



HINDMARSH SHIRE COUNCIL

Annual Report

For the year ended 30 June 2016

Welcome to Hindmarsh Shire Council's Annual Report for 2015-16

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 3
- an audited **Performance Statement** Page 70
- audited **Financial Statements** Page 84
- a copy of the auditor's report on the financial statements Page 125
- a copy of the auditor's report on the performance statement Page 127
- 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 2015-16. It also includes messages from Hindmarsh Shire Council's Mayor and Chief Executive Officer.



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Introduction

Welcome to the Report of Operations 2015/16

Hindmarsh Shire Council is committed to transparent reporting and accountability to the community and the Report of Operations 2015–16 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 5,800 people, with a median age of 47 years.
- Mainly born in Australia (89% of people), with English the only language spoken in 93.2% of our homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 Karen people calling Nhill home.
- Employed in farming, health care, retail, manufacturing, education and transport. Volunteers.
- Community minded with our rate of volunteering 20% 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

23 groups assisted by Community Action Grants

6200 Meals on Wheels delivered

349 motions made at Council meetings

11,291 hours of ageing and disability care support
provided to 338 residents

118 food premises registered or notified in accordance
with the Food Act 1984

3kms of sealed local roads reconstructed

Approximately 33kms of sealed roads resealed

18,985 calls answered by Customer Service

23,749 thousand library items borrowed

34 planning applications received

5,112 rateable properties



The year in review

Mayor's & CEO's Message

We are pleased to report that Hindmarsh Shire Council has performed strongly during the 2015/16 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 2016.

Community Planning:

The 2015 – 2020 Hindmarsh Economic Development Strategy was adopted by Council in July 2015. The Economic Development Strategy will inform private and public sector investment in our Shire over the next decade and focus on six key strategic opportunities; enhancing food and beverage capacity, strengthening health and community services, fostering business and community prosperity, supporting the development of tourism and events, building sustainable local administration and economic infrastructure and assets.

Throughout the past year extensive community consultation was undertaken to ensure the future needs of our community were acknowledged. The Hindmarsh Shire Council Sport and Recreation Strategy was developed to understand the current and future recreational needs of our communities, and assist Council in ensuring changing trends in recreational activity are accounted for when either planning maintenance of existing or development of new, recreational assets. The Nhill and Dimboola Community Precinct Plans are also nearing completion with the documents soon to be released for community feedback before formal adoption. In addition to the development of these important documents, Council has made considerable progress with the new Rainbow and Jeparit Community Plans which will soon be available to the Community. Council looks forward to working with all stakeholders on the delivery of the broad objectives identified in each of these plans.

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 2015/16 Council received \$320,000 to install new cabins at the Riverside Holiday Park Dimboola. These cabins will provide all-ability-access and family accommodation at the Park.

Funding of \$100,000 received through the Victorian Government's Recreational Fishing Grants saw the installation of fishing pontoons along the Wimmera River in Jeparit and Dimboola.

The Nhill Integrated Early Years Hub project received \$500,000 from the Commonwealth Government, \$800,000 from the Victorian Government and \$95,000 from the Foundation of Rural and Regional Renewal. Construction of the Hub commenced in April 2016 and is on track to be completed by early 2017.

Council also received funding for smaller projects, a lesser financial contribution but nevertheless effective in terms of improving the liveability and visitor amenity of our



towns. This included funding for the Light Up Dimboola and Safer Streets and Places To Meet lighting projects. These projects focused on increasing public amenity in Dimboola and Rainbow.

Council continued its commitment to the engagement of youth throughout our Shire with ongoing support for the Hindmarsh Shire Youth Council. Our very first Youth Councillors 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 a vibrant, youth focused update for Council’s Youth Strategy, along with the development of other youth related projects. In March 2016, 13 young people from our local communities were appointed to our Shire’s second Youth Council and have already commenced development of several youth focussed initiatives. We look forward to all of the initiatives they will deliver during the remainder of their term.

The Community Action Grants program has enabled 31 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 Bowling Club to update its Catering Equipment, Rainbow Cricket Club to resurface its cricket pitch, Jeparit Rainbow Football Netball Club to purchase a chest freezer and West Wimmera Health Service to host the annual Loop the Lodge event. 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.

Through advocacy initiatives, Council received \$60,000 funding from the Federal Government’s Department of Employment for the engagement of a part time Migrant Employment Coordinator. This position collaborates with Job Active Network Providers and job seekers within Nhill and metropolitan communities to fill employment opportunities in Hindmarsh Shire.

Events:

The Karen New Year celebration continues to be a highly anticipated event in the Shire. This event has grown to be a significant date on the Shire’s calendar, with in excess of 500 people attending this year’s celebration and enjoying a cultural display of dancing, music, theatre and food. The 2016 celebrations included a sports carnival with Soccer matches and the traditional Karen game Cane Ball. The Karen New Year is an opportunity for everyone in the Shire to experience cultural diversity at its best.

Many community groups have worked very hard during the year to deliver events that are not only important to our social fabric, but support our economy as well. This includes the Nhill Air Show held on Saturday 10 October 2015, a fantastic success attracting around 4,000 people to Nhill Aerodrome to witness flying displays from vintage planes and the RAAF Roulettes. We thank all the people who made these events possible.

Other events in the Shire include the Nhill Lake February Fiestas, Dimboola Rowing Regatta, 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 18 Section 86 Committees, set up as an extension of Council under the Local Government Act. These groups vary from 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 2013	Hindmarsh 2014	Hindmarsh 2015	Hindmarsh 2016	Small Rural Shires 2016
Overall Performance	59	63	64	62	57
Community Consultation (community consultation & engagement)	54	62	59	60	55
Advocacy (lobbying on behalf of the community)	55	60	59	59	54
Making community decisions (Decisions made in the interest of the community)	n/a	59	60	57	53
Sealed Local Roads (Condition of sealed local roads)	n/a	47	47	45	52
Customer Service	69	73	71	73	69
Overall Council Direction	53	62	61	57	50

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 2015/16.

- 3 shoulder resheets totalling \$178,000
- 19 road sealing projects totalling \$582,000
- 3 footpath projects totalling \$43,000
- 9 sealed road construction projects totalling \$890,000
- 11 unsealed road construction projects totalling \$1,105,000
- 1 Drainage improvement project \$239,000

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 recognition of the size of this challenge and the importance of our road network to our economy.



Community Enquiries

Council receives approximately 18,985 telephone calls a year from residents with various enquiries. Council is looking to provide our community with other options to lodge enquiries or transact with Council. The development of a new website is well under way, which will include the ability for the community to lodge enquiries and 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 we, community and Council, will deliver together over the next five years.

Council is in a 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.

2016/17 will be a busy year as we deliver the significant number of projects that were funded through grants during the 2015/16 year. This includes several construction projects with the most significant being the Integrated Early Years Hub in Nhill. This project in particular will help to look after young families and improve the liveability of our towns.

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 2016/17 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.

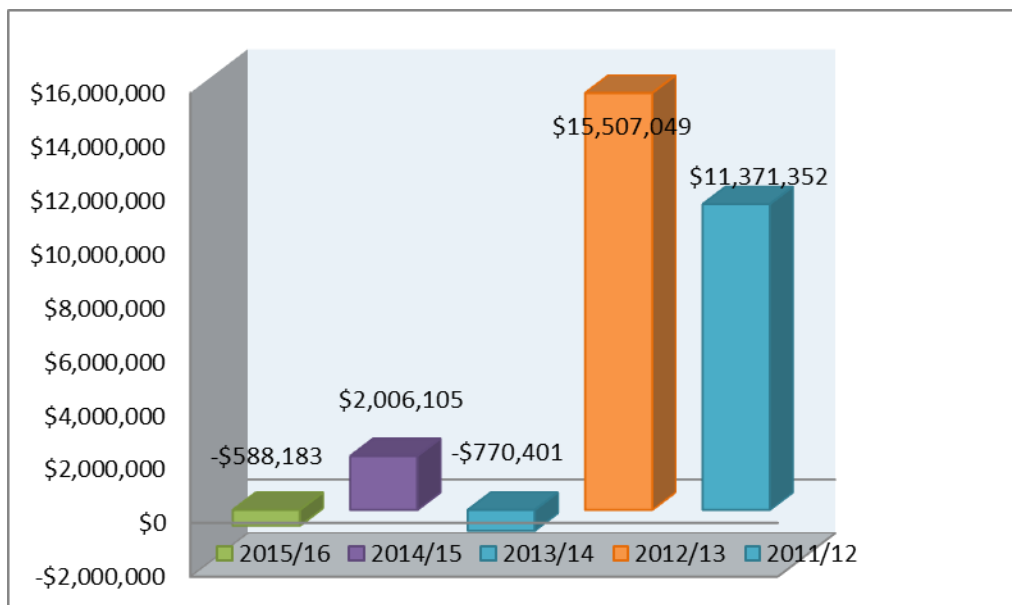
Operating Position

Council reported a deficit of \$588,183 in 2015/16. As per the Comprehensive Income Statement in the Financial Report, the unfavourable variance is due mainly to the early payment of \$2.036 million from the Victoria Grants Commission received in June 2015, and therefore accounted for in the 2014/15 financial year.

Council received additional grants that were not budgeted for. These included grants for Community Safety, Upper Regions Cemetery, Drought Response, FReeZa funding, Walk to School, and additional Roads to Recovery funding.

Employee costs were lower than budgeted due to a number of positions being vacant during 2015/16, materials and services show a favourable variance, while other expenses show an unfavourable variance due to a large number of carry forwards from 2014/15.

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 deficit of \$1.503 million.

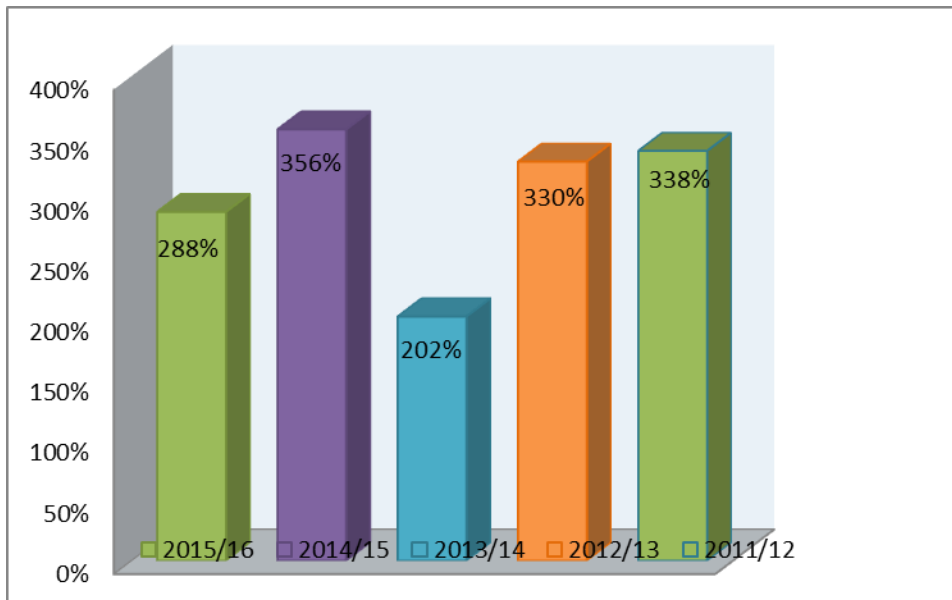


Surplus/(deficit) for the year

Liquidity

Cash decreased by \$1.090 million from the previous year mainly due to the early Victoria Grants Commission payment received on 30 June 2015 and a number of 2014/15 capital works projects being carried forward into the 2015/16 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 288% 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”.

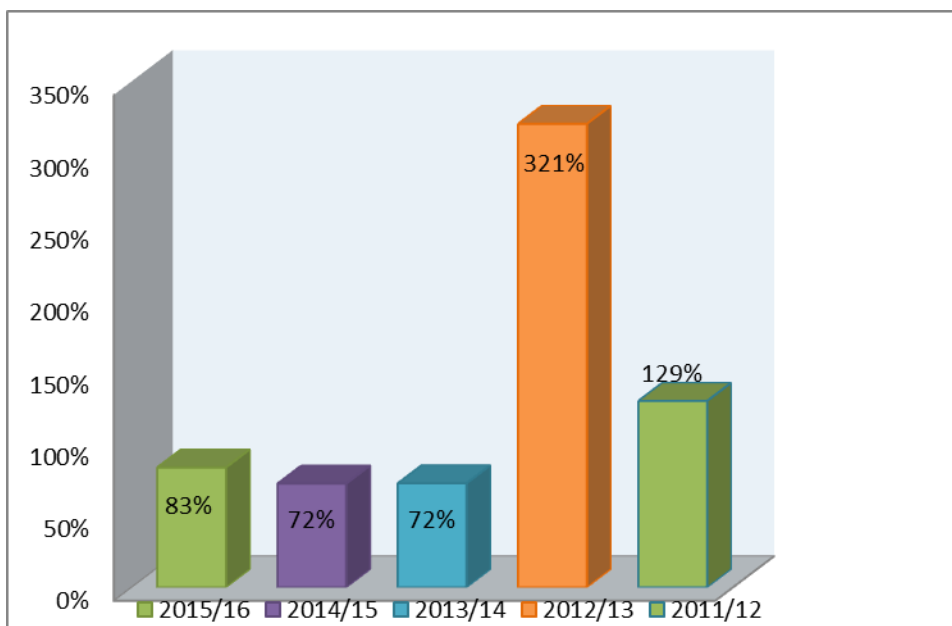




Working capital ratio %

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 \$100 million worth of land, building and infrastructure assets to maintain with an income of just \$16.395 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 \$3.284 million in infrastructure renewal works during the 2015/16 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 83%. 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 2015-2016 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 the Victorian and Australian legislations.

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 2015/16. 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 2015/16, mitigated to some extent for 2015/16, and going forward into 2016/17, by an increase in the Federal Government's Roads to Recovery program.

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 2015/16 the major capital works included the following:

Riverside Holiday Park, Dimboola

With the assistance of several State Government funding programs, extensive works have been undertaken at the Riverside Holiday Park, Dimboola. As part of Council's continued effort to attract visitors to the region significant upgrades were made to the Holiday Park. These improvements included a new camp kitchen, new roadways, improved watering systems, new power connections, water and sewer connections to all powered sites and extended lawn areas. The Park's electrical system was renewed and fire services installed to improve safety. The new electrical system was upgraded from the old to allow for the installation of new cabins in 2016/17 and improved services at the adjacent recreation reserve.

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, playgroup, supported playgroup, toy library and other visiting specialist services is due to be completed in early 2017.

Construction of the Nhill Integrated Early Years Hub commenced in April 2016 and is



progressing well with the concrete slab completed by June 2016. Approximately 30% of construction work has now been completed.



Rainbow Bowls Club

Installation of a new synthetic green at the Rainbow Bowls Club was completed in November 2015. The new green is available for use throughout the year and enables the Bowls Club to host tournaments and facilitate the inclusion of bowls in the local school's physical education curriculum. The project is a fantastic example of a community, local government and state government working together to not only improve an important community asset but expand its use. Rainbow Bowls Club raised an impressive \$60,000 towards the project, while Council contributed \$40,000 and the State Government \$80,000. Community members also undertook \$16,000 worth of volunteer hours to complete the project.

Menzies Square

The development of Menzies Square is almost complete with only a handful of installations to be completed at the site. This project honouring Jeparit's most famous son includes interpretative signage detailing the life and achievements of Australia's longest serving Prime Minister and will be a valuable tourism asset for the Shire of Hindmarsh.

Dimboola and Jeparit fishing pontoons

Improved access to recreational fishing at Dimboola and Jeparit is the result of a project to install all abilities accessible fishing pontoons on the Wimmera River at both locations. The low maintenance aluminium structures include seating, scaling and measurement tables, as well as fishing rod holders and are sure to prove popular with local and visiting anglers alike.

Dimboola and Rainbow lighting

Safer streets are the outcome of a capital project to improve security lighting in both Dimboola and Rainbow. Lighting was installed in Dimboola along High Street, Lloyd Street and Pickering Gardens. In Rainbow, lights were installed at the King Street Rotunda and at the play/gym equipment at the Rainbow Recreation Reserve.

Hindmarsh Open Spaces Program

The Hindmarsh Open Spaces project was a joint initiative of Council and its Town Committees. It incorporated streetscape and public space improvements in each of our four major towns.

In Jeparit, an all abilities access pathway to the Jeparit Community Shed, which incorporates the Jeparit Community Gym, Jeparit Men's Shed and storage facility for the Jeparit Town Committee, was constructed and an all abilities toilet installed. Ongoing works include new fencing and a shade sail over the Broadway playground as well as

landscaping improvements.

The Rainbow Federal Street Garden Revitalisation has seen the redevelopment of the final section of the four gardens in Rainbow's iconic Federal Street. Works included the removal and replacement of several trees, installation of instant turf, new picnic tables, revitalisation of existing picnic tables, watering system upgrade and installation of a heritage style picnic shelter.

The Nhill Entry Streetscapes & Amenity Improvement project significantly improved the aesthetics and amenities of the Nhill CBD. Initiatives included the redevelopment of Bongiorno's car park, power upgrade and installation of power outlets in Goldsworthy Park, installation of new uniform street furniture and lighting.

Up lighting of the War Memorial in Goldsworthy Park and improvements to the Commercial carpark are set for completion in the 2016/17 financial year.

The Dimboola Public Space Linkages project has reinforced existing and established new connecting links between the town's business district, Nine Creeks Reserve, the Riverside Holiday Park and the Dimboola Recreation Reserve. The construction of new walking paths and installation of lights along a section of the Nine Creeks Walking Track has improved the level of access and security at night.

Works continued throughout 2015/16 with a new shelter over existing BBQ's in the Recreation Reserve, along with a pathway connecting Pickering Gardens and the Recreation Reserve. Additional seating will be installed along various walking tracks in the coming months.

Infrastructure

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

- 3 shoulder resheets totalling \$178,000
- 19 road sealing projects totalling \$582,000
- 3 footpath projects totalling \$43,000
- 9 sealed road construction projects totalling \$890,000
- 11 unsealed road construction projects totalling \$1,105,000
- 1 drainage improvement project \$239,000

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 2015/2016 year included the Netherby-Baker Road, Propodollah Road and Gerang Glenlee Road.

Council invested a further \$239,000 in 2015/16 to implement recommendations from its Drainage Study undertaken following the 2011 floods. Council believes these works are critical to protecting private and community assets in future significant rain events.

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

Three footpath projects were completed - Broadway and Charles Street in Jeparit and Wimmera Street in Dimboola, which enhanced the amenity of our local communities.

The redevelopment of Lochiel Street, Dimboola continued with Council undertaking Stage 2 of the redevelopment project which included further kerb & channel and drainage works.



Nhill-Murrayville Road

The fires of January 2014 in the Big Desert and the Wyperfeld National Park resulted in high vehicle traffic and loadings on the unsealed section of the Nhill-Murrayville Road. Constructed of a clay layer over sand, the road was damaged significantly as a result.

Council sought funding through the federal Natural Disaster Recovery Fund and repaired an approximately 12km long section of the road, starting at the end of the seal and ending at the Big Desert. Used as a through road to Murrayville, this section can now once again provide access to private land, and tourist and emergency services access to the Big Desert.

Major Changes

In January 2016, Council requested the Minister for Planning (Department of Environment, Land, Water and Planning) to prepare, adopt and approve an amendment to the Hindmarsh Planning Scheme to transfer the responsibility for issuing planning certificates to the Minister for Planning. Council considered the transfer of this responsibility to result in reduced costs to applicants and bring a reduction in time to process planning certificates.

In May 2016, Tony Doyle resigned as Council's Chief Executive Officer. Council appointed Greg Wood as its Chief Executive Officer on 25 August 2016.

Major Achievements

Hindmarsh Economic Development Strategy

The development of this strategy was led by an Advisory Committee comprising community members and business representatives supported by consultancy firm SED Consulting. A hundred community members and representatives of organisations and businesses across the Shire worked with Council on the development of our Economic Development Strategy, which will inform private and public sector investment in our Shire over the next decade. The Strategy was adopted in July 2015 and provides clear direction on the major economic development projects.

Sport and Recreation Strategy

Council adopted the Hindmarsh Shire Sport and Recreation Strategy in June 2016. The Strategy will see an increased focus on the development of a range of initiatives including informal recreational facilities throughout the Shire, to suit activities such as walking and cycling. The strategy also identified the need for Council to continue to work with local clubs and sporting associations to deliver sport and recreation activities that reflect local community priorities, participation preferences and cultural relevance.

The Sport and Recreation Strategy will assist Council in meeting current recreational needs while identifying future recreational opportunities and demands.

Hindmarsh Shire Council Youth Strategy 2016-2020

The Hindmarsh Shire Youth Council developed a new Youth Strategy to provide a better understanding of the most important issues for young people and to promote programs addressing these issues. Informed by extensive consultation with the Shire's youth, the Strategy was adopted by Council in February 2016.

The Youth Strategy focuses on four key priority areas that build on previously identified needs of young people Hindmarsh:

1. Education and Employment
2. Wellbeing, Health and Safety
3. Engagement, Recreation and Community Events



4. Opportunity, Leadership and Connectedness

The strategy is presented in a format designed to appeal to its target audience and is a direct result of the tremendous efforts of our Youth Councillors, supported by Council's Youth and Early Years Officer.

Wimmera River Discovery Trail

In July 2015, Council appointed TRC Tourism (TRC) to develop a feasibility study and master plan for a proposed walking trail. "Hindmarsh Trail" was the project name for a to-be-named multi use recreational track linking the Little Desert National Park with Wyperfeld National Park, generally following the course of the Wimmera River. The Trail seeks to connect the natural, cultural and built heritage of the region. The Hindmarsh Trail is a cornerstone project in the development of a thriving tourism industry within the Hindmarsh Shire. It is envisaged that the trail will become a nationally significant tourism product, providing unmatched cultural heritage, built environment and nature experiences.

Hindmarsh Shire Council formally endorsed the Hindmarsh Trail Feasibility Study and Master Plan: Section 2 reports prepared by TRC Tourism during 2015/16 and adopted the name of "Wimmera River Discovery Trail" at its July 2016 meeting.

The project was jointly funded by Hindmarsh Shire Council and Department of Economic Development, Jobs, Transport and Resources. It was guided by a steering committee with representatives from major stakeholders; HSC, DEDJTR, DELPWP, Parks Victoria, Wimmera Catchment Management Authority, and Barengi Gadjin.

Advocacy

One of Council's key roles is to advocate on behalf of our community. Council's advocacy efforts in 2015/16 continued to be successful, leading to significant grant approvals, such as the Riverside Holiday Park cabin project, funded through the Victorian Government's Regional Infrastructure Fund. Our advocacy work included such diverse matters as the Wimmera River Discovery Trail, improved TV reception in Rainbow and better mobile phone coverage. Council's annual visit to Canberra provides a substantial amount of leverage when advocating for projects throughout the Shire.

Hindmarsh Shire Council Road Hierarchy

In 2015, a concerted effort of community consultation, in particular with the farming community, was undertaken to review Hindmarsh Shire Council's Road Hierarchy, a document dating back to 2009.

Ten Farmer Consultation Meetings were convened from July to September 2015 in locations across the Shire. Over 200 farmers were involved and provided valuable feedback across a number of road related areas. Farmers were asked to identify strategic roads in the farm gate access road network that were more significant to the local farming community and required a higher standard of maintenance into the future. The Road Hierarchy was revised accordingly and additional works budgeted in Council's 2016/17 Budget to address priorities identified in the consultation.

Pathway and Mobility Strategy 2015

In July 2015, Council adopted its first Pathway and Mobility Strategy. The strategy sets Levels of Service for pathways, creates a guideline for the development and expansion of Council's pathway network, informs the Road Management Plan by setting the Pathway Hierarchy and will assist in the creation of the Footpath Asset Management Plan



This is Council's first Pathway and Mobility Strategy and will be reviewed in conjunction with the Road Management Plan as per the Road Management Act 2004.

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.

In Council's Aged and Disability Services Team, HACC PAC Mobile, a smart phone rostering system, replaced the outdated electronic rostering system, increasing safety of clients and home support workers while at the same time achieving substantial efficiencies in the rostering of services and payroll processes.

Challenges

Asbestos, both in Council assets and in private properties, continues to be a major concern in our Shire. Hindmarsh Shire Council's Building Department noted the presence of asbestos fragments whilst inspecting the Coach House at Yurunga in December 2015. Prior to Christmas 2015, Council was forced to close Yurunga to the public until the site could be cleaned. Clean-up costs, which were not budgeted, for exceeded \$80,000.

Concerns with private property arises where a property falls into disrepair or is destroyed by fire and property owners are either unable to or refuse to undertake the clean-up.

In 2015/16, Council had to undertake the demolition of two private buildings due to the existence of asbestos and the inability to achieve clean-up through the property owners.

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 2015/16 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.

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.

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.

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, 5,497 people live in Hindmarsh Shire (2016 estimated resident population), with a median age of 47 years. 89% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 93.2% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 Karen people calling Nhill home.

The median weekly household income is \$789, 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, 20% higher than the national average.



Council Offices

Nhill Office

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

Dimboola Office

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

Jeparit Office

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

Rainbow Office

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

Postal address:

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

Website: www.hindmarsh.vic.gov.au

Facebook:
<http://www.facebook.com/hindmarshshirecouncil>

Councillors

On 27 October 2012, the Hindmarsh Shire community elected this Council for a four year term to provide leadership for the good governance of the municipal district and the local community. Due to the resignation of one Councillor, a by-election was held on 23 November 2013. 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 Tony Schneider



East Ward
Date elected: 27 October 2012
E: tschneider@hindmarsh.vic.gov.au
M: 0459 035 917

Cr Debra Nelson Mayor



East Ward
Date elected: 27 October 2012
E: dnelson@hindmarsh.vic.gov.au
M: 0459 021 802

Cr Ron Lowe



North Ward
Date elected: 27 October 2012
E: rlope@hindmarsh.vic.gov.au
M: 0427 318 067

Cr Ron Ismay



North Ward
Date elected: 23 November 2013
E: rismay@hindmarsh.vic.gov.au
M: 0459 021 745

Cr Rob Gersch



West Ward
Date elected: 27 October 2012
E: rgersch@hindmarsh.vic.gov.au
M: 0427 600 122

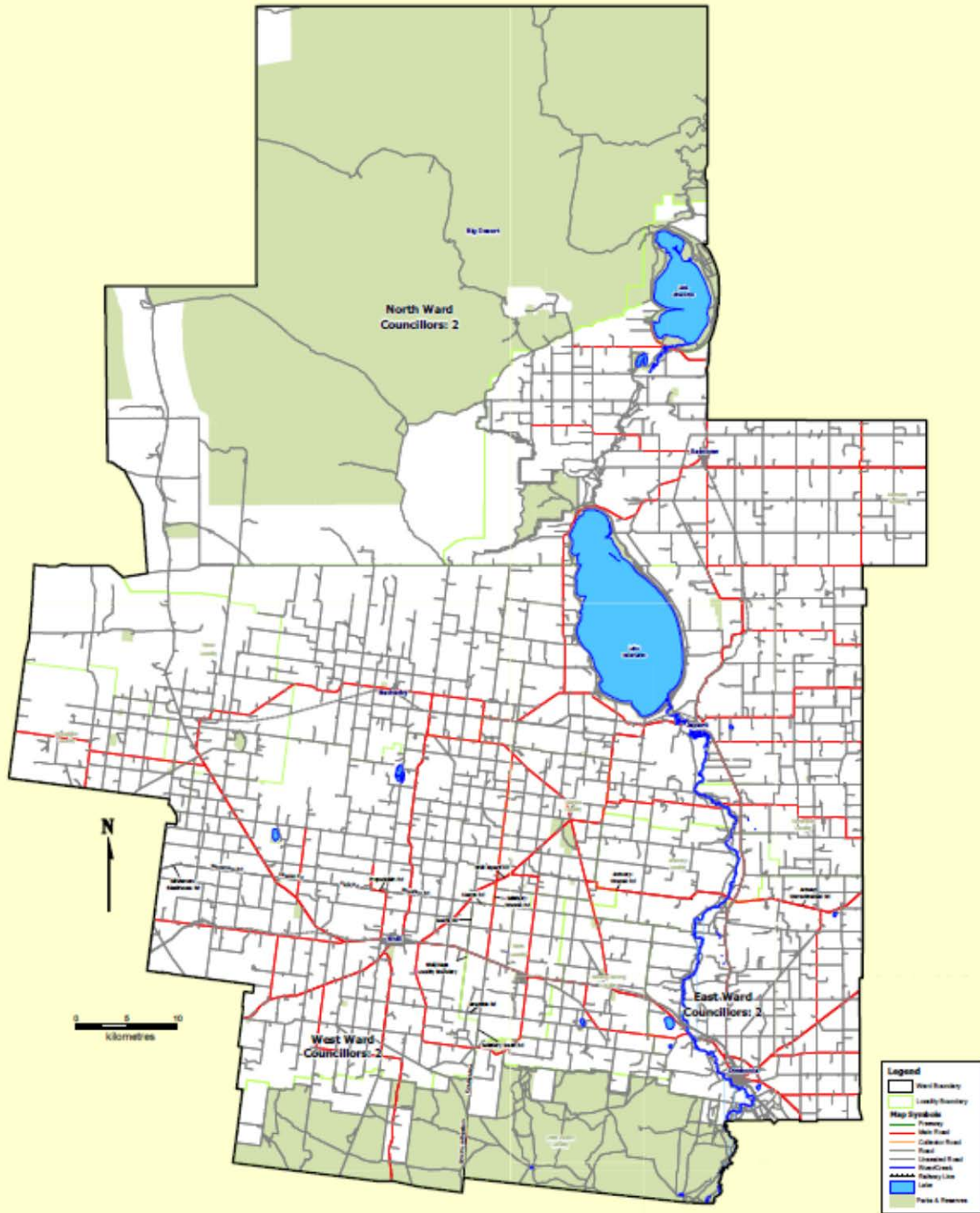
Cr Wendy Robins Deputy Mayor



West Ward
Date elected: 27 October 2012
E: wrobins@hindmarsh.vic.gov.au
M: 0459 034 233

**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.



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I hereby certify that the electoral boundaries shown on this map are as presented in the Electoral Representation Order that I signed for Hindmarsh Shire Council, submitted to the Minister for Local Government on 22 February 2015.

Sharon Tully, Electoral Commissioner

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

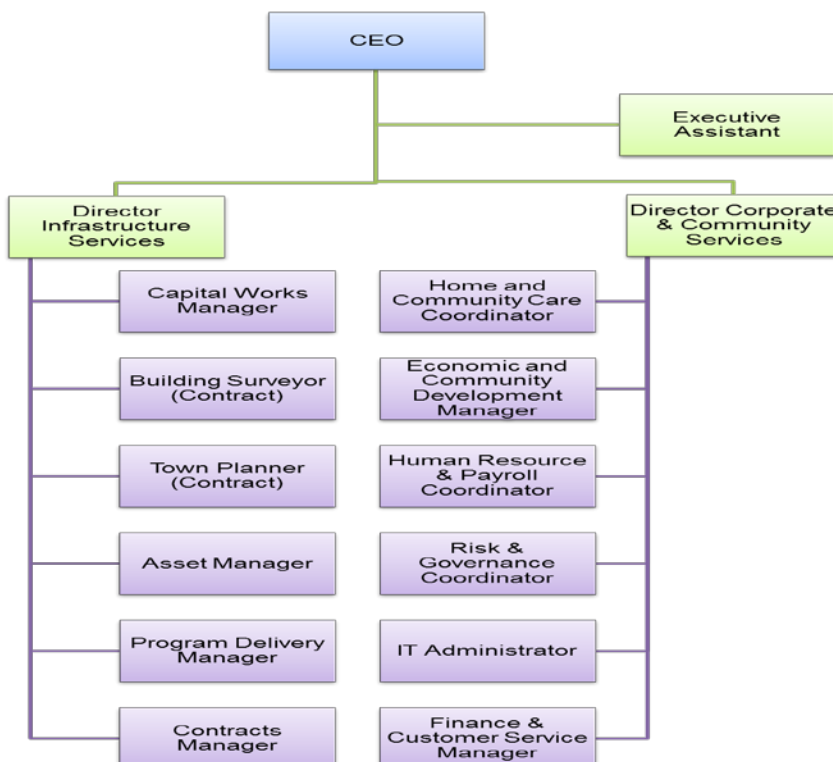
- Areas of responsibility:
- Business development
 - Finance
 - Information technology
 - Planning and development
 - Family, youth and leisure
 - Aged and disability
 - Governance
 - Economic development
 - Local laws



Adrian Gasperoni
Director Infrastructure Services

- Areas of responsibility:
- Asset planning
 - Engineering and traffic
 - Environment and sustainability
 - Infrastructure
 - Parks and gardens
 - Building

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

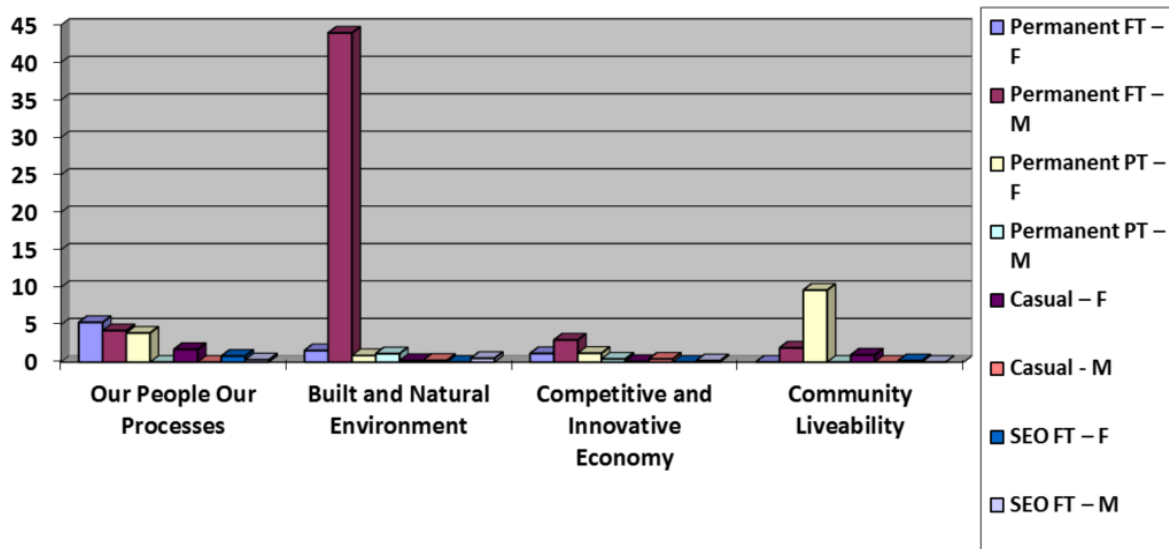


Council Staff

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	5.30	1.55	1.15	0.00	8
Permanent FT –M	4.20	43.95	2.95	1.90	53
Permanent PT –F	3.89	0.88	1.18	9.61	15
Permanent PT –M	0.00	1.13	0.41	0.00	1
Casual – F	1.69	0.21	0.10	0.96	3
Casual - M	0.00	0.24	0.42	0.00	1
SEO FT – F	0.80	0.00	0.00	0.20	1
SEO FT – M	0.30	0.50	0.20	0.00	1

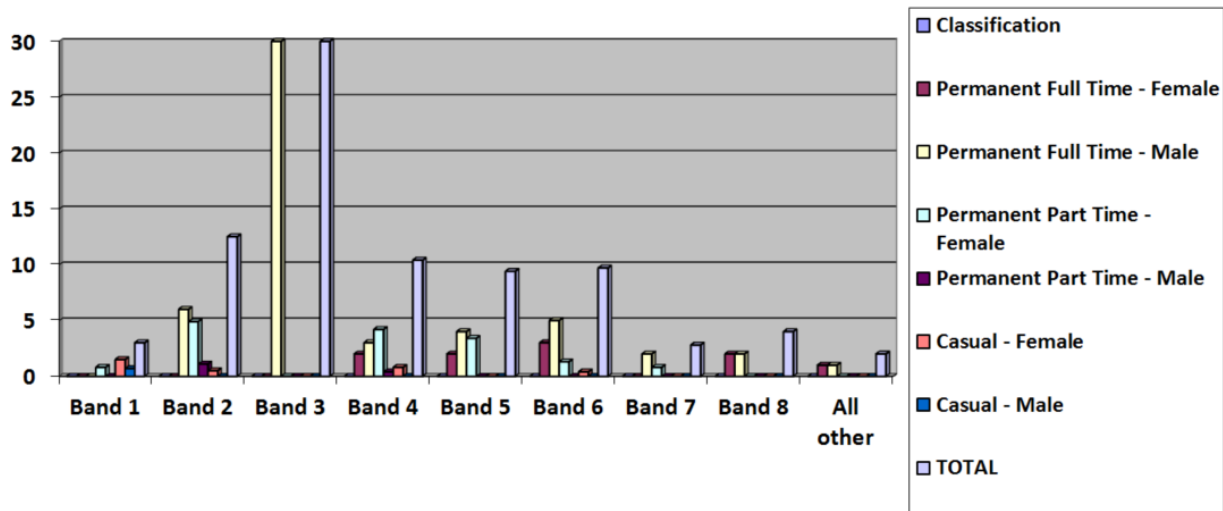
FT-Full time PT-Part time F-Female M-Male SEO-Senior Executive Officer



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	2.0	3.0	0.0	2.0	1.0	10.0
Permanent Full Time - Male	0.0	6.0	30.0	3.0	4.0	5.0	2.0	2.0	1.0	53.0
Permanent Part Time - Female	0.8	4.9	0.0	4.2	3.4	1.3	0.8	0.0	0.0	15.4
Permanent Part Time - Male	0.0	1.1	0.0	0.4	0.0	0.0	0.0	0.0	0.0	1.5
Casual - Female	1.5	0.5	0.0	0.8	0.0	0.4	0.0	0.0	0.0	3.2
Casual - Male	0.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7
TOTAL	3.0	12.5	30.0	10.4	9.4	9.7	2.8	4.0	2.0	83.8





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.



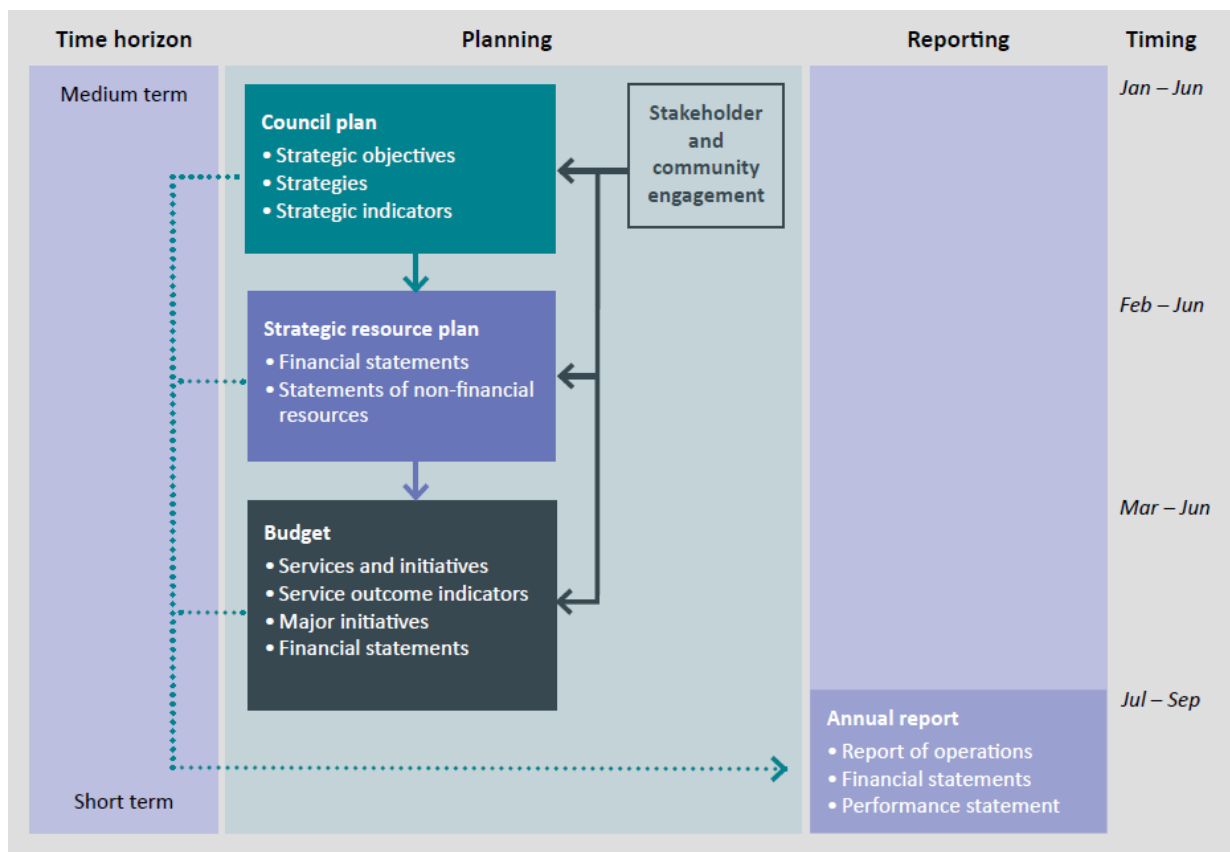
Our Performance

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.

1. Community Liveability 	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.
2. Built and Natural Environment 	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.
3. Competitive and Innovative Economy 	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.
4. Our people our processes 	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.

Performance

Council's performance for the 2015/16 year has been reported against each strategic objective to demonstrate how we are performing in achieving the 2013-2017 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. Hindmarsh Trail partnership developed. Involvement in a range of infrastructure projects, including installation of fishing pontoons at Dimboola and Jeparit.
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, Community Plans were finalised 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>A funding application under the Office of Multicultural Affairs and Citizenship's Capacity Building and Participation Program was submitted. 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.	2016 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 2016 Youth Council was officially launched on 6 April 2016. 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 2015, Council ran another very successful Seniors Concert and Seniors Luncheons in the four towns. The first component of the community arts project, large scale posters depicting the faces of Hindmarsh, was also completed in late 2015.</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. The "Open Spaces" program, which is a partnership program with each Town Committee, has commenced implementation. Three rounds of the Community Action Grants program have been completed in 2015/16. Individual Town Committee projects have also been funded including work in Federal St, Rainbow and Broadway Park, Jeparit.</p>
1.2.4 Review and implement Municipal Public Health and Community Wellbeing Plan.	Not achieved.	<p>After a desktop review of the MPHWP, a major review will be undertaken as part of the statutory requirements to establish a new MPHWP following Council elections in October 2016. Staff and Council workshops were held in September 2016.</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.</p>



Strategic Indicator/measure	Result	Comments
1.2.6 Review and implement Municipal Early Years Plan.	Municipal Early Years Plan (MEYP) reviewed and implemented.	<p>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 is now well progressed with the substructure and some framework in place.</p> <p>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.</p>
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.
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 in favour of informal advisory arrangements (Hindmarsh Visitor Information Centre). A handbook for Council's S86 committees has been prepared and training was undertaken in February and March 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.
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. Initial conversations held with Dimboola community, but currently lacking site and community champions.
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.
1.3.4 Prepare a Precinct Plan for Dimboola.	Draft Precinct Plan developed.	<p>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.</p> <p>The Plans were formally adopted in September 2016.</p>



Strategic Indicator/measure	Result	Comments
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 has been received for the redevelopment of the Rainbow Community Pavilion. Works are now well underway and expected to be completed in October 2016.
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.



The following statement reviews the progress of Council in relation to major initiatives identified in the 2015/16 budget for the year.

Major Initiatives	Progress
Commence construction of the new Nhill Integrated Early Years Centre	Construction commenced in 2015/16, due for completion by December 2016
Support locally-significant community - driven events and festivals that stimulate tourism growth in the region	Events held on a continuing basis, e.g. drought response recovery events, Karen New Year, Nhill Friday Fiesta.



The following statement provides information in relation to the services funded in the 2015/16 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.	50,021 <u>141,611</u> 91,590
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.)	12,634 <u>18,394</u> 5,760
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)	40,407 <u>398,424</u> 358,017
Youth Services	Improve the wellbeing and opportunities for youth within the Shire.	69,746 <u>52,388</u> (17,358)
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. 	(157,353) <u>(14,714)</u> 142,639
Health Promotions	To protect and enhance the health of the community.	57,106 <u>57,972</u> 866
Libraries	Provision of permanent library services in Dimboola and Nhill and mobile library services in Jeparit and Rainbow.	179,851 <u>171,827</u> (8,024)
Arts, Culture and Community Events	Promote and support activities relating to arts, culture and community events throughout the Shire.	92,684 <u>101,655</u> 8,791
Recreation Programs	Providing a range of recreation programs that encourage an active and healthy life.	10,779 <u>10,777</u> (2)
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.	80,595 <u>81,361</u> 766
Early Years	Lead a joint effort that will give Hindmarsh children the best start in life, working collaboratively with community and early years providers.	24,619 <u>25,687</u> 1,068



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

Service/Indicator/measure	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	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	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	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	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]	6.64	n/a	This measure was not reported in 2014/15. HACC services are commenced within 7 business days.
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	100.00%	100.00%	No material variations. Council was last audited in 2013/2014.
Service cost <i>Cost of domestic care service</i> [Cost of the domestic care services/Hours of domestic care service provided]	\$46.40	n/a	Figures shown reflect only the direct service delivery costs, such as home support worker salaries, they are not a true reflection of Council's total costs to deliver these services.
Service cost <i>Cost of personal care service</i> [Cost of the personal care services/Hours of personal care service provided]	\$42.77	n/a	Figures shown reflect only the direct service delivery costs, such as home support worker salaries, they are not a true reflection of Council's total costs to deliver these services.
Service cost <i>Cost of respite care service</i> [Cost of the respite care services / Hours of respite care service provided]	\$45.47	n/a	Figures shown reflect only the direct service delivery costs, such as home support worker salaries, they are not a true reflection of Council's total costs to deliver these services.

Service/Indicator/measure	Result 2016	Result 2015	Material Variations
Participation			
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	60.85%	30.09%	Council's approach to client wellness and reablement and clients' increased participation in social support programs, have resulted in short term increases in client services to assist clients remain in their homes longer.
<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	60.53%	30.77%	Council's approach to client wellness and reablement and clients' increased participation in social support programs, have resulted in short term increases in client services to assist clients remain in their homes longer.
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]	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	75.64%	50.85%	Council spent considerable time ensuring food assessments for class 1 and class 2 premises were completed during 2015/16.
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]	\$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	100.00%	100.00%	No material variations.
Libraries			
<i>Utilisation</i> <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	1.39	1.28	No material variations.



Service/Indicator/measure	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	41.75%	41.95%	The overall size of the collection has decreased slightly from 2014/15 to 2015/16.
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$5.47	\$5.14	No material variations.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	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	Animal Management requests are responded to within 1 business day.
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	41.99%	52.08%	In 2015/2016, 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]	\$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	No animal matters required prosecution during 2015/16.

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. Following a tender process works on site are now essentially complete.
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 2015.
2.1.3 Redevelop and beautify the Lochiel/Lloyd Streets corner in Dimboola.	Redevelopment complete.	Stage 2 of this redevelopment has been completed (further kerb and channel work).
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 2015/16 Budget. The three year Capital Works Program has been reviewed and an updated plan prepared for the 2016/17 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 and will now proceed towards the incorporation of the hierarchy into an updated Road Management Plan.
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.
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.



Strategic Indicator/measure	Result	Comments
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 a subcommittee of the Rainbow Progress Association is preparing a proposal for the site's acquisition to the August Council meeting.
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.
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.
2.3.1 Continue to support local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	A Memorandum of Understanding between Council and the Hindmarsh Landcare Network was signed in early 2014. The MOU is currently under review for renewal.
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.
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.
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.



Strategic Indicator/measure	Result	Comments
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 2015/16 budget for the year.

Major Initiatives	Progress
2 large reconstruction projects: sections along the Lorquon East Road and the Netherby-Baker 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 – three 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, with further works to be completed in 2016/17.
Upgrade the Rainbow Recreation Reserve Community Pavilion to provide a fit for purpose community facility.	The Rainbow Recreation Reserve Community Pavilion received funding from Sport and Recreation Victoria in October 2014. Works have commenced and expected to be finalised late in 2016.
Undertake stage 2 of the redevelopment of Lochiel Street, Dimboola.	Stage 2 of this redevelopment has been completed (further kerb and channel work).
Complete the upgrade of the Rainbow Recreation Reserve Community Pavilion to provide a fit for purpose community facility.	Works commenced in May 2016 and are due for completion October 2016.
Install synthetic bowling green at Rainbow Bowls Club.	A new synthetic bowling green was installed and officially opened in March 2016.
Commence the instigation of outcomes and projects identified and prioritised following the development of the Hindmarsh Recreation Strategy.	Initiatives have been identified and funding applications submitted for Skate Parks in Dimboola and Rainbow. Further improvement of facilities will be undertaken in 2016/17.

The following statement provides information in relation to the services funded in the 2015/16 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.	5,912,996 <u>5,881,877</u> (31,119)
Drainage Management	The aim of this program is to have well maintained, fit for purpose drainage systems within townships.	750,730 <u>786,481</u> 35,751
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.	257,100 <u>238,199</u> (18,901)
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.	239,346 <u>231,124</u> 8,222
Town Beautification	The aim of Council's Town Beautification program is to maintain and redevelop public open spaces in Dimboola, Jeparit, Nhill and Rainbow.	859,747 <u>614,066</u> 245,681
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.	277,159 <u>393,193</u> 116,034
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.	1,008,036 <u>620,458</u> 387,578
Waste Management	Management of Council's transfer stations and collection and disposal of domestic waste and recyclables across the Shire.	(53,005) <u>(20,276)</u> 12,453
Quarry Operations	Management of Council-owned and controlled quarries and gravel pits for extraction of gravel for road making.	110,845 <u>88,633</u> (22,212)
Waterway Management	Management of Council-controlled waterways including weir pools and lakes.	51,204 <u>68,758</u> 17,554
Environment Management	Manage, protect and enhance Council's natural assets in conjunction with Government departments and environmental groups.	(2,386) <u>127,987</u> 130,373
Fire Protection	To identify potential fire hazards and to prevent loss to life and property caused by fire.	65,627 <u>63,850</u> (1,777)

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

Service/Indicator/measure	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	27.72	4.91	The increase in requests for sealed local roads is a result of the extensive consultations undertaken with farmers during 2015/16.
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	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]	\$29.36	\$18.74	During 2015/16, Council used crushed limestone on road reconstructions rather than sandstone which was used in 2014/15. Using limestone results in a far superior road but comes at a higher cost.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.32	\$5.61	During 2015/16, Council undertook larger sections of road resealing resulting in lower overhead costs by the contractor. Together with a decrease in the prices of bitumen this has led to a reduction in overall reseal costs compared to 2014/15.
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]	45	47	No material variations.
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]	0.00	1.75	Due to staff changeover, no inspections of aquatic facilities were completed during the opening period.
Health and Safety			
<i>Reportable safety incidents at aquatic facilities</i> [Number of Worksafe reportable aquatic facility safety incidents]	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	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]	\$18.14	\$17.48	Increase in costs reflects an increase in running costs for the four swimming pools across the Shire.



Service/Indicator/measure	Result 2016	Result 2015	Material Variations
Aquatic Facilities			
Utilisation			
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	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	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 15 requests in 2014/15 compared to 24 requests in 2015/16..
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	2.11	3.25	Council received fewer notifications of missed bins during 2015/16.
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]	\$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]	\$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	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.
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 during January and February 2016 have 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 the Business Prospectus, will be completed in July 2016. The Economic Development Strategy Steering Committee will reconvene to consider further initiatives.
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.
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.	A revised MSS was presented to Council in May 2015 and is currently proceeding to the planning scheme amendment process.



Strategic Indicator/measure	Result	Comments
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.
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, work that is currently underway.
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. Tenders were called for manufacture and installation of cabins. Initial tender received no suitable submission. Project retendered in 2016/17. 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, Nhill Air Show and a broad range of events funded under the State Government's drought support initiatives.
3.2.4 Review and upgrade current caravan and camping accommodation in the Shire.	Caravan/ camping facility improvements completed.	Major redevelopment works at the Riverside Holiday Park were completed in December 2015.
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. Work has begun on the Visit Hindmarsh tourism website, Facebook page and Instagram which were launched in early 2016/17 with a strong focus on heritage tourism promotion.
3.2.7 Consider provision of RV facilities for an 'RV friendly' town.	Dimboola, Jeparit, Nhill and Rainbow to be 'RV friendly'.	Dimboola, Jeparit and Rainbow have achieved RV friendly status with RV friendly parking and RV dump points installed. The development of an RV dump point in Nhill has been investigated, its installation will occur in the first half of 2016/17.



Strategic Indicator/measure	Result	Comments
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 and Dimboola in 2017.
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.
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 2015/16 budget for the year.

Major Initiatives	Progress
Installation of RV Dump Point in Nhill.	Stakeholder consultation and design work have been completed, with the installation due for completion in late 2016.
Identification and construction of infrastructure to improve visitor amenities throughout the Shire.	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 the Riverside Holiday Park has been completed. State Government funding was received for the installation of cabins at the Holiday Park, Dimboola. Tenders were called for manufacture and installation of cabins. Initial tender received no suitable submission. Project retendered in 2016/17.
Continue the upgrades of infrastructure services at Dimboola Caravan Park.	As above – completed.
Complete the redevelopment of Menzies Square, Jeparit.	The Menzies Square redevelopment has been completed, creating a vibrant visitor and community park facility in central Jeparit.
Review land use planning in Nhill, in particular availability of vacant residential and industrial land.	A review of land use, in particular industrial and future residential development, was part of the development of the Nhill Community Precinct Plan.

The following statements provide information in relation to the services funded in the 2015/16 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.	179,745 <u>479,691</u> 299,946
Tourism	To develop a thriving Wimmera Mallee Tourism industry predominantly based on, but not limited to, the Shire's heritage and environmental assets.	357,873 <u>271,272</u> (86,601)
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. 	(11,543) <u>(12,374)</u> 831
Caravan Parks and Camping Grounds	Maintenance, renewal and upgrade of Council Caravan Parks and Camping Grounds.	731,652 <u>33,180</u> (698,472)
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. 	130,975 <u>135,871</u> 4,896
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. 	129,268 <u>120,394</u> (8,874)
Aerodrome	Manage and maintain the Nhill Aerodrome.	60,160 <u>59,069</u> 1,091

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

Service/Indicator/measure	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]	31	35	Council received fewer permits in 2015/16 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	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]	\$4,366.62	\$4,092.29	The increase in costs during 2015/16 is due to Council receiving 34 planning applications compared to 38 applications received in 2014/15.
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	100.00%	0.00%	One planning matter was taken to VCAT during 2015/16. VCAT upheld Council's decision



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 2016/17 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.
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.
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.



Strategic Indicator/measure	Result	Comments
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, an external audit assessed the plan as complying with the guidelines. It was updated in November 2015. A further review is expected in 2016/2017.
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.
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 Leadership Group and 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 2015/16 budget for the year.

Major Initiatives	Progress
Investigation of potential for shared services between Wimmera Mallee Councils.	Investigations are underway for a range of potentially shared services.
Explore opportunity to share GIS services across the Wimmera Mallee region.	A GIS 'Community Map' was jointly developed by the five Wimmera Councils in 2015/16 and officially launched in August 2016.
Replacement of Council's outdated phone system.	Investigation underway to identify the best system, including an update of Council's internet access.
Provision of a two post hoist for the Nhill Workshop.	Complete.

The following statement provides information in relation to the services funded in the 2015/16 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 	838,135 <u>831,116</u> (7,019)
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. 	529,619 <u>477,045</u> (52,574)
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. 	29,016 <u>43,351</u> 14,335
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 	(1,810,257) <u>(3,885,551)</u> (2,075,294)
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. 	(6,862,886) <u>(6,764,400)</u> 98,486



Service	Description	Net Cost	Actual	Budget	Variance	\$
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. 	56,627	<u>57,996</u>		1,369	
Information Technology	Using Information Technology as a tool to connect with the community and provide efficient and effective services.	229,387	<u>279,049</u>		49,662	
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. 	316,274	<u>380,928</u>		64,654	
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. 	74,982	<u>79,331</u>		4,349	
Payroll and Human Resources Services	Provision of payroll services to Council employees and the provision of human resources services to management.	178,945	<u>184,161</u>		5,216	
Emergency Management	Provide support to the community in the areas of emergency preparedness, emergency response and emergency recovery.	100,777	<u>89,440</u>		(11,337)	
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. • Purchase and maintain plant and equipment to enable the delivery of works 	391,365	<u>755,592</u>		364,227	
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. 	103,536	<u>136,257</u>		32,721	



Service	Description	Net Cost Actual Budget Variance \$
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. 	272,881 <u>249,663</u> (23,218)
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 Council's payment terms (within 30 days). • All payments to be made via EFT or Direct Credit. 	61,278 <u>58,732</u> (2,546)
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. 	25,649 <u>25,171</u> (478)



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

Service/Indicator/measure	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	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. In 2015/16, fewer tenders were awarded than in 2014/15.
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	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	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]	\$42,121.33	\$40,431.83	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]	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 2015/16 year, Council held the following meetings:

- 12 ordinary Council meetings
- 16 special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2015/16 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Debra Nelson (Mayor)	11	16	27
Cr Wendy Robins (Deputy Mayor)	11	16	27
Cr Rob Gersch	12	15	27
Cr Ron Ismay	12	15	27
Cr Ron Lowe	12	16	28
Cr Tony Schneider	12	16	28
Total meetings held	12	16	28

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	8	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	14	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	15	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.
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 order that the Civic Centre move to becoming self-supporting.

Special	Councillors	Officers	Other	Purpose
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.
Hindmarsh Visitor Information Centre Committee	1	1	6	To provide an information service for visitors to the Shire, to promote the Shire and adjacent areas, to ensure that the centre is open at all listed times and manage the visitor information centre facility. Instrument of Delegation revoked 16 March 2016.
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	18	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 16 October 2013, 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.

In accordance with changes to the *Local Government Act 1989*, on 4 July 2016, Council adopted a further revised Councillor Code of Conduct.

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 2015 to 30 November 2015, the councillor annual allowance for a category 1 council (as defined by the *Local Government Act 1989*) was fixed at \$18,878 per annum and the allowance for the Mayor was \$56,402 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect on 1 December 2015. The annual allowances were adjusted for the period 1 December 2015 to 30 June 2016 to \$19,350 per annum for the councillor allowance and \$57,812 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)	\$44,716.54
Cr Wendy Robins (Deputy Mayor)	\$20,971.90
Cr Rob Gersch	\$20,971.90
Cr Ron Ismay	\$20,971.90
Cr Tony Schneider	\$20,971.90
Cr Ron Lowe	\$31,661.35

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 2015/16 year are set out in the following table.

Councillors	TR \$	CM \$	CC \$	IC \$	CE \$	CT \$
Cr Debra Nelson (Mayor)					1192.32	
Cr Wendy Robins (Deputy Mayor)					912.03	
Cr Rob Gersch					623.58	
Cr Ron Ismay	320	1027.27			436.18	
Cr Tony Schneider					455.26	
Cr Ron Lowe	80	3970			940.62	

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 three independent members, Mr Darren Welsh (Chair), Mr Venkata Peteti, Mr Alex Graham (until 6 July 2016), 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 2015/16 audit plan the following reviews were conducted:

- Goods and Services Tax and Fringe Benefits Tax Liability;
- Plant Management;
- Financial Sustainability.

External Audit

Council is externally audited by the Victorian Auditor-General. For 2015/16, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Mr Martin Thompson 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 2014/15 financial year, and also attended part of the March and May 2016 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: 15 June 2016. <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: 15 June 2016. <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: 15 June 2016. <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 18 May 2016. <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: 19 August 2015, 18 November 2015, 17 February 2016, 20 June 2016.
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: 19 August 2015, 19 October 2015, 20 January 2016, 20 April 2016.
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 29 October 2015, 24 March 2016 and 26 May 2016.
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: 16 September 2015 and 20 April 2016.
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 2015
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: 16 October 2013

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: 16 October 2013	<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: 19 September 2016



Greg Wood
Chief Executive Officer
Date: 19 September 2016



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 2015–16:

- Budget process – review of guidelines and processes for the preparation of the annual budget;
- Accounting policies – development and adoption of accounting policies and procedures;
- 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 2015/16 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 2015/16.

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 2015/16 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 2015/16 year.

	Indicator	Calculation	2016	2015	2014	2013
	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	1,526	1,435	1,359	1,287
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	1,135	1,059	990	880
	Sustainability					
3	Average Liabilities Per Assessment	Total liabilities / Number of assessments in the adopted budget	587	500	764	928
4	Operating Result Per Assessment	Net surplus / Number of assessments in the adopted budget	(116)	395	(147)	3,069
	Services					
5	Average Operating Expenditure per Assessment	Operating expenditure / Number of assessments in adopted budget	3,351	3,302	3,263	4,010
6	Community Satisfaction Rating for Overall Performance Generally of the Council*	Result from the Annual Local Government Community Satisfaction Survey	62	64	63	59

	Indicator	Calculation	2016	2015	2014	2013
	Infrastructure		\$	\$	\$	\$
7	Average Capital Expenditure Per Assessment	Capital expenditure / Number of assessments in the adopted budget	1,117	1,136	2,383	3,980
8	Renewal Gap	Capital renewal / Average annual asset consumption	83%	72%	72%	321%
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	116%	103%	103%	129%
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	59	59	60	55
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	62	54



HINDMARSH SHIRE COUNCIL

Performance Statement

For the year ended 30 June 2016

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, 5497 people live in Hindmarsh Shire, with a median age of 47 years. 89% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 93.2% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 calling Nhill home.

The median weekly household income is \$789, 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, 20% higher than the national average.

Sustainable Capacity Indicators

For the year ended 30 June 2016

<i>Indicator/measure</i>	Results 2015	Results 2016	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	The variation is due to the 15/16 Victorian Grants Commission payment being made on 30 June 2015.
<i>Recurrent grants</i> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,330	\$916	The variation is due to the 15/16 Victorian Grants Commission payment being made on 30 June 2015.
<i>Population</i> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,890	\$3,089	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$18,805	\$19,938	Increased capital expenditure during 2015/16 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	No material variations.
<i>Disadvantage</i> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	3	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 2016

<i>Service/indicator/measure</i>	Results 2015	Results 2016	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	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%	1 planning matter was taken to VCAT during 2015/16. VCAT upheld Councils decision.
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	No material variations.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	14%	11%	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%	No material variations.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3	3	Aquatic facilities for the period November to March.

Service/indicator/measure	Results 2015	Results 2016	Material Variations
<p>Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	n/a	n/a	No animal prosecutions during 2015/16.
<p>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</p>	100%	100%	No material variations.
<p>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</p> <p>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</p>	30%	61%	Participation in social support programs, and Council's approach to wellness and reablement has shown short term increase in client services to assist clients remain in their homes longer.
<p>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</p> <p>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</p>	n/a	n/a	
<p>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</p>	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 2016

Dimension/ <i>indicator/measure</i>	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
Operating position							
Adjusted underlying result							
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	5.91%	-10.4%	-2.6%	-5.3%	-11.3%	-14.1%	The result for this measure is expected to decrease over the 4 years to 2020. The decreasing trend is mainly due to the introduction of rates capping.
Liquidity							
Working capital							
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	356.1%	287.9%	135.9%	90.4%	64.7%	62.8%	At 30 June 2016 Council held slightly lower cash at bank. Councils trade and other payables at 30 June 2016 was higher than 30 June 2015.
Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	204.2%	94.36%	96.0%	30.9%	5.9%	5.0%	
Obligations							
Loans and borrowings							
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council do not hold any loans or borrowings.

Dimension/indicator/measure	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<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	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%	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%	67.5%	82.6%	63.6%	50.8%	Expenditure on Asset renewal was higher during 2015/16 due to the additional Roads to Recovery money received.
<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%	45.1%	46.0%	48.1%	48.3%	The variation is due to the Victorian Grants Commission payment for 2015/16 being paid during 2014/15.
<i>Rates effort</i> <i>Rates compared to property values</i>	0.6%	0.7%	0.7%	0.7%	0.7%	0.7%	No material variations.

Dimension/ <i>indicator/measure</i>	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	
<p>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</p> <p>Efficiency Expenditure level <i>Expenses per property assessment</i></p> <p>[Total expenses / Number of property assessments]</p> <p>Revenue level <i>Average residential rate per residential property assessment</i></p> <p>[Residential rate revenue / Number of residential property assessments]</p>	\$3,286	\$3,076	\$3,030	\$3,126	\$3,235	\$3,393	No material variations.
<p>Workforce turnover <i>Resignations and terminations compared to average staff</i></p> <p>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</p>	16%	13%	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 three 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 2016

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 17 June 2016 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 Anne Champness
Director Corporate & Community Services
Dated: 19 September 2016

In our opinion, the accompanying performance statement of the (*council name*) for the year ended 30 June 2016 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.

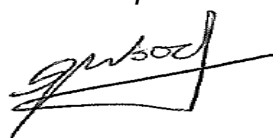
We have been authorised by the council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statement in its final form.



Mr Ronald Lowe
Councillor
Dated: 19 September 2016



Mr Robert Gersch
Councillor
Dated: 19 September 2016



Mr Greg Wood
Chief Executive Officer
Dated: 19 September 2016

Hindmarsh Shire Council ANNUAL FINANCIAL REPORT For the Year Ended 30 June 2016



**Hindmarsh Shire Council
Financial Report
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Comprehensive Income Statement For the Year Ended 30 June 2016

	Note	2016 \$	2015 \$
Income			
Rates and charges	3	7,770,802	7,283,754
Statutory fees and fines	4	138,832	172,263
User fees	5	769,245	847,326
Grants - operating	6	3,107,597	7,288,257
Grants - capital	6	3,167,843	1,729,512
Contributions - monetary	7	164,081	118,755
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	(34,654)	(7,267)
Share of net profits (or loss) of associates and joint ventures	14	1,082	23,696
Other income	9	1,310,943	1,312,804
Total income		<u>16,395,771</u>	<u>18,769,100</u>
Expenses			
Employee costs	10	(5,880,343)	(5,608,315)
Materials and services	11	(4,706,266)	(4,644,800)
Depreciation and amortisation	12	(4,975,432)	(5,109,102)
Other expenses	13	(1,421,913)	(1,400,778)
Total expenses		<u>(16,983,954)</u>	<u>(16,762,995)</u>
Surplus/(deficit) for the year		<u>(588,183)</u>	<u>2,006,105</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	23	-	6,505,076
Total comprehensive result		<u>(588,183)</u>	<u>8,511,181</u>

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

Balance Sheet
As at 30 June 2016

	Note	2016 \$	2015 \$
Assets			
Current assets			
Cash and cash equivalents	15	6,594,579	7,684,557
Trade and other receivables	16	1,018,336	815,551
Inventories	17	206,224	119,889
Other assets	18	96,020	-
Total current assets		<u>7,915,159</u>	<u>8,619,997</u>
Non-current assets			
Trade and other receivables	16	2,784	3,009
Investments in associates and joint ventures	14	432,440	440,092
Property, infrastructure, plant and equipment	19	111,967,135	111,403,933
Total non-current assets		<u>112,402,359</u>	<u>111,847,034</u>
Total assets		<u>120,317,518</u>	<u>120,467,031</u>
Liabilities			
Current liabilities			
Trade and other payables	20	1,113,998	760,377
Trust funds and deposits	21	17,647	12,447
Provisions	22	1,617,688	1,648,475
Total current liabilities		<u>2,749,333</u>	<u>2,421,299</u>
Non-current liabilities			
Provisions	22	229,138	118,502
Total non-current liabilities		<u>229,138</u>	<u>118,502</u>
Total liabilities		<u>2,978,471</u>	<u>2,539,801</u>
Net assets		<u>117,339,047</u>	<u>117,927,230</u>
Equity			
Accumulated surplus		58,789,119	59,377,302
Reserves	23	58,549,928	58,549,928
Total Equity		<u>117,339,047</u>	<u>117,927,230</u>

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

Statement of Changes in Equity For the Year Ended 30 June 2016

2016	Note	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(a)	-	-	-
Balance at end of the financial year		117,339,047	58,789,119	58,549,928

2015		Total \$	Accumulated Surplus \$	Revaluation Reserve \$
Balance at beginning of the financial year		109,416,049	57,371,197	52,044,852
Surplus/(deficit) for the year		2,006,105	2,006,105	-
Net asset revaluation increment/(decrement)	23(a)	6,505,076	-	6,505,076
Balance at end of the financial year		117,927,230	59,377,302	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 2016**

	Note	2016 Inflows/ (Outflows) \$	2015 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		7,706,228	7,309,396
Statutory fees and fines		132,669	13,439
User fees		610,480	1,112,046
Grants - operating		3,107,597	7,429,854
Grants - capital		3,167,843	2,829,512
Contributions - monetary		164,081	118,755
Interest received		228,827	176,665
Trust funds and deposits taken		(2,651)	(27,082)
Other receipts		1,090,850	1,111,890
Net GST refund/payment		(93,796)	163,809
Employee costs		(5,687,350)	(5,319,619)
Materials and services		(4,158,007)	(4,527,351)
Other payments		(1,792,196)	(1,683,761)
Net cash provided by/(used in) operating activities	24	<u>4,474,575</u>	<u>8,707,553</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	19	(5,662,620)	(6,323,905)
Proceeds from sale of property, infrastructure, plant and equipment		89,333	223,537
Contribution in an associate		8,734	(12,646)
Net cash provided by/(used in) investing activities		<u>(5,564,553)</u>	<u>(6,113,014)</u>
Cash flows from financing activities			
Finance costs		-	-
Net cash provided by/(used in) financing activities		<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents		(1,089,978)	2,594,539
Cash and cash equivalents at the beginning of the financial year		7,684,557	5,090,018
Cash and cash equivalents at the end of the financial year	15	<u>6,594,579</u>	<u>7,684,557</u>
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 2016**

	Note	2016 \$	2015 \$
Property			
Land		-	-
Land improvements		-	-
Total land		<u>-</u>	<u>-</u>
Buildings		603,598	48,963
Heritage Buildings		12,984	3,382
Building improvements		1,861	-
Total buildings		<u>618,443</u>	<u>52,345</u>
Total property		<u>618,443</u>	<u>52,345</u>
Plant and equipment			
Plant, machinery and equipment		474,417	608,306
Fixtures, fittings and furniture		-	60,659
Computers and telecommunications		92,699	-
Total plant and equipment		<u>567,116</u>	<u>668,965</u>
Infrastructure			
Roads		2,867,340	1,941,806
Bridges		-	52,475
Footpaths and cycleways		50,052	251,039
Drainage		251,741	609,347
Kerb and channel		67,803	206,610
Other infrastructure		1,240,124	1,063,625
Total infrastructure		<u>4,477,061</u>	<u>4,124,902</u>
Total capital works expenditure		<u>5,662,620</u>	<u>4,846,212</u>
Represented by:			
New asset expenditure		703,650	208,508
Asset renewal expenditure		3,284,004	2,595,361
Asset expansion expenditure		198,362	3,867
Asset upgrade expenditure		1,476,604	2,038,476
Total capital works expenditure		<u>5,662,620</u>	<u>4,846,212</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 (p))

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.

(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.

Note 1 Significant accounting policies (cont.)

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.

(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

Receivables are carried at amortised cost using the effective interest rate method. 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. Inventories are measured at the lower of cost and net realisable value.

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.

Note 1 Significant accounting policies (cont.)

(i) Recognition and measurement of property, plant and equipment, infrastructure, 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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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 1n have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

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 19 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

Council recognises land under roads it controls at fair value.

(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.)

(k) 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
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 pavement	12 to 35 years
road - sealed surface	15 to 35 years
road - sealed road pavement	60 to 80 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

(l) 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.

(m) 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 to sell 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.

(n) 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).

(o) 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.

Note 1 Significant accounting policies (cont.)

(p) 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.

(q) 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 and quarry 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.

(r) 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.

(s) 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.

(t) 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.

(u) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(v) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statement may not equate due to rounding.

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 17 June 2015. 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 2016 \$	Actual 2016 \$	Variance 2016 \$	Ref
Income				
Rates and charges	7,738,440	7,770,802	32,362	1
Statutory fees and fines	169,500	138,832	(30,668)	2
User fees	943,400	769,245	(174,155)	3
Grants - operating	4,887,443	3,107,597	(1,779,846)	4
Grants - capital	3,094,599	3,167,843	73,244	5
Interest received	115,000	225,526	110,526	6
Contributions - monetary	-	164,081	164,081	7
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	164,000	(34,654)	(198,654)	8
Share of net profits/(losses) of associates and joint ventures	-	1,082	1,082	9
Other income	1,299,471	1,085,417	(214,054)	10
Total income	18,411,853	16,395,771	(2,016,082)	
Expenses				
Employee costs	6,258,987	5,880,343	378,644	11
Materials and services	4,171,945	4,706,266	(534,321)	12
Depreciation	4,592,016	4,975,432	(383,416)	13
Other expenses	1,916,876	1,421,913	494,963	14
Total expenses	16,939,824	16,983,954	(44,130)	
Surplus/(deficit) for the year	1,472,029	(588,183)	(2,060,212)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates and charges	Rates & Charges are slightly higher than budget due to supplementary valuations being included. A large number of building works in 2014/15 has resulted in higher than budgeted rates.
2	Statutory fees and fines	Statutory fees and fines are under budget due to a reduction in the number of infringements issued during 2015/16.
3	User fees	User Fees & Reimbursements are under budget due to reduced income from Meals on Wheels, HACC Property Maintenance, Animal Registration Fees, Nhill Memorial Community Centre Fees, Transfer Station Fees, Caravan Park Fees & Private Works Fees.
4	Grants - operating	Council received an advance payment for the Victorian Grants Commission in 2014/15, this has resulted in lower than budgeted recurrent grants as at 30 June 2016.
5	Grants - capital	Council received additional Roads to Recovery Grant funds in 2015/16.
6	Interest received	Higher than budgeted interest for the period has been received due to a higher than anticipated bank balance as at 30 June 2015.
7	Contributions - monetary	Council received contributions towards the Nhill Early Years Centre Fundraising Committee, Menzies Square Redevelopment and a local road project during 2015/16.
8	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Plant and Machinery as at 30 June 2016 were sold at a loss.
9	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.
10	Other income	Other is below budget due to reduced income from Plant Operations.
11	Employee costs	Employee costs were under budget for 2015/16 due to staff vacancies, along with the outdoor staff working on capital expenditure projects.
12	Materials and services	Expenditure in Fuels and Lubricants, along with small under expenditures in the use of labour hire staff, Telephone expenses, Vehicle registration and insurance were all under budget for 2015/16.
13	Depreciation	Depreciation on Footpaths, Roads, Fixtures and Fittings, and Other Infrastructure were all higher than budgeted due to a large number of projects completed during 2015/16.
14	Other expenses	Other expenditure was under budget for 2015/16 due to savings in Landfill charges, Insurance and Legal fees.

Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2016 \$	Actual 2016 \$	Variance 2016 \$	Ref
Property				
Land	-	-	-	
Land improvements	-	-	-	
Total Land	-	-	-	
Buildings	1,500,000	603,598	(896,402)	1
Heritage buildings	23,000	12,984	(10,016)	2
Building improvements	3,000	1,861	(1,139)	
Total Buildings	1,526,000	618,443	(907,557)	
Total Property	1,526,000	618,443	(907,557)	
Plant and Equipment				
Plant, machinery and equipment	854,000	474,417	(379,583)	3
Fixtures, fittings and furniture	9,300	-	(9,300)	4
Computers and telecommunications	90,200	92,699	2,499	
Total Plant and Equipment	953,500	567,116	(386,384)	
Infrastructure				
Roads	2,406,362	2,867,340	460,978	5
Bridges	62,000	-	(62,000)	6
Footpaths and cycleways	86,624	50,052	(36,572)	7
Drainage	310,834	251,741	(59,093)	8
Kerb and channel	94,642	67,803	(26,839)	9
Parks, open space and streetscapes	17,410	4,734	(12,676)	10
Other infrastructure	200,000	1,235,390	1,035,390	11
Total Infrastructure	3,177,872	4,477,061	1,299,189	
Total Capital Works Expenditure	5,657,372	5,662,620	5,248	
Represented by:				
New asset expenditure	1,736,700	703,650	(1,033,050)	
Asset renewal expenditure	2,938,871	3,284,004	345,133	
Asset expansion expenditure	-	198,362	198,362	
Asset upgrade expenditure	981,801	1,476,604	494,803	
Total Capital Works Expenditure	5,657,372	5,662,620	5,248	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Building works on the Nhill Integrated Early Years Centre were not completed at 30 June 2016.
2	Heritage Buildings	Works on Yurunga Homestead were not completed during 2015/16 due to a large project removing asbestos from the grounds surrounding the Homestead.
3	Plant, machinery and equipment	A number of budgeted Plant and Fleet items were not purchased during the 2015/16 financial year.
4	Fixtures, fittings and furniture	Expenditure on the Nhill Memorial Community Centre Box Office Fit out were below the capitalisation threshold, therefore were transferred to recurrent expenditure. Purchase of the premium seating did not proceed in 2015/16.
5	Roads	Capital expenditure on roads during 2015/16 was higher than budgeted due to the additional Roads to Recovery funding received.
6	Bridges	Works on Outlet Creek and Albacutya Bridge budgeted as capital expenditure for 2015/16 were reallocated to recurrent expenditure for bridge maintenance works.
7	Footpaths and cycleways	Footpath works were completed under budget during 2015/16, these projects included Broadway Street, Jeparit; Wimmera Street Bridge, Dimboola; and Charles Street, Jeparit.
8	Drainage	Work on the Dimboola Overflow path project will continue into 2016/17.
9	Kerb and channel	Works on Taverner Street, Rainbow Kerb and Channel were completed under budget.
10	Parks, open space and streetscapes	Work on the RV Dump Point for Nhill was not completed during 2015/16. These works will be completed during 2016/17.
11	Other infrastructure	Other infrastructure was over budget due to work on the Dimboola Caravan Park upgrades, Hindmarsh Open Spaces, Dimboola Light Towers, Improvements to Swimming Pool Surrounds, Rainbow Recreation Community Pavilion, and Menzies Square. These projects were carried forward from 2014/15.

	2016 \$	2015 \$
Note 3 Rates and charges		
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.		
The valuation base used to calculate general rates for 2015/16 was \$1.113 million (2014/15 \$1.112 million). The 2015/16 general rate in the dollar was 0.0060401 cents, business / industrial / commercial rate was 0.0054361 cents, farm rate was 0.0054361 cents, cultural / recreation rate 0.0030200 cents, and urban vacant land was 0.0120803 cents. (2014/15 general rate 0.0056982 cents, business / industrial / commercial was 0.0051284 cents, farm rate was 0.0051284 cents, cultural / recreation was 0.0028491 cents, and urban vacant was 0.013965 cents.)		
General Rates	6,263,010	5,887,247
Municipal charge	695,619	659,325
Waste management charge	812,173	737,182
Total rates and charges	7,770,802	7,283,754
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.		
Note 4 Statutory fees and fines		
Building fees	36,177	50,767
Infringements and costs	13,023	26,549
Town planning fees	17,490	20,774
Animal registration fees	72,142	74,173
Total statutory fees and fines	138,832	172,263
Note 5 User fees		
Aged services	371,107	311,043
Health fees	24,815	23,486
Private works	69,462	155,559
Aerodrome fees	11,790	15,076
Lease income	32,938	36,883
Caravan parks and camping fees	93,827	152,384
Rural summit fees	-	236
Transfer station fees	49,367	40,411
Commercial garbage collection fees	40,630	35,873
Saleyard fees	4,710	4,736
Film screenings & hall hire	40,831	42,046
Other fees and charges	29,768	29,593
Total user fees	769,245	847,326
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	4,246,657	6,958,752
State funded grants	2,028,783	2,059,017
Total grants received	6,275,440	9,017,769

	2016 \$	2015 \$
Note 6 Grants (cont'd)		
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission - General purpose	1,236,198	3,795,632
Victoria Grants Commission - Local roads	758,215	2,329,595
Recurrent - State Government		
Delivered meals	34,446	33,923
Home care services	437,827	428,750
Home maintenance	42,642	42,012
Senior citizens	43,044	38,861
School crossing supervisors	4,592	4,480
Libraries	98,083	103,224
Volunteer week	13,685	27,044
Youth participation project	36,850	62,282
State emergency services	25,706	25,706
Other	35,181	46,216
Total recurrent operating grants	<u>2,766,469</u>	<u>6,937,725</u>
Non-recurrent - Commonwealth Government		
Karen Settlement program	-	40,050
Other	-	2,000
Non-recurrent - State Government		
Karen community capacity building & migration project	51,500	27,000
Regional Victoria living expo	-	10,000
Roadside weeds and pest management	123,970	50,000
Community precinct plans	-	54,000
Hindmarsh trail	-	50,000
Economic development strategy	-	90,000
Bushfire recovery event	-	15,000
Drought response program	43,636	-
Rainbow synthetic bowls green	72,000	-
Community safety fund	17,182	-
Walk to school	8,600	-
Other	24,240	12,482
Total non-recurrent operating grants	<u>341,128</u>	<u>350,532</u>
Total operating grants	<u><u>3,107,597</u></u>	<u><u>7,288,257</u></u>
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,152,244	776,428
Total recurrent capital grants	<u>2,152,244</u>	<u>776,428</u>
Non-recurrent - Commonwealth Government		
Transport investing in regions	100,000	-
Non-recurrent - State Government		
Lochiel street redevelopment	-	132,000
Nhill memorial community centre digital equipment	-	7,500
Nhill early years centre	495,000	100,000
Hindmarsh open spaces	15,750	141,750
Rainbow recreation reserve change rooms	-	120,000
Dimboola caravan park infrastructure upgrade	22,000	240,000
Dimboola football club netball facilities	86,729	-
Menzies square redevelopment	148,500	-
Recreational fishing	81,394	-
Nhill aerodrome runway	-	161,139
Shade structure Dimboola recreation reserve	31,780	-
Recreation strategic plan	-	27,000
Other	34,447	23,695
Total non-recurrent capital grants	<u>915,599</u>	<u>953,084</u>
Total capital grants	<u><u>3,167,843</u></u>	<u><u>1,729,512</u></u>

Notes to the Financial Report
For the Year Ended 30 June 2016

	2016 \$	2015 \$
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	561,201	751,651
Received during the financial year and remained unspent at balance date	591,588	430,050
Received in prior years and spent during the financial year	526,857	620,500
Balance at year end	<u>625,932</u>	<u>561,201</u>
Note 7 Contributions		
Monetary	164,081	118,755
Total contributions	<u>164,081</u>	<u>118,755</u>
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	89,333	223,537
Written down value of assets disposed	(123,987)	(230,804)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(34,654)</u>	<u>(7,267)</u>
Note 9 Other income		
Fire services levy administration	38,653	37,545
Interest received	228,827	176,665
Plant operations	598,415	691,612
Quarry operations	318,533	251,664
Recoupments	71,760	64,988
Scrap metal and transfer station sales	22,142	15,913
Vicroads agency administration	2,787	6,201
Other	29,827	68,216
Total other income	<u>1,310,943</u>	<u>1,312,804</u>
Note 10 (a) Employee costs		
Wages and salaries	4,344,214	4,019,975
WorkCover	111,794	130,566
Annual leave, sick leave and long service leave	675,061	713,043
Superannuation	514,124	477,973
Fringe benefits tax	74,648	116,131
Training	128,590	133,279
Other	31,912	17,348
Total employee costs	<u>5,880,343</u>	<u>5,608,315</u>
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	138,343	128,712
	<u>138,343</u>	<u>128,712</u>
Employer contributions payable at reporting date.	\$nil	\$nil
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	163,721	158,589
Employer contributions - other funds	212,060	190,672
	<u>375,781</u>	<u>349,261</u>
Employer contributions payable at reporting date.	44,267	\$nil
Refer to note 28 for further information relating to Council's superannuation obligations.		

	2016	2015
	\$	\$
Note 11 Materials and services		
Materials & contract payments	283,456	245,411
Building & caravan parks maintenance	266,192	152,848
Bushfire, Drought & flood recovery expenditure	12,556	787,335
Climate change adaptation initiatives	646	85,000
Depots & workshops	32,951	24,904
Electoral services	25,444	-
Emergency assistance & fire prevention	38,541	68,489
Health Promotion	80,378	78,603
Home & community care	87,429	93,913
Community development, tourism & youth activities	179,831	162,730
Garbage & recycling collection and waste disposal	429,364	432,926
Utilities	239,972	295,629
Office administration	28,027	51,347
Information technology	244,943	78,851
Parks, reserves & aerodromes	267,994	55,262
Plant & fleet operations	813,516	805,848
Printing, stationery & advertising	41,994	30,653
Quarry Operations	387,753	173,184
Rating & Valuation	87,401	82,527
Roads, footpaths, bridges & drainage management	566,122	268,487
Swimming pool maintenance & management	272,819	254,929
Town Beautification	20,331	50,232
Consultants & Labour hire	199,051	296,251
Other	99,556	69,441
Total materials and services	4,706,266	4,644,800
Note 12 Depreciation		
Property	439,864	541,458
Plant and equipment	614,400	769,247
Infrastructure	3,921,168	3,798,397
Total depreciation	4,975,432	5,109,102
<i>Refer to note 19 for a more detailed breakdown of depreciation charges</i>		
Note 13 Other expenses		
Advertising	39,335	27,023
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	41,470	37,200
Auditors' remuneration - Internal	28,603	12,381
Bank Charges	28,078	24,851
Community action grants	28,533	17,859
Council contributions - other	17,327	35,747
Councillors' allowances	167,208	160,189
Fire services levy	22,093	19,040
Hindmarsh landcare network contribution	10,000	20,000
Insurance	221,925	224,408
Kindergartens	54,469	35,235
Landfill charges	224,466	235,158
Legal costs	9,101	15,891
Postage	18,446	18,233
Regional library contribution	252,119	252,355
State emergency service contribution	37,706	37,706
Subscriptions	114,983	103,340
Telecommunications	49,877	69,653
Town committees	29,795	29,705
Other	26,379	24,804
Total other expenses	1,421,913	1,400,778

Note 14 Investments in associates, joint ventures and subsidiaries	2016 \$	2015 \$
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	385,110	393,662
- Wimmera Development Association	47,330	46,430
	432,440	440,092
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 12.32% equity in interest (12.60% in 2014/15)		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	170,924	168,962
Reported surplus/(deficit) for year	182	16,492
Transfers (to) from reserves	1,489	(14,530)
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	172,595	170,924
Council's share of reserves		
Council's share of reserves at start of year	210,092	195,562
Transfers (to) from reserves	(1,489)	14,530
Council's share of reserves at end of year	208,603	210,092
Movement in carrying value of specific investment		
Carrying value of investment at start of year	393,662	364,524
Share of surplus/(deficit) for year	182	16,492
Share of asset revaluation	-	-
Variation - Increase in equity	(8,734)	12,646
Carrying value of investment at end of year	385,110	393,662
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 2014/15)		
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	32,690	26,027
Reported surplus/(deficit) for year	900	7,204
Transfers (to) from reserves	-	(541)
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	33,590	32,690
Council's share of reserves		
Council's share of reserves at start of year	13,740	13,199
Transfers (to) from reserves	-	541
Council's share of reserves at end of year	13,740	13,740
Movement in carrying value of specific investment		
Carrying value of investment at start of year	46,430	39,226
Share of surplus/(deficit) for year	900	7,204
Share of asset revaluation	-	-
Carrying value of investment at end of year	47,330	46,430

	2016	2015
	\$	\$
Note 15 Cash and cash equivalents		
Cash at bank	2,594,579	3,684,557
Term deposits	4,000,000	4,000,000
	<u>6,594,579</u>	<u>7,684,557</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 21)	17,647	12,447
Total restricted funds	<u>17,647</u>	<u>12,447</u>
Total unrestricted cash and cash equivalents	<u>6,576,932</u>	<u>7,672,110</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	2,628,666	2,311,000
- grants unspent	591,588	430,050
Total funds subject to intended allocations	<u>3,220,254</u>	<u>2,741,050</u>
Note 16 Trade and other receivables		
Current		
Rates debtors	607,660	543,086
Building permit debtors	2,220	2,200
Infringement debtors	50,111	42,014
GST receivable	196,059	102,263
Sundry debtors	70,578	74,743
Street scheme debtors	7,081	7,081
Other debtors	101,276	60,813
Provision for doubtful debts - other debtors	(16,649)	(16,649)
Total current trade and other receivables	<u>1,018,336</u>	<u>815,551</u>
Non-current		
Street scheme debtors	2,784	3,009
Total non-current trade and other receivables	<u>2,784</u>	<u>3,009</u>
Total trade and other receivables	<u>1,021,120</u>	<u>818,560</u>
(a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	77,746	56,421
Past due by up to 30 days	4,762	15,840
Past due between 31 and 180 days	27,302	17,607
Past due between 181 and 365 days	5,130	-
Past due by more than 1 year	47,346	36,120
Total trade & other receivables	<u>162,286</u>	<u>125,988</u>
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	16,649	45,227
New Provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	(28,578)
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>16,649</u>	<u>16,649</u>
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$16,649 (2015: \$16,649) were impaired. The amount of the provision raised against these debtors remains unchanged from 2014/15.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due by more than 1 year	16,649	16,649
Total trade & other receivables	<u>16,649</u>	<u>16,649</u>

	2016	2015
	\$	\$
Note 17 Inventories		
Inventories held for distribution	206,224	119,889
Total inventories	<u>206,224</u>	<u>119,889</u>
Note 18 Other assets		
Prepayments	30,227	-
Accrued income	65,793	-
Total other assets	<u>96,020</u>	<u>-</u>

Note 19 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	2,370,000	-	2,370,000	2,370,000	-	2,370,000
Buildings	24,121,786	2,845,182	21,276,604	24,121,785	2,462,285	21,659,500
Plant and Equipment	10,168,379	4,271,250	5,897,129	9,941,856	3,821,464	6,120,392
Infrastructure	158,132,631	77,374,255	80,758,376	153,761,223	73,448,112	80,313,111
Work in progress	1,665,026	-	1,665,026	940,930	-	940,930
	<u>196,457,822</u>	<u>84,490,687</u>	<u>111,967,135</u>	<u>191,135,794</u>	<u>79,731,861</u>	<u>111,403,933</u>

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	51,122	618,443	-	-	669,565
Plant and Equipment	-	-	-	-	-
Infrastructure	889,808	710,080	604,427	-	995,461
Total	<u>940,930</u>	<u>1,328,523</u>	<u>604,427</u>	<u>-</u>	<u>1,665,026</u>

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

Land and Buildings	Note	Land - specialised	Total Land	Heritage buildings	Buildings - specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015		2,370,000	2,370,000	214,500	23,907,285	24,121,785	51,122	26,542,907
Accumulated depreciation at 1 July 2015		-	-	(21,107)	(2,441,178)	(2,462,285)	-	(2,462,285)
		2,370,000	2,370,000	193,393	21,466,107	21,659,500	51,122	24,080,622
Movements in fair value								
Acquisition of assets at fair value		-	-	-	-	-	618,443	618,443
Revaluation increments/decrements		-	-	-	-	-	-	-
Fair value of assets disposed		-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		-	-	-	-	-	618,443	618,443
Movements in accumulated depreciation								
Depreciation and amortisation		-	-	(4,228)	(378,668)	(382,896)	-	(382,896)
Accumulated depreciation of disposals		-	-	-	-	-	-	-
Impairment losses recognised in operating result		-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-
		-	-	(4,228)	(378,668)	(382,896)	-	(382,896)
At fair value 30 June 2016		2,370,000	2,370,000	214,500	23,907,285	24,121,785	618,443	27,110,228
Accumulated depreciation at 30 June 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

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

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Total plant and equipment
At fair value 1 July 2015		9,083,630	858,227	9,941,857
Accumulated depreciation at 1 July 2015		(3,223,056)	(598,409)	(3,821,465)
		<u>5,860,574</u>	<u>259,818</u>	<u>6,120,392</u>
Movements in fair value				
Acquisition of assets at fair value		474,417	92,699	567,116
Revaluation increments/decrements		-	-	-
Fair value of assets disposed		(340,593)	-	(340,593)
Impairment losses recognised in operating result		-	-	-
Transfers		-	-	-
		<u>133,824</u>	<u>92,699</u>	<u>226,523</u>
Movements in accumulated depreciation				
Depreciation and amortisation		(609,424)	(56,968)	(666,392)
Accumulated depreciation of disposals		216,606	-	216,606
Impairment losses recognised in operating result		-	-	-
Transfers		-	-	-
		<u>(392,818)</u>	<u>(56,968)</u>	<u>(449,786)</u>
At fair value 30 June 2016		9,217,454	950,926	10,168,380
Accumulated depreciation at 30 June 2016		(3,615,874)	(655,377)	(4,271,251)
		<u>5,601,580</u>	<u>295,549</u>	<u>5,897,129</u>

Notes to the Financial Report
For the Year Ended 30 June 2016

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

	Infrastructure	Note	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & Channel	Other Infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure (Including WIP)
At fair value 1 July 2015			118,742,943	6,545,752	6,244,006	6,212,908	7,783,609	8,232,005	153,761,223	889,808	154,651,031
Accumulated depreciation at 1 July 2015			(62,430,676)	(749,717)	(2,856,936)	(1,841,286)	(3,842,954)	(1,726,543)	(73,448,112)	-	(73,448,112)
			<u>56,312,267</u>	<u>5,796,035</u>	<u>3,387,070</u>	<u>4,371,622</u>	<u>3,940,655</u>	<u>6,505,462</u>	80,313,111	<u>889,808</u>	81,202,919
Movements in fair value											
Acquisition of assets at fair value			2,817,761	-	50,052	-	67,803	831,365	3,766,981	710,080	4,477,061
Revaluation increments/decrements			-	-	-	-	-	-	-	-	-
Fair value of assets disposed			-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result			-	-	-	-	-	-	-	-	-
Transfers			239,981	-	-	-	-	364,446	604,427	(604,427)	-
			<u>3,057,742</u>	<u>-</u>	<u>50,052</u>	<u>-</u>	<u>67,803</u>	<u>1,195,811</u>	604,427	<u>105,653</u>	4,477,061
Movements in accumulated depreciation											
Depreciation and amortisation			(3,226,593)	(61,564)	(154,482)	(77,661)	(123,954)	(281,889)	(3,926,143)	-	(3,926,143)
Accumulated depreciation of disposals			-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result			-	-	-	-	-	-	-	-	-
Transfers			-	-	-	-	-	-	-	-	-
			<u>(3,226,593)</u>	<u>(61,564)</u>	<u>(154,482)</u>	<u>(77,661)</u>	<u>(123,954)</u>	<u>(281,889)</u>	-	<u>-</u>	(3,926,143)
At fair value 30 June 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 30 June 2016			(65,657,269)	(811,281)	(3,011,418)	(1,918,947)	(3,966,908)	(2,008,432)	(77,374,255)	-	(77,374,255)
			<u>56,143,416</u>	<u>5,734,471</u>	<u>3,282,640</u>	<u>4,293,961</u>	<u>3,884,504</u>	<u>7,419,384</u>	80,758,376	<u>995,461</u>	81,753,837

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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	2,370,000	-
Heritage buildings	-	-	189,165
Buildings	-	-	21,087,439
Building improvements	-	-	-
Total	-	2,370,000	21,276,604

Valuation of infrastructure

Valuation of infrastructure assets has been determined by Mr Adrian Gasperoni, Director Infrastructure Services. 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 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	56,143,416
Bridges	-	-	5,734,471
Footpaths and cycleways	-	-	3,282,640
Drainage	-	-	4,293,961
Kerb and channel	-	-	3,884,504
Other infrastructure	-	-	7,419,384
Total	-	-	80,758,376

Note 19 Property, infrastructure, plant and equipment cont'd	2016	2015
	\$	\$
<i>Description of significant unobservable inputs into level 3 valuations</i>		
<p>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.</p>	21,276,604	21,659,000
<p>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.</p>	80,758,376	80,313,112

	2016	2015
	\$	\$
Note 20 Trade and other payables		
Trade payables	743,755	480,127
Accrued expenses	370,243	280,250
Total trade and other payables	1,113,998	760,377

Note 21 Trust funds and deposits		
Refundable deposits	11,406	12,447
Fire services levy	6,241	-
Total trust funds and deposits	17,647	12,447

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.

Note 22 Provisions	Employee	Long Service Leave	Landfill restoration	Quarry restoration	Total
	\$	\$	\$	\$	\$
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)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-
Balance at the end of the financial year	607,608	1,083,840	21,360	134,018	1,846,826
2015					
Balance at beginning of the financial year	581,264	805,090	19,260	83,459	1,489,073
Additional provisions	369,717	272,381	2,100	11,945	656,143
Amounts used	(334,250)	(43,989)	-	-	(378,239)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	-	-	-
Balance at the end of the financial year	616,731	1,033,482	21,360	95,404	1,766,977

	2016	2015
	\$	\$
(a) Employee provisions		
Current provisions expected to be wholly settled		
Annual leave & Rostered day off	512,354	520,763
Long service leave	61,980	68,300
	574,334	589,063
Current provisions expected to be wholly settled after		
Annual leave	95,254	95,968
Long service leave	869,546	846,680
	964,800	942,648
Total current employee provisions	1,539,134	1,531,711
Non-current		
Long service leave	152,314	118,502
Total non-current employee provisions	152,314	118,502
Aggregate carrying amount of employee provisions:		
Current	1,539,134	1,531,711
Non-current	152,314	118,502
Total aggregate carrying amount of employee provisions	1,691,448	1,650,213

	2016	2015
	\$	\$
Note 22 Provisions (cont'd)		
(b) Land fill restoration		
Current	21,360	21,360
	<u>21,360</u>	<u>21,360</u>
(c) Quarry restoration		
Current	57,194	95,404
Non-current	76,824	-
	<u>134,018</u>	<u>95,404</u>
Aggregate carrying amount of Landfill & Quarry		
Current	78,554	116,764
Non-current	76,824	-
Total aggregate carrying amount of employee provisions	<u>155,378</u>	<u>116,764</u>

Note 23 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of associate	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
2016				
Property				
Land	1,639,099	-	-	1,639,099
Buildings	9,826,700	-	-	9,826,700
	11,465,799	-	-	11,465,799
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
	47,084,129	-	-	47,084,129
Total asset revaluation reserves	58,549,928	-	-	58,549,928
2015				
Property				
Land	1,662,210	(23,111)	-	1,639,099
Buildings	3,298,513	6,528,187	-	9,826,700
	4,960,723	6,505,076	-	11,465,799
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 of associates	28,246	-	-	28,246
	47,084,129	-	-	47,084,129
Total asset revaluation reserves	52,044,852	6,505,076	-	58,549,928

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

	2016	2015
	\$	\$
Note 24 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(588,183)	2,006,105
Depreciation/amortisation	4,975,432	5,109,102
Profit/(loss) on disposal of property, infrastructure, plant and equipment	34,654	7,267
Other	(1,082)	(36,342)
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(257,505)	1,476,788
(Increase)/Decrease in prepayments	(30,227)	-
(Increase)/Decrease in accrued income	(65,793)	-
Increase/(Decrease) in trade and other payables	264,658	(132,004)
(Increase)/Decrease in inventories	(86,335)	(18,826)
Increase/(Decrease) in provisions	79,849	277,904
(Increase)/Decrease in other assets	-	47,280
(Increase)/Decrease in trust funds and deposits	(2,651)	(29,721)
Increase/(Decrease) in accrued expenses	151,758	-
Net cash provided by/(used in) operating activities	<u>4,474,575</u>	<u>8,707,553</u>
Note 25 Financing arrangements		
Credit card facilities	30,000	30,000
Total facilities	<u>30,000</u>	<u>30,000</u>
Used facilities	15,000	25,000
Unused facilities	<u>15,000</u>	<u>5,000</u>

Note 26 Commitments

The Council has entered into the following commitments

2016	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than	and not later than		
	\$	2 years	5 years	years	\$
Operating		\$	\$	\$	\$
Building Services	144,080	24,614	-	-	168,694
Electorial Commission	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	-	2,454,267
Capital					
Buildings	1,896,390	-	-	-	1,896,390
Other Infrastructure	38,335	-	-	-	38,335
Total	1,934,725	-	-	-	1,934,725

2015	Not later than 1	Later than 1 year	Later than 2 years	Later than 5	Total
	year	and not later than	and not later than		
	\$	2 years	5 years	years	\$
Operating		\$	\$	\$	\$
Kerbside Recycling Collection	150,000	158,000	164,000	-	472,000
Kerbside Waste Collection	247,000	257,000	267,000	-	771,000
Transport Waste & Recycling to Dooen	52,000	54,000	56,000	-	162,000
Swimming Pool Management - Dimboola	55,600	56,990	-	-	112,590
Swimming Pool Management - Jeparit	58,085	59,537	-	-	117,622
Swimming Pool Management - Nhill	55,630	57,021	-	-	112,651
Swimming Pool Management - Rainbow	67,367	69,051	-	-	136,418
Meals on Wheels - Wimmera Health Care Group	14,000	14,350	-	-	28,350
Meals on Wheels - West Wimmera Health Service	55,487	58,228	-	-	113,715
Total	755,169	784,177	487,000	-	2,026,346

	2016	2015
	\$	\$
Note 27 Operating leases		
Operating lease receivables		
The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	26,112	31,459
Later than one year and not later than five years	86,969	73,937
Later than five years	84,175	24,055
	<u>197,256</u>	<u>129,451</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 2016, 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 2015, 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 105.8%. 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 was 102.0%. 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 2015 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 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). 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.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 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 2015. 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 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$134,000.

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 28. 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.

Financial Guarantees 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.

No new guarantees were issued in 2015/16. \$19,000 remains available on this facility for future guarantees. The amount disclosed for financial guarantee in this note is the nominal amount 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 31, 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.

Note 31 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors Councillor D. Nelson (Mayor 28 October 2015 - 30 June 2016)
Councillor R.L. Lowe (Mayor 01 July 2015 - 28 October 2015)
Councillor W. Robins
Councillor R.L. Gersch
Councillor T. Schneider
Councillor R. Ismay

Acting Chief Executive Officer

Mrs Anne Champness

(ii) Remuneration of Responsible Persons

The numbers of Responsible Persons whose total remuneration from Council and any related entities, excluding retirement benefits, fall within the following bands:

	2016 No.	2015 No.
\$1 - \$9,999	-	-
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	4	4
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	1
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	-	-
\$200,000 - \$209,999	-	1
\$210,000 - \$219,999	-	-
\$220,000 - \$229,000	1	-
	<u>7</u>	<u>7</u>

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

390,134	368,209
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(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$139,000 (2014/15 \$136,000)

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

	2016 No.	2015 No.
Income Range:		
< \$139,000	2	1
\$139,000 - \$139,999	-	-
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	-	-
	<u>3</u>	<u>2</u>

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

209,618	260,789
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(iv) Responsible persons retirement benefits

No retirement benefits have been paid during the reporting period by Council in connection with the retirement of responsible persons. (2014/15 \$nil.)

Note 31 Related party transactions (cont'd)

(v) Loans to responsible persons

No loans have been made, guaranteed or secured during the reporting period by Council to a responsible person of the Council or a related party of a responsible person. (2014/15 \$nil.)

(vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Council entered into purchases of materials on normal commercial terms and conditions. The total value of materials provided by T. Ismay & Co (a related party to Cr R. Ismay) during the 15/16 financial year were \$13,497. (14/15 \$33,666).

Note 32 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 Anne Champness

Director Corporate & Community Services

Date : 19-Sep-16

Dimboola

In our opinion the accompanying financial statements present fairly the financial transactions of <Name> for the year ended 30 June 2016 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.



Mr Ronald Lowe

Councillor

Date : 19-Sep-16

Dimboola



Mr Robert Gersch

Councillor

Date : 19-Sep-16

Dimboola



Mr Greg Wood

Chief Executive Officer

Date : 19-Sep-16

Dimboola

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hindmarsh Shire Council

The Financial Report

I have audited the accompanying financial report for the year ended 30 June 2016 of the Hindmarsh Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

The Councillors' Responsibility for the Financial Report

The Councillors of the Hindmarsh Shire Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

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

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with the applicable independence requirements of the Australian Auditing Standards and relevant ethical pronouncements.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Hindmarsh Shire Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
21 September 2016


R Andrew Greaves
Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hindmarsh Shire Council

The Performance Statement

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Hindmarsh Shire Council which comprises the statement, the related notes and the certification of the performance statement.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

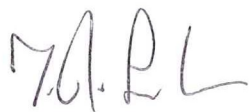
Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, I and my staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Hindmarsh Shire Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
21 September 2016


Andrew Greaves
Auditor-General