



GANNAWARRA
Shire Council

ANNUAL REPORT *2017*

KERANG | COHUNA | KOONDRUCK | LAKES DISTRICT | MURRABIT & DISTRICT |
LEITCHVILLE | LALBERT | QUAMBATOOK



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WELCOME TO GANNAWARRA SHIRE COUNCIL'S ANNUAL REPORT 2016/17

Gannawarra Shire Council's Annual Report provides our community with comprehensive and transparent information on Council's operational, financial, environmental and social performance during the 2016/17 year.

All councils are required by the *Local Government Act 1989* to prepare an Annual Report each financial year which is compliant with the Local Government Performance Reporting Framework (LGPRF).

This Annual Report documents Council's highlights, our achievements and our response to emerging challenges.

NEED AN EXTRA COPY?

Additional copies of the Annual Report can be obtained by:

- Visiting our website www.gsc.vic.gov.au
- Calling us on (03) 5450 9333
- Visiting one of our Customer Service Centres (See Contact Council section for locations)
- Emailing: council@gannawarra.vic.gov.au
- Writing to Gannawarra Shire Council at PO Box 287, Kerang 3579

FEEDBACK

We welcome feedback regarding the production of our Annual Report. Feedback provides us with the opportunity to continuously improve our methods for communicating the information contained within this report. If you would like to provide feedback please contact us via the details provided in the Contact Council section of this report.





ABOUT COUNCIL

VISION

Building upon our strengths of people, place and pride to inspire a positive future together.

MISSION

Together with our community we will capitalise on our natural assets, support our business and agricultural sector and deliver quality services to our community.



VALUES

BE COLLABORATIVE

We will work closely with our community using our collective skills and knowledge to build a positive future. Together with our partners we will deliver great things to our community.

BE RESOURCEFUL

We will be resourceful and resilient, employing creative problem solving to our challenges. We will plan and be prepared for when opportunities present.

BE INNOVATIVE

We will embrace new ideas and technology to deliver quality services to our community at a lower cost. We will make time to consider the big issues and actively seek creative solutions.

... AND WE WILL LISTEN

We will listen to our community and use our collective knowledge and sound judgement to respond and close the loop.

Gannawarra Shire Council acknowledges the traditional custodians of the land and pays its respect to Elders past and present.

WHO IS GANNAWARRA?

Gannawarra is a region loaded with natural features, rivers, lakes, wetlands and forests. It is a perfect destination for relaxing on the riverbank, water skiing with friends or just soaking up the ambience of the majestic red gum forests.

We are a three hour drive from Melbourne and around one hour from the neighbouring centres of Swan Hill, Echuca and Bendigo. Visitors can choose from the many freshwater lakes, the Murray River or the Gunbower Creek to enjoy the natural qualities that Gannawarra has to offer.

Gannawarra has many attractions such as beautiful golf courses, red gum sawmills, national parks, wetlands, diverse shopping centres and special places of interest.

Our primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert, Macorna and Mystic Park.

WHO ARE OUR PEOPLE?

Gannawarra's population is spread across a number of communities, each with a unique identity.

Our communities are:

- Vibrant
- Supportive
- Innovative
- Creative
- Proud



GANNAWARRA SHIRE
VICTORIA



OUR POPULATION
10,549*

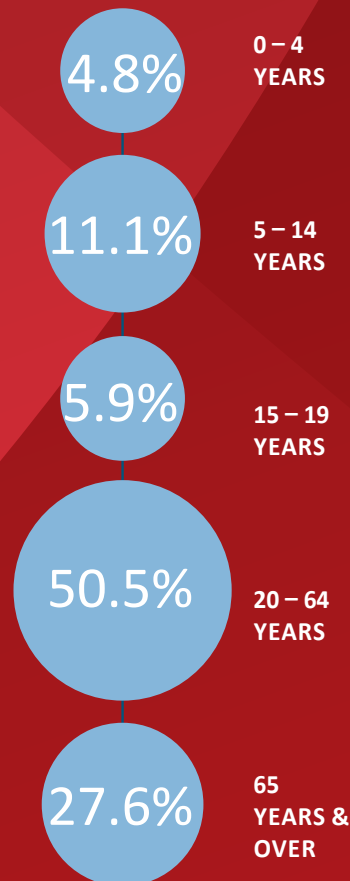
*(Censusdata.abs.gov.au, 2017)

49.8% MALE

50.2% FEMALE

MEDIAN AGE 49

AREA: 3,736 SQ KILOMETRES



GANNAWARRA QUICK STATS 2016/17



SOCIAL MEDIA

- Gannawarra Shire Council main page
- 1 June 2016: 1,096 likes
- 30 June 2017: 1,951 likes
- Gannawarra Library Services
- 225 likes
- Gannawarra Healthy Lifestyles
- 250 likes
- Gannawarra Youth Council
- 548 likes
- Gannawarra Children's Centre
- 372 likes
- Gannawarra Twitter
- 649 followers



CHILDREN'S SERVICES

- 2,031 hours of Long Day Care a week
- 1,650 hours of 4 year old kindergarten a week
- 1,795 hours of Family Day Care a week



COMMUNITY GRANTS

- \$70,246 provided to 21 groups through the Community Grants Program



COMMUNITY CARE

- 3,730 social meals provided
- 11,457 meals on wheels delivered
- 11,408 hours of domestic care
- 1,616 hours of transport to medical appointments (GNETS)



ROADS

- 3.5kms of sealed roads rehabilitation
- 860m of footpath replacement/installation
- 5kms of sealed roads, shoulder re-sheeting
- 38kms of gravel roads re-sheeting
- 220,000sqm of sealed roads, resealing
- 1,600kms of roads graded



LIBRARY

- There have been over 3,000 computer bookings at our libraries so far this financial year
- Ancestry.com is our most utilised online resource. Ancestry has been accessed over 10,000 times in 2016/17
- Almost 4,000 inter library loans from other libraries
- Over 7,800 inter library loans to other libraries
- 474 new members
- 76,028 books and DVDs loaned through the library service
- Over 3,000 new titles added
- 888 tourism enquiries answered
- 268 programs attended by 4,708 people



LOCAL LAWS

- 114 animals re-housed



TOURISM

- 25% of visitors to the Gateway to Gannawarra Centre are from interstate
- 1% are international travellers
- Council received \$800,000 State Government funding to develop the Nature Based Tourism Hub in Koondrook
- Murray River Adventures secures property in Cohuna to develop kayaking, bushwalking and cycling activities
- 8,256 visitors to Gannawarra visitor centres in 2016/17
- 2,627 visits to the Gannawarra Tourism Website by 2,000 users
- 5,876 pages were viewed
- average website time per user on the site was 2 minutes 31 seconds
- 10% of website sessions were made from outside of Australia.



CUSTOMER SERVICE

- 28,406 incoming calls
- 83% first call resolution
- 205 live chats since its launch in September 2016



L2P PROGRAM

- 5 Learner drivers obtained their P Plates
- 482 hours of driving was logged by Learner Drivers



COMMUNITY HEALTH

- Overall 94.41% of children under 63 months living in the Gannawarra Shire as at 30 June 2017 were fully immunised compared to the Victorian average of 93.13% and Loddon Mallee region of 94.12%
- 1,795 vaccinations were administered to 1,209 people
- 47 vaccination sessions held
- 575 flu shots administered as part of the 2017 Influenza program with 39 workplaces participating
- 95.24% of children aged 60-63 months were fully immunised (State average 94.50%, Loddon Mallee average 95.76%, Australian average 93.90%)



MATERNAL CHILD HEALTH

- 93 babies born
- 33 families experienced the birth of their first baby
- 915 Key Ages and Stages consultations completed
- 100 referrals made for additional support with the top four reasons for referral being communication, hearing, hips and vision



ECONOMIC DEVELOPMENT

ENERGY

- Four solar planning permits have been issued for a total of 410MW valued at \$600,000
- Edify Energy approved construction in June 2017
- Council identified a total of 9 large scale solar projects seeking to develop

AGRICULTURE

- Kinross farms visited Cohuna in 2017 to inspect land for two poultry breeding facilities and a poultry hatchery
- An application was received to develop a free range egg farm at Beauchamp west of Kerang

YEAR IN REVIEW



THE YEAR IN REVIEW



JULY



AUGUST



SEPTEMBER



OCTOBER



NOVEMBER



DECEMBER



JANUARY

JULY

- Creative Arts and Activation Strategy endorsed
- Positive Ageing Strategy 2016-2020 endorsed
- Rural Engaging Communities in Oral Health project, Professor Mark Gussy from LaTrobe Rural Health School visited Kerang
- A new playgroup Kerang Family Play established at Gannawarra Children's Centre

AUGUST

- Council approved a new corporate logo
- Mystic Melodies program launched in the Lakes district
- Domestic Animal Management Plan endorsed
- Small Business Victoria partnered with Council to deliver a range of workshops for local businesses
- Roadside Pest and Weed Program - \$53,739 to assist in the control and management of roadside pests and weeds

SEPTEMBER

- Minor flooding event
- Bright Futures for Young Victorians grant, received \$50,000 'Wired into the Warra' for a virtual youth space to be developed with the Youth Council
- 'ReSpark the Park' funding received - \$9,000
- Refurbishment works started at the Kerang library. The library was closed for 2 weeks

- Royal Flying Doctor Dental Clinic visited Cohuna, Kerang and Koondrook
- Kerang declared as an RV Friendly Town
- Kerang Splash Park completed
- \$27,149 awarded through the first round of Community Grants for 2016/2017
- Gannawarra Shire Council named a finalist in the state-wide Heart Foundation Local Government Awards
- Live Chat went live on the Council website

OCTOBER

- Pop Up Playgroup held in Koondrook as part of National Children's Week
- Roving Youth Centre held in Cohuna
- Seniors Festival held
- The Murray Explored event held in Gannawarra
- VicHealth Walk to School program delivered across Gannawarra
- Advised to commence Mosquito Control and Management program in October, one month earlier than usual, due to high mosquito numbers caused by receding floodwaters
- Youth Council members completed Food Hygiene training
- Youth Councillors attended the Rural Southern Mallee Youth Forum in Swan Hill
- New Council declared on the Council Chambers steps
- Active Travel Statements launched at local primary schools

NOVEMBER

- New Council sworn in and Mayor Cr Brian Gibson and Deputy Mayor Cr Charlie Gillingham elected
- Opening of the Koondrook Wharf
- Volunteers lunch
- Opening of the Kerang Splash Park
- Beat the Bite Mosquito program in local primary schools
- ReSpark the Park
- Local dentist Dr Amari visits local primary schools to promote oral health

DECEMBER

- Kerang CBD Plans adopted
- 2017 – 2021 Council Plan consultation commenced
- Patchell Plaza toilets renovated
- International Day of People with a Disability celebrated
- Launch of Big Bash cricket in partnership with Cricket Victoria
- Council participates in Victoria against Violence 16 Days of Activism

JANUARY

- Australia Day celebrations across the Shire
- Gannawarra Shire Council Australia Day awards announced
- Minister Pulford visits Koondrook
- Kerang Swimming Pool movie screening

FEBRUARY

- Sustainable Water grant received- \$50,000
- Australia Will Be There exhibition opened
- Cobden Street upgrade in Quambatook commenced
- Summer Reading Club announcement
- Richmond Football Club community visit
- Be Cool in Gannawarra heat health media clip launched

MARCH

- Announcement that Queen's Baton Relay will be visiting Kerang and Murrabit in February 2018
- Stolen Generation Plaque unveiled
- Harmony Day celebrations
- International Women's Day
- Stop, Look, Listen, Think footpath stencilling undertaken for Walk Safely to School Day

APRIL

- 2017 – 2021 Council Plan on public exhibition
- Koondrook amenities block completed
- Wells Bridge Opening by Federal Member Andrew Broad
- Carpe Diem performance at Kerang Memorial Hall

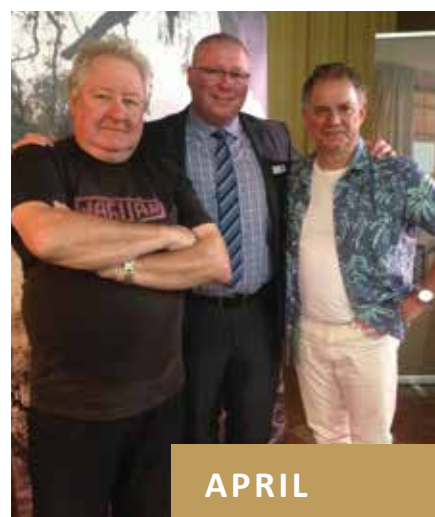
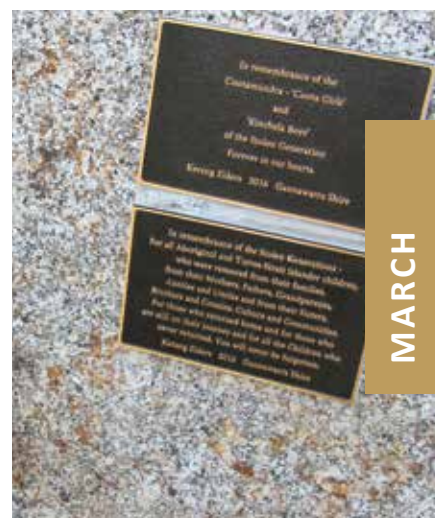
MAY

- Round 2 Community Grants awarded
- HART award finalist
- Funding announced for Koondrook Based Tourism Hub
- Reconciliation Week activities
- School Transition booklet distributed to schools and kindergartens
- Hello Beautiful held at Lake Charm Hall

JUNE

- Victoria Street works commenced
- World Elder Abuse Awareness Day at Kerang Library
- Rosalie Ham author visit
- Mayor and CEO attend National General Assembly of Local Government
- Maternal and Child Health Centenary celebrations
- Council presents at National Arbovirus/Mosquito Symposium called by the Chief Health Officer
- CEO, Mayor and community attend the Mallee Regional Assembly in Swan Hill

FEBRUARY



APRIL



MAY



JUNE



JUNE

OUR CHALLENGES AND OUR FUTURE





CHALLENGES

- Declining population
- Ageing population
- Low educational attainment
- Transport
- Poorer health outcomes
- Climate variability
- Ongoing rural change
- Rate capping
- Balancing community expectations

OPPORTUNITIES

- Murray River and waterways
- Redgum forests
- Agriculture
- Affordable housing
- Safe and liveable environments
- Partnerships for growth
- Renewable energy

MAYOR'S MESSAGE

This Annual Report details Gannawarra Shire Council's achievements against the 2013 – 2017 Council Plan strategic objectives. The role of Council includes:

- Acting as a representative government by taking into account the diverse needs of the local community in decision making.
- Providing leadership by establishing strategic objectives and monitoring their achievement.
- Maintaining the viability of Council by ensuring that resources are managed in a responsible and accountable manner.
- Advocating the interests of the local community to other communities and governments.
- Acting as a responsible partner in government by taking into account the needs of other communities.
- Fostering community cohesion and encouraging active participation in civic life.

HIGHLIGHTS

2016/17 saw the completion of Gannawarra Shire's major capital works project, the \$2.4 million Koondrook Wharf. The wharf, completed in September 2016, is a regionally significant strategic project and one which has alignment to the Ports of the Murray initiative along with our fellow Murray River councils; Mildura, Swan Hill and Campaspe.

Wells Bridge at Benjeroop received a welcome upgrade with the \$1.6 million bridge replacement project completed in April 2017. Having this critical transport link upgraded to a two-lane concrete bridge is a significant improvement on the previous structure.

Sport and Recreation plays a huge part in our community life and Council was pleased to partner with local sporting clubs to upgrade facilities across the shire. Wandella Football Netball Club saw their netball courts and lighting upgraded and Cohuna Football Netball Club received funding for new netball change rooms at their courts. Both are important projects that will deliver benefits into the future.

The Sir John Gorton library underwent a facelift this past year, improving the functionality of the space dramatically. New lighting and carpet have also given the facility a breath of fresh air. Since the works were undertaken, we have hosted large groups of people for author visits and children's activities with the ability to increase the floor space available.

Our Arts and Culture scene has experienced increased patronage over the past 12 months, with a community partnership model developed reaping benefits across the entire shire. From Silo Cinemas at Quambatook to Mystic Melodies at Lake Charm, there has been something for everyone this year. The program for 2017, 2018 and 2019 is already booked up and looking fantastic.

ADVOCACY AND ENGAGEMENT

Council are pleased to present three motions to the Municipal Association of Victoria (MAV) State Council meeting in May 2017. Especially rewarding was that one motion – Country Fire Authority (CFA) Permits to Burn – was passed to be presented to State Government. Gannawarra moved that MAV work with the State Government to ensure sufficient funding is provided to the CFA for its administration of Permits to Burn.

The Chief Executive Officer and I attended the annual Australian Local Government Association National General Assembly in Canberra where we had the opportunity to meet with Members of Parliament and discuss key topics for Gannawarra Shire, including Connectivity, Federal Assistance Grants and the Black Spot program.

Council is committed to engaging effectively with our communities on decisions that affect them. We are continually looking to improve the process for engagement through our Communications and Community Engagement Strategy and welcome and appreciate the community providing its thoughts on issues and projects.

THANK YOU

Overall, this year we have delivered positively on our Council Plan commitments and I would like to thank my fellow Councillors for their commitment and ongoing efforts on behalf of residents. I also thank businesses, members of community groups and council officers for their contribution to improving the liveability and amenity of our shire.

CR BRIAN GIBSON

MAYOR



CEO MESSAGE

On behalf of Gannawarra Shire Council it is a great pleasure to present Council's Annual Report for the year 2016/17. It has been another year of significant achievements which has seen the Gannawarra Shire further develop as a vibrant, connected and strong community.

A significant highlight during the past year has been the completion of some high profile capital works projects, including the Koondrook Wharf, Wells Bridge and the Koondrook Caravan Park public amenities. These projects provide opportunities for further development into the future.

HIGHLIGHTS

The past year has seen the introduction of a new Council and the adoption of a new Council Plan which sets the framework for the next four years. The Key Focus Areas of Connectivity; Economic Diversity, Growth and Prosperity; Sustainable Natural and Built Environments; Good Governance and a Healthy Organisation and Strong Healthy Communities provides Council with the strategic platforms in which to deliver quality services to our community.

As CEO, I sit on the Mallee Regional Partnerships Board and represent the Gannawarra region. The Mallee Regional Partnership actively delivers key recommendations straight into the heart of government. Through this process, the Victorian Government has listened and begun to deliver on local priorities through the 2017/18 Victorian State Budget.

ORGANISATIONAL PERFORMANCE

At the end of June 2017, Council's financial position remains sound with more than \$187.51 million of community assets under Council's stewardship.

Operating expenditure for 2016/17 was tightly controlled and Council achieved a surplus of \$5.83 million. Council's Strategic Resource Plan projects that surpluses will continue to be achieved over the next 4 years, providing a sustainable level of funding for the refurbishment and replacement of community assets at an average of \$8.15 million per annum.

In June 2017 the Victorian Grants Commission paid in advance 50% of the allocation for 2017/2018 (\$2.6 million),

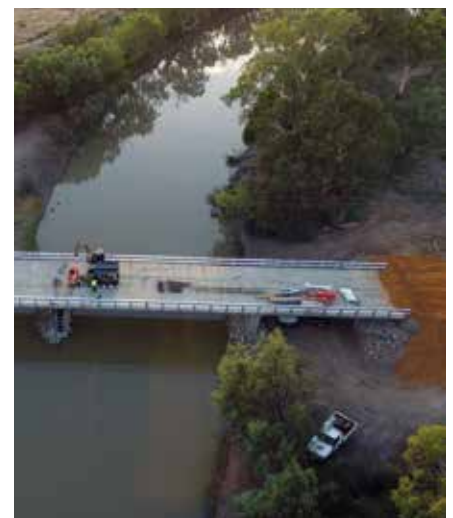
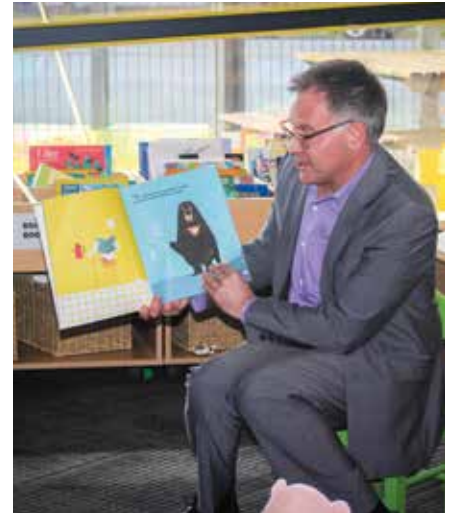
the advance payment has had a positive effect on the operating surplus for 2016/17 while having a negative effect on the projected surplus for 2017/18.

The results of the 2017 Local Government Community Satisfaction Survey showed that Council is performing well in the areas of Appearance of Public Areas, Elderly Support Services and Recreational Facilities which was pleasing to see.

Overall, our results for 2017 were largely stable compared with the 2016 results and once again showed Council rating higher than the Small Rural Shires and State-wide averages in most categories. The 2017 results do highlight service areas that Council need to focus on in the future, including the condition of sealed roads, lobbying, consultation and engagement and making community decisions. The new four year Council Plan will go some way in allowing Council to address its vision and future prospects and improvements for our community.

I would like to acknowledge the Council, staff and community members who have contributed towards making Gannawarra Shire a positive and proud region.

ERIC BRASLIS
CHIEF EXECUTIVE OFFICER



COMMUNITY SATISFACTION

2017 COMMUNITY SATISFACTION SURVEY

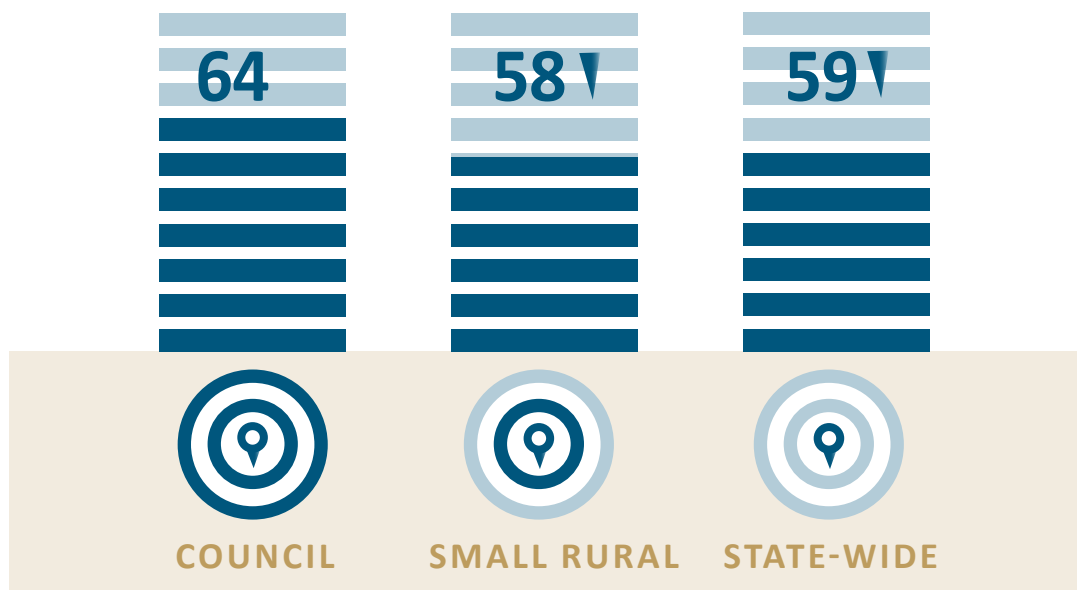
Each year Local Government Victoria (LGV) coordinates a State-wide Local Government Community Satisfaction Survey throughout Victorian local government areas. The main objectives of the survey are to assess the performance of Gannawarra Shire Council across a range of measures and to seek insight into ways to provide improved or more efficient service delivery.

In 2017 Gannawarra Shire Council once again maintained its high performance over the last 12 months with performance on all five core measures significantly higher than Small Rural Shires and State-wide averages.

- overall job performance,
- community consultation,
- customer service,
- advocacy and
- overall Council direction



PERFORMANCE MEASURES	GANNAWARRA 2017	GANNAWARRA 2016	SMALL RURAL 2017	STATE-WIDE 2017
OVERALL PERFORMANCE	64	63	58	59
COMMUNITY CONSULTATION (Community consultation and engagement)	60	60	55	55
ADVOCACY (Lobbying on behalf of the community)	58	57	55	54
MAKING COMMUNITY DECISIONS (Decisions made in the interest of the community)	60	59	55	54
SEALED LOCAL ROADS (Condition of sealed local roads)	51	54	50	53
CUSTOMER SERVICE	72	73	69	69
OVERALL COUNCIL DIRECTION	57	54	52	53



OVERALL COUNCIL PERFORMANCE

RESULTS SHOWN ARE INDEX SCORES OUT OF 100

FINANCE MESSAGE

TOTAL REVENUE	\$31.2 million
TOTAL EXPENDITURE	\$25.4 million
SURPLUS	\$5.8million
TOTAL ASSETS	\$199 million
TOTAL LIABILITIES	\$6 million
EQUITY	\$194 million
NET CASH FROM OPERATION ACTIVITIES	\$10.5 million
DEBT COMMITMENT RATIO	1.87%

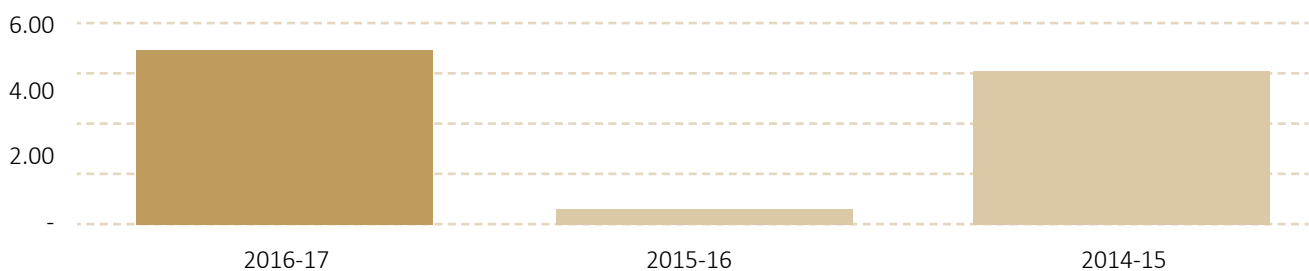
OPERATING POSITION

Council has achieved a surplus of \$5.835 million in 2016/17. This surplus is an increase on the budgeted surplus of \$4.854 million. This is mainly due to Council receiving a \$2.612 million payment in June 2017 being part payment of the 2017/18 Victorian Grants Commission allocation.

CAPITAL WORKS

Council aims to maintain its infrastructure assets at the expected levels while at the same time continuing to deliver the services needed by the community. Council invested a total of \$8.604 million on renewing, expanding and upgrading existing infrastructure in the 2016/17 financial year. This included \$2.201 million on roads and \$1.663 million on the reconstruction of Well's Bridge, other projects included the completion of the Koondrook Wharf, upgrade of the toilets and laundry facilities at the Koondrook Caravan Park and various projects to improve the sport and recreation facilities across the municipality.

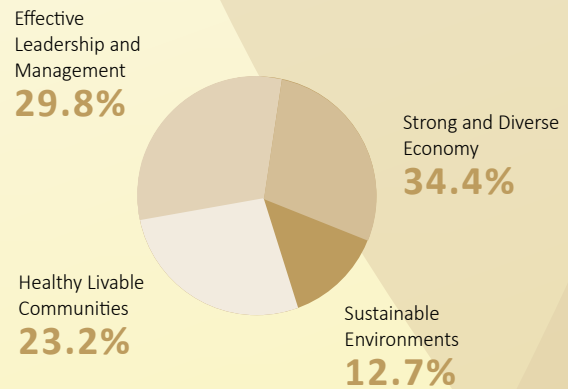
SURPLUS



COUNCIL EXPENDITURE

There are a variety of community services that Council operates alongside their capital work projects. In the 2016/17 financial year, total council expenditure was \$25.378 with 34.4% being spent on building a strong and diverse economy through developing and maintaining our roads, bridges and buildings. Essential waste management services are a big part of Council's priority in creating sustainable living environments for the Gannawarra community. \$1,578 million was utilised in collection of kerbside and public bin waste in addition to the management of the local landfill. 23.2% of Council's expenditure was dedicated to deliver vital services and resources in line with Council's commitment to producing healthy liveable communities. \$2.588 million was devoted to people in need of our community care sector. \$2.628 million expended on children's services such as kindergarten, long day care and family day care.

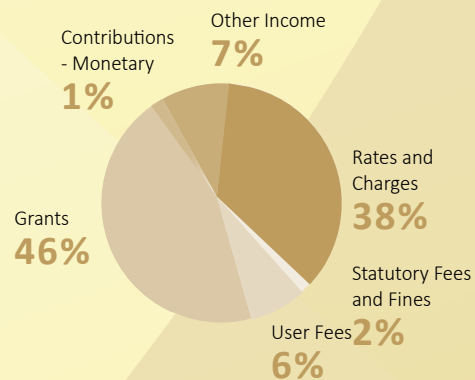
EXPENDITURE



STABILITY AND EFFICIENCY

Council receives income from a number of sources including rates, grants, user fees, fines as well as contributions. Rates and charges are one of Council's main sources of income representing 38% of total income following the advance payment by the Victorian Grants Commission grants comprised 46% of total income. The introduction of rate capping in the 2016/17 financial year in combination with payments from the Victorian Grant Commission being frozen will have an impact Council's ability to maintain current services levels into the future.

INCOME



DESCRIPTION OF OPERATIONS

MAJOR CAPITAL WORKS

Koondrook Wharf \$2,468,749 (\$1.5m State and Federal Government Funding, \$968,749 Gannawarra Shire Council)

Completed in September 2016, the Koondrook Wharf development is a regionally significant strategic project for Gannawarra Shire and surrounding regions. This project aims to stimulate the visitor economy of the Loddon Mallee Region whilst also complementing other investments promoted under the Ports of the Murray initiative.

The Wharf was designed and developed to include mooring facilities, casual access to the Murray River foreshore, interpretation of the original wharf, deck access to support events and activities and Indigenous artwork included on and around the tramway turntable.

The Koondrook Wharf project was officially opened in November 2016.

Koondrook Caravan Park amenities \$275,000 fully funded by Gannawarra Shire Council

The fully renovated Koondrook Caravan Park amenities now have the ability to cater for double the amount of people it was previously able to. The previous amenities block was 48 years old and well overdue for a facelift.

The new block is all abilities accessible and includes a laundry and wash sinks, male and female toilets and showers, as well as ambulant facilities. Landscaping and irrigation works were also completed surrounding the new facility.

Kerang library upgrade \$136,000

The Sir John Gorton library received a facelift thanks to Victorian Government funding through the Living Libraries Program.

The library was closed to the public for a period of two weeks during the works.

The works undertaken included new carpet, lighting, painting and the installation of new shelving.

Wandella Netball Courts and lighting upgrade \$137,939 (\$82,419 Sport and Recreation Victoria, \$45,480 Wandella Football Netball Club, \$10,040 Gannawarra Shire Council)

This project extended the total surface area of two netball courts at Wandella Recreation Reserve to ensure compliance with Netball Victoria standards and provide competition level lighting to both courts.

The project was completed in March 2017 and officially opened on 16 March 2017.

Wells Bridge \$1,707,323 (\$838,000 Bridges Renewal Program, \$869,323 Gannawarra Shire Council)

This project replaced the previous single lane timber and steel bridge with a two-lane concrete bridge capable of withstanding higher mass limits.



Wandella Netball Courts and lighting upgrade



Koondrook Caravan Park amenities upgrade





MAJOR GRANTS RECEIVED AND AWARD RECOGNITION IN 2016/17

PROGRAM/PROJECT	AMOUNT
Roadside Pest and Weeds program	\$53,739
Bright Futures for Young Victorians	\$50,000
ReSpark the Park	\$9,000
Sustainable Water grant for the Sir John Gorton precinct	\$50,000
Koondrook Nature Based Tourism Hub	\$800,000
Quambatook Recreation Reserve Building Improvements	\$100,000
Be Cool in Gannawarra	\$10,000
Access Upgrade of Quambatook Grain Receival	\$240,900
Fire Access Road Subsidy Scheme	\$15,246
Leitchville Library Refurbishment	\$13,600
Local Roads to Market	\$83,000
Mystic Melodies	\$12,968
New Energy Jobs Fund (joint proposal with other LGA's)	\$45,500
Tech Savvy Seniors	\$4,000
Tobacco Reforms Assistance	\$6,325
Walk to School	\$10,000
Mosquito funding	\$144,943

AWARD RECOGNITION 2016/17

- Bronze award in the 2017 Australasian Reporting Awards
- Top four finalist in the Total Facilities Best Bathroom award
- Finalist in the prestigious 2017 Community HART awards (Helping Achieve Reconciliation Together) for the Stolen Generation plaque
- Council's Coordinator Community Health Kelsey Corrie was awarded the Environmental Health Professional's Australia Young Environmental Health Officer of the Year (photo)
- Finalist in the Parks and Leisure Australia VIC/TAS Awards of Excellence in the Park of the Year category
- Nominee in the 2016 Victorian Sports Awards in the Local Government Initiative of the Year category
- Finalist in the Heart Foundation Local Government Awards 2016





COUNCIL DELIVERED/PARTNERED WITH THE COMMUNITY ON THESE EVENTS

JULY

- Citizenship Ceremony

AUGUST

- Small Business workshops
- Mystic Melodies Opening

SEPTEMBER

- Citizenship Ceremony
- School Holiday program

OCTOBER

- The Murray Explored History Day
- The Murray Explored Mates Hotel Night
- The Murray Explored Schools Visit
- The Flying Bookworm
- Walk to School with 11 primary schools and 5 pre schools; a total of 27 events held during the month
- Pop-up Playgroup Koondrook
- Carers Support Luncheon
- Seniors Week
- Sam Dalley Exhibition, Kerang Library

NOVEMBER

- Volunteer Event
- Paste Up Workshop
- ReSpark the Park
- Koondrook Wharf Opening
- Splash Park Opening
- Skate Park League Grand Final, Kerang
- Victoria Against Violence campaign

DECEMBER

- Disability Day
- Citizenship Ceremony
- Stiletto Sisters
- Murray Marathon
- Kerang Boxing Day Races

JANUARY

- Australia Day community celebrations
- Australia Day Citizenship Ceremony
- Ski Racing competitions throughout summer

FEBRUARY

- Australia Will Be There Exhibition
- Pool movie night
- Quambatook Silo Cinema

MARCH

- Stolen Generation Event
- Heat Health Launch
- Bridge to Bridge
- Harmony Day, Kerang and Cohuna
- Wandella Netball Courts opening
- Riverdaze
- International Women's Day
- Small business workshops

APRIL

- Wells Bridge Opening
- Citizenship Ceremony
- Carpe Diem
- Small Business Workshops
- Pop-Up Playgroup Koondrook
- Business Workshop
- Show and Shine

MAY

- Simultaneous Story Time
- Golden Memories Karaoke
- Hello Beautiful, Lake Charm Hall

JUNE

- L2P Community BBQ
- Rosalie Ham Library Visit
- Reconciliation activities in Kerang, Cohuna and Koondrook
- World Elder Abuse Awareness Day



OCTOBER



DECEMBER



JUNE

OUR COUNCIL

GANNAWARRA SHIRE COUNCIL IS DIVIDED INTO FOUR WARDS

AVOCA

including Lake Charm, Lalbert, Benjeroop, Mystic Park and Quambatook

MURRAY

including Koondrook, Myall and Murrabit

PATCHELL

including Kerang, Mead and Macorna

YARRAN

including Cohuna, Leitchville and Horfield



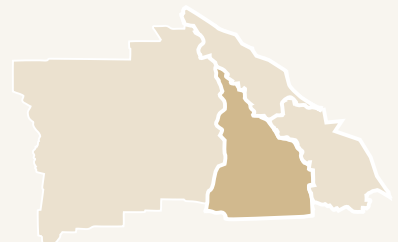
CR BRIAN GIBSON - MAYOR

First elected October 2012 (Patchell Ward)

Brian is a police officer residing in Kerang with his family.

Supporting the community is a passion for Brian, as well as his family and sport.

During his four year term, Brian will focus on ensuring that members of the Gannawarra community are heard and develop community interaction into decision making for specific projects. Brian will also focus on growth within the tourism industry.





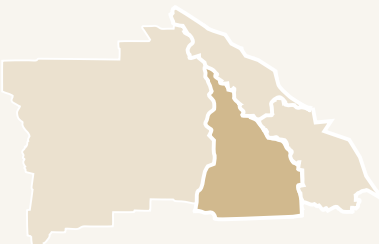
CR MARK ARIANS

First elected October 2012
(Patchell Ward)

Mark is a project officer with Goulburn-Murray Water, who previously served as a police officer in Cohuna.

Having lived and worked in rural locations throughout Victoria, Mark recognises the shire’s attributes and is keen to assist the area reach its full potential.

Mark is passionate about our environment, tourism and economic development and regards the maintenance of our environmental assets as key to the future of the region.



CR JODIE BASILE

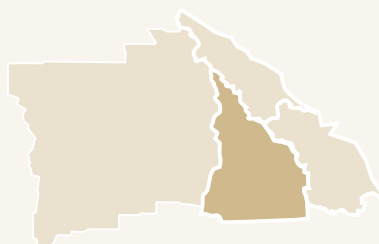
First elected October 2016
(Patchell Ward)

Jodie is a real estate receptionist working and residing in Kerang with her family. Jodie has lived in the Kerang community for the past 30 years and is actively involved on school boards and in the Kerang Football Netball Club.

Jodie has a background in business, health administration and local government.

Jodie is dedicated and passionate about the Gannawarra community and seeing the community grow into the future with stability.

Over her four year term Jodie will focus on listening to the community whilst promoting our lakes, waterways and natural assets, looking for tourism opportunities and advocating to improve rail services and transport options within the Gannawarra Shire.



CR LORRAINE LEARMONTH

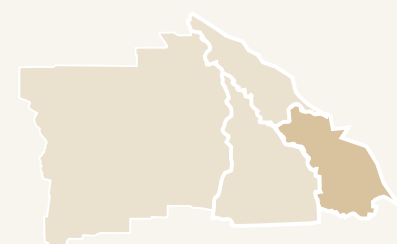
First elected October 2012
(Yarran Ward)

Lorraine will focus on the health and wellbeing of our Shire, including childcare and upgrade of pools. Lorraine is an advocate for further tourism developments of the natural assets of our shire, including Gunbower Island, the rivers and our lakes.

Lorraine will continue to investigate ways our communities can further reduce kerbside waste entering our land fill, including industrial and agricultural.

Lorraine is keen to see further developments in our successful arts and culture sector.

Lorraine’s vision is to empower our communities to reach their full potential, and advocate for a better deal for rural communities. Lorraine will always be available to listen to our communities concerns.



OUR COUNCIL

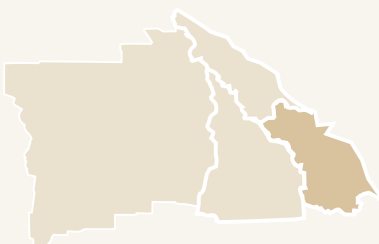


CR SONIA WRIGHT

First elected October 2016
(Yarran Ward)

Sonia returned to Cohuna in 1990 to raise her family with honest country values and secure the same upbringing that she was afforded growing up here. Sonia has owned and operated a range of business ventures, including beauty therapy, furniture retail store, dairy farm and veterinary clinics.

Sonia's desire is to see our region prosper and to ensure that the opportunities that her parents and herself were afforded, are then present and expanded for the next generation. Sonia wants business opportunities created and thriving tourism, which will bring with it a lively culture in the community. Sonia is buzzing with ideas and enthusiasm to start to make positive change.

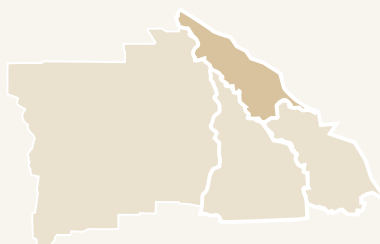


CR STEVEN TASKER

First elected October 2016
(Murray Ward)

Steven has lived in Koondrook for over 30 years and has a background in mechanics and teaching along with volunteering for the State Emergency Service (SES). Steven has a passion for the environment and enjoys camping and fishing.

During his term, Steven will focus on improving access to services for the elderly and access to recreation in parks for those in wheelchairs. Steven will also focus on tourism growth.



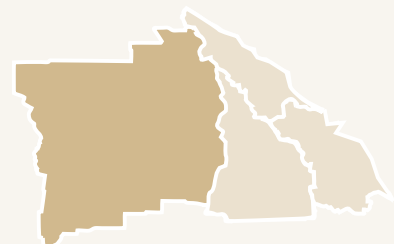
CR CHARLIE GILLINGHAM - DEPUTY MAYOR

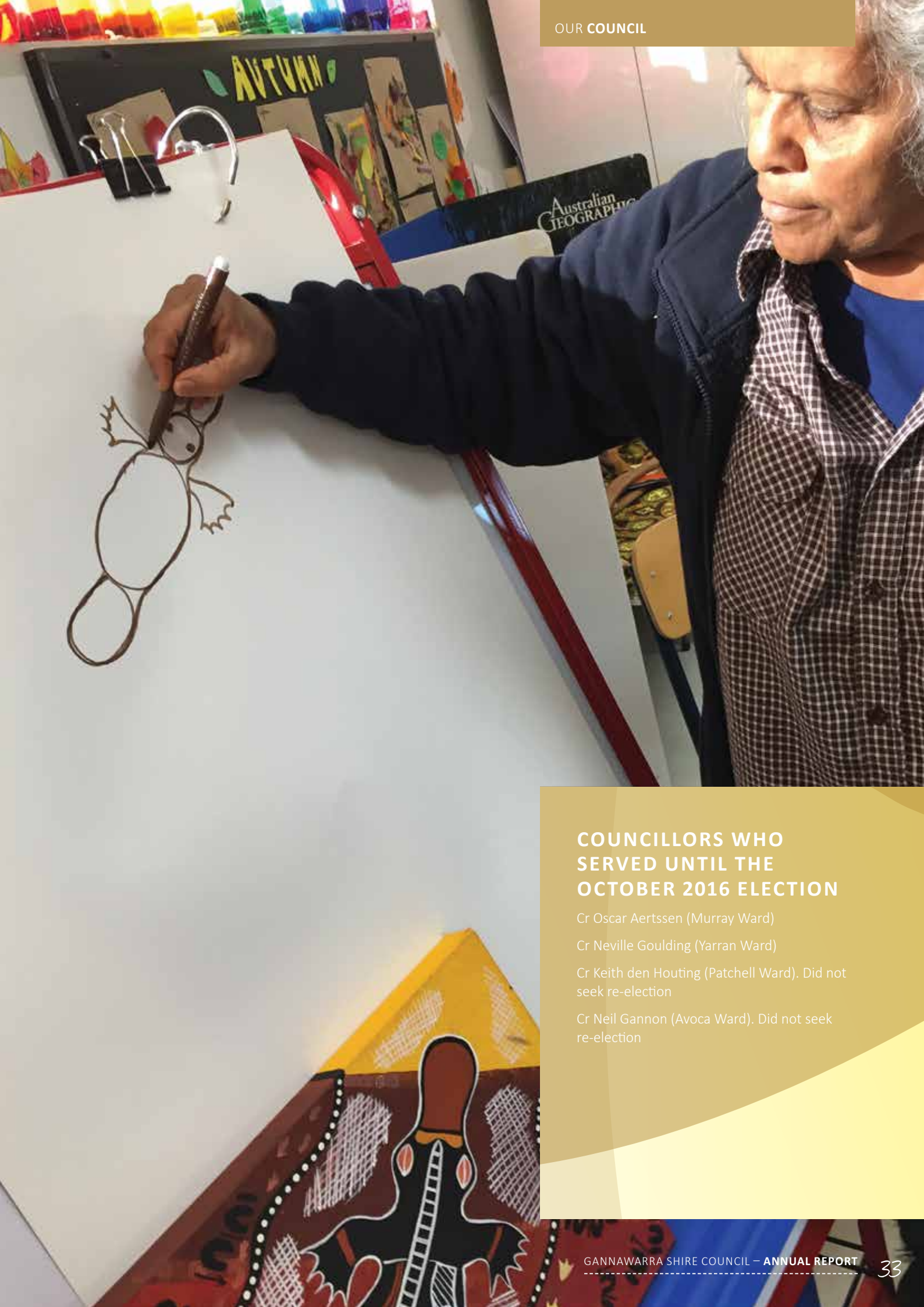
First elected October 2016
(Avoca Ward)

Charlie has lived in the area for over 50 years and operates a family farm at Lake Charm.

Charlie has an interest in local environmental, health, irrigation, social and sporting groups, and believes that the area we live in is very dynamic and has huge potential for innovative agricultural pursuits, further tourism opportunities, new industry and greater residential development around our lakes and waterways.

Charlie believes that with a common sense approach we can achieve all these goals and continue to make the Gannawarra Shire a fantastic place for all.





COUNCILLORS WHO SERVED UNTIL THE OCTOBER 2016 ELECTION

Cr Oscar Aertssen (Murray Ward)

Cr Neville Goulding (Yarran Ward)

Cr Keith den Houting (Patchell Ward). Did not seek re-election

Cr Neil Gannon (Avoca Ward). Did not seek re-election

EXECUTIVE LEADERSHIP TEAM



ERIC BRASLIS

Chief Executive Officer

Eric joined Council in July 2015. His qualifications include a Bachelor of Applied Arts, Urban and Regional Planning from Ryerson Polytechnic University (Toronto, Canada) and a Masters of Business Administration from Deakin University. Eric has also completed an Executive Leadership program at Harvard University (Boston USA). Eric is presently a sitting member on the Victorian Building Authority, a director on Murray Regional Tourism, Institute of Public Work Engineers Australasia (Vic) and the Deputy Chair of PINARC Disability Services. He has previously held the positions of General Manager City Infrastructure and Director of Growth and Development at Ballarat City Council, General Manager of Planning and Development at Stonnington City Council and Director Planning and Environment and Director of Community Services at Hobsons Bay City Council.

Areas of responsibility:

Human Resources, Council Planning and Performance and Councillor Support, Economic Development and Tourism.



MANDY HUTCHINSON

Director Community Wellbeing

Mandy joined Council in May 2009 taking on the role of Community Care Coordinator. Mandy became Manager Community Care and Children's Services in June 2012, and Executive Manager Community Wellbeing in June 2013, before being appointed to Director Community Wellbeing in October 2015. Prior to working with Council, Mandy was employed as a Case Manager and Client Services Coordinator with Bendigo Health for 15 years. Mandy has a Post Graduate Certificate in Case Management and a Diploma in Management. Mandy is on the Boards of the Southern Mallee Primary Care Partnership and Cohuna District Hospital.

Areas of responsibility:

Community Care Services, Maternal Child Health, Community Health, Children and Youth Services, Immunisation, Community Transport, Libraries, Arts, Culture, Community Sustainability, Environmental Health, Community Engagement and Communications.



TOM O'REILLY

Director Corporate Services

Tom joined Council in the role of Director Corporate Services in March 2016. Prior to this, he was an Associate with the CT Management Consulting Group and undertook local government engagements with the Buloke Shire, Latrobe City Council and King Island Council. Tom was employed with the Greater Shepparton City Council for 11 years including 6 years as Director Business and Finance. He has also worked in the private sector with 4 years as CEO of Metzke+Allen Chartered Accountants based in Shepparton. His career in Northern Victoria is extensive given he also worked with Goulburn-Murray Water for 11 years along with 7 years with Goulburn Valley Water.

Tom has a Bachelor of Business (Accounting) and is a Certified Practising Accountant (CPA). He has attained the status of Fellow of CPA Australia and also a Fairley Fellow graduate of the Goulburn Murray Community Leadership Program Inc.

Tom is a current Board member of Northern District Community Health.

Areas of responsibility:

Finance and Budget, Audit, Rating and Valuation, Strategic Asset Management, Information Communications and Technology (ICT), Customer Service, Governance, Records Management and Emergency Management.



GEOFF ROLLINSON

Director Infrastructure and Development

Geoff's earliest qualifications and experience are in agriculture. He gained extensive experience in Local Government and local knowledge when working with both the former Borough and Shire of Kerang and then the Gannawarra Shire upon amalgamation in 1995. He has a diploma of Civil Engineering and held the positions of Works Engineer and Manager of Operational Services with Gannawarra Shire from 1995 until he started in his current role in 2011.

Areas of responsibility:

Major Projects, Operational Services, Engineering, Waste Management, Landfill and Transfer Stations, Local Laws, Flood and Fire Management, Building, Planning, Aquatic Facilities, Recreation.



MAJOR CHANGES

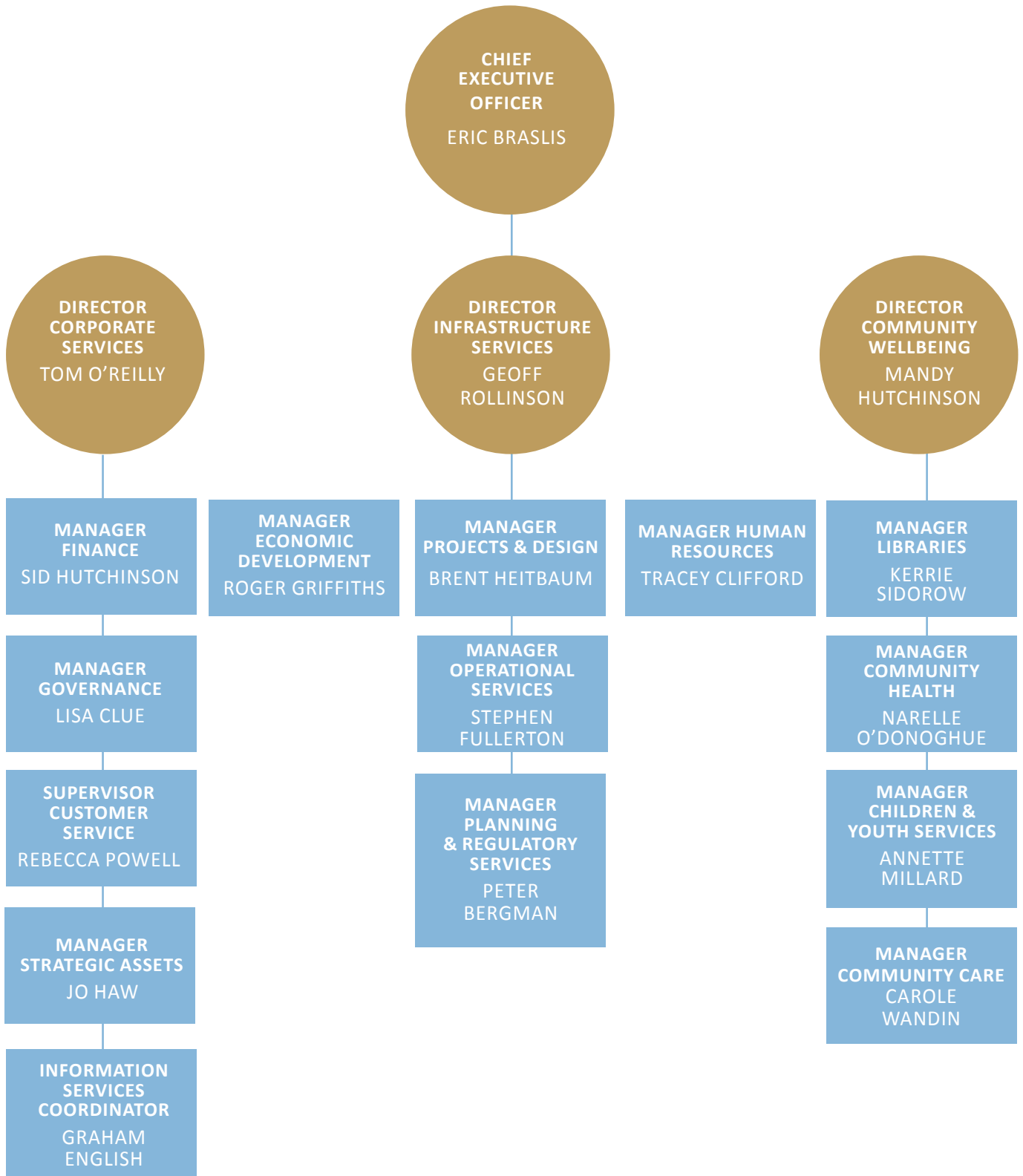
In September 2016, following the departure of Chris White, Director Strategic Development, Council decided to allocate the responsibility of the Strategic Development directorate across other directorates.



OUR WORKPLACE

OUR STRUCTURE

Council has three directorates reporting to the Chief Executive Officer. The directorates are; Community Wellbeing, Corporate Services and Infrastructure and Development. Each of these directorates is made up of individual units, each led by a senior officer. The Chief Executive Officer is directly accountable to the Mayor and Councillors, who are elected by Gannawarra Shire ratepayers.



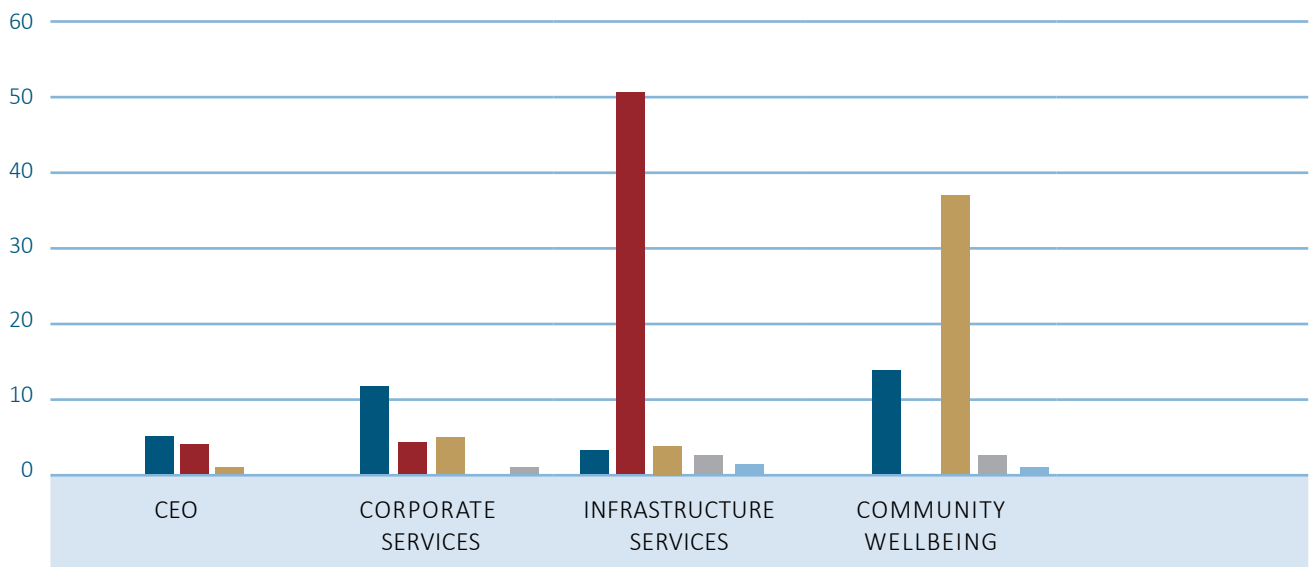


OUR WORKPLACE

Below is a summary of full time equivalent Council staff by organisation structure, employment type and gender.

COUNCIL STAFF

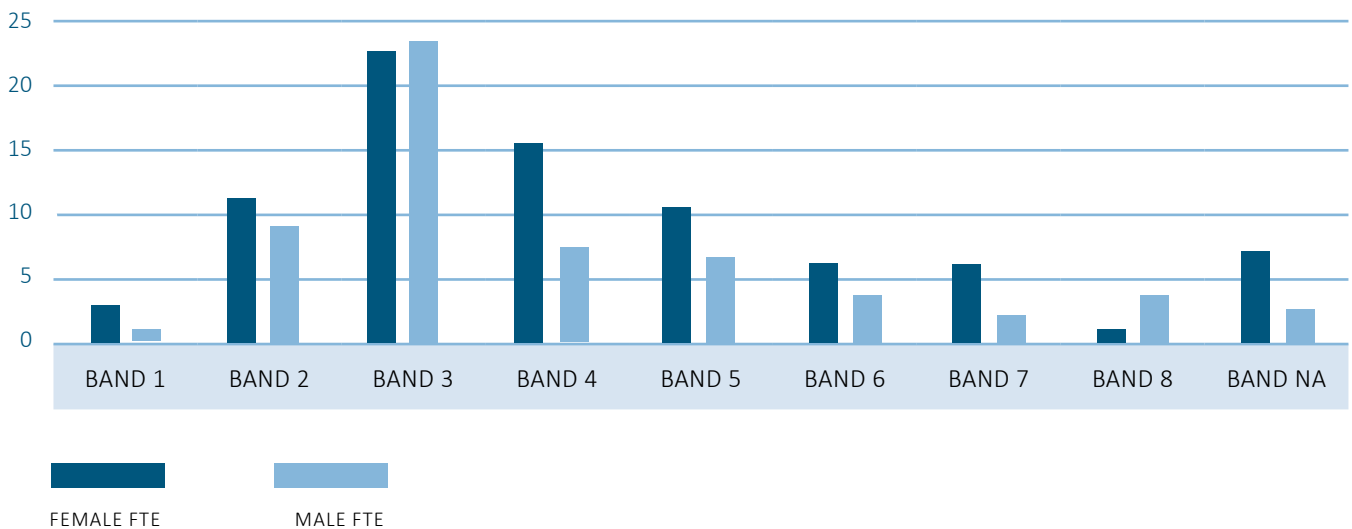
EMPLOYMENT TYPE/ GENDER	CEO FTE	CORPORATE SERVICES FTE	INFRASTRUCTURE SERVICES FTE	COMMUNITY WELLBEING FTE
PERMANENT FT – F	4	12	3	14
PERMANENT FT – M	3	4	52	0
PERMANENT PT – F	1	4.86	4.6	37.38
PERMANENT PT – M	0	0	1.42	1.45
CASUAL – F	0	0.54	0.77	0.27
CASUAL – M	0	0	0	0
TOTAL	8	21.40	61.79	53.10



A summary of the number of full time equivalent staff categorised by employment classification and gender is provided below.

COUNCIL STAFF

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL EFT
BAND 1	4.25	1	5.25
BAND 2	10.63	9.45	20.08
BAND 3	22.38	23.42	45.80
BAND 4	15.33	8	23.33
BAND 5	10.56	7	17.56
BAND 6	5.95	4	9.95
BAND 7	5.84	2	7.84
BAND 8	1	4	5
BAND NA	6.48	3	9.48
TOTAL	82.42	61.87	144.29



EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Council is committed to the principles of equal employment opportunity and will ensure that all workplace employment matters reflect this.

Supported by a number of policies, new staff inductions and targeted training, Council ensures that the work environment is respectful and free from discrimination, harassment and bullying.

PROFESSIONAL DEVELOPMENT

Council's workforce plays a vital role in ensuring that Council meets current and future business needs. Council is committed to continually developing and improving the skills and capacity of its staff by providing access to a range of professional development opportunities. This year there was a focus on computer training allowing staff to gain new knowledge and improved skills with both existing software programs and new Council systems. Staff also continued to attend a range of training, conference and forum opportunities to ensure currency in their field of expertise.

Council supports pathways for local students by providing work experience and traineeships. This year Council again offered a number of traineeships in the areas of Finance, Administration, Childcare and Parks and Gardens. Council's work experience programs allow students from across the municipality to experience working in a variety of Council departments. This allows young people to see the many career opportunities available in local government and also increases awareness of Council's operations.

ENTERPRISE BARGAINING AGREEMENT

In December 2015, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for Council employees. Following a protracted negotiation process, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 6 February 2017 for a period until 1 March 2019.



HEALTH AND SAFETY

Council is committed to providing its employees, volunteers, contractors and visitors with a healthy and safe work environment. Council’s Occupational Health and Safety Committee continued to work to make the organisation a safer place for all staff.

Both elected and management representatives continued to carry out ongoing tasks and also set objectives for the next 12 months which will include working closely with the health and wellbeing team to implement the Healthy Together Victoria Achievement Program for workplaces.

Council has continued its proactive approach to encourage Council staff to protect themselves and others from influenza. Council provides free vaccination against influenza to its workforce on an annual basis with 41.6% of staff, including casual employees, taking the opportunity to be immunised against influenza in 2016/17.

Council has continued its involvement in the Healthy Together Victoria Achievement Program for Workplaces. This is a statewide health promotion program that encourages best practice in workplaces around Mental Health and Wellbeing, Healthy Eating, Physical Activity, Smoking and Alcohol.

Council has received recognition under the program as well as being awarded under the Mental Health and Wellbeing priority area.

The following staff programs have been conducted during the year in support of the Healthy Together Victoria Achievement Program in the 2016/17 year:

- Healthy Snack Trial completed 31 July 2016
- Healthy Snacks continued at Kerang Office and Kerang Depot
- 10,000 Step Challenge held October 2016
- ALERT Mental Health and Suicide Prevention Training held December 2016
- Participation in the Victoria against Violence 16 Days of Activism campaign across all worksites in December 2016.
- Let’s Stop it at the Start Family Violence training held March 2017
- Workplace Team ‘Gannawarra Healthy Mates’ participated in the Premier’s Active Challenge April 2017
- Be Bold for Change theme for International Women’s Day across all Council worksites in March 2017
- Men’s Health Week Healthy Breakfasts at Kerang Office and Kerang Depot June 2017
- A chilled water tap was installed in the Kerang Office to increase consumption of water in June 2017
- Staff participated in the LGBTI Equality Roadshow in Kerang on 22 and 23 June 2017



The Healthy Together Achievement Program is improving the health of Victorians, funded by the Victorian Government.

REPORT OF OPERATIONS – OUR PERFORMANCE

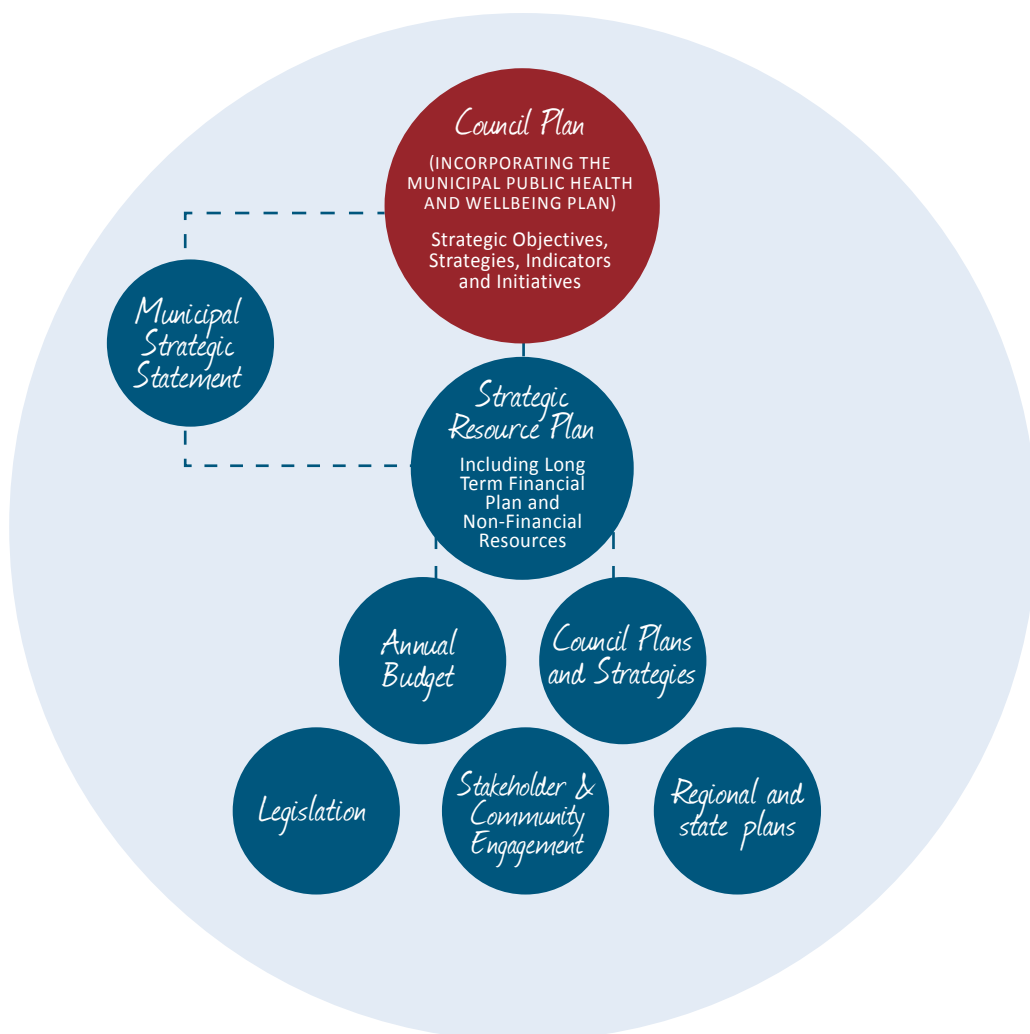
PLANNING AND ACCOUNTABILITY FRAMEWORK

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989*. 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.

GANNAWARRA SHIRE COUNCIL CORPORATE PLANNING AND REPORTING FRAMEWORK



COUNCIL PLAN

Gannawarra Shire Council Plan 2013 – 2017 includes four priorities, which comprise the main focus areas for Council. Each priority has a commitment, a series of 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 priorities as detailed in the Council Plan:

Strong and Diverse Economy – To create an environment supportive of economic growth, stability and prosperity

Sustainable Environments – Through our operations and advocacy, achieve outcomes which protect and enhance our environment

Healthy Liveable Communities – To protect, promote and enhance the health and wellbeing of our community

Effective Leadership and Management – To ensure responsible management of Council's resources through effective and transparent governance, visionary leadership and full accountability

PERFORMANCE

Council's performance for the 2016-17 year has been reported against each priority area to demonstrate how Council is 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 of or (not of) sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures (Local Government Reporting Framework)



PRIORITY AREA 1: STRONG AND DIVERSE ECONOMY

OUR COMMITMENT: TO CREATE AN ENVIRONMENT SUPPORTIVE OF ECONOMIC GROWTH, STABILITY AND PROSPERITY...

STRATEGIC OBJECTIVES

- Focus economic development resources on areas where a competitive advantage exists
- Develop an entrepreneurial and creative business culture
- Identify, encourage and incentivise inward investment
- Promote a proactive planning environment supportive of new business development
- Facilitate and lobby for appropriate infrastructure to support economic growth

HIGHLIGHTS

- Nine solar projects proposed, four with permits issued, for the area surrounding Kerang and Council is considering other energy related partnerships with private sector business and Government
- Koondrook Wharf project completed
- Successful cotton harvest at Reedy Lake
- A series of workshops, seminars and webinars were undertaken with a focus on customer service, tourism and hospitality
- On-ground works commenced on a large scale solar farm just out of Kerang
- Murray Explored project in partnership with Museums Victoria completed
- Participation in the Murray Regional Tourism meetings and events
- Wells Bridge upgrade completed
- Patchell Plaza and Cohuna public toilets completed and shortlisted as finalists in the Best Bathroom awards
- State Government funding announced for the Koondrook Nature Based Tourism Hub
- Industrial Estate developments
- Plans developed for the Koondrook Railway Goods Shed'

SERVICES TO OUR COMMUNITY

Economic Development

To influence appropriate investment and business development in line with Council goals and facilitate an environment conducive for business, investment and economic growth

Strategic Future Planning

To identify future projects which are likely to improve the liveability and sustainability of the community

Tourism

To create high quality visitor experiences and to promote further growth within the local tourism industry

Community Facilities Management

To provide safe, clean, attractive and accessible recreational facilities which facilitate a range of social, recreational and leisure activities

Building

To administer and enforce building legislation to ensure that buildings meet relevant building and safety standards for owners, occupiers and the general public

Planning

To provide the strategic framework for appropriate land use planning, urban design and development to achieve high quality outcomes for the community through the implementation of the Gannawarra Planning Scheme.

PRIORITY AREA 1: STRONG AND DIVERSE ECONOMY

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Roads				
Satisfaction of use				
Sealed local road requests	19.84	12.77	16.26	The number of customer requests relating to sealed local roads has increased from 64 in 2015/16 to 82 in 2016/17. This may be attributed to the increased grain harvest for the 2016/17 growing year, causing an impact on Council's sealed road network, particularly in the west of the Shire as these are predominantly the main carriers to the grain receival sites.
[Number of sealed local road requests / Kilometres of sealed local roads] x100				
Condition				
Sealed local roads maintained to condition standards	97.00%	94.53%	94.98%	The condition of Council's road network has remained relatively stable thanks to the continued maintenance and asset renewal.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100				
Service cost				
Cost of sealed local road reconstruction	\$25.03	\$28.90	\$31.76	Transport of material and location of construction site from Council's Quarry has contributed to a small increase in the cost of sealed local road reconstruction.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Service cost				
Cost of sealed local road resealing	\$5.45	\$4.29	\$3.66	Gannawarra Shire Council's 2016/17 local road reseal program targeted large continuous sections of reseal therefore a reduced contractual rate was applied allowing a 14.65% reduction in costs.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]				
Satisfaction				
Satisfaction with sealed local roads	58.00	54.00	51.00	Results for community satisfaction with sealed local roads has seen a decrease of three points from 54 in 2016 to 51 in 2017. Whilst results indicate Council's road network is relatively maintained to condition standards, Council is aware that many residents find it difficult to ascertain a council maintained road compared to roads maintained by other authorities.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				
Statutory Planning				
Timeliness				
Time taken to decide planning applications	42.00	42.00	41.00	The median time taken to decide planning applications has remained steady during the 2016/17 year.
[The median number of days between receipt of a planning application and a decision on the application]				

SERVICE PERFORMANCE INDICATORS

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations and Comments
<i>Service standard</i>				
Planning applications decided within required time frames	85.00%	93.98%	86.05%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year. A number of applications were required to be referred to Council for resolution, whilst a number of applications received a late response from referral authorities resulting in delayed decisions.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100				
<i>Service cost</i>				
Cost of statutory planning service	\$1,585.68	\$1,995.78	\$1,975.01	A decrease in the cost of the statutory planning service is related to a short term reduction in resources.
[Direct cost of the statutory planning service / Number of planning applications received]				
<i>Decision making</i>				
Council planning decisions upheld at VCAT	33.00%	0.00%	100.00%	One matter decided by VCAT resulted in Gannawarra Shire Council's decision being upheld with a slight amendment.
[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				

PRIORITY AREA 2: SUSTAINABLE ENVIRONMENTS



PRIORITY AREA 2:

SUSTAINABLE ENVIRONMENTS

OUR COMMITMENT: THROUGH OUR OPERATIONS AND ADVOCACY, ACHIEVE OUTCOMES WHICH PROTECT AND ENHANCE OUR ENVIRONMENT...

STRATEGIC OBJECTIVES

- Promote innovation through the implementation of energy efficient programs and support for sustainable energy industries
- In partnership, promote the efficient use of water in our community and raise broader recreational and environmental awareness of the Shire wetlands
- Take action to improve waste management practices and encourage resource efficiency
- Adopt appropriate planning mechanisms to support sustainable land use and development
- Conserve and promote heritage and culture as drivers for change

HIGHLIGHTS

- Council undertook a trial stage of a new waste application
- Green Waste service now implemented in Kerang, Cohuna and Koondrook with 646 services taken up across Kerang and Cohuna and 102 in Koondrook
- Roadside Weeds and Pests Program continues with Council working with landholders and agencies to eradicate weeds and pests
- Funding announced for the Koondrook Nature Based Tourism Hub

SERVICES TO OUR COMMUNITY

Local Laws

To create a healthy and safe environment for residents and visitors to our municipality

Environmental Sustainability

Council oversees a number of environmental sustainability services including waste management, landfill rehabilitation, weeds and rabbits program and resource efficiencies

Operations

To provide, maintain and develop Council assets and infrastructure for the ongoing benefit and enjoyment of users

Engineering

To provide, maintain and coordinate Council's infrastructure and ensure that public roads and related infrastructure are maintained to a high standard

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Waste Collection				
Satisfaction				
Kerbside bin collection requests	16.98	35.31	31.65	Results relating to kerbside bin collection requests show a reduction of 17 requests for replacement or repairs.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000				
Service standard				
Kerbside collection bins missed	1.08	1.02	0.78	Council received and acted on 31 requests relating to missed services in the 2016/17 reporting period, a decrease of nine requests from the 2015/16 reporting period.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000				
Service cost				
Cost of kerbside garbage bin collection service	\$51.61	\$52.38	\$53.97	A small rise in the cost of the kerbside garbage bin collection service is due to an increase in services as well as CPI increase.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]				
Service cost				
Cost of kerbside recyclables collection service	\$35.07	\$35.61	\$39.69	An increase in the cost of Gannawarra Shire Council's kerbside recyclables collection services is attributed to a significant increase in the uptake of kerbside recycling. Whilst the direct increase in cost is in the delivery of this service, more product and higher volumes of recycling equals a positive result for the environment.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Waste diversion				
Kerbside collection waste diverted from landfill	33.00%	43.70%	44.21%	Council's diversion rate has increased as a result of the availability of a greenwaste service across three townships within the Gannawarra Shire.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				
Animal Management				
Timeliness				
Time taken to action animal management requests	0.00	1.61	2.41	Whilst there has been an increase in the time taken to action animal management requests due to a temporary reduction in resources, all animal management requests were responded to within the required timeframe bound by Council's Customer Service Charter.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]				
Service standard				
Animals reclaimed	30.00%	55.78%	81.20%	Throughout the 2016/17 year, 117 cats and dogs were collected with 95 of those reclaimed. A significant increase in the result is attributed to greater compliance by animal owners through community education.
[Number of animals reclaimed / Number of animals collected] x100				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Service cost				
Cost of animal management service	\$43.04	\$35.75	\$35.26	A small decrease in the cost of the animal management service in 2016/17 is attributed to a temporary reduction in resources.

[Direct cost of the animal management service / Number of registered animals]

Health and safety

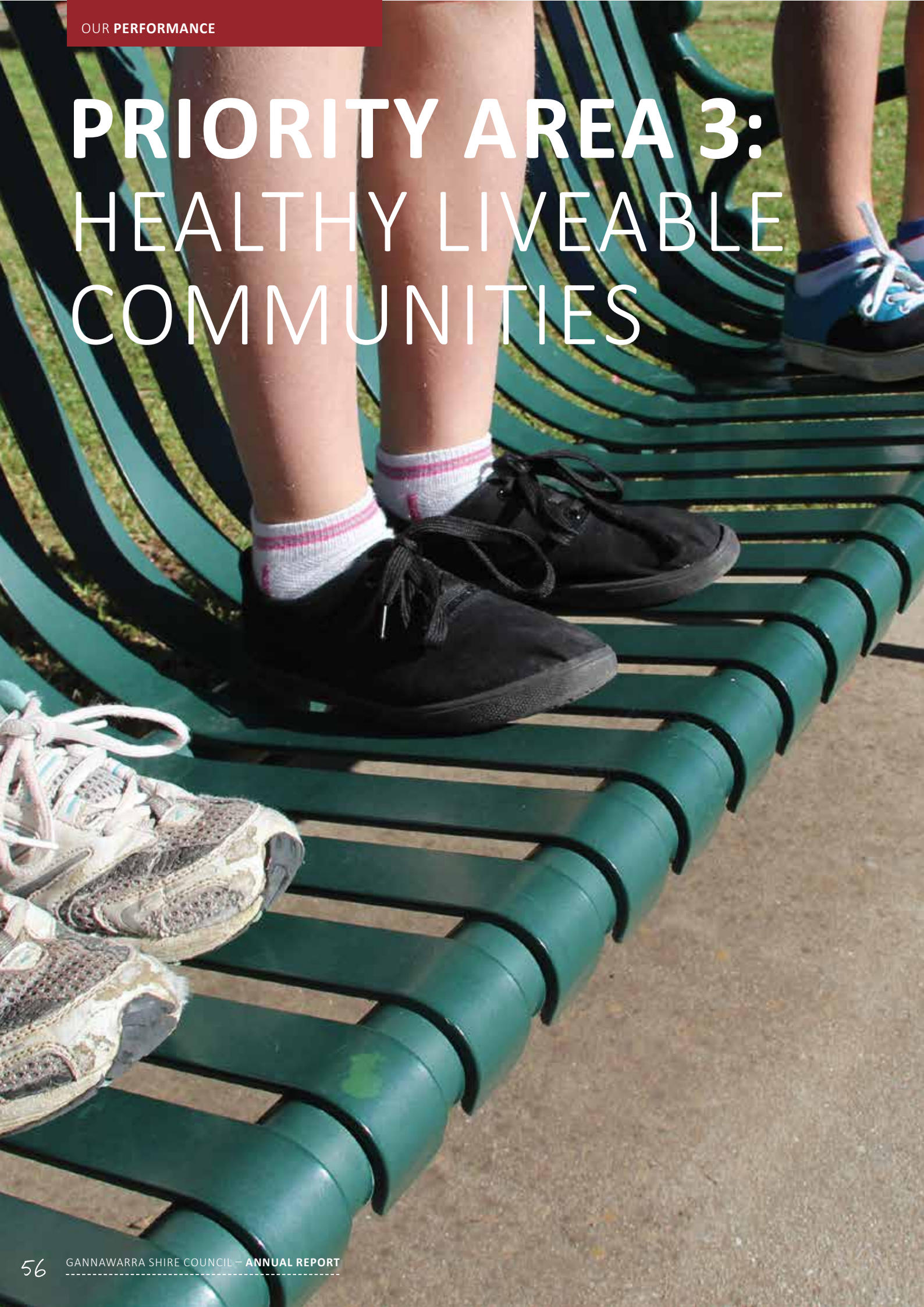
Animal management prosecutions	25.00	7.00	0.00	A decrease in the number of animal management prosecutions is attributed to greater compliance by animal owners through community education.
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[Number of successful animal management prosecutions]



Funding announcement of \$800,000 from the State Government for the Koondrook Nature Based Tourism Hub

PRIORITY AREA 3: HEALTHY LIVEABLE COMMUNITIES



PRIORITY AREA 3: HEALTHY LIVEABLE COMMUNITIES

OUR COMMITMENT: TO PROTECT, PROMOTE AND ENHANCE THE HEALTH AND WELLBEING OF OUR COMMUNITY...

STRATEGIC OBJECTIVES

- Lead the way on local planning efforts to improve health and wellbeing outcomes for the community
- Our community has access to a range of facilities and opportunities that promote active lifestyles
- Our community feels supported to make decisions that help them determine their own health and wellbeing
- Our community feels that they can contribute to community decision making processes
- Our community feels safe and is prepared for an emergency event

HIGHLIGHTS

- Gannawarra Children's Centre and Pre-schools were recognised under the Smiles4Miles program and now qualify as a recognition point in the Healthy Together Victoria program for healthy eating/oral health
- Gannawarra Shire was a finalist in the Heart Foundation Award September 2016 for applying Heart Foundation Healthy by Design principles to Early Childhood services and the Gannawarra Walk to School program
- Council participated in the Victoria Against Violence Campaign
- Coordination of Dental Health Week promotion and activity in August 2016 with Professor Mark Gussy, Child Oral Health Specialist
- Hosted Royal Flying Doctor's Service visits to Kerang, Koondrook and Cohuna between October 2016 and January 2017 to improve access to public dental services
- 105 children participated in the Summer Reading Challenge
- Gannawarra Creative Arts and Activation Strategy and Children and Youth Strategy adopted by Council
- VicHealth Walk to School program coordinated with 11 local primary schools and over 700 children participating
- VicHealth Bright Futures 'Wired into the Warra' project completed, including the internship program for young people held in January 2017
- Early implementation of the 2016-17 Arbovirus Disease Management and Prevention program due to flooding and high mosquito numbers

SERVICES TO OUR COMMUNITY

Health Promotion

Council seeks to protect, improve and promote public health and wellbeing by creating an environment which supports the health of members of the local community and strengthens the capacity of the community and individuals to achieve better health.

The majority of services delivered under health promotion are done in partnership with the Gannawarra Local Agency Meeting (GLAM), including Council, Northern District Community Health, Cohuna Hospital, Kerang District Health, Victoria Police, Mallee District Aboriginal Service and supported by the Southern Mallee Primary Care Partnership.

Children's Services

There are a range of services, programs and activities within the Gannawarra Shire Children's Services that provide support to families with the growth and development of their children. This includes kindergarten programs, long day care, family day care, and toy library. The services are licensed by the Department of Education and Training and are registered with the Australian Children's Education and Care Quality Authority.

Environmental Health

Under the Public Health and Wellbeing Act 2008, the function of Council is to seek to protect, improve and promote public health and wellbeing by creating an environment which supports the health of members of the local community and strengthens the capacity of the community and individuals to achieve better health. Environmental Health Officers are appointed under the Act to fulfil this function.

The health protection role includes environmental health, infectious disease prevention and control, immunisation, food safety, septic tanks, environment protection and emergency response. A range of legislation is administered and enforced by Environmental Health Officers to protect health and wellbeing.

Partnerships

Community Wellbeing has developed strategic partnerships with the community, service providers and funders so that we are able to deliver on the following strategic plans:

- Council Plan which incorporates the Municipal Health and Wellbeing Plan 2013 – 2017
- Children and Youth Strategy 2016 – 2020
- Positive Ageing Strategy 2016 – 2020
- Early Years Plan 2015 – 2018
- Creative Arts and Activation Plan 2016 – 2020

Arts and Culture

Council coordinates arts and culture events in the Shire, manages Council's artwork collection, coordinates art shows and exhibitions and seeks funding opportunities for arts and culture events and programs. A community partnership has been developed this past year which sees Council partner with community groups to deliver strategic arts and culture performances across the Shire.

Community Care

Council has provided services to support older people and people with a disability since 1985. Community Care Services aims to maintain or increase independence by focusing on each client's capacity. Our service caters for frail older people, people of any age with a disability and their carers. Council has invested in training staff and all staff are qualified to provide support to people wanting to remain independently living at home for as long as possible.

Maternal and Child Health

The Maternal and Child Health service is a free universal primary care service for families with children from birth to school age. The universal service is provided under a Memorandum of Understanding with the Municipal Association of Victoria and the Department of Education and Early Childhood Development.

Along with key assessment criteria, nurses offer advice, support and information on a range of issues such as child health and development, feeding and nutrition, parenting, maternal and emotional wellbeing, oral health, sleep and settling difficulties, family planning, child accident and injury prevention and immunisation.

Extra visits are available for families with additional needs such as those with premature babies, twins or other challenging situations.

Nurses offer critical support to all families and refer families and children on to specialist assistance. They are also key front line primary health staff dealing with vulnerable children and families experiencing concerns such as family violence, drug and alcohol addiction, gambling, mental health and disability.

Libraries

The library service aims to support information, recreation and lifelong learning for residents of all ages.

The library service is part of the SWIFT Consortia, a cooperative network of public library services who share the one integrated library management system (ILMS) a bibliographic database, enabling the cost effective implementation of innovative technologies and the efficient sharing of resources to the benefit of library patrons and communities.

Youth

Council is committed to ensuring that young people have a voice in the leadership of the shire.

Volunteers

Volunteers are an essential part of supporting our community to thrive, stay connected and learn new skills. In Gannawarra we are grateful to have a strong commitment to volunteering, which is reflected in the large number of community members who volunteer.

Council currently offers five volunteer programs including Meals on Wheels, Gannawarra Non-Emergency Transport Service (GNETS), L2P Learner Driver Program, Gateway to Gannawarra Visitor Centre and Books on Wheels.

Community Care Services currently manages a volunteer register consisting of over 300 volunteers across all programs. A number of volunteers offer their time over multiple programs with Council.

Council receives funding from the Commonwealth Government for volunteer coordination to manage volunteer recruitment, retention, support, training and education.

PRIORITY AREA 3: HEALTHY LIVEABLE COMMUNITIES

SERVICE PERFORMANCE INDICATORS

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Aquatic Facilities				
<i>Service standard</i>				
Health inspections of aquatic facilities	1.33	1.00	1.00	Health inspections were undertaken at each of Council's aquatic facilities during the 2016/17 reporting period.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]				
Health and Safety				
Reportable safety incidents at aquatic facilities	0.00	0.00	0.00	There were no reportable safety incidents at Gannawarra Shire Council operated aquatic facilities within the 2016/17 reporting period.
[Number of WorkSafe reportable aquatic facility safety incidents]				
Service cost				
Cost of indoor aquatic facilities	\$16.87	\$16.50	\$10.41	A change in the swimming pool management structure has a created a number of efficiencies in the operation of the indoor aquatic facility.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]				
Service cost				
Cost of outdoor aquatic facilities	\$17.40	\$15.20	\$13.31	A change in the swimming pool management structure has a created a number of efficiencies in the operation of the outdoor aquatic facilities.
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Utilisation				
Utilisation of aquatic facilities	2.16	2.72	2.58	A decrease in attendance figures is attributed to a failure in Council's recording system. Due to technical issues, visitors with a season pass were not recorded for the months of November and December therefore figures for these two months are an estimate only.
[Number of visits to aquatic facilities / Municipal population]				
Home and Community Care (HACC)				
Timeliness				
Time taken to commence the HACC service	0.00	10.00	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[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]				
Service standard				
Compliance with Community Care Common Standards	89.00%	88.89%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100				
Service cost				
Cost of domestic care service	\$0.00	\$65.81	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the domestic care service / Hours of domestic care service provided]				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Service cost				
Cost of personal care service	\$0.00	\$38.67	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the personal care service / Hours of personal care service provided]				
Service cost				
Cost of respite care service	\$0.00	\$53.81	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the respite care service / Hours of respite care service provided]				
Participation				
Participation in HACC service	51.00%	54.50%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100				
Participation				
Participation in HACC service by CALD people	17.00%	15.73%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
Libraries				
Utilisation				
Library collection usage	1.68	1.75	1.86	Investment in new resources together with the withdrawal of older, non-used items is improving turnover, however low use of e-resources impacts on this figure.
[Number of library collection item loans / Number of library collection items]				

SERVICE PERFORMANCE INDICATORS

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Resource standard				
Standard of library collection	34.00%	39.16%	37.50%	Gannawarra Shire Council will continue to step up withdrawal of older stock to increase the standard of the Library collection.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100				
Service cost				
Cost of library service	\$5.98	\$6.62	\$6.20	A continuous improvement approach has resulted in a small amount of savings across the service with a 6.39% decrease from 2015/16.
[Direct cost of the library service / Number of visits]				
Participation				
Active library members	13.00%	19.45%	20.01%	Gannawarra Shire Council has recorded a small but positive increase in active library members across the Service in the 2016/17 year.
[Number of active library members / Municipal population] x100				
Maternal and Child Health (MCH)				
Satisfaction				
Participation in first MCH home visit	100.00%	101.80%	98.92%	The Gannawarra Maternal and Child Health Service participation is strong however families living remotely tend to access the Service in a neighbouring Shire if their residence is closer in distance.
[Number of first MCH home visits / Number of birth notifications received] x100				
Service standard				
Infant enrolments in the MCH service	100.00%	93.69%	93.55%	The Gannawarra Maternal and Child Health Service participation is strong however families living remotely tend to access the Service in a neighbouring Shire if their residence is closer in distance.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100				

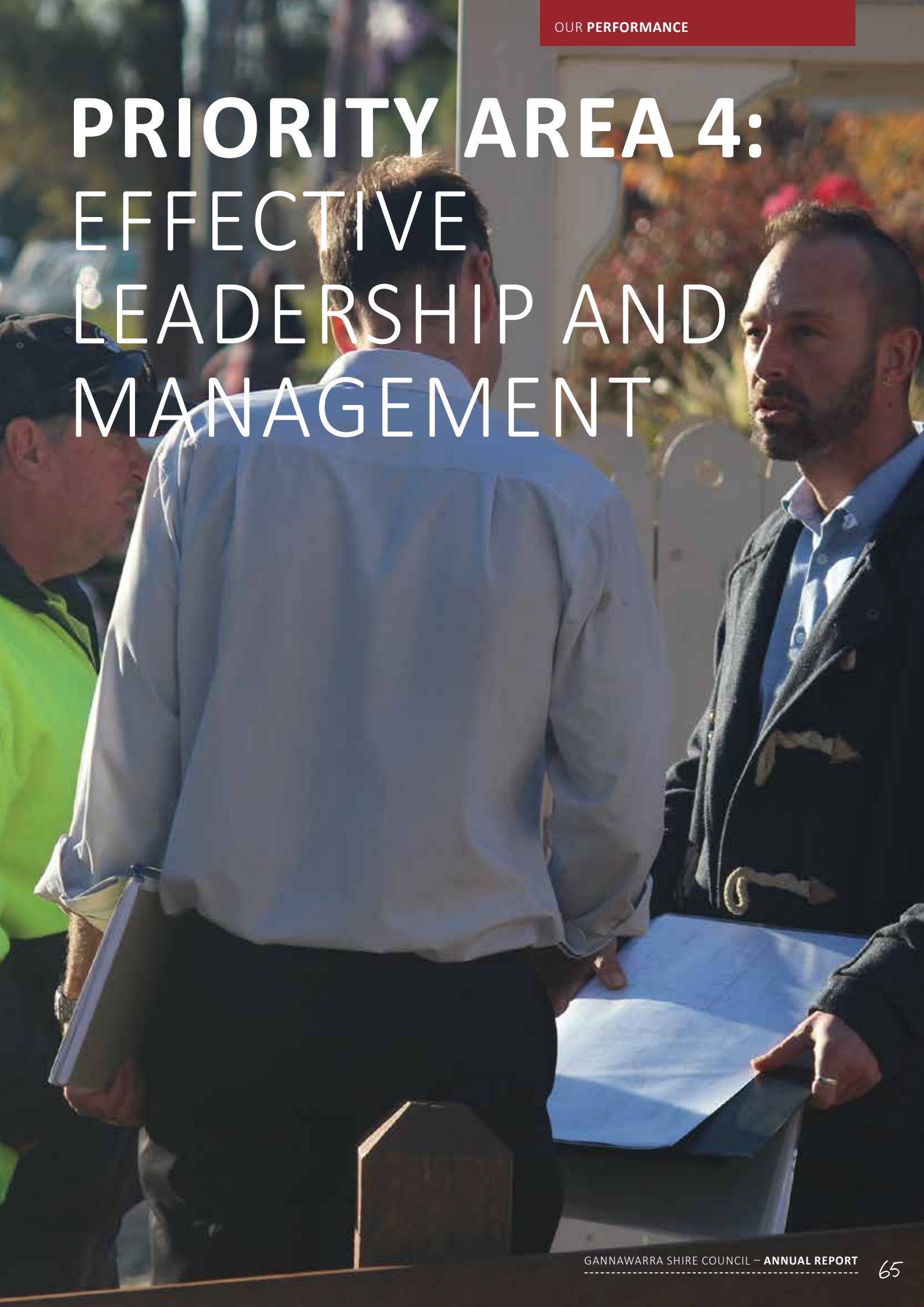
SERVICE PERFORMANCE INDICATORS

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Service cost				
Cost of the MCH service	\$0.00	\$70.17	\$62.03	A decrease in the cost of the Gannawarra Maternal and Child Health Service is related to a reduction in resources.
[Cost of the MCH service / Hours worked by MCH nurses]				
Participation				
Participation in the MCH service	73.00%	79.19%	77.40%	The Gannawarra Maternal and Child Health Service participation is strong however families living remotely tend to access the Service in a neighbouring Shire if their residence is closer in distance.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
Participation				
Participation in the MCH service by Aboriginal children	59.00%	69.49%	55.56%	A decrease in the participation in the Maternal and Child Health Service by Aboriginal children is attributed to an alternative Service available through the Mallee District Aboriginal Service.
[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				
Food Safety				
Timeliness				
Time taken to action food complaints	0.00	1.00	1.00	From 1 July 2016, 'Time taken to action food complaints' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]				

SERVICE PERFORMANCE INDICATORS

<i>Service/indicator/measure</i>	Results 2015	Results 2016	Results 2017	Material Variations and Comments
<i>Service standard</i>				
Food safety assessments	82.00%	88.73%	72.88%	A decrease in the number of food safety assessments is related to a temporary reduction in resources.
[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				
<i>Service cost</i>				
Cost of food safety service	\$406.99	\$280.80	\$226.58	A decrease in the cost of the food safety service is related to a temporary reduction in resources.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]				
<i>Health and safety</i>				
Critical and major non-compliance outcome notifications	100.00%	100.00%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
[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 a food premises] x100				

PRIORITY AREA 4: EFFECTIVE LEADERSHIP AND MANAGEMENT



PRIORITY AREA 4: EFFECTIVE LEADERSHIP AND MANAGEMENT

**OUR COMMITMENT:
TO ENSURE
RESPONSIBLE
MANAGEMENT
OF COUNCIL'S
RESOURCES
THROUGH
EFFECTIVE AND
TRANSPARENT
GOVERNANCE,
VISIONARY
LEADERSHIP
AND FULL
ACCOUNTABILITY...**

STRATEGIC OBJECTIVES

- Council will continue to be recognised for its advocacy, partnerships and leadership for the benefit of the community
- Our community has access to information, is kept informed and has the opportunity to participate in the decision making process
- Council maximises its financial capacity whilst paying close attention to risk factors and statutory requirements
- An organisational culture that promotes staff development and wellbeing, recognises achievements and celebrates successes

HIGHLIGHTS

- Active in lobbying the State Government for additional passenger rail services on the Swan Hill – Bendigo line
- Implementation of the Live Chat service on our website, allowing the community to communicate with Council in another way
- Increase in our social media following
- 100% of statutory reporting timelines met, including budget, Annual Report, Council Plan 2017 – 2021 and grants commission returns
- Sale of Sleepy Lane managed through best practice processes
- Participation in the Healthy Together Victoria workplace program

SERVICES TO OUR COMMUNITY

Customer Service

Council's frontline customer service is the first point of customer contact for our residents, stakeholders and general community. Council's customer service staff handle a variety of queries on a daily basis including general customer enquiries, revenue collection and receipting, facility hire services, office supply orders and manage postal collection and dispatch. It is an expectation of the community that our customer service staff have excellent knowledge and service skills, prompt, efficient, courteous service provide and execute confidentiality where required.

Finance

To provide in-house professional, technical and expert financial services that result in promoting financial sustainability and complying with all regulatory standards and authorities' requirements.

Community Engagement, Grants and Media

To promote and manage Council's image and reputation.

To effectively manage information flow between Council, the community and other relevant stakeholders in ways that reflect and support Council's key strategic documents.

To inform the community of Council's projects, programs and decisions through appropriate and accessible mediums.

Governance

To lead the organisation in good governance practices through establishing and maintaining standards of conduct and administration.

To support Council's participatory democratic function through facilitation of open and transparent decision making.

To inform Council and management of their roles and responsibilities in order to deliver the best possible outcomes for the community.

Human Resources

Human Resources (HR) acts as a business partner to all areas of Council by providing services that enable the organisation to achieve its business objectives through its staff. HR services ensure that there are the right number of staff, with the right skills, the right values and behaviours, to enable business objectives to be met. As part of this, HR ensures that all relevant employment laws are adhered to and that risks associated with the employment relationship are controlled. HR plays an equal role in ensuring that the business is able to achieve its objectives through its staff and that those staff are treated fairly and in accordance with the law and Council policies.

Municipal Emergency Management

To ensure compliance with statutory Local Government emergency management obligations.

To ensure appropriate plans, processes and arrangements are in place to assist Council in supporting emergency response activities and to fulfil its emergency relief and recovery obligations.

Advocacy

Gannawarra Shire Council is committed to sustainably developing its community by building a strong economy, a vibrant tourism sector, ensuring the provision of high quality services and facilities and developing stronger connections to the wider community through digital and physical infrastructure. To achieve our vision we need to advocate on behalf of our community to key decision makers. Working in partnership with the State and Federal Government, as well as community groups and other agencies, is critically important for Council to successfully deliver improved outcomes to its community. Funding and support from government and agencies allows Council to progress its key projects and continue to deliver high-quality services.

IT Management

To provide a technological platform and resources for directorates, enabling them to perform their duties and provide services to the shire.

Strategic Asset Management

To ensure that Council has the infrastructure in place to meet the needs to all other services delivered by Council as well as have oversight of the Capital Works Program.

Records Management

The management of records during their 'life cycle' including creation, maintenance, control, storage, retrieval, dissemination and disposition. The documenting of information contained in Council records is required to enable efficient retrieval of information and the compilation of an accurate and permanent account of all Council events and transactions.

PRIORITY AREA 4: EFFECTIVE LEADERSHIP AND MANAGEMENT

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Governance				
Transparency				
Council decisions made at meetings closed to the public	7.00%	9.26%	9.16%	The majority of Council meetings closed to the public are for the consideration of contractual matters with a small decrease from 15 decisions made in 2015/16 to 12 decisions made in 2016/17.
<p>[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</p>				
Consultation and engagement				
Satisfaction with community consultation and engagement	65.00	60.00	60.00	Community satisfaction with consultation and engagement has remained steady in 2016.
<p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>				
Attendance				
Councillor attendance at council meetings	96.00%	94.29%	86.73%	Councillors attended 86.73% of ordinary and special meetings of Council in the 2016/17 year. Attendance figures reflect periods of illness and personal leave.
<p>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>				

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Service cost				
Cost of governance	\$36,615.37	\$41,837.50	\$40,182.39	A reduction in the cost of governance is a result of costs associated with the recruitment of a new CEO in the 2015/16 year.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]				
Satisfaction with council decisions	64.00	59.00	60.00	Community satisfaction with Council decisions increased by 1 point in the 2016/17 year.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				

MyWarra interns during their internship at Council in January 2017





GOVERNANCE

Gannawarra Shire Council is constituted under the *Local Government Act* 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
- Acting as a responsible partner in government by taking into account the needs of other communities
- 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 and the ability to make

submissions to Council.

Council's formal decision-making processes are conducted through Council meetings. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with the Local Government Act 1989 and a range of other acts and regulations.

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

MEETINGS OF COUNCIL

Council conducts open public meetings on the 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 questions to the Council, make a submission or speak to an item.

For the 2016/17 year, Council held 11 Ordinary Council Meetings and three Special Council Meetings.

ORDINARY MEETINGS													
COUNCILLOR	20/07/17	17/8/17	14/9/17	12/10/17	16/11/16	21/12/16	15/2/17	15/3/17	19/4/17	17/5/17	28/6/17	TOTAL	
Cr Neville Goulding	✓	✓	✓	✓	4/4								4/4
Cr Oscar Aertssen	✓	✓	✓	✓	4/4								4/4
Cr Keith den Houting	✓	✓	✓	✓	4/4								4/4
Cr Neil Gannon	✓	A	✓	✓	3/4								3/4
Cr Lorraine Learmonth	✓	✓	✓	✓	4/4	✓	✓	✓	✓	✓	✓	7/7	11/11
Cr Mark Arians	✓	A	✓	✓	2/4	✓	✓	✓	✓	✓	✓	7/7	9/11
Cr Brian Gibson	A	✓	A	A	1/4	✓	✓	✓	✓	✓	✓	7/7	8/11
Cr Steven Tasker						✓	✓	✓	✓	✓	✓	7/7	7/7
Cr Jodie Basile						✓	✓	✓	✓	✓	✓	7/7	7/7
Cr Sonia Wright						✓	✓	✓	✓	✓	✓	7/7	7/7
Cr Charlie Gillingham						✓	✓	✓	✓	✓	✓	7/7	7/7

SPECIAL MEETINGS				
	4/11/17	15/2/17	13/6/17	
Cr Lorraine Learmonth	✓	✓	A	2/3
Cr Mark Arians	✓	✓	✓	3/3
Cr Brian Gibson	✓	✓	✓	3/3
Cr Steven Tasker	✓	✓	✓	3/3
Cr Jodie Basile	✓	✓	✓	3/3
Cr Sonia Wright	✓	✓	✓	3/3
Cr Charlie Gillingham	✓	✓	✓	3/3

COUNCILLOR PORTFOLIOS

Councillor portfolios as set 16 November 2016.

COUNCILLOR	PORTFOLIO	COMMITTEE
Cr Brian Gibson		Municipal Emergency Management Planning Committee Audit Committee Murray River Group of Councils – as Mayor Loddon Campaspe Councils – as Mayor
Cr Mark Arians		Murray Mallee Local Learning and Employment Network (MMLLEN) Seniors Advisory Committee Elders Group
Cr Jodie Basile		Municipal Association Victoria (MAV) Audit Committee Early Years Board MAV Transport and Infrastructure Committee
Cr Charlie Gillingham		Murray Darling Association (MDA)
Cr Lorraine Learmonth	Arts and Culture, Elders, Seniors	Loddon Mallee Waste and Resource Recovery Group (LMWRRG) Campaspe Cohuna Local Learning and Employment Network (CCLLEN) MAV Arts and Culture Committee MAV Environment Committee Seniors Advisory Committee Elders Group
Cr Sonia Wright	Youth	Central Victorian Greenhouse Alliance (CVGA)
Cr Steven Tasker		Municipal Fire Management Planning Committee

CODE OF CONDUCT

The *Local Government Act* requires a council to review its Councillor Code of Conduct within the period of four months after a general election. On 5 February 2017, at a Special Meeting called solely for this purpose, Council reviewed and approved Policy No. 078 – Code of Conduct and Values for Elected Members 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 the misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures

The Code of Conduct documents Gannawarra Shire Councillors commitment to working together in the best interests of the people within the municipality and to discharging their responsibilities to the best of their skill and judgement.

CONFLICT OF INTEREST

Councillors are elected by the residents and ratepayers to act in the best interests of the community. When a council delegates its powers to a council officer or a committee, the committee or officer must also 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 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 conflicts of interest. During 2016-17, two conflicts of interest were declared at a Council meeting.

COUNCILLOR ALLOWANCES

In accordance with Section 74 of the Local Government Act, 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.

For the period 1 July 2016 to 30 June 2017, the councillor annual allowance must be between \$8,121 and \$19,350 for councillors and a maximum of \$57,812 for the Mayor, plus an additional 9.5% being an amount equivalent to superannuation.

Council moved at its November 2016 Ordinary Council Meeting to:

- 1) Fix the Councillor allowance at \$19,350 per annum and an amount equivalent to the superannuation guarantee of 9.5% of the relevant allowance, equating to \$21,188 (exclusive of annual indexation).
- 2) Fix the Mayoral allowance at \$57,812 per annum and an amount equivalent to the superannuation guarantee of 9.5% of the relevant allowance, equating to \$63,304 (exclusive of annual indexation).

The Mayor and councillors have the option to be provided with internet access, a mobile telephone and a tablet device. All councillors have access to a computer, printer and fax machine at Council's offices. The Mayor is also provided with a vehicle.

COUNCILLOR EXPENSES

In accordance with Section 75 of the *Local Government Act*, 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 payment of reimbursements 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. Council endorsed reviewed Policy No. 092 – Councillor Allowanced and Support on 21 December 2016.

The details of the expenses including reimbursement of expenses for each councillor paid by Council for the 2016-17 year are set out as below:

SCHEDULE OF COUNCILLOR EXPENSES – 2016-17

	Cr	Cr	Cr	Cr	Cr	Cr	Cr	Cr	Cr	Cr	Cr	TOTAL
	Oscar	Mark	Jodie	Neil	Brian	Charles	Neville	Keith	Lorraine	Steve	Sonia	
	Aertssen	Arians	Basile	Gannon	Gibson	Gillingham	Goulding	den Houting	Learmonth	Tasker	Wright	
1. Conferences & Training Expenses	-	638	1,895	-	7,174	638	-	-	1,629	638	706	13,317
2. Travel Expenses	-	-	192	647	244	1,835	-	44	1,980	979	3,024	8,946
3. Car Mileage Expenses	8	-	-	-	13,532	-	-	-	8,165	-	-	21,704
4. IT & Communication Expenses	-	200	200	-	200	200	-	95	314	200	200	1,609
5. Childcare Expenses	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL Expenses	8	838	2,287	647	21,150	2,673	-	139	12,089	1,817	3,930	45,575

1. Conferences & Training Expenses

This category covers registration fees & all other costs (eg accomodation, meals) associated with attendance by Councillors at local conferences, training, functions and seminars. These are normally held by Local Government related organisations, professional bodies and institutions, education institutions and private sector providers on areas and events which impact the roles of Councillors and the Shire in general. This category also includes memberships and subscriptions to bodies and organisations whose activities are relevant to the role of Councillors.

2. Travel Expenses

This category covers costs associated with assisting Councillors in meeting the transport costs incurred in attending meetings, functions and other commitments within and outside the municipality. This comprises use of a taxi, reimbursement for use of private vehicle while conducting Council business, car parking fees, the provision of car parking permits etc as described in the Councillor Expenses Policy. This category also comprises costs associated with accommodation and incidentals when travelling on Council business.

3. Car Mileage Expenses

This category covers car mileage expenses for the use of Council vehicles by Councillors whenever travelling to conduct Council business.

4. IT & Communication Expenses

This category covers mobile telephone use associated with ensuring that Councillors are accessible and are able to communicate with constituents, stakeholders, other Councillors, Council Officers and family members while conducting Council business.

5. Childcare Expenses

The Council will reimburse the cost of necessary carer expenses incurred by Councillors in the course of carrying out their duties, at functions of which partners are invited. This covers childcare and other forms of care needed to support immediate family members.

AUDIT COMMITTEE

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

Council's five member Audit Committee consists of three independent members being Deanne Van der Drift and Alan Darbyshire, along with John Campbell who was appointed in April 2017 following the retirement of Lui Basile; and two councillor representatives being Councillor Jodie Basile and Councillor Brian Gibson. Independent members are appointed for a three-year term. The chair must be an independent member and is elected by the committee.

The Audit Committee meets at least quarterly and five meetings were held during 2016-17. The Victorian Auditor-General's Office (VAGO) audit service provider and Council's appointed Internal Auditors, along with the Chief Executive Officer, Director Corporate Services, Manager Finance and Manager Governance are invited to attend all Audit Committee meetings. Other management representatives attend as required to present reports.

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 to the Audit Committee that appropriate processes and controls are in place across Council.

Under direction of the Audit Committee, internal audit reviews are conducted across the organisation by the appointed internal auditors AFS & Associates Pty Ltd of Bendigo. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised 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 changes on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditors attend each Audit Committee meeting to report on the status of the SIAP, to provide an update on the implementation of audit recommendations and to present findings of completed reviews.

The following SIAP reviews were presented to the Audit Committee during 2016-17:

- Risk Management Assessment
- Business Continuity and Disaster Recovery Planning
- Asset Management and Capital Expenditure
- Past Reports – Follow Up Review
- Accounts Payable and Procurement

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2016-17 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the VAGO appointed audit service provider, Crowe Horwath Australasia.

RISK MANAGEMENT

During 2016-17 Council's Executive Leadership Team completed development of a new Risk Management framework (Council Opportunity and Risk Evaluator – CORE) that includes specific criteria to measure and utilise opportunity values to support Council to achieve its corporate and community goals.

A review was also undertaken on Council's Business Continuity Plan and department sub-plans

OCCUPATIONAL HEALTH AND SAFETY (OHS)

During 2016-17 Council staff commenced a review of the current OHS Committee structure and the incident notification and investigation process. One elected Health and Safety Representative and one management representative completed the initial 5 day HSR Course, three elected Health and Safety Representatives and two management representatives completed the one day HSR refresher course.

In addition, staff completed a range of training including fire and evacuation, heat health, manual handling and first aid.

EMERGENCY MANAGEMENT

Council lodged a submission in response to the Local Government Victoria (LGV) Councils and Emergencies Directions Paper.

The Gannawarra Shire Municipal Emergency Management Planning Committee (MEMPC) completed a full review of the Municipal Emergency Management Plan (MEMP) and assessed the risk of food/water supply contamination, anthrax and plant/animal pest (e.g. fruit fly).

Council staff conducted an exercise to review processes, arrangements and documents developed to support activation and set up of an Emergency Relief Centre in a Council owned facility.

ELECTION

The 2016-17 year was an election year for Victorian Local Government. Gannawarra Shire two councillors did not seek re-election.

13 Candidates nominated, three former councillors and four new councillors were elected.

Oaths and Affirmations of Office were recorded and Code of Conduct Declarations were signed by all councillors at a Special Meeting held 4 November 2016. Also at the Special Meeting, Cr Gibson was elected Mayor and Cr Gillingham elected Deputy Mayor.

FREEDOM OF INFORMATION

The Freedom of Information Act (1982) provides individuals and organisations with a general right of access to information held by the Gannawarra Shire Council. It also provides a right of appeal to the State FOI Commissioner to review decisions to refuse access to information.

Requests for access to information under the Freedom of Information Act must be submitted in writing to the Freedom of Information Officer, Gannawarra Shire Council, PO Box 287, Kerang VIC 3579.

Six Freedom of Information requests were received during 2016-17.

GOVERNANCE AND MANAGEMENT CHECKLIST

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES	22/06/2016		
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	22/06/2016		
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)	Plan adopted in accordance with section 126 of the Act	YES	28/06/2017		
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)	Budget adopted in accordance with section 130 of the Act	YES	28/06/2017		
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)	Current plans in operation	YES		Buildings AMP- 20/08/2008 Roads AMP- 18/02/2015 Bridges AMP- 18/03/2016 Footpaths AMP- 16/07/2014 Drainage AMP- 18/05/2011 Recreation AMP-18/05/2011 Levee Banks AMP- 18/03/2015	

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES	19/03/2014		
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	22/06/2016		
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	15/03/2017		
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986	YES	17/05/2017		
Procurement policy (policy under section 186A of the Local Government Act 1989 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 Local Government Act	YES	28/06/2017		
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	YES	10/10/2016		

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES	4/09/2016		
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	7/09/2016		
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)	Committee established in accordance with section 139 of the Act	YES	8/09/1999		
Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	27/11/2014		
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)	Current framework in operation	YES	1/07/2015		

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
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)	Current report	YES	7/03/2017		
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	YES	14/09/2016 16/11/2016 15/02/2017 17/05/2017		
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	07/12/2016 03/05/2017		
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)	Reports prepared and presented	YES	14/09/2016 01/03/2017		

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	YES	12/10/2016		
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)	Code of conduct reviewed in accordance with section 76C of the Act	YES	15/02/2017		
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)	Delegations reviewed in accordance with section 98(6) of the Act	YES	17/05/2017		
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	YES	20/04/2011		

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 regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 47 Victoria Street, Kerang:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- Minutes of ordinary and special meetings held in the previous 12 months which are kept under Section 93 of the Act, other than those agendas and minutes relating to part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act
- The minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act
- A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- A document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms of and the value of the lease
- A register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant

BEST VALUE

Council is committed to the principles of the Business Excellence Framework which is an integrated leadership and management system that describes the elements essential to sustainable organisational excellence. The objective of Business Excellence is to use quality management principles and tools in business management with the goal of improving performance based on customer focus, stakeholder value and process management. Council has integrated these principles into its everyday organisational environment. Council adopted its Council Plan 2017 – 2021 to define the goals of the organisation over a four year period as required by the Local Government Act. The Council Plan contains five Key Priority Areas

- Connectivity
- Economic Diversity, Growth and Prosperity
- Sustainable Natural and Built Environments
- Good Governance and a Healthy Organisation
- Strong Healthy Communities

Each Priority Area contains outcomes, objectives and success indicators. Council progressively monitors the provision of best practice service against success indicators using reports provided by the Executive Leadership Team. Shortfalls against these indicators can then be seen as areas for improvement. Our integrated planning framework is essential to the best use of limited resources.

To further reflect Council's commitment to Best Value, Council has commenced the design and planning of a Service Planning Program which is to be rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regards to service performance.

CONTRACTS

During the year Council did not enter into any contracts valued at \$150,000 or more for services of \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

DISABILITY ACTION PLAN

In accordance with Section 38 of the Disability Act 2006, Council is required to report on the implementation of its Disability Action Plan in the Annual Report. Council's Disability Action Plan is due for review; however the following actions were completed during the 2016-17 year:

- Delivered a successful 'International Day of People with a Disability' event in Kerang
- Discuss providing all accessible playgrounds through the community consultation of the Council Plan and this is something Council will be focusing on in the next 4 years.

Council will review and develop an Inclusion Plan in the 2017-18 year.

DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with the Domestic Animals Act 1994, Council is required to prepare and implement a Domestic Animal Management Plan (DAM Plan) every four years, and evaluate its implementation in the Annual Report.

Highlights during the 2012-2016 period include:

- development and implementation of 84Y agreements for rehousing of dogs and cats
- development of the Emergency Animal Welfare Plan (EAWP)
- increase in quantity of wildcats removed from the community
- use of Council website and Facebook page to display photos and details of animals in the Pound
- use of innovative, user-friendly methods to allow cancellation of animal registration via email or text



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 in the 2016-17 year.

PROTECTED DISCLOSURE PROCEDURES

In accordance with Section 69 of the *Protected Disclosure Act 2012* a Council must include in their 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 in the policy document section Policy No. 107.

During the 2016-17 year no disclosures were notified to Council officers appointed to receive disclosures, or to IBAC.

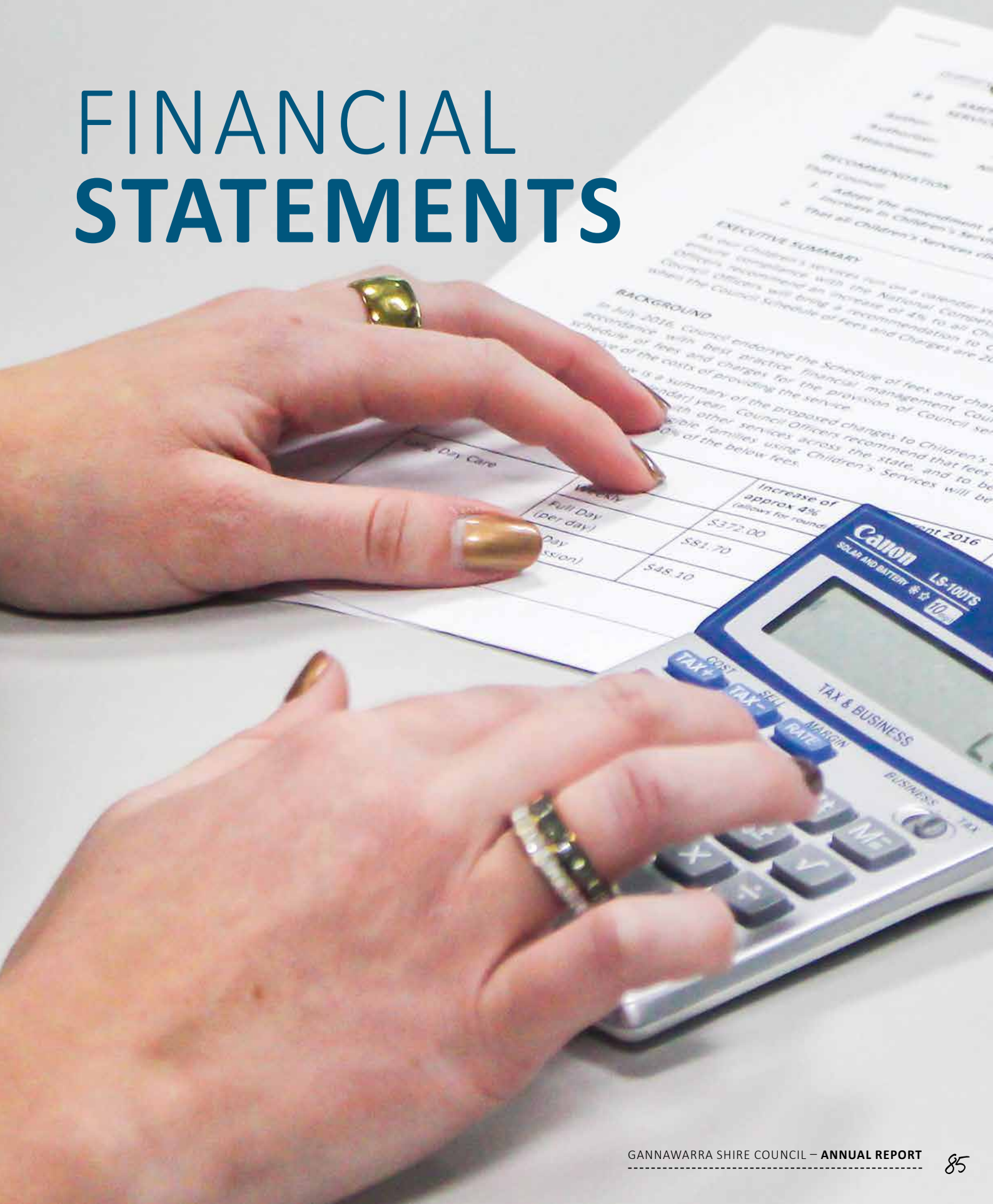
ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the *Road Management Act 2004*, a 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.

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council's Annual Report.

FINANCIAL STATEMENTS



Day Care	WEEKLY	Increase of approx 4% (allows for round)
Full Day (per day)	\$372.00	
Day Session	\$51.70	
	\$48.10	

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GANNAWARRA SHIRE COUNCIL

2016/2017 FINANCIAL REPORT

Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	11,988	11,540
Statutory fees and fines	4	459	368
User fees	5	1,881	1,779
Grants - operating	6	10,504	5,189
Grants - capital	6	3,954	4,044
Contributions - monetary	7	203	158
Contributions - non monetary	7	-	18
Net gain on disposal of property, infrastructure, plant and equipment	8	23	-
Other income	9	2,201	1,782
Total income		31,213	24,878
Expenses			
Employee costs	10	(11,558)	(11,269)
Materials and services	11	(8,046)	(7,283)
Bad and doubtful debts	12	(61)	(37)
Depreciation and amortisation	13	(5,311)	(5,147)
Net loss on disposal of property, infrastructure, plant and equipment	8	-	(56)
Borrowing costs	14	(55)	(75)
Other expenses	15	(348)	(369)
Total expenses		(25,378)	(24,236)
Surplus/(deficit) for the year		5,835	642
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	22	-	10,234
Total comprehensive result		5,835	10,876

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Balance Sheet As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	5,207	3,136
Trade and other receivables	18	2,031	1,420
Other financial assets	17	3,103	2,911
Inventories	19	654	464
Non-current assets classified as held for sale	20	666	819
Other assets	21	165	345
Total current assets		11,826	9,095
Non-current assets			
Property, infrastructure, plant and equipment	22	187,513	184,556
Total non-current assets		187,513	184,556
Total assets		199,339	193,651
Liabilities			
Current liabilities			
Trade and other payables	23	675	1,043
Trust funds and deposits	24	386	234
Provisions	25	2,653	2,405
Interest-bearing loans and borrowings	26	95	170
Total current liabilities		3,809	3,852
Non-current liabilities			
Provisions	25	1,116	1,126
Interest-bearing loans and borrowings	26	666	760
Total non-current liabilities		1,782	1,886
Total liabilities		5,591	5,738
Net assets		193,745	187,913
Equity			
Accumulated surplus		76,321	70,488
Reserves	27	117,425	117,425
Total Equity		193,746	187,913

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		187,911	70,486	117,425	-
Surplus/(deficit) for the year		5,835	5,835	-	-
Balance at end of the financial year		193,746	76,321	117,425	-
2016					
Balance at beginning of the financial year		177,037	69,846	107,191	-
Surplus/(deficit) for the year		642	642	-	-
Net asset revaluation increment/(decrement)	27(a)	10,234	-	10,234	-
Balance at end of the financial year		187,913	70,488	117,425	-

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Statement of Cash Flows For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		11,806	11,334
Statutory fees and fines		461	405
User fees		1,468	1,957
Grants - operating		10,504	5,708
Grants - capital		3,955	4,449
Contributions - monetary		203	174
Interest received		107	247
Trust funds and deposits taken		965	287
Other receipts		1,506	1,535
Net GST refund/payment		216	147
Employee costs		(11,558)	(11,269)
Materials and services		(8,046)	(9,001)
Trust funds and deposits repaid		(717)	(228)
Other payments		(348)	(369)
Net cash provided by/(used in) operating activities	28	10,522	5,376
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	22	(8,829)	(8,885)
Proceeds from sale of property, infrastructure, plant and equipment		794	563
Payments for investments		(192)	-
Proceeds from sale of investments		-	664
Net cash provided by/(used in) investing activities		(8,227)	(7,658)
Cash flows from financing activities			
Finance costs		(55)	(75)
Repayment of borrowings		(169)	(333)
Net cash provided by/(used in) financing activities		(224)	(408)
Net increase (decrease) in cash and cash equivalents		2,071	(2,690)
Cash and cash equivalents at the beginning of the financial year		3,136	5,826
Cash and cash equivalents at the end of the financial year		5,207	3,136
Financing arrangements	29		
Restrictions on cash assets	16		

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

Statement of Capital Works For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Property			
Land improvements		802	77
Works in progress		-	70
Total land		<u>802</u>	<u>147</u>
Buildings		15	448
Building improvements		202	280
Works in progress		-	1,861
Total buildings		<u>217</u>	<u>2,589</u>
Total property		<u>1,019</u>	<u>2,736</u>
Plant and equipment			
Plant, machinery and equipment		830	629
Fixtures, fittings and furniture		4	-
Computers and telecommunications		158	229
Library books		97	106
Works in progress		282	10
Total plant and equipment		<u>1,371</u>	<u>974</u>
Infrastructure			
Roads		2,201	3,751
Bridges		1,696	78
Footpaths and cycleways		94	138
Drainage		-	41
Recreational, leisure and community facilities		860	143
Road kerb and channel		75	102
Waste management		347	109
Parks, open space and streetscapes		17	207
Aerodromes		16	372
Other infrastructure		361	136
Works in progress		547	95
Total infrastructure		<u>6,214</u>	<u>5,172</u>
Total capital works expenditure		<u>8,604</u>	<u>8,882</u>
Represented by:			
New asset expenditure		673	2,332
Asset renewal expenditure		6,669	5,895
Asset expansion/upgrade expenditure		1,262	655
Total capital works expenditure		<u>8,604</u>	<u>8,882</u>

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Introduction

The Gannawarra 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 47 Victoria Street, Kerang.

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 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n))
- the determination of employee provisions (refer to Note 1 (t))
- the determination of landfill provisions (refer to Note 1 (u))

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) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2017, and their income and expenses for that part of the reporting period in which control existed.

Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated. No entities were required to be consolidated.

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. There are no material Committees of Management requiring consolidation.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(e) 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.

Joint arrangements

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(f) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(g) 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.

(h) 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.

(i) Trade and other receivables

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

(j) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(k) 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.

(l) Non-current assets classified as held for sale

A non-current asset classified as held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

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

Acquisition

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

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

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 22 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 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 is yet to recognise the land under roads it controls.

(n) 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.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit
Property		
land	-	2,000
land improvements	40 - 50	5,000
Buildings		
buildings	50 years	5,000
building improvements	50 years	5,000
Plant and Equipment		
plant, machinery and equipment	2 - 25 years	2,000
fixtures, fittings and furniture	2 - 10 years	2,000
computers and telecommunications	2 - 10 years	2,000
library books	15 - 20	1,000
Infrastructure		
roads	15 - 25 year	10,000
road kerb, channel and minor culverts	80 years	5,000
bridges	100 years	5,000
footpaths and cycleways	20 - 40	5,000
drainage	80 years	10,000
recreational, leisure and community facilities	40 - 90	5,000
waste management	40 - 90	5,000
parks, open space and streetscapes	40 - 90	5,000
aerodromes	40 - 90	5,000

(o) 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.

(p) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(q) Impairment of assets

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(r) 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 24).

(s) 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.

(t) 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.

(u) Landfill rehabilitation provision

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 1 Significant accounting policies (cont.)

(v) 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.

(w) 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.

(x) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 33 contingent liabilities and contingent assets.

(y) 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.

(z) Pending accounting standards

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has a number of operating leases that will be impacted as a result of this change. This will see a change in the assets and liabilities but the amount is not quantifiable at this stage.

(aa) 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.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

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 10 percent. 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 22 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	11,876	11,988	112	
Statutory fees and fines	365	459	94	1
User fees	1,977	1,881	(96)	
Grants - operating	7,315	10,504	3,189	2
Grants - capital	5,084	3,954	(1,130)	3
Contributions - monetary	160	203	43	4
Net gain on disposal of property, infrastructure, plant and equipment	148	23	(125)	5
Other income	1,812	2,201	389	6
Total income	28,737	31,213	2,476	
Expenses				
Employee costs	11,433	11,558	(125)	
Materials and services	6,883	8,046	(1,163)	7
Bad and doubtful debts	4	61	(57)	8
Depreciation and amortisation	5,219	5,311	(92)	
Borrowing costs	56	55	1	
Other expenses	288	348	(60)	9
Total expenses	23,883	25,379	(1,496)	
Surplus/(deficit) for the year	4,854	5,834	980	
Other comprehensive income items that will not be reclassified to surplus or deficit in future periods:				
Net asset revaluation increment/(decrement)	1,741	-	1,741	
Total comprehensive result	6,595	5,834	2,721	

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The Budget for planning permits was based on a standard year, increased activity this year, including major project applications - Solar Farm projects.
2	Grants - operating	The budget was based on receiving a full year's Victorian Grants Commission payment. On 7th June 2017 the VGC advanced 50% of the 2017/2018 payments totalling \$2.622 million. The advanced payment had the effect of increasing the amount of revenue received by Council during the current year.
3	Grants - capital	The budget allowed for Roads to Recovery grant funding of \$2.204 million, Actual received 2016/2017 totalled \$1.826 million. Capital works funding Approved Budget \$2.879 million, Actual \$2,177 million, \$602k variation result of timing of capital works projects.
4	Contributions - monetary	Unbudgeted contributions were received from Wandella Netball \$45k and Cohuna Netball \$21k for facility upgrades.
5	Net gain on disposal of property, infrastructure, plant and equipment	Sale of Industrial Land at both Kerang and Cohuna Industrial Estates were realised at a lower than budgeted sale prices. Budget proceeds \$207k, Actual \$134k.
6	Other income	Unbudgeted Flood Event occurred during 2016, resulting in a \$192k recovery claim.
7	Materials and services	Material Items Unbudgeted change in payment arrangements to Family Day Care providers \$210k Unbudgeted cost of Flood Event 2016 \$200k Unbudgeted cost Wandella Netball facility upgrade \$138k Unbudgeted Change to staffing arrangements at both Kerang and Cohuna Swimming Pools to Contractors \$155k Increase in Chargeable Works cost \$97k
8	Bad and doubtful debts	Local Law infringement notices issued prior to 30 June 2016 and remain outstanding at 30 June 2017 and where court action has not been undertaken are treated as unlikely to be collected. At 30 June 2017 an additional amount of \$18k was added to the provision. The provision for general rate doubtful debts was also increased by \$33k due to the long running issue for several properties within the Macorna area.
9	Other expenses	The amount budgeted for property valuations was \$26k, Actual incurred \$70k as per valuation contract.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land improvements	1,617	802	(815)	1
Total Land	1,617	802	(815)	
Buildings	-	15	15	
Building improvements	221	202	(19)	
Total Buildings	221	217	(4)	
Total Property	1,838	1,018	(820)	
Plant and Equipment				
Plant, machinery and equipment	983	830	(153)	2
Fixtures, fittings and furniture	-	4	4	
Computers and telecommunications	500	440	(60)	3
Library books	103	97	(6)	
Total Plant and Equipment	1,586	1,371	(215)	
Infrastructure				
Roads	2,305	2,201	(104)	4
Bridges	1,672	1,696	24	
Footpaths and cycleways	103	94	(9)	
Recreational, leisure and community facilities	1,438	1,407	(31)	
Waste management	220	347	127	5
Parks, open space and streetscapes	795	17	(778)	6
Aerodromes	-	16	16	
Kerb and channel	100	75	(25)	
Other infrastructure	376	361	(15)	
Total Infrastructure	7,009	6,215	(794)	
Total Capital Works Expenditure	10,433	8,604	(1,829)	
Represented by:				
New asset expenditure	1,323	673	(650)	
Asset renewal expenditure	5,964	6,669	705	
Asset expansion/upgrade expenditure	3,146	1,262	(1,884)	
Total Capital Works Expenditure	10,433	8,604	(1,829)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	The construction of the Koondrook wharf had not been completed by 30 June 2016 with final costs of \$600k being incurred in 2016/2017. An amount of \$807k had been allowed for the Quambatook township flood mitigation project, as funding had not been received costs to date of \$70k have been incurred to undertake various studies of the environment to enable works to proceed when funding is made available.
2	Plant, machinery and equipment	An amount of \$300k for the purchase of a road maintenance unit consisting of a prime mover and trailer had been allowed, at 30 June 2017 the trailer had not been received at a cost of \$100k.
3	Computers and telecommunications	Council appointed itivision as the supplier in the replacement of Council's corporate system The original go-live date of April was deferred to allow additional time for testing. The project had not been completed by 30 June 2017 and has been included as a carryover project for 2017/2018.
4	Roads	Expenditure on Roads to Recovery totalling \$100k has been scheduled for 2017/2018.
5	Waste management	Additional works undertaken in the construction of Cell No.3 at Denyers Landfill.
6	Parks, open space and streetscapes	Costs associated with the works on the Kerang CBD streetscape to 30 June 2017 totalled \$60k of a \$750k budget. Quambatook River Street community project has been deferre to 2017/2018 \$26k.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 3 Rates and charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value at which the unencumbered land might be expected to realise in an open market at the time of the valuation.</p> <p>The valuation base used to calculate general rates for 2016/17 was \$1,525,278,180 (2015/16 \$1,472,800,900).</p>		
General Rates	9,548	9,138
Municipal charge	628	628
Waste management charge	1,701	1,652
Supplementary rates and rate adjustments	37	55
Interest on rates and charges	74	67
Total rates and charges	11,988	11,540
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.</p>		
Note 4 Statutory fees and fines		
Animal control	131	135
Health and preventative services	50	48
Library fees	1	1
Office services	8	-
Recreation	78	69
Town planning and building control	164	104
Other fees and charges	27	11
Total statutory fees and fines	459	368
Note 5 User fees		
Aged service fees	284	534
Child care/children's program fees	646	406
External works	355	211
Hall hire	17	16
Health and preventative services	2	-
Library fees	5	5
Office services	19	23
Recreation	57	59
Tourism	23	17
Waste and Environment	450	494
Other fees and charges	23	14
Total user fees	1,881	1,779

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	10,402	5,398
State funded grants	4,057	3,837
Total grants received	<u>14,459</u>	<u>9,235</u>
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission - unallocated	4,807	1,532
Victoria Grants Commission - local roads	2,881	936
Children and Families	105	149
Senior citizens	783	47
Recurrent - State Government		
State Emergency Services (SES)	-	13
Infant Health	-	153
Children and Families	928	670
Heritage and Culture	40	125
Preventative Services	66	22
Community Services	60	60
Regional Infrastructure	55	-
Senior Citizens	389	1,055
School Crossings	14	14
Landcare	-	104
Other	52	42
Total recurrent operating grants	<u>10,180</u>	<u>4,922</u>
Non-recurrent - Commonwealth Government		
Children and Families	-	6
Non-recurrent - State Government		
Community Services	-	55
Senior citizens	15	46
Tourism	-	12
Children and Families	25	40
Library	144	-
Preventative Services	104	-
Heritage and Culture	21	51
Waste Management	15	-
Recreation	-	9
Other	-	48
Total non-recurrent operating grants	<u>324</u>	<u>267</u>
Total operating grants	<u>10,504</u>	<u>5,189</u>
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,827	2,728
Recurrent - State Government		
Library	6	6
Total recurrent capital grants	<u>1,833</u>	<u>2,734</u>
Non-recurrent - Commonwealth Government		
Non-recurrent - State Government		
Recreation	763	349
Regional Infrastructure	1,359	961
Total non-recurrent capital grants	<u>2,122</u>	<u>1,310</u>
Total capital grants	<u>3,955</u>	<u>4,044</u>
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	520	392
Received during the financial year and remained unspent at balance date	538	515
Received in prior years and spent during the financial year	(493)	(387)
Balance at year end	<u>565</u>	<u>520</u>

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 7 Contributions		
Monetary	203	158
Non-monetary	-	18
Total contributions	203	176
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Office Equipment	-	8
Parks, open spaces and streetscapes	-	10
Total non-monetary contributions	-	18
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	521	563
Written down value of assets disposed	(498)	(619)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	23	(56)
Note 9 Other income		
Interest	107	247
Property rental	258	245
<i>Reimbursements</i>		
Welfare	1,173	903
Garbage collection and recycling	244	261
Flood recovery	192	-
Other	227	126
Total other income	2,201	1,782
Note 10 (a) Employee costs		
Wages and salaries	8,321	8,190
Annual leave and long service leave	1,218	1,017
Other leave	784	784
Superannuation	969	937
Workcover	152	146
Fringe benefits tax	99	104
Salaries capitalised	(151)	(75)
Other	166	166
Total employee costs	11,558	11,269
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	58	70
	<u>58</u>	<u>70</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	684	669
Employer contributions - other funds	227	198
	<u>911</u>	<u>867</u>

Refer to note 32 for further information relating to Council's superannuation obligations.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 11 Materials and services		
Operational Materials	2,004	1,623
Operational Services	3,231	2,947
Contract payments	277	80
Building maintenance	7	25
Utilities	636	804
Office administration	866	769
Information technology	331	240
Bank charges	35	35
Insurance	335	310
Consultants	131	169
Contributions	193	281
Total materials and services	8,046	7,283
Note 12 Bad and doubtful debts		
Rates	33	11
Children Services	2	-
Fire Hazard	13	2
Local Laws	13	22
Aged & Disabled services	-	2
Total bad and doubtful debts	61	37
Note 13 Depreciation and amortisation		
<i>Property</i>		
Land improvements	406	390
Buildings	708	684
<i>Plant and Equipment</i>		
Plant and equipment	698	720
Office equipment	212	200
Library books	52	51
Office furniture	2	1
<i>Infrastructure</i>		
Roads	2,426	2,433
Bridges	230	229
Footpaths	124	109
Drainage	235	152
Kerb and channel	218	178
Total depreciation	5,311	5,147
Intangible assets	-	-
Total depreciation and amortisation	5,311	5,147
<i>Refer to note 22 for a more detailed breakdown of depreciation and amortisation charges</i>		
Note 14 Borrowing costs		
Interest - Borrowings	55	75
Total borrowing costs	55	75
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	45	44
Auditors' remuneration - Internal	39	28
Councillors' allowances	193	204
Valuations	71	93
Total other expenses	348	369

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 16 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	414	803
Term deposits	4,791	2,331
	<u>5,207</u>	<u>3,136</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 24)	386	234
Total restricted funds	<u>386</u>	<u>234</u>
Total unrestricted cash and cash equivalents	<u>4,821</u>	<u>2,900</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	710	750
- Grant monies received but not yet expended	565	520
Total funds subject to intended allocations	<u>1,275</u>	<u>1,270</u>

Refer also to Note 17 for details of other financial assets held by Council.

Note 17 Other financial assets

Term deposits	3,103	2,911
Total other financial assets	<u>3,103</u>	<u>2,911</u>

Other financial assets includes amounts set aside by Council resolution for a specific purpose and include the following:

Long Service Leave	1,531	1,328
LMPA - Preschool	44	55
Plant & Equipment	325	325
Land & Building	203	203
Major Projects	1,000	1,000
	<u>3,103</u>	<u>2,911</u>

Note 18 Trade and other receivables

Current

Statutory receivables

Rates debtors	1,116	934
Provision for doubtful debts - rates	(127)	(94)
Infringement debtors	53	55
Provision for doubtful debts - infringements	(44)	(39)
Net GST receivable	216	147

Non statutory receivables

Other debtors	860	447
Provision for doubtful debts - other debtors	(43)	(30)
Total current trade and other receivables	<u>2,031</u>	<u>1,420</u>
Total trade and other receivables	<u>2,031</u>	<u>1,420</u>

(a) Ageing of Receivables

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

Current (not yet due)	716	345
Past due between 31 and 60 days	30	47
Past due between 61 and 90 days	-	7
Past due between 91 and 120 days	16	2
Past due by more than 121 days	98	46
Total trade & other receivables	<u>860</u>	<u>447</u>

(b) Movement in provisions for doubtful debts

Balance at the beginning of the year	30	28
New Provisions recognised during the year	13	2
Balance at end of year	<u>43</u>	<u>30</u>

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 18 Trade and other receivables (cont'd)		
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$860,246 (2016: \$447,000) were impaired. The amount of the provision raised against these debtors was \$42,734 (2016: \$29,733). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due by more than 1 year	43	30
Total trade & other receivables	<u>43</u>	<u>30</u>
Note 19 Inventories		
Inventories held for distribution	654	464
Total inventories	<u>654</u>	<u>464</u>
Note 20 Non current assets classified as held for sale		
Cost of acquisition	819	1,361
Capitalised development costs (eg roads, drainage)	-	9
Industrial Estate Land Sold	(153)	(551)
Total non current assets classified as held for sale	<u>666</u>	<u>819</u>
Note 21 Other assets		
Prepayments	142	165
Accrued income	23	180
Total other assets	<u>165</u>	<u>345</u>

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 22 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Depreciation	Disposal	Transfers	At Fair Value 30 June 2017
Land	6,408	2,971	(51)	-	-	9,328
Buildings	13,327	217	(499)	-	-	13,045
Plant and Equipment	4,905	1,089	(788)	(305)	-	4,902
Infrastructure	157,642	5,667	(3,283)	(720)	-	159,306
Work in progress	2,275	897	-	-	(2,240)	931
	184,556	10,841	(4,621)	(1,025)	(2,240)	187,513

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Buildings	2,170	-	2,170	-
Plant and Equipment	10	280	-	290
Infrastructure	95	617	70	642
Total	2,275	897	2,240	932

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 22 Property, infrastructure, plant and equipment (cont'd)

	Land - non specialised	Land improvements	Total Land	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Property
Land and Buildings								
At fair value 1 July 2016	4,436	2,543	6,979	25,772	603	26,375	2,170	35,524
Accumulated depreciation at 1 July 2016	-	(571)	(571)	(12,933)	(115)	(13,048)	-	(13,619)
	4,436	1,972	6,408	12,839	488	13,327	2,170	21,905
Movements in fair value								
Acquisition of assets at fair value	-	2,971	2,971	15	202	217	-	3,188
Transfers	-	-	-	-	-	-	(2,170)	(2,170)
	-	2,971	2,971	15	202	217	(2,170)	1,018
Movements in accumulated depreciation								
Depreciation and amortisation	-	(51)	(51)	(476)	(23)	(499)	-	(550)
	-	(51)	(51)	(476)	(23)	(499)	-	(550)
At fair value 30 June 2017	4,436	5,514	9,950	25,787	805	26,592	-	36,542
Accumulated depreciation at 30 June 2017	-	(622)	(622)	(13,409)	(138)	(13,547)	-	(14,169)
	4,436	4,892	9,328	12,378	667	13,045	-	22,373

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 22 Property, infrastructure, plant and equipment (cont'd)

	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment	Work In Progress	Total plant and equipment
Plant and Equipment							
At fair value 1 July 2016	8,287	99	1,738	1,112	11,236	10	11,246
Accumulated depreciation at 1 July 2016	(4,342)	(97)	(1,302)	(590)	(6,331)	-	(6,331)
	3,945	2	436	522	4,905	10	4,915
Movements in fair value							
Acquisition of assets at fair value	830	4	158	97	1,089	-	1,089
Fair value of assets disposed	(305)	-	-	-	(305)	-	(305)
Transfers	-	-	-	-	-	281	281
	525	4	158	97	784	281	1,845
Movements in accumulated depreciation							
Depreciation and amortisation	(698)	(2)	(212)	(52)	(964)	-	(964)
Accumulated depreciation of disposals	176	-	-	-	176	-	176
	(523)	(2)	(212)	(52)	(788)	-	(788)
At fair value 30 June 2017	8,813	104	1,896	1,209	12,021	291	12,312
Accumulated depreciation at 30 June 2017	(4,864)	(99)	(1,514)	(642)	(7,119)	-	(7,119)
	3,949	5	382	567	4,902	291	5,193

**GANNAWARRA SHIRE COUNCIL
2016/2017 FINANCIAL REPORT**

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2017**

Note 22 Property, infrastructure, plant and equipment (cont'd)

	Roads	Bridges	Footpaths and cycleways	Drainage	Road kerb & channel	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Other Infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure
Infrastructure													
At fair value 1 July 2016	166,076	22,724	9,944	18,773	17,414	15,296	2,769	4,190	4,478	9,189	270,873	95	270,968
Accumulated depreciation at 1 July 2016	(68,964)	(9,172)	(2,890)	(8,393)	(6,770)	(8,047)	(738)	(444)	(1,772)	(6,041)	(113,231)	-	(113,231)
	97,112	13,552	7,054	10,380	10,644	7,249	2,031	3,746	2,706	3,148	157,642	95	157,737
Movements in fair value													
Acquisition of assets at fair value	2,201	1,696	94	-	75	860	347	17	16	361	5,667	-	5,667
Fair value of assets disposed	-	-	-	-	-	(537)	-	-	(183)	-	(720)	-	(720)
Transfers	-	-	-	-	-	-	-	-	-	-	-	547	547
	2,201	1,696	94	-	75	323	347	17	(167)	361	4,947	547	5,494
Movements in accumulated depreciation													
Depreciation and amortisation	(2,426)	(230)	(124)	(235)	(218)	(240)	(28)	(58)	(78)	(159)	(3,796)	-	(3,796)
Accumulated depreciation of disposals	-	-	-	-	-	510	-	-	3	-	513	-	513
	(2,426)	(230)	(124)	(235)	(218)	270	(28)	(58)	(75)	(159)	(3,283)	-	(3,283)
At fair value 30 June 2017	166,277	24,420	10,038	18,773	17,489	15,619	3,137	4,206	4,311	9,550	275,820	642	276,463
Accumulated depreciation at 30 June 2017	(71,390)	(9,402)	(3,014)	(8,628)	(6,988)	(7,777)	(766)	(502)	(1,847)	(6,200)	(116,514)	-	(116,514)
	96,887	15,018	7,024	10,145	10,501	7,842	2,371	3,704	2,464	3,350	159,306	642	159,948



GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 22 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, LG Valuation Services Pty Ltd on 30 June 2014. 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 2017 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Land	-	1,431	3,006	Jun-14
Land improvements	-	18	4,875	Jun-14
Buildings	-	-	12,379	Jun-14
Building improvements	-	-	668	Jun-14
Total	-	1,449	20,926	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with the Maloney method at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	DoV
Roads	-	-	96,886	Jun-13
Bridges	-	-	15,018	Jun-13
Footpaths and cycleways	-	-	7,024	Jun-16
Drainage	-	-	10,146	Jun-16
Road kerb and channel	-	-	10,501	Jun-16
Recreational, leisure and community facilities	-	-	7,841	Jun-14
Waste management	-	-	2,370	Jun-14
Parks, open spaces and streetscapes	-	-	3,704	Jun-14
Aerodromes	-	-	2,463	Jun-14
Other infrastructure	-	-	3,350	Jun-14
Total	-	-	159,303	

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 22 Property, infrastructure, plant and equipment cont'd

Description of significant unobservable inputs into level 3 valuations.

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 25% and 75%. The market value of land varies significantly depending on the location of the land and the current market conditions.

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 \$250 to \$1,470 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and a useful life of 50 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.

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 15 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.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

		2017	2016
		\$'000	\$'000
Note 23	Trade and other payables		
	Trade payables	-	282
	Accrued expenses	675	761
	Total trade and other payables	675	1,043
Note 24	Trust funds and deposits		
	Refundable deposits	5	7
	Fire services levy	131	103
	Retention amounts	92	21
	Other refundable deposits	158	103
	Total trust funds and deposits	386	234
	<i>Purpose and nature of items</i>		
	Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.		
	Fire Service Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the state government in line with that process.		
	Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.		
Note 25	Provisions		
		Employee	Landfill restoration
		Other	Total
		\$ '000	\$ '000
	2017		
	Balance at beginning of the financial year	2,631	900
	Additional provisions	1,456	-
	Amounts used	(1,218)	-
	Balance at the end of the financial year	2,869	900
	2016		
	Balance at beginning of the financial year	2,697	900
	Additional provisions	951	-
	Amounts used	(1,017)	-
	Balance at the end of the financial year	2,631	900
		2017	2016
		\$'000	\$'000
	(a) Employee provisions		
	Current provisions expected to be wholly settled within 12 months		
	Annual leave	738	666
	Long service leave	422	394
	Other	-	5
		1,160	1,065
	Current provisions expected to be wholly settled after 12 months		
	Annual leave	227	156
	Long service leave	1,266	1,184
		1,493	1,340
	Total current employee provisions	2,653	2,405
	Non-current		
	Long service leave	216	226
	Total non-current employee provisions	216	226
	Aggregate carrying amount of employee provisions:		
	Current	2,653	2,405
	Non-current	216	226
	Total aggregate carrying amount of employee provisions	2,869	2,631

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 25		
Provisions (cont'd)		
(b) Land fill restoration		
Non-current	900	900
	<u>900</u>	<u>900</u>
Note 26		
Interest-bearing loans and borrowings		
Current		
Borrowings - secured (1)	95	170
	<u>95</u>	<u>170</u>
Non-current		
Borrowings - secured (1)	666	760
	<u>666</u>	<u>760</u>
Total	<u>761</u>	<u>930</u>
(1) Borrowings are secured by rates.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	95	170
Later than one year and not later than five years	415	420
Later than five years	251	340
	<u>761</u>	<u>930</u>

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 27 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation of <name asset class> by an associate	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
2017				
Property				
Land	2,572	-	-	2,572
Buildings	9,839	-	-	9,839
	<u>12,411</u>	<u>-</u>	<u>-</u>	<u>12,411</u>
Infrastructure				
Roads	86,996	-	-	86,996
Bridges	6,227	-	-	6,227
Footpaths and cycleways	3,448	-	-	3,448
Drainage	4,610	-	-	4,610
Kerb and channel	3,733	-	-	3,733
	<u>105,014</u>	<u>-</u>	<u>-</u>	<u>105,014</u>
Total asset revaluation reserves	117,425	-	-	117,425
2016				
Property				
Land	2,572	-	-	2,572
Buildings	9,839	-	-	9,839
	<u>12,411</u>	<u>-</u>	<u>-</u>	<u>12,411</u>
Infrastructure				
Roads	86,996	-	-	86,996
Bridges	6,227	-	-	6,227
Footpaths and cycleways	1,557	1,891	-	3,448
Drainage	-	4,610	-	4,610
Kerb and channel	-	3,733	-	3,733
	<u>94,780</u>	<u>10,234</u>	<u>-</u>	<u>105,014</u>
Total asset revaluation reserves	107,191	10,234	-	117,425

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	5,835	642
Depreciation/amortisation	5,311	5,147
(Profit)/loss on disposal of property, infrastructure, plant and equipment	(23)	56
Contributions - Non-monetary assets	-	(18)
Finance costs	-	75
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(611)	(188)
Increase/(decrease) in trade and other payables	(368)	98
(Decrease)/increase in other liabilities	-	60
(Increase)/decrease in other assets	180	10
(Increase)/decrease in inventories	(192)	104
Increase/(decrease) in provisions	238	(68)
(Increase)/decrease in land held for resale	153	(543)
Net cash provided by/(used in) operating activities	<u>10,523</u>	<u>5,376</u>
Note 29 Financing arrangements		
Credit card facilities	100	100
Fixed rate loan facilities	761	930
Total facilities	<u>861</u>	<u>1,030</u>
Used facilities	761	939
Unused facilities	<u>100</u>	<u>91</u>

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 30 Commitments

The Council has entered into the following commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Operating					
Interest on loans	48	42	87	24	201
Garbage collection	481	991	511	-	1,983
Office Equipment	15	8	-	-	23
Total	544	1,041	598	24	2,207
Capital					
Plant and Equipment	350	-	-	-	350
Infrastructure	360	-	-	-	360
Total	710	-	-	-	710
2016					
Operating					
Interest on loans	57	48	104	44	253
Garbage collection	472	481	1,502	-	2,455
Office Equipment	15	15	11	-	41
Council election	92	-	-	-	92
Total	636	544	1,617	44	2,841
Capital					
Drainage	110	-	-	-	110
Township improvements	45	-	-	-	45
Office Equipment	320	-	-	-	320
Buildings	275	-	-	-	275
Total	750	-	-	-	750

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 \$'000	2016 \$'000
Note 31 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	15	15
Later than one year and not later than five years	8	26
	<u>23</u>	<u>41</u>
(b) Operating lease receivables		
The Council has entered into commercial property leases on its 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	273	260
Later than one year and not later than five years	1,144	1,095
Later than five years	1,557	1,497
	<u>2,974</u>	<u>2,852</u>

Note 32 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

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

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

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 32 Superannuation (cont'd)

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

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

Employer contributions

Regular contributions

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

Funding calls

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

2016 Interim actuarial investigation surplus amounts

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

- A VBI surplus of \$40.3 million; and
- A total service liability surplus of \$156 million.

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

2017 Full triennial actuarial investigation

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

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$59,000

Note 33 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 32. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Guarantees

The following Bank Guarantee is held by State of Victoria - Environment Protection Authority on behalf of Council:

	Commencement Date	Amount
Kerang Landfill Financial Assurance	11/04/2013	\$ 246,773

Contingent assets

The following Bank Guarantees are held by Council for contract works being undertaken:

Primal Surfacing Pty Ltd CP 278 - Sealed Road Surfacing 1516	10/03/2016	\$ 20,800
Primal Surfacing Pty Ltd CP 278 - Sealed Road Surfacing 1516	10/03/2016	\$ 20,800
Maritime Constructions Pty Ltd CP 281 - Construction of Koondrook Wharf	26/10/2016	\$ 55,234
Civilix Victoria Pty Ltd Channel Remediation Winter Works 2017	9/06/2017	\$ 5,000

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 34 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. 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 33.

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 33, 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.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 34 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.

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

(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 + 1% and -1% in market interest rates (AUD) from year-end rates of 2%.

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.

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

	2017 No.	2016 No.
Note 35 Related party disclosures		
(i) Related Parties		
<i>Parent entity</i>		
Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Council has no interests in subsidiaries and associates.		
(ii) Key Management Personnel		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
Councillors		
Councillor Lorraine Learmonth (October 2012 - Current, Mayor 2015/16)		
Councillor Neville Goulding (March 2003 - October 2016, Mayor 2011/12 and 2014/15)		
Councillor Keith den Houting (March 2003 - October 2016, Mayor 2005/06 and 2009/10)		
Councillor Neil Gannon (November 2008 - October 2016)		
Councillor Oscar Aertssen (November 2005 - October 2016)		
Councillor Brian Gibson (October 2012 - Current, Mayor 2017/18)		
Councillor Mark Arians (October 2012 - Current)		
Councillor Sonia Wright (October 2016 - Current)		
Councillor Charlie Gillingham (October 2016 - Current)		
Councillor Steven Tasker (October 2016 - Current)		
Councillor Jodie Basile (October 2016 - Current)		
Total Number of Councillors	11	7
Chief Executive Officer and other Key Management Personnel	5	4
Total Key Management Personnel	<u>16</u>	<u>11</u>
(iii) Remuneration of Key Management Personnel	2017	
	\$,000	
Total remuneration of key management personnel was as follows:		
Short-term benefits	791	
Long-term benefits	62	
Termination benefits	58	
Total	<u>911</u>	
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2017	
	No.	
\$1 - \$9,999	4	
\$10,000 - \$19,999	4	
\$20,000 - \$29,999	1	
\$30,000 - \$39,999	2	
\$50,000 - \$59,999	1	
\$130,000 - \$139,999	1	
\$150,000 - \$159,999	2	
\$230,000 - \$239,999	1	
	<u>16</u>	
(iv) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
Nil		
(v) Outstanding balances with related parties		
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties		
Nil		

GANNAWARRA SHIRE COUNCIL 2016/2017 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2017

Note 35 Related party disclosures (cont'd)

(vi) Loans to/from related parties

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the Council to a related party as follows:

Nil.

(vii) Commitments to/from related parties

The aggregate amount of commitments in existence at balance date that have been made, guaranteed or secured by the Council to a related party are as follows:

Nil.

Note 36 Senior Officer Remuneration

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

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

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2017 No.	2016 No.
<\$99,999	1	6
\$100,000 - \$119,999	1	1
	<u>2</u>	<u>7</u>

Total Remuneration for the reporting year for Senior Officers included above, amounted to	\$ 238,198	\$ 492,534
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Note 37 Events occurring after balance date

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

GANNAWARRA SHIRE COUNCIL 2016/2017 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.

Sid Hutchinson, DipAcc
Principal Accounting Officer



Date : 20 September 2017
Kerang

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

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

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

Cr Brian Gibson
Councillor



Date :
Kerang

Cr Jodie Basile
Councillor



Date :
Kerang

Eric Braslis
Chief Executive Officer



Date :
Kerang

Independent Auditor's Report

To the Councillors of Gannawarra Shire Council

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

Auditor's responsibilities for the audit of the financial report

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

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
26 September 2017

GANNAWARRA SHIRE COUNCIL PERFORMANCE STATEMENT 2017 FOR THE YEAR ENDED 30 JUNE 2017

DESCRIPTION OF MUNICIPALITY

Bordered by the Murray River to the north, Gannawarra Shire is approximately three hours from Melbourne and around one hour from the neighbouring centres of Swan Hill, Echuca and Bendigo. Gannawarra Shire is a diverse landscape of lakes and rivers, red gum forests, irrigated agriculture and dry land farming. The magnificent natural landscapes and Mediterranean-style climate make it ideal for agriculture and outdoor recreation. Gannawarra's primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert and Mystic Park.

SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED JUNE 2017

Indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
Population				
Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$2,388.66	\$2,419.00	\$2,551.94	Expenses have remained constant while the population of the municipality has declined leading to a small increase in expenses per head of population.
Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$15,941.74	\$17,780.92	\$17,916.84	There has been minimal shift in the value of infrastructure assets while the population of the municipality has declined leading to an increase per head of population.
Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	4.46	4.41	4.38	Council road lengths have remained constant and with a decreasing population base there has been a decrease in the population density.
Own-source revenue				
Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,495.71	\$1,544.07	\$1,664.35	With a limited range of own source revenue opportunities, Council must apply increased user charges to continue to provide the same level of service. With a diminishing population the increase per head of population is increasing.
Recurrent grants				
Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$1,113.65	\$764.05	\$1,207.84	An increase in recurrent grants per head of municipal population is due to the advanced Victoria Grants Commission payment.
Disadvantage				
Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.00	3.00	3.00	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 above

“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 JUNE 2017

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
Aquatic Facilities				
Utilisation				
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.16	2.72	2.58	A decrease in attendance figures is attributed to a failure in Council's recording system. Due to technical issues, visitors with a season pass were not recorded for the months of November and December therefore figures for these two months are an estimate only.
Animal Management				
Health and safety				
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	25.00	7.00	0.00	A decrease in the number of animal management prosecutions is attributed to greater compliance by animal owners through community education.
Food Safety				
Health and safety				
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 a food premises] x100</i>	100.00%	100.00%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED JUNE 2017

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
Governance				
Satisfaction				
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]</i>	64.00	59.00	60.00	Community satisfaction with Council decisions increased by 1 point in the 2016/17 year. Gannawarra Council continue to rank higher than the State average and the average for small rural Councils.
Home and Community Care (HACC)				
Participation				Material Variations
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	50.96%	54.50%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation				
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</i>	17.00%	15.73%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries				
Participation				
Active library members <i>[Number of active library members / Municipal population] x100</i>	13.48%	19.45%	20.01%	Gannawarra Shire Council has recorded a small but positive increase in active library members across the Service in the 2016/17 year.
Maternal and Child Health (MCH)				
Participation				
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</i>	72.52%	79.19%	77.40%	The Gannawarra Maternal and Child Health Service participation is strong however families living remotely tend to access the Service in a neighbouring Shire if their residence is closer in distance.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED JUNE 2017

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations
Participation				
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</i>	59.18%	69.49%	55.56%	A decrease in the participation in the Maternal and Child Health Service by Aboriginal children is attributed to an alternative Service available through the Mallee District Aboriginal Service.
Roads				Material Variations
Satisfaction				
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	58.00	54.00	51.00	The results indicate Council's road network is relatively maintained to condition standards. Council is aware that many residents find it difficult to know the difference between a Council maintained road and roads maintained by other authorities.
Statutory Planning				
Decision making				
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</i>	33.33%	0.00%	100.00%	One matter decided by VCAT resulted in Gannawarra Shire Council's decision being upheld with a slight amendment.
Waste Collection				
Waste diversion				
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</i>	33.44%	43.70%	44.12%	Council's diversion rate has increased as a result of the availability of a greenwaste service across three townships within the Gannawarra Shire.

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

“CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

“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 the 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 the 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 JUNE 2017

Dimension/indicator/ measure	Results 2015	Results 2016	Results 2017	Forecasts				Material Variations
				2018	2019	2020	2021	
Efficiency								
Revenue level								
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,080.80	\$1,203.59	\$1,228.84	\$1,250.70	\$1,275.82	\$1,301.36	\$1,327.34	The increase in the average residential rate is in line with the Fair Go Rates guidelines.
Expenditure level								
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,461.86	\$3,621.39	\$3,771.59	\$3,945.91	\$3,986.18	\$4,066.87	\$4,136.72	The expenses per property assessment has increased by \$4 per assessment, which is lower than the CPI increase of 2% as reported for June 2017.
Workforce turnover								
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	6.75%	19.81%	7.90%	5.88%	5.88%	5.88%	5.88%	In 2015, Gannawarra Shire Council undertook an organisational restructure resulting in a number of redundancies. Therefore, the 2016/17 results show a significant decrease in resignations and terminations.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED JUNE 2017

Dimension/indicator/ measure	Results 2015	Results 2016	Results 2017	Forecasts				Material Variations
				2018	2019	2020	2021	
Liquidity								
Working capital								
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	299.26%	236.11%	310.48%	261.65%	259.39%	254.72%	245.57%	Increase in cash is due to advance Victoria Grants Commission payment.
Unrestricted cash								
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	176.14%	137.38%	193.20%	195.52%	196.64%	191.71%	186.90%	An advance payment from the Victorian Grants Commission has led to a higher than normal level of unrestricted cash at year end.
Obligations								
Asset renewal								
Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	138.50%	114.53%	125.57%	106.47%	76.18%	96.23%	69.91%	Council are currently spending in excess of the renewal requirement. It is anticipated that in future years there will be a shift in emphasis between renewal, upgrade and new capital works.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED JUNE 2017

Dimension/indicator/ measure	Results 2015	Results 2016	Results 2017	Forecasts				Material Variations
				2018	2019	2020	2021	
Loans and borrowings								
Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	11.50%	8.06%	6.35%	5.47%	4.54%	3.60%	2.63%	There were no new borrowings in the 2016/17 year. Current loans are nearing the end of term.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.35%	3.54%	1.87%	1.17%	1.14%	1.11%	1.10%	There were no new borrowings in the 2016/17 year. Current loans are nearing the end of term.
Indebtedness								
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	13.46%	12.24%	10.77%	11.16%	10.48%	9.79%	9.24%	Decrease is due to current loans nearing the end of term.
Operating position								
Adjusted underlying result								
Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>	9.69%	-2.92%	12.56%	-5.09%	1.49%	4.24%	0.19%	The Victoria Grant Commission advance payment of \$2.612 million has resulted in a substantial underlying surplus for Council. As these funds were received in advance there is a corresponding negative effect on Council's anticipated result for 2017/2018.
Stability								

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED JUNE 2017

Dimension/indicator/ measure	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	
Rates concentration								
Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	40.96%	49.12%	41.30%	48.22%	45.64%	44.35%	46.36%	Underlying revenue has increased due to the Victoria Grants Commission advance payment.
Rates effort								
Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.75%	0.77%	0.77%	0.76%	0.76%	0.76%	0.75%	The rate increase of 2%, in line with the Fair Go Rates system, combined with the shift in property valuation of 3.8% has led to a minimal change in the amount of rates raised compared to property values.

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 referred to above

“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.

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 an accounting basis 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 the 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. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 28 June 2017 which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

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.



SID HUTCHINSON, DIPACC

Principal Accounting Officer

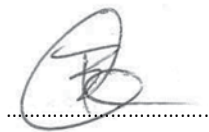
Date: 20 September 2017

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

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

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

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



CR BRIAN GIBSON

Councillor

Date: 20 September 2017



CR JODIE BASILE

Councillor

Date: 20 September 2017



ERIC BRASLIS

Chief Executive Officer

Independent Auditor's Report

To the Councillors of Gannawarra Shire Council

Opinion	<p>I have audited the accompanying performance statement of Gannawarra Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2017 • sustainable capacity indicators for the year ended 30 June 2017 • service performance indicators for the year ended 30 June 2017 • financial performance indicators for the year ended 30 June 2017 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Gannawarra Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement

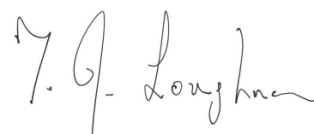
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or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

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

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

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

MELBOURNE
26 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

GLOSSARY

ADVOCACY - Lobbying for the needs of the community through reasoned argument to the relevant authorities.

ASSET - A physical component of a facility that has a value, enables a service to be provided and has an economic life greater than 12 months. Roads, halls and footpaths are assets.

ASSET MANAGEMENT - The processes by which Council collects and maintains a comprehensive database of asset conditions and uses this information to prioritise works funding and maintain existing assets at desired condition levels.

BUSINESS EXCELLENCE FRAMEWORK - A framework or foundation used to create an environment for continuous improvement that leads to sustainable organisational success.

CAPITAL WORKS - Work undertaken to either renew, upgrade, or construct assets owned by the Gannawarra community. Renewal capital works extend the functional use of an existing asset by complete or part refurbishment or replacement. These works are usually carried out on an asset which is deteriorating to an unacceptable service level. Upgrade capital works intentionally improve the level of service provided by an existing asset, due to performance requirements having increased beyond current capacity.

CODES OF CONDUCT - Statements of how the Councillors and/or staff will interact and work with colleagues and the community.

COMMUNITY PLAN - Plan developed by a community that outlines the community's priorities.

COMMUNITY PLANNING GROUP - Group of community representatives who volunteer to oversee the implementation of the community plan in their community.

COMMUNITY SATISFACTION SURVEY - An independent annual survey of community satisfaction, jointly sponsored by the Department of Planning and Community Development (DPCD) and local governments.

CONTINUOUS IMPROVEMENT - Process of ensuring that review and improvement practises are built into operational activities.

COUNCIL PLAN 2013-2017 - Plan written to guide Council's activities for a four-year period. Details the strategic directions and objectives for the municipality, and underpins all the decision making processes, policies and procedures of Council.

DEPRECIATION AND AMORTISATION - An expense which recognises the value of a fixed asset as it is used up over time.

EMPLOYEE BENEFITS - Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, Work Cover and redundancy payments.

EQUITY - Residual interest in the assets of Council after the deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.

EXPENSE - An outgoing payment made by Council.

GOVERNANCE - How Council operates as a decision making body, its relationship with the administration, and the ways that Council engages with its community in this process.

INFRASTRUCTURE - Physical assets required to enable the community to be connected and operational. This includes roads, drains, footpaths and public open spaces as well as public facilities and buildings.

LIABILITIES - Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.

REVENUE - The amount of money that Council actually receives from its activities, mainly from rates and services provided to customers and ratepayers.

RISK MANAGEMENT - Discipline for developing appropriate procedures to reduce the possibility of adverse effects from future events.

ROAD MANAGEMENT PLAN/ROAD ASSET MANAGEMENT PLAN - Plan developed to establish a management system for the public road functions that are the responsibility of the Council. The management system is based on policy and operational objectives and at the same time recognises resource limitations in undertaking the necessary levels of service and performance standards outlined in the plan.

WARDS - The geographical area of Gannawarra Shire is broken into four electoral divisions named wards. Each ward has elected representatives.

ABBREVIATIONS AND ACRONYMS

CBD	Central Business District
CEO	Chief Executive Officer
CFA	Country Fire Authority
CO₂	Carbon dioxide
CPI	Consumer Price Index
CR	Councillor
DHHS	Department of Health and Human Services
EFT	Equivalent Full Time
EPA	Environmental Protection Agency
GLAM	Gannawarra Local Agency Meeting
GNETS	Gannawarra Non-Emergency Transport Service
HACC	Home and Community Care
KM	Kilometres
MAV	Municipal Association of Victoria
MDAS	Mallee District Aboriginal Services
MRGC	Murray River Group of Councils
NAIDOC	National Aboriginal and Islander Day Observance Committee
NBN	National Broadband Network
NCCMA	North Central Catchment Management Authority
NDCHS	Northern District Community Health Service
OHS	Occupational Health and Safety
RAMSAR	The Ramsar Convention is an international treaty for the conservation and sustainable use of wetlands. It is also known as the Convention on Wetlands. It is named after the city of Ramsar in Iran, where the Convention was signed in 1971.
SES	State Emergency Services
VFF	Victorian Farmers Federation



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