions were received by Council during the financial year.

Victorian Local Government Indicators

The Victorian Government requires all Victorian councils to measure and annually report against 11 Victorian Local Government Indicators (VLGIs). These indicators provide information regarding expenditure, cost of services and infrastructure provision, customer satisfaction and governance. The following table presents the results for the 2016/17 year.

	Indicator	Calculation	2017	2016	2015	2014
	Affordability/ Cost of Governance		\$	\$	\$	\$
1	Average Rates and Charges per Assessment	Total rates and charges receivable at beginning of year / Number of assessments in the adopted budget	1,559	1,526	1,435	1,359
2	Average Rates and Charges per Residential Assessment	Rates and charges declared for residential assessments receivable at beginning of year / Number of residential assessments in the adopted budget	1,202	1,107	1,059	990
	Sustainability					
3	Average Liabilities Per Assessment	Total liabilities / Number of assessments in the adopted budget	564	587	500	764
4	Operating Result Per Assessment	Net surplus / Number of assessments in the adopted budget	882	(116)	395	(147)
	Services					
5	Average Operating Expenditure per Assessment	Operating expenditure / Number of assessments in adopted budget	3,338	3,351	3,302	3,263
6	Community Satisfaction Rating for Overall Performance Generally of the	Result from the Annual Local Government Community Satisfaction Survey	63	62	64	63



	Council*					
	Indicator	Calculation		2016	2015	2014
	Infrastructure		\$	\$	\$	\$
7	Average Capital Expenditure Per Assessment	Capital expenditure / Number of assessments in the adopted budget	1,356	1,117	1,136	2,383
8	Renewal Gap	Capital renewal / Average annual asset consumption	59%	83%	72%	72%
Ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)						
9	Renewal and Maintenance Gap	Capital renewal and maintenance / Average annual asset consumption plus planned maintenance	118%	116%	103%	103%
Ratio of current spending on renewal plus Maintenance to the (AAAC)						
	Governance					
10	Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues	Result from the Annual Local Government Community Satisfaction Survey	60	59	59	60
11	Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	Result from the Annual Local Government Community Satisfaction Survey	59	59	59	62

HINDMARSH SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2017

Our municipality

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

Hindmarsh Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all towns offer spacious rural living, inclusive small communities, and wonderful natural amenities.

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

Today, 5721 people live in Hindmarsh Shire, with a median age of 50 years. 83% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 88% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 135 calling Nhill home.

The median weekly household income is \$907, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than the national average.



Sustainable Capacity Indicators

For the year ended 30 June 2017

<i>Indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations
<i>Own-source revenue</i> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,661	\$1,811	\$1,880	The variation is due to the 17/18 Victorian Grants Commission payment being made during the 16/17 financial year.
<i>Recurrent grants</i> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,330	\$916	\$1,601	The variation is due to the 17/18 Victorian Grants Commission payment being made during the 16/17 financial year.
<i>Population</i> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,890	\$3,089	\$3,151	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$18,805	\$19,938	\$28,647	Road and Kerb & Channel revaluation during 2016/17 has meant an increase in the infrastructure value.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.83	1.73	1.71	No material variations.
<i>Disadvantage</i> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	2	2	No material variations.

Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"infrastructure" means non-current property, plant and equipment excluding land

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"population" means the resident population estimated by council

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended 30 June 2017

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	57	58	No material variations.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	n/a	100%	n/a	No planning applications were taken to VCAT during 2016/17.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	47	45	52	Satisfaction with Local roads has increased due to educating the community and farmer consultation meetings regarding State maintained rather than Council maintained.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	14%	11%	10%	No material variations.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	24%	22%	23%	No material variations.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3	3	3	No material variations.

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	n/a	n/a	n/a	No animal prosecutions during 2016/17.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	n/a	Council did not receive any notifications of non-compliance during 2016/17.
Home and community care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	30%	61%	n/a	Reporting ceased on 1 July 2016.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	31%	60%	n/a	Reporting ceased on 1 July 2016
Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

"local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the year ended 30 June 2017

Dimension/ <i>indicator</i> /measure	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	5.9%	-10.4%	10.8%	-2.6%	-5.3%	-11.3%	-14.1%	The positive result in 2016/17 is due to the early payment of the Victorian Grants Commission Grant. The result for this measure is expected to decrease over the 4 years to 2020 mainly due to the introduction of rates capping.
Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100 Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	356.1%	287.9%	414.1%	135.9%	90.4%	64.7%	62.8%	At 30 June 2017 Council held a higher cash balance due to the early payment of the Victorian Grants Commission Grant.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	

Dimension/indicator/measure	Results			Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council do not hold any loans or borrowings.
<i>Indebtedness</i> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	1.2%	2.3%	2.8%	1.1%	1.0%	1.0%	1.0%	No material variations.
<i>Asset renewal</i> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	50.82%	66.0%	55.6%	67.5%	82.6%	63.6%	50.8%	During 2016/17 Council spent \$2.9m on renewal projects. Expenditure on Asset in future years renewal is a key focus of Councils capital works program.
<i>Stability</i> <i>Rates concentration</i> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	40.9%	50.5%	41.6%	45.1%	46.0%	48.1%	48.3%	The variation is due to the Victorian Grants Commission payment for 2017/18 being paid during 2016/17.
<i>Rates effort</i> <i>Rates compared to property values</i>	0.6%	0.7%	0.6%	0.7%	0.7%	0.7%	0.7%	No material variations.

Dimension/indicator/measure	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
[Rate revenue / Capital improved value of rateable properties in the municipality] x100 Efficiency Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,286	\$3,076	\$3,331	\$3,030	\$3,126	\$3,235	\$3,393	No material variations.
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,059	\$1,107	\$1,202	\$933	\$937	\$1,033	\$1,088	No material variations.
Workforce turnover <i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16%	13%	11%	5.0%	5.0%	5.0%	5.0%	Due to Council's small FTE staff, any small decrease in resignations will result in a material variation, in this instance the reduction is the equivalent of two staff.

Definitions

"adjusted underlying revenue" means total income other than—

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

"adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

"current assets" has the same meaning as in the AAS

"current liabilities" has the same meaning as in the AAS

"non-current assets" means all assets other than current assets

"non-current liabilities" means all liabilities other than current liabilities

"non-recurrent grant" means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

"own-source revenue" means adjusted underlying revenue other than revenue that is not under the control of council (including government grants

"population "means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant "means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

"restricted cash" means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

"unrestricted cash" means all cash and cash equivalents other than restricted cash.

Other Information

For the year ended 30 June 2017

1. Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement, which have been provided where applicable as appropriate in this first year of reporting under the new Local Government Performance Reporting Framework.

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 23 August 2017 which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council at its municipal offices at 92 Nelson Street Nhill, by email to info@hindmarsh.vic.gov.au or phone 03 5391 4444.

Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



Mrs Monica Revell
Acting Director Corporate Services
Dated: 20 September 2017

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Mr Ronald Lowe
Councillor
Dated: 20 September 2017



Mr Robert Gersch
Councillor
Dated: 20 September 2017



Mr Greg Wood
Chief Executive Officer
Dated: 20 September 2017

Hindmarsh Shire Council Annual Financial Report



For the Year Ended 30 June 2017

Hindmarsh Shire Council

Financial Report

Table of Contents

FINANCIAL REPORT	Page
Financial Statements	
Comprehensive Income Statement	3
Balance Sheet	4
Statement of Changes in Equity	5
Statement of Cash Flows	6
Statement of Capital Works	7
Notes to Financial Statements	
Introduction	8
Note 1 Significant accounting policies	8
Note 2 Budget comparison	15
Note 3 Rates and charges	19
Note 4 Statutory fees and fines	19
Note 5 User fees	19
Note 6 Grants	20
Note 7 Contributions	21
Note 8 Net gain / (loss) on disposal of property, infrastructure, plant and equipment	21
Note 9 Other income	21
Note 10 Employee costs	21
Note 11 Materials and services	22
Note 12 Depreciation and amortisation	22
Note 13 Other expenses	22
Note 14 Investments in associates, joint arrangements and subsidiaries	23
Note 15 Cash and cash equivalents	24
Note 16 Trade and other receivables	24
Note 17 Inventories	25
Note 18 Other assets	25
Note 19 Property, infrastructure, plant and equipment	26
Note 20 Trade and other payables	32
Note 21 Trust funds and deposits	32
Note 22 Provisions	32
Note 23 Reserves	34
Note 24 Reconciliation of cash flows from operating activities to surplus/(deficit)	35
Note 25 Financing arrangements	35
Note 26 Commitments	36
Note 27 Operating leases	37
Note 28 Superannuation	37
Note 29 Contingent liabilities and contingent assets	38
Note 30 Financial instruments	39
Note 31 Related party disclosures	41
Note 32 Senior officer remuneration	42
Note 33 Events occurring after balance date	42
Certification of the Financial Statements	43

Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$	2016 \$
Income			
Rates and charges	3	8,015,266	7,770,802
Statutory fees and fines	4	151,063	138,832
User fees	5	744,319	769,245
Grants - operating	6	7,140,377	3,107,597
Grants - capital	6	4,192,788	3,167,843
Contributions - monetary	7	126,929	164,081
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	(36,032)	(34,654)
Share of net profits (or loss) of associates and joint ventures	14	(9,312)	1,082
Other income	9	1,375,150	1,310,943
Total income		<u>21,700,548</u>	<u>16,395,771</u>
Expenses			
Employee costs	10	(6,150,489)	(5,880,343)
Materials and services	11	(4,382,607)	(4,706,266)
Depreciation	12	(5,288,695)	(4,975,432)
Other expenses	13	(1,340,809)	(1,421,913)
Total expenses		<u>(17,162,600)</u>	<u>(16,983,954)</u>
Surplus/(deficit) for the year		<u>4,537,948</u>	<u>(588,183)</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	19	44,863,644	-
Total comprehensive result		<u>49,401,592</u>	<u>(588,183)</u>

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

Balance Sheet
As at 30 June 2017

	Note	2017 \$	2016 \$
Assets			
Current assets			
Cash and cash equivalents	15	9,693,785	6,594,579
Trade and other receivables	16	839,294	1,018,336
Inventories	17	200,668	206,224
Other assets	18	74,798	96,020
Total current assets		10,808,545	7,915,159
Non-current assets			
Trade and other receivables	16	2,463	2,784
Investments in associates and joint ventures	14	450,136	432,440
Property, infrastructure, plant and equipment	19	158,382,239	111,967,135
Total non-current assets		158,834,838	112,402,359
Total assets		169,643,383	120,317,518
Liabilities			
Current liabilities			
Trade and other payables	20	1,056,293	1,113,998
Trust funds and deposits	21	11,728	17,647
Provisions	22	1,542,569	1,617,688
Total current liabilities		2,610,590	2,749,333
Non-current liabilities			
Provisions	22	292,154	229,138
Total non-current liabilities		292,154	229,138
Total liabilities		2,902,744	2,978,471
Net assets		166,740,639	117,339,047
Equity			
Accumulated surplus		63,327,067	58,789,119
Reserves	23	103,413,572	58,549,928
Total Equity		166,740,639	117,339,047

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

Statement of Changes in Equity For the Year Ended 30 June 2017

2017	Note	Total \$	Accumulated Surplus \$	Revaluation Reserve \$
Balance at beginning of the financial year		117,339,047	58,789,119	58,549,928
Surplus/(deficit) for the year		4,537,948	4,537,948	-
Net asset revaluation increment/(decrement)	23 (a)	44,863,644	-	44,863,644
Balance at end of the financial year		166,740,639	63,327,067	103,413,572

2016		Total \$	Accumulated Surplus \$	Revaluation Reserve \$
Balance at beginning of the financial year		117,927,230	59,377,302	58,549,928
Surplus/(deficit) for the year		(588,183)	(588,183)	-
Net asset revaluation increment/(decrement)	23	-	-	-
Balance at end of the financial year		117,339,047	58,789,119	58,549,928

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

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		8,094,642	7,706,228
Statutory fees and fines		14,921	132,669
User fees		935,508	610,480
Grants - operating		7,140,376	3,107,597
Grants - capital		4,192,789	3,167,843
Contributions - monetary		126,929	164,081
Interest received		215,915	228,827
Trust funds and deposits taken		(5,919)	(2,651)
Other receipts		1,177,317	1,090,850
Net GST refund/(payment)		47,403	(93,796)
		(6,162,592)	(5,687,350)
Materials and services		(4,481,697)	(4,158,007)
Other payments		(1,331,369)	(1,792,196)
Net cash provided by/(used in) operating activities	24	9,964,223	4,474,575
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	19	(6,975,590)	(5,662,620)
Proceeds from sale of property, infrastructure, plant and equipment		92,877	89,333
Contribution in an Associate		17,696	8,734
Net cash provided by/(used in) investing activities		(6,865,017)	(5,564,553)
Cash flows from financing activities			
Finance costs		-	-
Net cash provided by/(used in) financing activities		-	-
Net increase (decrease) in cash and cash equivalents		3,099,206	(1,089,978)
Cash and cash equivalents at the beginning of the financial year		6,594,579	7,684,557
Cash and cash equivalents at the end of the financial year		9,693,785	6,594,579
Financing arrangements	25		
Restrictions on cash assets	15		

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

**Statement of Capital Works
For the Year Ended 30 June 2017**

	2017 \$	2016 \$
Property		
Land	-	-
Land improvements	-	-
Total land	<u>-</u>	<u>-</u>
Buildings	2,838,378	603,598
Heritage Buildings	-	12,984
Building improvements	-	1,861
Leasehold improvements	-	-
Total buildings	<u>2,838,378</u>	<u>618,443</u>
Total property	<u>2,838,378</u>	<u>618,443</u>
Plant and equipment		
Heritage plant and equipment	-	-
Plant, machinery and equipment	438,131	474,417
Fixtures, fittings and furniture	28,868	-
Computers and telecommunications	69,174	92,699
Total plant and equipment	<u>536,173</u>	<u>567,116</u>
Infrastructure		
Roads	2,972,296	2,867,340
Bridges	8,969	-
Footpaths and cycleways	181,394	50,052
Drainage	21,990	251,741
Kerb and Channel	126,193	67,803
Off street car parks	-	-
Other infrastructure	290,197	1,240,125
Total infrastructure	<u>3,601,039</u>	<u>4,477,061</u>
Total capital works expenditure	<u>6,975,590</u>	<u>5,662,620</u>
Represented by:		
New asset expenditure	2,528,797	703,650
Asset renewal expenditure	2,941,373	3,284,004
Asset expansion expenditure	-	198,362
Asset upgrade expenditure	1,505,420	1,476,604
Total capital works expenditure	<u>6,975,590</u>	<u>5,662,620</u>

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

Introduction

The Hindmarsh Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 92 Nelson Street, Nhill, Victoria.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 1 (i))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (j))
- the determination of employee provisions (refer to Note 1 (o))

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

(b) Changes in accounting policies

There have been no changes in accounting policies from the previous period.

Note 1 Significant accounting policies (cont.)

(c) Accounting for investments in associates and joint arrangements

Associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

(d) Revenue recognition

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

Statutory fees and fines

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in Note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Sale of property, infrastructure, plant and equipment

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest

Interest is recognised as it is earned.

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Note 1 Significant accounting policies (cont.)

(e) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(g) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(h) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(i) Recognition and measurement of property, infrastructure, plant and equipment and intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in Note 1 j have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Note 1 Significant accounting policies (cont.)

(i) Recognition and measurement of property, infrastructure, plant and equipment and intangibles (cont'd)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Land under roads acquired after 30 June 2008 is recognised at fair value. Council does not recognise land under roads that is controlled prior to that period in its financial report.

(j) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Depreciation periods used are listed below and are consistent with the prior year unless otherwise stated.

Note 1 Significant accounting policies (cont.)

(j) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont'd)

Asset recognition thresholds and depreciation periods

The threshold limits for Property, Plant & Equipment and Infrastructure is \$1,000.

	Depreciation Period
Property	
land	-
Buildings	
buildings	30 to 100 years
Plant and Equipment	
plant, machinery and equipment	2 to 20 years
fixtures, fittings and furniture	2 to 50 years
Infrastructure	
road - unsealed pavements	15 to 40 years
road - sealed surface	15 to 40 years
road - sealed road pavements	70 to 110 years
road substructure	100 years
road kerb, channel and minor culverts	60 to 100 years
bridges	70 to 120 years
footpaths and cycleways	15 to 80 years
drainage	80 to 120 years
other infrastructure	5 to 100 years

(k) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

(l) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Note 1 Significant accounting policies (cont.)

(m) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 21).

(n) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

(o) Employee costs and benefits

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current liability - unconditional LSL is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be wholly settled within 12 months.
- nominal value - component that is expected to be wholly settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(p) Landfill and Quarry rehabilitation provision

Council is obligated to restore a number of landfill and quarry sites to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Note 1 Significant accounting policies (cont.)

(q) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(s) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(t) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council do not currently hold any significant leases.

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$10,000 where further explanation is warranted. 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 detailed below are those adopted by Council on 15 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning 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.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

(a) Income and Expenditure

	Budget	Actual	Variance	
	2017	2017	2017	
	\$	\$	\$	Ref
Income				
Rates and charges	7,998,911	8,015,266	16,355	1
Statutory fees and fines	153,500	151,063	(2,437)	2
User fees	918,300	744,319	(173,981)	3
Grants - operating	4,870,086	7,140,377	2,270,291	4
Grants - capital	3,019,673	4,192,788	1,173,115	5
Contributions - monetary	5,197	126,929	121,732	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	110,000	(36,032)	(146,032)	7
Share of net profits/(losses) of associates and joint ventures	-	(9,312)	(9,312)	8
Other income	1,910,947	1,375,150	(535,797)	9
Total income	18,986,614	21,700,548	2,713,934	
Expenses				
Employee costs	6,533,706	6,150,489	(383,217)	10
Materials and services	4,401,024	4,382,607	(18,417)	
Depreciation	5,323,620	5,288,695	(34,925)	11
Other expenses	1,924,348	1,340,809	(583,539)	12
Total expenses	18,182,698	17,162,600	(1,020,098)	
Surplus/(deficit) for the year	803,916	4,537,948	3,734,032	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and Charges	Rates and Charges are slightly higher than budgeted due to supplementary valuations being included.
2	Statutory fees and fines	Statutory fees and fines are under budget due to a reduction in the number of infringements being issued.
3	User Fees	User fees are under budget due to reduced income from Agency Home Care, Meals on Wheels, Caravan Parks, Nhill Memorial Community Centre and Private Works.
4	Grants - operating	Council received an advance payment for the Victorian Grants Commission's 2017/18 grant. This has resulted in higher than budgeted operating grants.
5	Grants - capital	Council received grants for the Dimboola Library incorporating the Civica Hub, Disaster Recovery, Dimboola & Rainbow Skate Parks, Recreational Fishing and Emergency Water Supply Points which were not in the 2016/17 budget. Council also received final payment for the Rainbow Recreation Reserve Change Rooms, Rainbow Synthetic Bowls Green and Menzies Square Redevelopment which were not in the 2016/17 Budget.
6	Contributions - monetary	Council received contributions towards the Nhill Early Years Centre Community Funds, Tobacco Activity, Recreational Fishing project and Dimboola Boating Pontoon during 2016/17.
7	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Plant and Machinery as at 30 June 2017 were sold at a loss, this is due to lower than expected trade in prices.
8	Share of net profits/(losses) of associates and joint ventures	Council holds equity in the Wimmera Regional Library Corporation and the Wimmera Development Association. Council do not budget for the share of profits / (losses) in these associates.
9	Other Income	Other income is below budget due to a reduction in Quarry Materials used on jobs and Plant recovery.
10	Employee costs	Employee costs were under budget due to under expenditure in Employee Salaries, training, and the Workcover Premium. Employee Salary under expenditure is due to staff vacancies during the year.
11	Depreciation	Depreciation is under budget due to a number of large projects not being completed in 2016/17, this includes the Nhill Early Years Centre.
12	Other expenses	Other expenses are under budget due to under expenditure in Advertising, Council Contributions, Insurance, Landfill charges, and Memberships / Subscription payments, along with a large number of accounts being underspent by varying amounts.

Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Property				
Land	60,000	-	(60,000)	1
Land improvements	-	-	-	
Total Land	60,000	-	(60,000)	
Buildings	1,157,465	2,838,378	1,680,913	2
Building improvements	-	-	-	
Total Buildings	3,995,843	2,838,378	(1,157,465)	
Total Property	4,055,843	2,838,378	(1,217,465)	
Plant and Equipment				
Plant, machinery and equipment	465,577	438,131	(27,446)	
Fixtures, fittings and furniture	48,055	28,868	(19,187)	
Computers and telecommunications	42,500	69,174	26,674	3
Total Plant and Equipment	556,132	536,173	(19,959)	
Infrastructure				
Roads	3,239,644	2,972,296	(267,348)	4
Bridges	500,000	8,969	(491,031)	5
Footpaths and cycleways	214,983	181,394	(33,589)	6
Drainage	266,630	21,990	(244,640)	7
Kerb & Channel	232,673	126,193	(106,480)	8
Other infrastructure	427,695	290,197	(137,498)	9
Total Infrastructure	4,881,625	3,601,039	(1,280,586)	
Total Capital Works Expenditure	9,493,600	6,975,590	(2,518,010)	
Represented by:				
New asset expenditure	1,412,095	2,528,797	1,116,702	
Asset renewal expenditure	3,594,642	2,941,373	(653,269)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	1,648,485	1,505,420	(143,065)	
Total Capital Works Expenditure	6,655,222	6,975,590	320,368	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	Council budgeted to purchase land during 2016/17 which was not purchased.
2	Buildings	Work on the Nhill Integrated Early Years centre was undertaken during the 2016/17 financial year.
3	Computers and telecommunications	Council purchased a new phone system during 2016/17 that was funded by carry forward from the 2015/16 financial year.
4	Roads	Sealed Road Construction, Shoulder Resheet and Unsealed Road construction works are under budget.
5	Bridges	Council budgeted to fund the Albacutya Bridge replacement. Works have not yet commenced on the replacement.
6	Footpaths and cycleways	Footpath works in Bow Street and Sanders Street Rainbow were not completed during 2016/17.
7	Drainage	Works on the Dimboola Overflow path were not undertaken during 2016/17 as budgeted.
8	Kerb & Channel	Kerb and Channel works in Horsham Road, Dimboola were not completed during 2016/17.
9	Other Infrastructure	As at 30 June 2017 expenditure on the Dimboola Recreation Reserve Netball Facilities; Pound upgrades; Town Entry Signs; Dimboola Soundshell Project; Skate Park Facilities; Storage Shed; and Yurunga Homestead Restoration were not completed.

	2017	2016
	\$	\$
Note 3 Rates and charges		
<p>Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all of its improvements.</p> <p>The valuation base used to calculate general rates for 2016/17 was \$1.230million (2015/16 \$1.113 million). The 2016/17 general rate in the dollar was 0.0056412 cents, business / industrial / commercial rate was 0.0050771 cents, farm rate was 0.000771 cents, cultural / recreation rate 0.0028206 cents, and urban vacant land was 0.0112824 cents. (2015/16 general rate 0.0060401 cents, business / industrial / commercial was 0.0054361 cents, farm rate was 0.0054361 cents, cultural / recreation was 0.0030200 cents, and urban vacant was 0.0120803 cents.)</p>		
General rates	6,453,376	6,263,010
Municipal charge	708,635	695,619
Waste management charge	853,255	812,173
Total rates and charges	<u>8,015,266</u>	<u>7,770,802</u>
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.</p>		
Note 4 Statutory fees and fines		
Building fees	41,812	36,177
Infringements and costs	14,921	13,023
Town planning fees	28,119	17,490
Animal registration fees	66,211	72,142
Total statutory fees and fines	<u>151,063</u>	<u>138,832</u>
Note 5 User fees		
Aged services	303,128	371,107
Health fees	23,135	24,815
Private works	53,916	69,462
Aerodrome fees	11,955	11,790
Lease income	35,086	32,938
Caravan parks and camping fees	150,522	93,827
Transfer station fees	50,851	49,367
Commercial garbage collection fees	43,061	40,630
Saleyard fees	2,703	4,710
Film screenings and hall hire	41,982	40,831
Other fees and charges	27,980	29,768
Total user fees	<u>744,319</u>	<u>769,245</u>

	2017	2016
	\$	\$
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,325,895	4,246,657
State funded grants	3,007,269	2,028,783
Total grants received	<u>11,333,164</u>	<u>6,275,440</u>
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission - general purpose	3,830,056	1,236,198
Victoria Grants Commission - local roads	2,316,672	758,215
General home care	432,367	-
Recurrent - State Government		
Delivered Meals	1,032	34,446
Home care services	130,597	437,827
Home maintenance	7,887	42,642
Senior Citizens	17,421	43,044
School crossing supervisors	4,707	4,592
Libraries	102,332	98,083
Volunteer week	5,601	13,685
Youth Participation Project	24,500	36,850
State emergency services	-	25,706
Roadside weeds and pest management	73,970	123,970
Other	25,078	35,181
Total recurrent operating grants	<u>6,972,220</u>	<u>2,890,439</u>
Non-recurrent - State Government		
Karen community capacity building & migration project	90,000	51,500
Drought response program	-	43,636
Rainbow synthetic bowls green	-	72,000
Community safety fund	4,538	17,182
Walk to school	10,000	8,600
Youth Participation	25,809	-
Mosquito Management	22,111	-
Other	15,699	24,240
Total non-recurrent operating grants	<u>168,157</u>	<u>217,158</u>
Total operating grants	<u>7,140,377</u>	<u>3,107,597</u>
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,746,800	2,152,244
Recurrent - State Government		
Total recurrent capital grants	<u>1,746,800</u>	<u>2,152,244</u>
Non-recurrent - Commonwealth Government		
Transport investing in regions	-	100,000
Non-recurrent - State Government		
Nhill early years centre	780,000	495,000
Dimboola Civic Precinct	510,000	-
Hindmarsh open spaces	-	15,750
Dimboola caravan park	320,000	22,000
Dimboola football club netball facilities	-	86,729
Disaster Recovery	381,900	-
Menzies square redevelopment	16,500	148,500
Rainbow Recreation Reserve Changerooms	180,000	-
Recreational fishing	14,044	81,394
Skate Parks	180,000	-
Shade structure Dimboola recreation reserve	-	31,780
Other	63,544	34,446
Total non-recurrent capital grants	<u>2,445,988</u>	<u>1,015,599</u>
Total capital grants	<u>4,192,788</u>	<u>3,167,843</u>

	2017	2016
Note 6 Grants - cont'd		
Unspent grants received on condition that they be spent in a specific manner	\$	\$
Balance at start of year	625,932	561,201
Received during the financial year and remained unspent at balance date	820,186	591,588
Received in prior years and spent during the financial year	321,094	526,857
Balance at year end	<u>1,125,024</u>	<u>625,932</u>
Note 7 Contributions		
Monetary	126,929	164,081
Total contributions	<u>126,929</u>	<u>164,081</u>
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	92,877	89,333
Written down value of assets disposed	(128,909)	(123,987)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(36,032)</u>	<u>(34,654)</u>
Note 9 Other income		
Fire services levy administration	39,794	38,653
Interest received	215,915	228,827
Plant operations	620,291	598,415
Quarry operations	396,981	318,533
Recoupments	78,427	71,760
Scrap metal and transfer station sales	20,633	22,142
Vicroads agency administration	1,843	2,787
Other	1,266	29,826
Total other income	<u>1,375,150</u>	<u>1,310,943</u>
Note 10 (a) Employee costs		
Wages and salaries	4,830,539	4,344,214
WorkCover	114,471	111,794
Annual leave, sick leave and long service leave	411,130	675,061
Superannuation	540,044	514,124
Fringe benefits tax	82,706	74,648
Training	133,947	128,590
Other	37,652	31,912
Total employee costs	<u>6,150,489</u>	<u>5,880,343</u>
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	129,678	138,343
	<u>129,678</u>	<u>138,343</u>
Employer contributions payable at reporting date.	nil	nil
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	194,235	163,721
Employer contributions - other funds	216,132	212,060
	<u>410,367</u>	<u>375,781</u>
Employer contributions payable at reporting date.	nil	44,267

Refer to note 35 for further information relating to Council's superannuation obligations.

	2017	2016
Note 11 Materials and services	\$	\$
Materials & contract payments	256,969	283,456
Building & caravan parks maintenance	179,751	266,192
Bushfire, drought & flood recovery expenditure	39,742	12,556
Climate change adaptation initiatives	-	646
Depots & workshops	46,554	32,951
Electoral services	82,581	25,444
Emergency assistance & fire prevention	22,865	38,541
Health promotion	92,895	80,378
Home & community care	94,616	87,429
Community development, tourism & youth activities	201,902	179,831
Garbage & recycling collection and waste disposal	435,595	429,364
Utilities	258,321	239,972
Office administration	48,132	28,027
Information technology	257,896	244,943
Parks, reserves & aerodromes	98,637	267,994
Plant & fleet operations	820,691	813,516
Printing, stationery & advertising	36,125	41,994
Quarry operations	224,707	387,753
Rating & valuation	74,938	87,401
Roads, footpaths, bridges & drainage management	443,028	566,122
Swimming pool maintenance & management	269,608	272,819
Town beautification	16,283	20,331
Consultants & labour hire	190,078	199,051
Other	190,693	99,556
Total materials and services	4,382,607	4,706,266
Note 12 Depreciation		
Property	363,018	382,896
Plant and equipment	765,725	671,368
Infrastructure	4,159,952	3,921,168
Total depreciation	5,288,695	4,975,432
<i>Refer to note 23 and 25 for a more detailed breakdown of depreciation charges</i>		
Note 13 Other expenses		
Advertising	25,722	39,335
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	44,730	41,470
Auditors' remuneration - Internal	16,603	28,603
Bank charges	29,381	28,078
Community action grants	28,858	28,533
Council contributions - other	25,037	17,327
Councillors' allowances	164,076	167,208
Fire services levy	23,317	22,093
Hindmarsh landcare network contribution	10,000	10,000
Insurance	231,737	221,925
Kindergartens	22,136	54,469
Landfill charges	226,403	224,466
Legal costs	2,939	9,101
Postage	22,653	18,446
Regional library contribution	253,955	252,119
State emergency service contribution	12,000	37,706
Subscriptions	81,805	114,983
Telecommunications	69,477	49,877
Town committees	32,560	29,795
Other	17,420	26,379
Total other expenses	1,340,809	1,421,913

Note 14 Investments in associates, joint arrangements and subsidiaries	2017 \$	2016 \$
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	386,625	385,110
- Wimmera Development Association	63,511	47,330
	450,136	432,440
Wimmera Regional Library Corporation		
<i>Background</i>		
Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Buloke Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Regional Library Corporation		
Hindmarsh Shire has a 13.19% equity in interest (12.32% in 2015/16)		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	172,595	170,924
Change in equity share apportionment	13,160	
Reported surplus(deficit) for year	(25,493)	182
Transfers (to) from reserves	(890)	1,489
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	159,372	172,595
Council's share of reserves		
Council's share of reserves at start of year	208,603	210,092
Change in equity share apportionment	17,760	
Transfers (to) from reserves	890	(1,489)
Council's share of reserves at end of year	227,253	208,603
Movement in carrying value of specific investment		
Carrying value of investment at start of year	385,110	393,662
Change in equity share apportionment	27,008	
Share of surplus(deficit) for year	(25,493)	182
Share of asset revaluation	-	-
Variation - Increase in equity	-	(8,734)
Carrying value of investment at end of year	386,625	385,110
Wimmera Development Association		
<i>Background</i>		
Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Development Association		
Hindmarsh Shire has a 10.34% equity in interest (10.34% in 2015/16)		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	33,590	32,690
Change in equity share apportionment	(1,518)	
Reported surplus(deficit) for year	16,181	900
Transfers (to) from reserves	(7,488)	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	40,765	33,590
Council's share of reserves		
Council's share of reserves at start of year	13,740	13,740
Change in equity share apportionment	1,517	
Transfers (to) from reserves	7,488	-
Council's share of reserves at end of year	22,745	13,740
Movement in carrying value of specific investment		
Carrying value of investment at start of year	47,330	46,430
Share of surplus(deficit) for year	16,181	900
Share of asset revaluation	-	-
Carrying value of investment at end of year	63,511	47,330

	2017	2016
Note 15 Cash and cash equivalents	\$	\$
Cash at bank	5,693,785	2,594,579
Term deposits	4,000,000	4,000,000
	<u>9,693,785</u>	<u>6,594,579</u>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 27)	11,692	17,647
Total restricted funds	<u>11,692</u>	<u>17,647</u>
Total unrestricted cash and cash equivalents	<u>9,682,093</u>	<u>6,576,932</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	723,028	2,628,666
- grants unspent	820,186	591,588
Total funds subject to intended allocations	<u>1,543,214</u>	<u>3,220,254</u>

Note 16 Trade and other receivables

Current

Statutory receivables

Rates debtors	528,284	607,660
Building permit debtors	5,709	2,220
Infringement debtors	52,469	50,111
GST receivable	148,989	196,059

Non statutory receivables

Sundry debtors	59,316	70,578
Street scheme debtors	7,172	7,081
Other debtors	54,004	101,276
Provision for doubtful debts - other debtors	(16,649)	(16,649)
Total current trade and other receivables	<u>839,294</u>	<u>1,018,336</u>

Non-current

Non statutory receivables

Street scheme debtors	2,463	2,784
Total non-current trade and other receivables	<u>2,463</u>	<u>2,784</u>

Total trade and other receivables

841,757 1,021,120

(a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)	38,982	77,746
Past due by up to 30 days	2,048	4,762
Past due between 31 and 180 days	25,707	27,302
Past due between 181 and 365 days	7,780	5,130
Past due by more than 1 year	31,789	47,346
Total trade & other receivables	<u>106,306</u>	<u>162,286</u>

(b) Movement in provisions for doubtful debts

Balance at the beginning of the year	16,649	16,649
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>16,649</u>	<u>16,649</u>

	2017	2016
	\$	\$
Note 16 Trade and other receivables (cont'd)		
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$16,649 (2016: \$16,649) were impaired. The amount of the provision raised against these debtors was \$16,649 (2016: \$16,649). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	16,649	16,649
Total trade & other receivables	<u>16,649</u>	<u>16,649</u>
Note 17 Inventories		
Inventories held for distribution	200,668	206,224
Total inventories	<u>200,668</u>	<u>206,224</u>
Note 18 Other assets		
Prepayments	9,344	30,227
Accrued income	65,454	65,793
Total other assets	<u>74,798</u>	<u>96,020</u>

Note 19 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At WDV 30 June 2016	Acquisitions	Revaluation	Annual Depreciation	Disposal	Transfers	At WDV 30 June 2017
Land	2,370,000	-	-	-	-	-	2,370,000
Buildings	21,276,604	385,138	-	(386,218)	-	201,771	21,477,295
Plant and Equipment	5,897,128	480,053	-	(765,725)	(128,909)	-	5,482,547
Infrastructure	80,751,847	3,310,446	44,863,644	(4,136,751)	-	301,851	125,091,037
Work in progress	1,665,027	2,799,953	-	-	-	(503,622)	3,961,358
	<u>111,960,606</u>	<u>6,975,590</u>	<u>44,863,644</u>	<u>(5,288,694)</u>	<u>(128,909)</u>	<u>-</u>	<u>158,382,237</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	669,566	2,478,292	201,771	2,946,087
Plant and Equipment	-	36,802	-	36,802
Infrastructure	995,461	284,859	301,851	978,469
Total	<u>1,665,027</u>	<u>2,799,953</u>	<u>503,622</u>	<u>3,961,358</u>

Note 19 Property, infrastructure, plant and equipment (cont'd)

Land and Buildings	Land - specialised	Total Land	Heritage buildings	Buildings - specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2016	2,370,000	2,370,000	214,500	23,907,285	24,121,785	669,565	27,161,350
Accumulated depreciation at 1 July 2016	-	-	(25,335)	(2,819,846)	(2,845,181)	-	(2,845,181)
	2,370,000	2,370,000	189,165	21,087,439	21,276,604	669,565	24,316,169
Movements in fair value							
Acquisition of assets at fair value	-	-	-	385,138	385,138	2,478,292	2,863,430
Transfers	-	-	-	201,771	201,771	(201,771)	-
	-	-	-	586,909	586,909	2,276,521	2,863,430
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	(5,706)	(380,512)	(386,218)	-	(386,218)
	-	-	(5,706)	(380,512)	(386,218)	-	(386,218)
At fair value 30 June 2017	2,370,000	2,370,000	214,500	24,494,194	24,708,694	2,946,086	30,024,780
Accumulated depreciation at 30 June 2017	-	-	(31,041)	(3,200,358)	(3,231,399)	-	(3,231,399)
	2,370,000	2,370,000	183,459	21,293,836	21,477,295	2,946,086	26,793,381

Note 19 Property, infrastructure, plant and equipment (cont'd)

Plant and Equipment	Plant machinery and equipment	Fixtures fittings and furniture	Work In Progress	Total plant and equipment
At fair value 1 July 2016	9,217,453	950,925		10,168,378
Accumulated depreciation at 1 July 2016	(3,615,874)	(655,376)	-	(4,271,250)
	<u>5,601,579</u>	<u>295,549</u>	<u>-</u>	<u>5,897,128</u>
Movements in fair value				
Acquisition of assets at fair value	438,130	41,922	36,802	516,854
Fair value of assets disposed	(251,475)	-	-	(251,475)
	<u>186,655</u>	<u>41,922</u>	<u>36,802</u>	<u>265,379</u>
Movements in accumulated depreciation				
Depreciation and amortisation	(683,987)	(81,738)	-	(765,725)
Accumulated depreciation of disposals	122,566	-	-	122,566
	<u>(561,421)</u>	<u>(81,738)</u>	<u>-</u>	<u>(643,159)</u>
At fair value 30 June 2017	9,404,108	992,847	36,802	10,433,757
Accumulated depreciation at 30 June 2017	(4,177,295)	(737,114)	-	(4,914,409)
	<u>5,226,813</u>	<u>255,733</u>	<u>36,802</u>	<u>5,519,348</u>

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 19 Property, infrastructure, plant and equipment (cont'd)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & channel	Other Infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure including WIP
At fair value 1 July 2016	121,800,685	6,545,752	6,294,058	6,212,908	7,851,412	9,427,816	158,132,631	995,461	159,128,092
Accumulated depreciation at 1 July 2016	(65,657,269)	(811,281)	(3,011,418)	(1,918,947)	(3,966,908)	(2,014,961)	(77,380,784)	-	(77,380,784)
	56,143,416	5,734,471	3,282,640	4,293,961	3,884,504	7,412,855	80,751,847	995,461	81,747,308
Movements in fair value									
Acquisition of assets at fair value	2,792,184	-	181,394	7,500	126,680	202,689	3,310,447	284,858	3,595,305
Revaluation increments/decrements	(4,361,523)	-	-	-	10,824,109	-	6,462,586	-	6,462,586
Transfers	49,579	-	-	-	-	252,272	301,851	(301,851)	-
	(1,519,760)	-	181,394	7,500	10,950,789	454,961	10,074,884	(16,993)	10,057,891
Movements in accumulated depreciation									
Depreciation and amortisation	(3,353,233)	(61,564)	(156,330)	(77,740)	(124,865)	(363,018)	(4,136,750)	-	(4,136,750)
Impairment losses recognised in operating result	38,528,109	-	-	-	(127,051)	-	38,401,058	-	38,401,058
	35,174,876	(61,564)	(156,330)	(77,740)	(251,916)	(363,018)	34,264,308	-	34,264,308
At fair value 30 June 2017	120,280,925	6,545,752	6,475,452	6,220,408	18,802,201	9,882,777	168,207,515	-	168,207,515
Accumulated depreciation at 30 June 2017	(30,482,393)	(872,845)	(3,167,748)	(1,996,687)	(4,218,824)	(2,377,979)	(43,116,476)	-	(43,116,476)
	89,798,532	5,672,907	3,307,704	4,223,721	14,583,377	7,504,798	125,091,039	978,468	126,069,507

Note 19 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Ben Sawyer, certified practicing valuer AAPI Registration 63163 from Preston Rowe Patterson Horsham & Wimmera Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Land	-	2,370,000	-	6/15
Specialised land	-	-	-	6/15
Land improvements	-	-	-	6/15
Heritage buildings	-	-	183,459	6/15
Buildings	-	-	21,293,835	6/15
Building improvements	-	-	-	6/15

Valuation of infrastructure

Valuation of Roads and Kerb and Channel has been determined in accordance with an independent valuation undertaken by Talis Consultants Pty Ltd of Roads. The valuation of all other infrastructure assets has been determined by Ms Anne Champness, Director of Infrastructure Services.

The date of the current valuation is detailed in the following table.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Roads	-	-	89,798,532	6/17
Bridges	-	-	5,672,907	6/17
Footpaths and cycleways	-	-	3,307,704	6/17
Drainage	-	-	4,223,721	6/17
Kerb & Channel	-	-	14,583,375	6/17
Other infrastructure	-	-	7,504,798	6/17
Total	-	-	125,091,037	

Note 19 Property, infrastructure, plant and equipment cont'd

2017
\$

2016
\$

Description of significant unobservable inputs into level 3 valuations

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$2,600 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

21,477,294

21,276,604

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

124,112,569

80,758,376

	2017	2016
	\$	\$
Note 20 Trade and other payables		
Trade payables	747,922	743,755
Net GST payable	-	-
Accrued expenses	308,371	370,243
Total trade and other payables	1,056,293	1,113,998

Note 21 Trust funds and deposits		
Refundable deposits	11,728	11,406
Fire services levy	-	6,241
Total trust funds and deposits	11,728	17,647

Purpose and nature of items

Refundable deposits - Deposits are taken by council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Note 22 Provisions

	Employee	Long Service Leave	Landfill restoration	Quarry	Total
	\$	\$	\$	\$	\$
2017					
Balance at beginning of the financial year	607,608	1,083,840	21,360	134,018	1,846,826
Additional provisions	223,966	148,923	-	11,273	384,162
Amounts used	(242,632)	(153,633)	-	-	(396,265)
Balance at the end of the financial year	588,942	1,079,130	21,360	145,291	1,834,723
2016					
Balance at beginning of the financial year	616,731	1,033,482	21,360	95,404	1,766,977
Additional provisions	394,062	129,453	-	38,614	562,129
Amounts used	(403,185)	(79,095)	-	-	(482,280)
Balance at the end of the financial year	607,608	1,083,840	21,360	134,018	1,846,826

2017	2016
\$	\$

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave & Rostered day off	530,891	512,354
Long service leave	93,402	61,980
	624,293	574,334

Current provisions expected to be wholly settled after 12 months

Annual leave	58,051	95,254
Long service leave	794,861	869,546
	852,912	964,800
Total current employee provisions	1,477,205	1,539,134

Non-current

Long service leave	190,867	152,314
Annual leave	-	-
Total non-current employee provisions	190,867	152,314
Aggregate carrying amount of employee provisions:		
Current	1,477,205	1,539,134
Non-current	190,867	152,314
Total aggregate carrying amount of employee provisions	1,668,072	1,691,448

Note 22 Provisions (cont'd)	2017	2016
(b) Land fill restoration	\$	\$
Current	21,360	21,360
Non-current	-	-
	<u>21,360</u>	<u>21,360</u>
 (c) Quarry restoration		
Current	44,004	57,194
Non-current	101,287	76,824
	<u>145,291</u>	<u>134,018</u>
 Aggregate carrying amount of Landfill & Quarry restoration		
Current	65,364	78,554
Non-current	101,287	76,824
Total aggregate carrying amount of Lanfill & Quarry Provisions	<u>166,651</u>	<u>155,378</u>

Note 23 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a) Asset revaluation reserves			
2017			
Property			
Land	1,639,099	-	1,639,099
Buildings	9,826,700	-	9,826,700
	<u>11,465,799</u>	<u>-</u>	<u>11,465,799</u>
Infrastructure			
Roads	41,580,141	44,863,644	86,443,785
Bridges	978,437	-	978,437
Footpaths and cycleways	1,479,166	-	1,479,166
Drainage	2,415,701	-	2,415,701
Other infrastructure	602,438	-	602,438
Share of asset revaluation in associates	28,246	-	28,246
	<u>47,084,129</u>	<u>44,863,644</u>	<u>91,947,773</u>
Total asset revaluation reserves	<u>58,549,928</u>	<u>44,863,644</u>	<u>103,413,572</u>
2016			
Property			
Land	1,639,099	-	1,639,099
Buildings	9,826,700	-	9,826,700
	<u>11,465,799</u>	<u>-</u>	<u>11,465,799</u>
Infrastructure			
Roads	41,580,141	-	41,580,141
Bridges	978,437	-	978,437
Footpaths and cycleways	1,479,166	-	1,479,166
Drainage	2,415,701	-	2,415,701
Other infrastructure	602,438	-	602,438
Share of asset revaluation in associates	28,246	-	28,246
	<u>47,084,129</u>	<u>-</u>	<u>47,084,129</u>
Total asset revaluation reserves	<u>58,549,928</u>	<u>-</u>	<u>58,549,928</u>

The asset revaluation reserve is used to record the increased (net) value of Council's

	2017	2016
	\$	\$
Note 24 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	4,537,948	(588,183)
Depreciation/amortisation	5,288,695	4,975,432
Profit/(loss) on disposal of property, infrastructure, plant and equipment	36,032	34,654
Other	9,312	(1,082)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	179,766	(257,505)
Decrease in prepayments	(20,883)	(30,227)
Increase/(decrease) in accrued income	(339)	(65,793)
Increase/(decrease) in trade and other payables	(14,217)	264,658
(Increase)/decrease in inventories	(5,556)	(86,335)
Increase/(Decrease) in provisions	(11,041)	79,849
(Increase)/Decrease in trust funds and deposits	5,955	(2,651)
Increase/(Decrease) in accrued expenses	(41,449)	151,758
Net cash provided by/(used in) operating activities	<u>9,964,223</u>	<u>4,474,575</u>
Note 25 Financing arrangements		
Credit card facilities	30,000	30,000
Total facilities	<u>30,000</u>	<u>30,000</u>
Used facilities	20,000	15,000
Unused facilities	10,000	15,000
Total facilities	<u>30,000</u>	<u>30,000</u>

Note 26 Commitments

The Council has entered into the following commitments

2017	Not later than 1	Later than 1 year and	Later than 2 years	Later than 5	Total
	year	not later than 2 years	and not later than 5 years	years	
	\$	\$	\$	\$	\$
Operating					
Building services	24,614	-	-	-	24,614
Kerbside Recycling collection	161,950	165,999	340,297	-	668,246
Kerbside Waste collection	263,425	270,011	553,522	-	1,086,958
Transport waste & recycling to Dooen	55,350	56,734	116,304	-	228,388
Swimming pool management - Dimboola	58,533	59,703	-	-	118,236
Swimming pool management - Jeparit	57,171	58,314	-	-	115,485
Swimming pool management - Nhill	62,985	64,560	-	-	127,545
Swimming pool management - Rainbow	70,509	71,919	-	-	142,428
Meals on wheels - Wimmera Health Care Group	5,440	-	-	-	5,440
Meals on wheels - West Wimmera Health Service	17,916	-	-	-	17,916
Total	777,893	747,240	1,010,123	-	2,535,256
Capital					
Buildings	-	-	-	-	-
Roads	-	-	-	-	-
Drainage	-	-	-	-	-
Total	-	-	-	-	-

2016	Not later than 1	Later than 1 year and	Later than 2 years	Later than 5	Total
	year	not later than 2 years	and not later than 5 years	years	
	\$	\$	\$	\$	\$
Operating					
Building services	144,080	24,614	-	-	168,694
Electoral Commission	100,000	-	-	-	100,000
Kerbside Recycling collection	158,000	161,950	331,998	-	651,948
Kerbside Waste collection	257,000	263,425	540,021	-	1,060,446
Transport waste & recycling to Dooen	54,000	55,350	113,468	-	222,818
Swimming pool management - Dimboola	56,454	57,865	-	-	114,319
Swimming pool management - Rainbow	68,477	70,189	-	-	138,666
Meals on wheels - Wimmera Health Care Group	14,350	4,903	-	-	19,253
Meals on wheels - West Wimmera Health Service	58,228	19,895	-	-	78,123
Total	910,589	658,191	985,487	-	2,554,267
Capital					
Buildings	1,896,390	-	-	-	1,896,390
Roads	-	-	-	-	-
Other infrastructure	38,335	-	-	-	38,335
Total	1,934,725	-	-	-	1,934,725

Note 27 Operating leases	2017	2016
	\$	\$
Operating lease receivables		
Council receives lease payments for telephone towers, small sections of land, and rooms within Council owned buildings. The receivable is incidental to the purpose for holding the property. The lease terms are between 1 and 10 years and include a CPI based revision annually.		
Future minimum receivables are as follows:		
Not later than one year	59,546	26,112
Later than one year and not later than five years	170,643	86,969
Later than five years	95,162	84,175
	<u>325,351</u>	<u>197,256</u>

Note 28 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa
Salary information 4.25% pa
Price inflation (CPI) 2.5% pa.

Note 28 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated. Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$130,000.

Note 29 Contingent liabilities and contingent assets

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 35. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Guarantees for loans to other entities

Council holds financial guarantees totalling \$131,000 held with the National Australia Bank on behalf of the Minister for Energy and Resources for the purposes of ensuring quarry sites are restored to an environmentally satisfactory condition. If Council fail to meet the conditions of these guarantees they may become future liabilities to Council.

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Note 30

Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

- council have a policy for establishing credit limits for the entities Council deal with;
- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 36.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 36, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 30 **Financial instruments (cont'd)**

(e) Fair value

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 2.0% and -1.0% in market interest rates (AUD) from year-end rates of 2.0%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

	2017 No.	2016 No.
Note 31 Related party disclosures		
(i) Related Parties		
<i>Parent entity</i>		
Hindmarsh Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in note 14.		
(ii) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor D. Nelson (Mayor)		
Councillor R. Lowe (Deputy Mayor)		
Councillor R. Ismay		
Councillor R. Gersch		
Councillor T. Schneider		
Councillor D. Colbert (9 November 2016 - 30 June 2017)		
Councillor W. Robins (1 July 2016 - 22 October 2016)		
Total Number of Councillors	7	6
Chief Executive Officer and other Key Management Personnel	3	4
Total Key Management Personnel	<u>10</u>	<u>10</u>
(iii) Remuneration of Key Management Personnel	2017	2016
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	625,481	576,488
Long-term benefits	14,489	23,264
Total	<u>639,970</u>	<u>599,752</u>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2017 No.	2016 No.
\$1 - \$9,999	1	-
\$10,000 - \$19,999	1	-
\$20,000 - \$29,999	4	4
\$30,000 - \$39,999	-	3
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	-	-
\$60,000 - \$69,999	1	-
\$140,000 - \$149,999	-	1
\$150,000 - \$159,999	2	-
\$160,000 - \$199,999	1	-
\$200,000 - \$209,999	-	-
\$210,000 - \$219,999	-	-
\$220,000 - \$229,999	-	1
	<u>10</u>	<u>10</u>
(iv) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
<i>Council entered into purchases or materials and services on normal commercial terms and arrangements with the following businesses</i>		
<i>T. Ismay and Co (a related party to Cr R. Ismay) \$6,624 during the 16/17 financial year. (\$13,497 15/16).</i>		
<i>Ed's Automotive (a related party to Cr R. Lowe) \$330 during the 16/17 financial year. (\$887 15/16).</i>		
All of the above transactions were at arms length and in the normal course of Council's business.		
<i>Three employees of Council are related parties of a member of Key Management Personnel (KMP). The KMP was not involved in the employment process and the employees are engaged on normal terms and conditions applicable to Council employees.</i>		
(v) Outstanding balances with related parties		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties.		
<i>There are no outstanding balances with related parties at 30 June 2017.</i>		

Note 32 Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$142,000

Council do not employ any Senior Officers.

Note 33 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Mrs Monica Revell

Acting Director Corporate Services

Date : 20-Sep-17

Nhill

In our opinion the accompanying financial statements present fairly the financial transactions of <Name> for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Cr Debra Nelson

Councillor

Date : 20-Sep-17

Nhill



Cr Ronald Lowe

Councillor

Date : 20-Sep-17

Nhill



Mr Greg Wood

Chief Executive Officer

Date : 20-Sep-17

Nhill

Independent Auditor's Report

To the Councillors of Hindmarsh Shire Council

Opinion	<p>I have audited the financial report of Hindmarsh Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
25 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

Independent Auditor's Report

To the Councillors of Hindmarsh Shire Council

Opinion I have audited the accompanying performance statement of Hindmarsh Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Hindmarsh Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

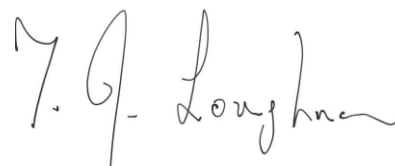
Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the statement of performance, including the disclosures, and whether the statement of performance represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.



MELBOURNE
25 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria