



ALPINE
SHIRE COUNCIL

Annual Report

2018/19

About this annual report

Welcome to the Alpine Shire Council Annual Report 2018/19. This report provides an account of Council's performance against the Alpine Shire Council Plan 2017-2021 (review 2018) and Budget for 2018/19.

Through this report we aim to provide our community with a greater understanding of the achievements, highlights, and opportunities created for our residents and ratepayers throughout the year.

Performance is measured against the seven strategic objectives in the Council Plan:

1. A high performing organisation
2. A responsible and sustainable organisation
3. Incredible places for our community and visitors
4. Infrastructure and open space that our community is proud of
5. Highly utilised and well managed community facilities
6. A well planned and safe community
7. A thriving and connected community

This report can be downloaded from Council's website www.alpineshire.vic.gov.au. Hard copies are available, by request, for those in the community without access to a computer.

Council Vision

“Providing outstanding opportunities for its residents through sustainable growth in balance with the natural environment.”

Council Values

Council’s values are the operating principles that guide councillor and employee conduct and the relationships between them, as well as the relationship of the organisation with its community, customers, partners and stakeholders.

The values were developed following workshops with both councillors and staff – the set of six core values recognise who we are – **ALPINE**. The values are:

Accountable	We are accountable and responsible for our decisions and actions, and the impacts of these on our community and the organisation.
Leadership	We demonstrate leadership by being informed, applying innovative thinking and solutions and making fair and timely decisions in the best interest of our community and the organisation for now and the future.
Productive	We are productive by focusing on delivering efficient and high quality services and projects that respond to the needs and priorities of our community and the organisation.
Integrity	We have integrity by being committed, truthful and transparent in our decision making and our interactions with our community and the organisation.
Nurture	We nurture the relationships, contributions and strengths of our community and the individuals of the organisation.
Engaged	We are engaged with our community, and within the organisation, to build strong and effective relationships and inform our choices.

The values have also been embedded in the Councillor Code of Conduct, and the Employee Code of Conduct. These documents assist in reinforcing the importance of the values across the organisation.

Year in review

Alpine Shire Council (Council) has made good progress in delivery against the 2017-2021 Council Plan (review 2018). Highlights included:

1. A high performing organisation

Council adopted the Mount Buffalo Business Case Assessment Report, which provides an assessment of seven key concepts to reinvigorate Mount Buffalo. The assessment recommends a \$2 million café in the front rooms of the Mount Buffalo Chalet. Council advocated strongly for investment for this concept leading up to the State Government election and will continue to advocate strongly on behalf of the community.

Council's project pipeline and project dashboard were made available on Council's website – enabling the community to see the progress of current capital works, and where capital projects are scheduled into the future.

2. A responsible and sustainable organisation

Improving how Council delivers customer service to the community continues to be a priority for Council. 2018/19 saw preparations for the launch of a new website, and a business systems transformation project which will deliver the implementation of a new Customer Request Management system in 2019/20. These new systems will enable Council to continue to enhance the delivery of effective, efficient and timely customer service to the community.

3. Incredible places for our community and visitors

In 2018/19 we exceeded the delivery of our adopted capital works program by delivering on our commitments, whilst also securing additional funding to deliver more outcomes for our community (\$13.4 million expenditure vs \$11.8 million budgeted).

4. Infrastructure and open space that our community is proud of

Council's Municipal Emergency Management Plan (MEMP) was endorsed by Council at the Council Meeting held on 7 August 2018. A successful audit of the MEMP was completed on 25 September 2018.

5. Highly utilised and well managed community facilities

A satisfaction survey conducted across branch library patrons showed that 95.4% of respondents were satisfied with their library service. Myrtleford library users were treated to a refurbished space, designed to enhance strong community use of libraries as a space not just for borrowing books.

Contracts were awarded for the transport and disposal of waste, and the operation of the Council's three transfer stations.

6. A well planned and safe community

Council completed the Local Laws review, with the Community Local Law 2019 being adopted by Council at its April 2019 Council meeting. The Law will come into force from 1 July 2019. The new Law replaces the previous Local Laws 2-7, and removes a large amount of duplication compared to the previous Laws.

7. A thriving and connected community

A total of 131 events were delivered across the Shire throughout the financial year.

Visitation data reports for the calendar year of 2018 shows continued growth in visitors to the Alpine Shire, with visitor expenditure reaching \$336 million, up 29% on the previous year.

Challenges in 2018/19

Recruiting for key positions including Maternal Child Health Nurse, Environmental Health Officer, Engineering Coordinator and Planning Officer was difficult during the year. Without a full contingent of staff, delivering Council's key programs is a challenge.

Reliance on casual, temporary and contract staff ensured that Council maintained a high degree of service to the community despite resourcing issues.

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Mayor's message

We are fortunate to live in a Shire that boasts natural beauty, close-knit and supportive communities. Thousands of visitors are drawn to visit our region – a number which increases each year, with 2018 data showing a 29% increase in visitor expenditure compared to the previous year. Tourism continues to be a key contributor to the Shire's economy.

As a Council we continued our commitment to keep operational spend low, while directing funds to community services and projects that are aligned with our Council Plan.

Mount Buffalo

Council advocated strongly for the revitalisation of Mount Buffalo, and adopted the Mount Buffalo Business Case Assessment Report at the November 2018 Council Meeting. The report provides an assessment of seven key concepts to reinvigorate Mount Buffalo, identifying the establishment of a café in the front rooms of the Mount Buffalo Chalet as the critical next step to reconnect people to the Chalet, and build confidence with the community, business operators and potential investors. Council advocated strongly for investment for this concept leading up to the State Government election and will continue to advocate strongly on behalf of the community.

Advocacy

We continue to advocate for our community to all levels of government. Council hosted visits from several local and State MPs during the year, including for official openings for key projects such as the Alpine Better Places project in Myrtleford, and the Alpine Events Park in Bright.

We met with the new Minister for Local Government at our Bright office during the year, as part of a tour to all Councils in Victoria. This is the first time in many years that we have received a visit from the Minister for Local Government, and was a fantastic opportunity to advocate directly on the needs of Council for our community.

Capital works

I have been particularly impressed with the strong delivery of our capital works program this year, exceeding all expectations. Our project team has delivered the biggest investment in capital works in Alpine Shire Council's history. This was made possible by both Victorian and Australian Government funding, and Council's commitment to the delivery of the projects.

The Alpine Better Places project was completed in Myrtleford this year, which has revitalised the streetscape providing a real sense of connection between the commercial and recreational precincts in the centre of town. This builds on the Standish Street / Great Alpine Road roundabout completed last year, and provides a fantastic gateway to the Shire on the Great Alpine Road.

Completion of the Alpine Events Park in Bright has resulted in a modern events precinct that can cater for a wide range and scale of events, and is complemented by its linkage to the Mystic Mountain Bike Park. Other facilities receiving a face-lift this year included the Myrtleford Library and McNamara Netball and Tennis facilities. New and upgraded sporting and community facilities across the Shire provide fantastic assets for our residents and visitors.

Road projects across the Shire ensure that our roads are safe and in good condition. Council continues to receive positive feedback regarding sealed local roads as part of the Community Satisfaction Survey. Many of the smaller capital projects such as playground renewals and footpath extensions also help our community enjoy being out and about.

Thank you

As a team of councillors, we rely on the organisation to deliver our vision, the Council Plan and budgetary commitments. I would like to thank our staff for their passion and dedication to ensuring that our community's needs are listened to and acted upon.



Ron Janas
Mayor

CEO's message

As an organisation we strive to be a Council that our community is proud of and that people are proud to work for. We work hard to deliver the projects, services and support that really matter to our community and we take great pride in what we are able to achieve relative to our size. We know our success is because of our focus on listening to our community, working with them, and importantly delivering. It is imperative that projects and services are delivered efficiently and that where possible external funding is secured to maximise the value and impact we can deliver to our community.

Financial position

It has been another successful year with careful financial management of our operating expenditure, and strong delivery of capital works projects. In 2018/19 we exceeded the delivery of our adopted capital works program by delivering on our commitments, whilst also securing additional funding to deliver more outcomes for our community. We delivered more than 50 individual projects this last year, with highlights including the completion of the Alpine Events Park and Alpine Better Places Myrtleford project. I would like to thank each and every one of our project team members for their drive and dedication to seeing these important projects through to delivery. Our strong capital delivery record is envied across the State.

Despite such a large expenditure on capital works, we finished the year in a strong financial position maintaining a working capital ratio above 3.0. This ensures that we can continue to deliver important services to our community, renew our infrastructure, take advantage of funding opportunities and respond to unexpected changes in the future.

Community engagement

Council adopted the Community Local Law 2019 at its April meeting, which attracted much community feedback and interest, particularly around the proposed restrictions to alcohol consumption on Council public land. This was a very successful engagement process and a great example of how communities can have a direct impact on Council's decision-making. The Local Law came into operation on 1 July 2019.

We also engage the community regularly regarding upcoming projects, key strategies and plans, in addition to statutory consultation for items such as the annual Budget. I encourage the community to take the time to respond during these opportunities to ensure that our projects and initiatives are aligned to community needs.

Our people

Being a small rural council means that at times it can be challenging to recruit staff to key roles. I would like to thank all staff that have stepped up to ensure that service to our community is not affected while roles remain unfilled.

The refurbishment of the Bright Council office has resulted in a bright, modern working environment, with activity-based working across the entire building. Thank you to all of our staff for embracing the change, and for ensuring that services to our community were not affected during the project.

We undertook a staff survey during the year, with results giving an insight into how engaged our staff are, where our strengths lay, and where we have opportunities to improve. This information helps us identify ways to make Alpine Shire Council an even better place to work.

I would like to thank all staff, past and present, for their dedication to delivering important work for our community. Thank you also to Councillors for their support during the year, it has been a strong team effort.



Charlie Bird
Chief Executive Officer

Financial summary

Financial overview 2018/19

Council ended the 2018/19 year with a surplus of \$2.4 million, which was \$1.3 million less than projected in the 2018/19 Budget. This was largely due to the reclassification of capital expenditure to operating expenditure, further detail on variances includes:

- A write-down of \$3.2 million in assets was recognised following a detailed review of the valuation of open spaces and waste assets. Select asset groups which were previously capitalised will now be categorised as operating expenses.
- Materials and services were \$1.8 million higher than budgeted. Influencing this result was \$2.3 million of project capital expenditure that was re-classified as operating expenditure and expensed to materials and services, including:
 - Storm damage - \$0.3 million of works to restore damaged assets
 - Alpine Better Places Myrtleford - \$1.0 million of works relating to outdoor furniture and landscaping which are no longer capitalised under Council's capitalisation methodology.
 - Alpine Events Centre - \$0.3 million of works relating to outdoor furniture, landscaping and demolitions which are no longer capitalised under Council's capitalisation methodology.
 - Myrtleford Library Upgrade and McNamara Reserve Netball and Tennis Facilities- \$0.2 million of works relating to outdoor furniture and landscaping which are no longer capitalised under Council's capitalisation methodology.
- Landfill rehabilitation expenses were \$0.9 million over budget due to an increase in the provision made for the Myrtleford landfill rehabilitation and monitoring costs. The increased provision is required because the rehabilitation costs are estimated to rise over the coming years.

This was partially offset by a number of favourable variances, including:

- Early receipt of half of the 2019/20 Victorian Grants Commission grant of \$1.9 million;
- Unbudgeted Fixing Country Roads grant of \$0.8 million;

- Employee costs \$0.7 million lower than budgeted due to the impact of vacant positions, the majority of which expect to be filled in 2019/20.

Council's income

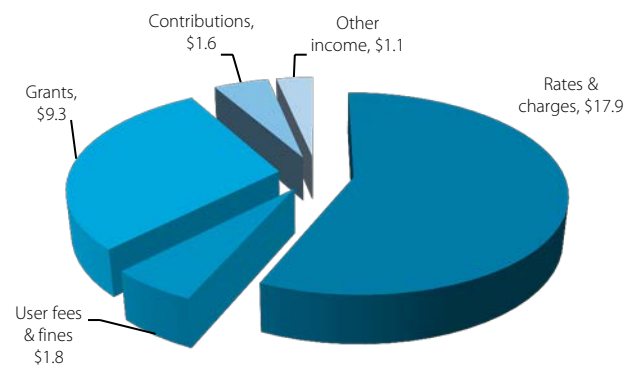


Figure 1: Alpine Shire Council revenue 2018/19 (\$millions)

Rates and charges are Council's most significant source of revenue comprising \$17.9 million or over half of Council's income. Grants are the second largest income source, comprising \$9.3 million. Other income includes interest on investments, rent for leased Council assets and fair value adjustments for Council's investment property.

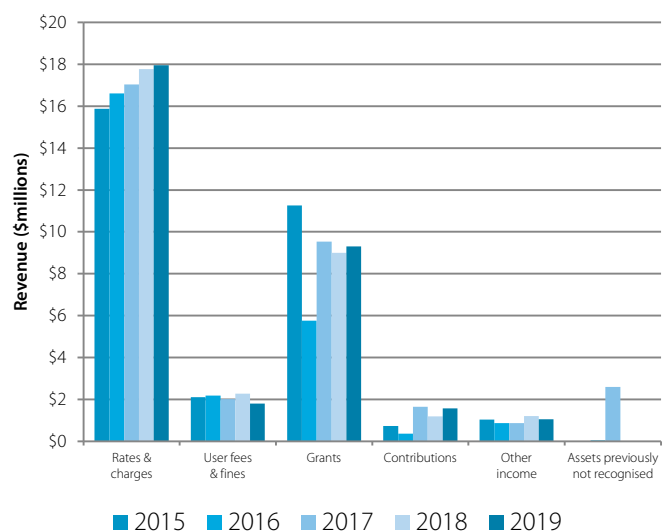


Figure 2: Alpine Shire Council revenue 2014/15 to 2018/19 (\$millions)

Figure 2 highlights Council's revenue over a 5 year period. Rates and charges have demonstrated consistent incremental growth due to ongoing development in the Alpine Shire. Grants have fluctuated depending on the timing of payments, and the ability to obtain one-off project grants.

Council's expenditure

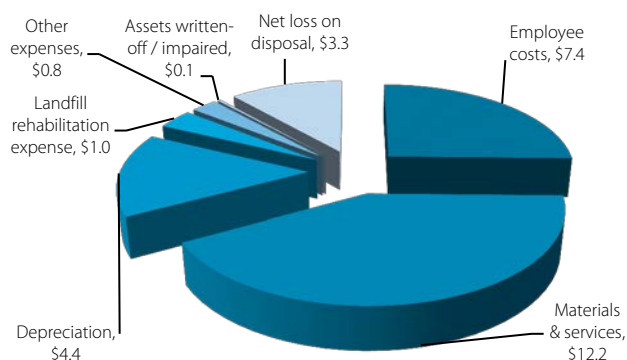


Figure 3: Alpine Shire Council expenditure 2018/19 (\$millions)

Figure 3 shows that materials and services and employee costs comprise the majority of Council's operating expenditure. Some expenses were also incurred due to valuation adjustments.

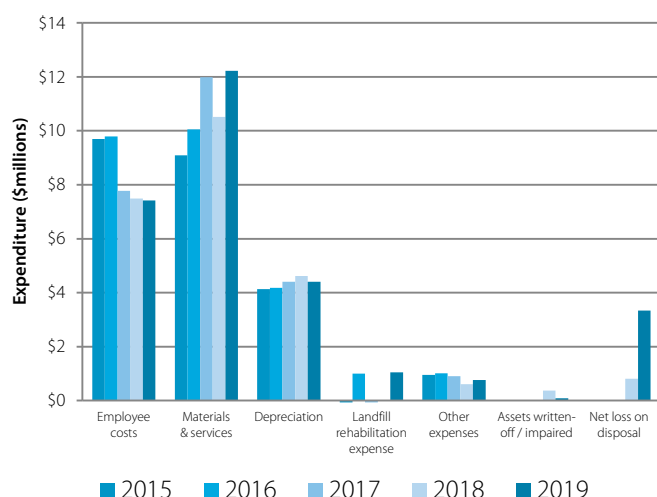


Figure 4: Alpine Shire Council expenditure 2014/15 to 2018/19 (\$millions)

Figure 4 highlights Council's expenditure over the last five years. Employee costs continue to remain low following a substantial cost cutting initiative in prior years and the number of roles remains steady compared to 2017/18. In addition to a wage freeze, there were a number of position

vacancies over the last year which kept employee costs low in 2018/19. There was an increase in materials and services, which is largely due to the reclassification of capital expenditure to operating expenditure (a write-down of \$3.2 million in assets), as detailed above in the financial overview. This correlates with the jump in assets written-off and losses on disposal following a detailed review of the valuation methodology used for open spaces and waste assets.

Cash balance

Following the surplus result Council is in a strong cash position of \$16.7 million as at 30 June 2019. This is expected to reduce somewhat during the course of 2019/20 as funds are expended on Council's strong capital works program which is budgeted at \$10.8 million.

Looking forward

Council continues to maintain a ten-year Long Term Financial Plan (LTFP) as part of the annual budget each year. The LTFP is a critical tool for Council to ensure it makes fiscally responsible decisions. The LTFP delivers long term sustainability utilising conservative assumptions such as:

- rate rises below or in line with the rate cap;
- no increase in equivalent full time employees; and
- low to moderate increase in employee wages.

The LTFP is used to inform decisions regarding grant applications, major projects, operational spending, rating strategies and financial risk.

Funding

Council acknowledges the support of both the Victorian Government and the Australian Government for the provision of funding, without which many of the projects and services that Council delivers would not be possible. In particular the Australian Government's Financial Assistance Grants are essential for the continued delivery of Council's services and infrastructure.

Council's Annual Financial Statements commence on page 77 of this report.

Capital works summary

Council delivered a strong capital works program in 2018/19. \$13.4 million worth of projects were delivered, vs \$11.8 million budgeted expenditure.

Alpine Events Park project

One of the major initiatives of the Council Plan, the Alpine Events Park project, was fully completed in 2019. This major project, located largely within the Mystic Mountain Bike (MTB) Park and Pioneer Park in Bright, delivered the following new facilities:

- New mountain bike flow trails, including Hero Trail and Shred Kelly;
- A scalable outdoor events precinct supported by internal roads, additional car parking, landscaping and other associated infrastructure; and
- Redevelopment of the existing clubrooms to provide upgraded change rooms and to create a new multipurpose indoor event facility (The Pavilion), including a commercial kitchen and community meeting space.

The total project budget was \$3.74 million. The Australian Government provided \$1.87 million through its National Stronger Regions Fund and \$15,000 was received from the United Bright Football and Netball Club, with the balance being paid by Council.

McNamara Netball and Tennis Facilities

Another major initiative of the Council Plan was also completed in 2019. The McNamara Netball and Tennis Facilities were completed in April 2019.

The project delivered a new multi-sports pavilion adjacent to the netball/tennis courts and dog park at McNamara Reserve, Myrtleford and includes a kiosk, small meeting space, storage room and new change rooms to support female participation.

This \$650,000 project was supported with a \$100,000 grant from the State Government of Victoria through their Community Sports and Infrastructure Fund - Female Friendly Facilities.

Myrtleford Alpine Better Places project

A third major initiative of the Council Plan was also completed in 2019, with the transformation of Myrtle Street and Jubilee Park in Myrtleford under Stage 2 of the Alpine Better Places project in Myrtleford.

Jubilee Park was reinvigorated with new paths, lighting and park furniture, a new barbeque shelter, a viewing platform over Happy Valley Creek, a bus shelter and totally renovated public amenities.

Myrtle Street, between Standish Street and Lewis Avenue, had its footpath paving widened and upgraded, street trees planted and new street furniture added along the street, including a new bus shelter at the piazza. The road width was reduced to one lane each way, parallel parking was retained and a bicycle lane was included. The centre median was also renewed with new banner poles, street trees, turf and garden beds.

Stage 1 of the project was delivered in early 2018 with the completion of the Standish Street Roundabout.

The entire \$3.3 million project was delivered with financial assistance from the federal government under the National Stronger Regions Fund (\$714,000) and the Roads to Recovery program (\$200,000), as well as a contribution from the State Government of Victoria (VicRoads \$200,000).

Dinner Plain Mountain Bike Trails Stage 2

Planning for the development of new mountain bike trails in Dinner Plain commenced in 2015, and the necessary approvals to construct 7.1 kilometres of new trail were secured in 2017.

Stage 1, consisting of 3.3 kilometre of new trail, was successfully delivered in early 2018. Stage 2 added a further 3.8 kilometres of new trail, including four new downhill trails and one new climbing trail to provide riders of all abilities with access to over 18 kilometres of mountain bike trail at Dinner Plain.

Stage 2 included two elevated structures of 15 metres and 25 metres to protect areas of fragile alpine habitat, as well as rehabilitation of 590 metres of redundant trail. The high value native vegetation and cultural sensitivity of the site demanded careful planning, design and implementation. The result is a stand out example of trail construction and vegetation management in a high value landscape.

The project budget was \$195,000 with Sport and Recreation Victoria providing \$130,000.

Other projects completed during 2018/19

Bright Car Parking Plan

The Bright Car Parking Plan was informed by site investigations and extensive community consultation. The plan outlines a significant number of infrastructure improvements, as well as a staging plan and priority for their implementation over the next six years. The plan was adopted in October 2018.

Tawonga Barbeque Shelter

The new barbeque shelter at Pioneer Memorial Park in Tawonga was completed in September 2018. This shelter was funded under Round 3 of the Stronger Communities Programme, with an equal co-contribution from Council, as well as a significant amount of time and effort from the Tawonga and District Community Association and in-kind services from numerous local businesses. The project included new picnic furniture, concrete paving, a drinking fountain and lighting.

Installation of shade umbrellas at two Council facilities

Just in time for summer, shade umbrellas were installed at both the Mount Beauty Library and the Myrtleford Swimming Pool. A single 3 metre wide umbrella was installed on the north facing deck at the Mount Beauty Library. This will allow staff and library patrons to make better use of the deck which overlooks Mount Beauty's pondage during the warm summer months.

Two 4 metre wide cantilevered umbrellas were also installed on the north side of the Myrtleford Swimming Pool. These retractable and adjustable umbrellas now provide shade to pool users on this very exposed side of the pool.

Completion of the 2014-19 Roads to Recovery program

Council received the final payment of the \$4.85 million income for the life of the 2014-2019 R2R program. Key projects delivered under the program include the following:

- Buffalo Creek Road Reconstruction - \$134,000
- Mount Beauty CBD Roads Upgrade - \$512,000 (Delivered under Mount Beauty Progressing Place)
- Morses Creek Road Reconstruction - \$145,000
- Merriang South Bridge Upgrade - \$160,000
- Freeburgh Bridge Replacement - \$282,000
- Harris Lane Bridge Upgrade - \$357,000
- Mafeking Square Precinct, Bright Road Upgrade - \$475,000 (Delivered under Alpine Better Places)

- Nicholson Street, Porepunkah Road Upgrade - \$592,000 (Delivered under Alpine Better Places)
- Standish Street Roundabout, Myrtleford - \$326,000 (Delivered under Alpine Better Places)
- Myrtle Street Upgrade - \$449,000 (Delivered under Alpine Better Places)

Completion of the Myrtleford Museum Renewal project

Renewal works were completed on one of Myrtleford's oldest buildings. The rear section of the Myrtleford Old School Museum was originally constructed in 1870, 1879 and 1883. This building was renewed with the removal of damaged and deteriorated bricks and replacement of the bricks with recycled red bricks of similar shape, colour, texture and size, as well as repointing of errored lime mortar joints with traditional lime mortar.

The project was delivered on time and under the \$25,000 budget, of which DELWP contributed \$7,500.

Completion of the Buffalo Creek Road Reconstruction, Myrtleford

Approximately 620 m of Buffalo Creek Road was widened and reconstructed in February and March 2019. The widened section extends from the intersection of Buffalo River Road and the works also included additional widening at some other corners and narrower sections.

This road experiences a high volume of local and heavy vehicle traffic and the widened and reconstructed road now provides a safer road for all users. The \$285,000 project was delivered in part through funding from Regional Roads Victoria (\$190,000) to enable these works to be completed under Round 1 of their Fixing Country Roads program.

Awards won for projects during 2018/19

National Landscape Architecture Award in the Parks and Open Space Category – awarded by the Australian Institute of Landscape Architects – Awarded for Alpine Better Places Porepunkah (October 2018)

Victorian Award of Excellence in the Parks and Open Spaces Category – awarded by the Australian Institute of Landscape Architects – Awarded for Alpine Better Places Porepunkah (August 2018)

Projects completed during 2018/19

Shire-wide

Drainage Renewal
Flood Damage Remediation Works
Footpath Renewal
Gravel Re-sheeting
Kerb and Channel Renewal
Large Plant Renewal
Line Marking
Open Space Renewal
Playground Equipment Renewal
Rail Trail Resealing
Resealing
Road Reconstruction
Road Stabilisation and Patching
Small Plant and Equipment Renewal
Town Entry Signage Renewal
Vehicle Renewal

Dinner Plain

Dinner Plain Tracks and Trails Signage
Dinner Plain Road Renewal

Bright

Alpine Events Park
Bright Centenary Park Toilet
Bright Community Centre Renewal
Bright Office Renewal Stage 2
Camp Street Kerb Extension
Centenary Park Irrigation
Pioneer Park Lighting

Porepunkah

Porepunkah Riverside Park Amenities Renewal
Buckland Bridge design
Old Buckland Bridge Handrail
Porepunkah Transfer Station Plant and Safety Upgrades
Station Street Upgrade

Eurobin

Eurobin Flood Bypass

Kiewa Valley

Mount Beauty Pool Upgrade
Dederang Playground Renewal
Mount Beauty Pool Vacuum
Mount Beauty Tennis Club
Mount Beauty Transfer Station Upgrade
Mount Beauty Wayfinding Signage
Tawonga Primary School Crossing Upgrade
Tawonga Toilet Waste Water Management
Umbrella at Mount Beauty Library

Myrtleford

Alpine Better Places Myrtleford Stage 2
Albert Street Drainage Upgrade
Buffalo Creek Trail
Gapsted Rail Trail Bridge Renewal
McNamara Reserve Netball and Tennis Facilities
Myrtleford Holiday Park Water Supply Upgrade
Myrtleford Museum Renewal
Myrtleford Pool Shade Sail
Myrtleford Rotary Bus
Nil Gully Flood Mitigation
Savoy Soccer Club Additional Training Area
Toner Avenue Footpath

Funding announcements during 2018/19:

(funding indicated is GST exclusive)

Great Valley Trail (Bright – Harrietville)

Building Better Regions Fund – Round 3	\$1,300,000
Council contribution	\$1,300,000
Total project cost	\$2,600,000

Buckland Bridge Replacement

Regional Roads Victoria	\$1,500,000
DELWP contribution	\$600,000
Council contribution	\$150,000
Total project cost	\$2,250,000

Station Street (Porepunkah) Upgrade

Fixing Country Roads Round 1 – Regional Roads Victoria	\$519,578
Council contribution	\$9,819
Total project cost	\$529,397

Standish Street (Myrtleford) Upgrade

Regional Roads Victoria	\$240,000
Council contribution	\$120,000
Total project cost	\$360,000

Churchill Avenue / Morses Creek Road (Bright) Heavy Vehicle Upgrade

Fixing Country Roads Round 1 – Regional Roads Victoria	\$221,971
Council contribution	\$111,319
Total project cost	\$333,290

Local Road Sealing

Regional Roads Victoria	\$210,000
Council contribution	\$105,000
Total project cost	\$315,000

Guardrail Upgrades

Regional Roads Victoria	\$200,000
Council contribution	\$100,000
Total project cost	\$300,000

Buffalo Creek Road (Myrtleford) Heavy Vehicle Upgrade

Fixing Country Roads Round 1 – Regional Roads Victoria	\$199,669
Council contribution	\$100,134
Total project cost	\$299,803

E-Waste Infrastructure Upgrade

Sustainability Victoria	\$298,880
Council contribution	\$0
Total project cost	\$298,880

Gavan Street (Bright) Pedestrian Crossing Points

Regional Roads Victoria	\$170,000
Council contribution	\$85,000
Total project cost	\$255,000

Keegans Lane and Gundowring Road Intersection Safety Upgrade

Fixing Country Roads Round 1 – Regional Roads Victoria	\$163,011
Council contribution	\$81,750
Total project cost	\$244,761

Pebble Beach Path Extension (Mount Beauty / Tawonga)

Pick My Project	\$200,000
Council contribution	\$0
Total project cost	\$200,000

Dinner Plain Mountain Bike Trails Stage 2

Community Sports and Infrastructure Fund – Sport and Recreation Victoria	\$130,000
Council contribution	\$65,000
Total project cost	\$195,000

Mount Beauty Skate Park Upgrade

Community Sports and Infrastructure Fund – Sport and Recreation Victoria	\$150,000
Council contribution	\$100,000
Other contributions	\$15,000
Total project cost	\$165,000

Our Council

Alpine Shire profile



The Alpine Shire is situated in north-east Victoria, approximately 300km from Melbourne, and 70km south of Albury-Wodonga. The area of the Alpine Shire is 4,790 square kilometres¹ of which 92% is public land. This includes the whole of the Mount Buffalo National Park and large tracts of the Alpine National Park. The remaining 8% of land consists of towns, villages and farming land in the major river valleys: Ovens, Buffalo, Buckland and Kiewa valleys.

The Shire extends from mountain ranges down to the valley floor, where residents choose to live predominantly around the three main towns of Bright, Myrtleford and Mount Beauty – each of which proudly respects their own strong heritage and individuality. Other members of the populace live in the smaller towns, villages and surrounding farming communities that are spread throughout the Shire. The Alpine Shire surrounds two of Victoria's major ski resorts: Falls Creek and Mount Hotham, and includes the smaller snowfield attractions of Dinner Plain and Mount Buffalo.

The Alpine Shire has a rich history from ancient aboriginal settlement, mining and prospecting in the gold rush era, to post-war immigration. Today the region offers a diverse lifestyle with a mix of culture, history and experiences. The region is a well-known destination for visitors, with festivals, markets, exhibitions, sporting and recreational activities held throughout the Alpine Shire; together with a range of cafes, restaurants and wineries.

In the ABS 2016 Census the Alpine Shire industries with the most number of businesses were agriculture, forestry and fishing; construction; and accommodation and food services. In terms of employment, the main industries were accommodation and food services; health care and social assistance; retail trade; agriculture, forestry and fishing; manufacturing; construction; and education and training.

The population of the Alpine Shire is estimated to be 12,730² - a number which significantly increases with the seasonal influx of visitors. Population demographics from the 2016 Census show a much lower population of 20-39 year olds, but a much higher population of persons aged 55 and over compared to the Victorian State-wide average.

¹ This area does not include the resorts of Hotham Heights and Falls Creek which have a combined total of 44 square kilometres.

² Estimated Residential Population, Local Government Areas, Victoria (released 27 March 2019) – Australian Bureau of Statistics (catalogue 3218.0)

Council offices

Council's head office is located in Bright, with depot operations centres located in Bright, Mount Beauty and Myrtleford.

In addition to the head office in Bright, Customer Service Centres are located in the Mount Beauty and Myrtleford libraries, allowing the community to make payments and access key Council information without having to travel to Bright.

Bright Council Office

2 Churchill Avenue

(PO Box 139)

Bright VIC 3741

Phone: 03 5755 0555

Fax: 03 5755 1811

Email: info@alpineshire.vic.gov.au

Internet: www.alpineshire.vic.gov.au

Facebook: www.facebook.com/alpineshirecouncil

Mount Beauty Library and Customer Service Centre

Lakeside Avenue

Mount Beauty VIC 3699

Phone: 03 5754 4542

Myrtleford Library and Customer Service Centre

Corner Standish Street and O'Donnell Avenue

Myrtleford VIC 3737

Phone: 03 5752 2038

Alpine Shire Councillors

Elected October 2016

Cr Ron Janas (Mayor)	First elected:	October 2012
	Re-elected:	October 2016
	Deputy Mayor:	November 2014 – November 2015
	Mayor:	November 2015 – current

Cr Sarah Nicholas (Deputy Mayor)	First elected	October 2016
	Deputy Mayor	November 2017 - current

Cr John Forsyth	First elected:	October 2012
	Re-elected	October 2016

Cr Tony Keeble	First elected:	November 2008
	Re-elected:	October 2012 October 2016
	Deputy Mayor:	November 2015 – November 2017

Cr Kitty Knapstein	First elected:	October 2016
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Cr Daryl Pearce	First elected:	November 2005
	Re-elected:	November 2008 October 2012 October 2016
	Mayor:	December 2006 – December 2007
	Deputy Mayor:	December 2007 – December 2008 December 2009 – December 2011

Cr Peter Roper	First elected:	November 2008
	Re-elected:	October 2012 October 2016
	Mayor:	December 2011 – November 2014

More information regarding Councillors can be found on page 55.

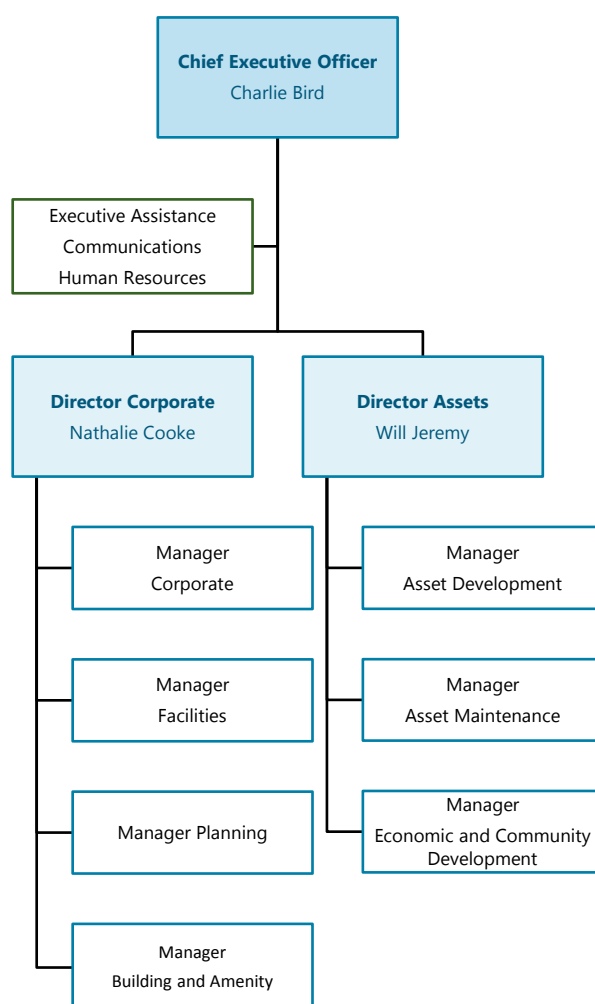
The organisation

The Alpine Shire Council operates under a corporate management structure, with the Chief Executive Officer leading directors, managers and staff.

The organisation has a two directorate model: Corporate and Assets. Each director reports to the CEO and is responsible for the delivery of services and projects within program areas. Within each directorate, department managers are responsible for: Asset Development; Asset Maintenance; Corporate; Economic and Community Development; Facilities; Building and Amenity, and Planning. A small Executive Services team reports directly to the CEO.

The services provided to the community are listed on the following page.

Organisational structure at 30 June 2019



Charlie Bird

CHIEF EXECUTIVE OFFICER

Functions reporting directly to CEO: Executive Assistance, Human Resources, and Communications

Key services delivered to the community within each directorate and management area are identified below:

Senior Officers reporting directly to the Chief Executive Officer:

Nathalie Cooke

DIRECTOR CORPORATE

- Corporate
 - Finance
 - Information and communication technology
 - Business systems
 - Rates and property
 - Risk management
 - Occupational health and safety
 - Customer service
 - Library services
 - Governance
- Facilities
 - Visitor information centres
 - Recreation (sports centres and pools)
 - Waste and recycling management
 - School crossing supervisors
 - Aerodromes
 - Leases
 - Holiday parks
- Building and Amenity
 - Building services
 - Environmental health
 - Food safety
 - Local laws
 - Animal management
- Planning
 - Statutory planning
 - Strategic planning

Will Jeremy

DIRECTOR ASSETS

- Asset Development
 - Project prioritisation, design and delivery
 - Securing funding
- Asset Maintenance
 - Road, bridge and drainage maintenance
 - Building maintenance
 - Asset management
 - Footpaths, tracks and trails
 - Open spaces
 - Depot operations
 - Emergency management
 - Development engineering
- Economic and Community Development
 - Economic development
 - Tourism, festivals and events
 - Community development
 - Youth services
 - L2P driving program
 - Dinner Plain bus
 - Maternal and child health (child and family services)
 - Immunisations

Council staff

The workforce

The Chief Executive Officer (CEO) is employed directly by Council to manage Council's business. Employees act under the general direction of the senior management team, with terms and conditions of employment governed by an enterprise agreement.

Personnel are employed on a permanent basis (full time or part time) where the work is continuous and ongoing, on a temporary basis where the work is temporary or seasonal, or on a casual basis where the work is of a relieving or intermittent nature.

Employee numbers are best measured by the number of full time equivalent (FTE) staff. At 30 June 2019 there were 104.9 FTE positions across the organisation, including permanent, temporary and casual positions. Eighteen FTE were vacant at the time of reporting, due to a mix of seasonal positions not filled in June, and a series of recruitment underway in this period for both permanent and temporary positions. A more detailed summary of the workforce can be found in tables 1 and 2 on page 21.

Recruitment and selection

Council recruited for 66 positions during 2018/19, which included internal expressions of interest (for backfill), permanent, temporary and casual positions.

Council's workforce turnover for permanent staff (not including casual and temporary staff) was just over 14% in 2018/19. This is a return to a more expected pattern, following a peak in 2016/17 relating to the transfer of Home and Community Care services to another provider on 1 July 2016, and low staff turnover in 2017/18.

Trainees and work experience students

As part of supporting our youth in the community, Council offers traineeships and provides opportunities for students to undertake work experience with Council. School-based work experience and university work placement is offered in a variety of roles across the organisation. In 2018/19, Council worked in conjunction with a local secondary school to support a local student with a school-based traineeship. Council also worked with employment agencies to assist disabled workers to gain work experience. Council assisted two young men in the Library Hub and Asset Maintenance areas to gain valuable experience in a structured workplace.

Training and development

Council is committed to supporting staff to learn, grow and embrace new opportunities. As a small council, continuous improvement is fundamental to the success of our organisation. The training and development of employees is integral to the application and maintenance of this process.

During the year, 88 separate learning opportunities were attended by staff. These sessions included individual and group training, with a mix of in-house and external training occurring.

New employee inductions were held as both group inductions and one-on-one inductions. Existing staff provide information covering health and safety, risk management, records, information technology, governance, human resources including the employee code of conduct, customer service and corporate systems and processes.

Equal Employment Opportunity

Council is committed to ensuring that its workplaces promote equal opportunity and are free from discrimination.

Council's Equal Opportunity, Discrimination and Harassment Policy (No.112) was updated and adopted in June 2019, ensuring that Equal Employment Opportunity (EEO) principles are integral in Council's processes.

The objective of the policy is to ensure that people are treated as individuals, respected for their unique attributes and not excluded, harassed or bullied through unconscious bias, stereotypes or unlawful actions.

Council's Employee Code of Conduct further endorses equal employment opportunity and expects all employees to refrain from behaviour that could be perceived as discrimination, harassment or bullying.

Gender statistics for Council's workforce are shown in Tables 1 and 2 on page 21. 51% of Council's permanent staff are women, increasing to 53% of the overall workforce when casual and temporary staff are also included.

Mandatory induction sessions for all new staff include equal opportunity guidance. Training for all staff took place in 2015, with a refresher now scheduled for later in 2019.

Gender Equity

Council commenced a project titled "Promote gender equity and respectful relationships at Alpine Shire Council" in 2018/19.

As part of this project, Council is undertaking mandatory training for all staff on Gender Equity in the workplace. The first instalment of this training was facilitated by Alpine Health in March 2019 and focused on understanding family violence. The project continues in 2019/20 with the second part of this training focusing on bystander training. More details about the project can be found on page 49.

Employee Code of Conduct

Council's Employee Code of Conduct outlines the principles, values, standards and rules of behaviour that guide the decisions, procedures and systems that Council subscribes to. The code applies to all employees of the Alpine Shire Council, and is extended to cover contractors, staff on exchange, volunteers, work experience and graduate placements. The document supports the principle that customer service is the fundamental purpose of Council, and all staff must commit to providing competent, reliable and efficient services.

The Employee Code of Conduct was updated and adopted in May 2019, and rolled out to all staff.

Enterprise Agreement 2016

Council's Enterprise Agreement 2016 was approved by the Fair Work Commission on 9 December 2016. The agreement will operate until July 2020, and details the terms and conditions under which staff are employed and remunerated. The agreement features a three-year wage freeze, and four-year job security conditions.

Employee Health and Safety

Employee Health and Safety Training

Council reinforced its commitment to health and safety training with staff completing mandatory and elective training in a broad range of areas throughout the year, including:

Emergency Preparedness

- First aid and CPR refresher
- Fire prevention
- Emergency management and leadership

Policy and Procedure

- New employee health and safety inductions

Employee wellbeing

- Family violence and gender equity
- Managing mental health

Safety

- OHS for managers and supervisors
- Traffic control
- Chemical use and management
- White card
- Animal handling
- OHS Moot court
- Lifeguard

Plant and equipment

- Medium rigid and heavy combination truck licences
- Crane
- Excavator
- Elevated Work Platform

Health and Safety Initiatives

Other occupational health and safety related initiatives undertaken by Council during 2018/19 included:

- Electrical test and tag program
- Audiometric testing
- Employee assistance program for all staff and their families

Health and Safety Committee

Council's Health and Safety Committee is established in accordance with section 72 of the *Occupational Health and Safety Act 2004* and comprises the health and safety representatives of the three designated workgroups and three management representatives being the CEO, Director Assets and Director Corporate.

The Health and Safety Committee met each quarter during the year to review health and safety statistics; contribute to the development of policy and review findings from internal and WorkSafe incident investigations.

Table 1: Total staff FTE by department (30 June 2019)

Directorate		Corporate				Assets			
Department	Executive (incl CEO, Directors and staff)	Corporate	Facilities	Building and Amenity	Planning	Asset Development	Asset Maintenance	Economic and Community Development	Total
Permanent – FT – F	3.0	4.0	1.0	1.0	1.0	1.0	4.0	1.0	16.0
Permanent – FT – M	2.0	1.0	1.0	1.0	2.0	0.0	26.0	0.0	33.0
Permanent – FT – vacant	0.0	1.0	0.0	0.0	0.0	0.0	3.0	1.0	5.0
Permanent – PT – F	0.6	9.6	4.8	2.8	0.0	0.8	0.6	5.2	24.4
Permanent – PT – M	0.0	0.0	0.5	1.8	0.6	2.2	0.8	0.0	5.9
Permanent – PT – vacant	0.0	0.0	0.0	0.0	1.5	0.6	0.0	0.0	2.1
Temporary* – F	0.0	1.7	0.5	0.0	0.0	0.8	1.1	0.5	4.6
Temporary – M	0.0	0.0	1.5	0.7	0.0	0.0	1.2	0.0	3.4
Temporary – vacant	0.5	0.0	0.0	0.0	1.0	0.0	2.5	0.0	4.0
Casual – F	0.0	1.1	2.5	0.0	0.0	0.3	0.0	0.5	4.4
Casual – M	0.6	0.0	0.9	0.0	0.0	0.0	0.0	0.0	1.5
Casual – vacant	0.0	0.1	0.2	0.0	0.0	0.0	0.3	0.0	0.6
Totals by Department	6.7	18.5	12.9	7.3	6.1	5.7	39.5	8.2	104.9
Totals by Directorate	6.7	44.8				53.4			

FT = Full Time; PT = Part Time; F = Female; M = Male

* Temporary positions include backfill positions such as maternity leave, and short-term contract staff.

Table 2: Summary of FTE categorised by employment classification and gender (at 30 June 2019)*

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Other**	Totals
Female	0.7	2.0	9.8	9.5	11.2	8.6	2.5	0.0	5.1	49.4
Male	0.5	0.5	14.1	7.3	6.0	4.4	4.2	0.6	6.2	43.8
Vacant	0.0	1.5	3.2	0.4	0.0	2.4	2.6	0.0	1.6	11.7
Total	1.2	4.0	27.1	17.2	17.2	15.4	9.3	0.6	12.9	104.9

* Includes all permanent, temporary and casual positions at 30 June 2019.

** 'Other' includes CEO, Directors, Managers, Maternal Child Health Nurses and school-based trainees.

Volunteers

Volunteers play a crucial role in the delivery of various services provided by Council, including: visitor information services, the L2P program, youth, facilities management, library programs, and advisory committees.

Council appreciates the role undertaken by its many volunteers, and acknowledges that without their assistance, there would be many services which could not be provided. Much of the work done by Council's dedicated volunteers provides vital support and expertise to assist the Alpine Shire community. Two of Council's larger volunteer programs include:

L2P program

The L2P Learner Driver Mentor program is funded by the Victorian Transport Accident Commission (TAC) and delivered by Council as part of VicRoads Community Programs. It offers learner drivers between 16 and 21 years old driving experience with fully licensed volunteer mentors. During the year there were 19 active mentors within the Alpine Shire, volunteering more than 1,000 hours for the learner drivers, assisting them in gaining the driving skills and 120 hours required to undertake their driver's licence test.

In 2018/19 the L2P program and its volunteers assisted 19 young people to successfully gain their driver's licence, with a further 34 young people actively involved and supported throughout the year.

Alpine Ambassadors

The Alpine Ambassador volunteer program within Council's three visitor information centres enables Council to deliver a much greater level of service to assist visitors; ensuring that they maximise their holiday, staying longer, spending more and sharing their positive experiences of "Bright and Surrounds".

All 60 Alpine Ambassadors are passionate about where they live and want to share this knowledge with others, whilst at the same time gaining new skills, keeping abreast of local activities, businesses and events and networking with other likeminded people.

Awards and recognition

Awards presented to the community

The awards presented each year recognise residents that are making a valuable contribution to their community. Nominations are made by persons that wish to recognise the good work being done in their local neighbourhood. Awards are presented to individuals and organisations. Business and tourism awards have been held previously, and were replaced with a Celebration of Business in 2018.

Australia Day

Australia Day allows us to celebrate community members that are making a difference. The Citizen of the Year is selected from among the winners of the Young Achievers and Achievers of the Year in each of the three districts. Winners in January 2019 were:

Alpine Shire Citizen of the Year: Loretta Carroll

Local Achiever of the Year:

Bright and District – Allan Poyner

Myrtleford and District – Loretta Carroll

Kiewa Valley – Rollo Kiek

Local Young Achiever of the Year:

Bright and District – Teagan Atherstone

Myrtleford – Erin Bourke

Kiewa Valley – Tarita Hutton

Community Event of the Year:

Mount Beauty United Cricket Club's New Year's Eve event

Community Organisation of the Year:

Alpine Radio

Lifetime Achievement Award:

Joseph Romeo

Youth Awards

The annual youth awards recognise the contribution and achievements of local young people within the Shire. Coordinated by a team of enthusiastic young people, these awards acknowledge and thank 12 – 21 year olds that have lived, worked or studied in the Alpine Shire.

Youth award winners in September 2018 were:

Academic: Rahn Stavar

Performing Arts: Tyra Hunt

Visual Arts & Media: Elly Jenkins

Community: Erin Bourke

Endurance & Persistence: Amaya Harris

Rural: Simon Zanin

Sport: Jalen Barker

Workplace: Meaghan Hood

Alpine Shire Award:

12 - 16 years: Amy Rogers

17 - 21 years: Josh Thompson

Performance report

Corporate Planning and Reporting Framework

Every council in Victoria is required by the *Local Government Act 1989* to produce a Council Plan following each council election. The Alpine Shire Council Plan 2017-2021 was initially developed following the October 2016 Council election. This was the first time that the Municipal Health and Wellbeing Plan was incorporated in with the Council Plan, combining two of Council's key plans together in the one document.

The Council Plan is a strategic document, detailing the desired outcomes for the four years following the elections. Annual commitments to the Council Plan are detailed in Council's Budget.

Council utilises a Long Term Financial Plan (LTFP) which projects Council's required resources (both financial and non-financial) over the next ten years. The Strategic Resource Plan details the first four years of the LTFP and is included as part of the Council Plan.

The Council Plan is reviewed each year in June – the current Annual Report is reporting against progress in the Alpine Shire Council Plan 2017-2021 (review 2018).

Council Plan

The 2017-2021 Council Plan (review 2018) has seven strategic objectives:

1. **A high performing organisation**
2. **A responsible and sustainable organisation**
3. **Incredible places for our community and visitors**
4. **Infrastructure and open space that our community is proud of**
5. **Highly utilised and well managed community facilities**
6. **A well planned and safe community**
7. **A thriving and connected community**

The Council Plan also includes strategies for achieving these strategic objectives, and strategic indicators for monitoring achievement of them. The document also contains a Strategic Resource Plan, which documents Council's resources required to deliver the Council Plan (both financial and non-financial) over the next four years.

Performance

Council's performance for the 2018/19 year has been reported against each strategic objective to demonstrate how council is performing in achieving the 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.
- Highlights from projects and services funded in the Budget and the persons or sections of the community who are provided those services.
- Results against the prescribed service performance indicators and measures.

Several of Council's strategic indicators in the Council Plan are sourced from the service performance indicators and measures. These have been identified to reduce duplicate reporting.

Local Government Planning and Reporting

2018/19 is the fifth year that all councils across Victoria will report against the prescribed Service Performance, Financial Performance, Sustainable Capacity indicators, and Governance and Management checklist contained within the *Local Government (Planning and Reporting) Regulations 2014*.

Results for these measures are found throughout the following sections under the headings "Service Performance Indicators". Further reporting is found in the "Governance and Management checklist" on page 60 and in the Performance Statement on page 131.

1. A high performing organisation

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Strategy / Initiative	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Advocate for the community on key issues</i>		
Conduct advocacy to all levels of government, and to key groups within the North East and Hume region.	No	Council continues to advocate to all levels of government, and key organisations within North East Victoria.
<i>Strategy: Build a skilled organisation with a positive culture</i>		
Provide mandatory and targeted training to staff	No	88 separate learning opportunities were provided to staff during 2018/19, including both individual and group training sessions.
<i>Strategy: Communicate and engage with stakeholders</i>		
Council website refresh	Yes	Council's website refresh project commenced in early 2019, with a contractor appointed to deliver the design and launch by 2 August 2019. Staff worked with web developers to ensure the new website has improved visibility and functionality, and be a marked improvement for customers accessing services via the site.
<i>Strategy: Lead and govern with integrity</i>		
Improved performance data transparency	Yes	Balanced scorecard measures were established for 2018/19, and Council began reporting results to the Audit Committee from Q2 onwards.

Services provided to the community

The Councillors and Executive department is responsible for delivery of this service area, which includes councillor support, all human resources support, marketing and communications activities, and advocacy activities.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Mount Buffalo

Council adopted the Mount Buffalo Business Case Assessment Report at the November 2018 Council Meeting. The report was prepared by PricewaterhouseCoopers (PwC) and provides an assessment of seven key concepts to reinvigorate Mount Buffalo, identified by the community-led Mount Buffalo Destination Advisory Group.

Led by the Mount Buffalo Activation Taskforce, the report provided an assessment of seven concepts for their potential commercial and broader economic benefit, and identified a food and beverage option as the most attractive.

The assessment recommends a \$2 million café in the front rooms of the Mount Buffalo Chalet as the critical next step to reconnect people to the Chalet, and build confidence with the community, business operators and potential investors. Council advocated strongly for investment for

this concept leading up to the State Government election and will continue to advocate strongly on behalf of the community.

Project Dashboard

Council published its online Project Dashboard in July 2018, enabling the community and other stakeholders to view and track the progress of current capital works projects across the Alpine Shire. It can be viewed at <http://maps.alpineshire.vic.gov.au/dashboard/>.

Project Pipeline

Council published its online Project Pipeline in December 2018. It lists the community's desired capital works projects and provides an indication of when they are scheduled for delivery in the future. The project pipeline can be viewed at

<http://maps.alpineshire.vic.gov.au/pipeline/>.

Community Satisfaction Survey 2019

The Community Satisfaction Survey is an annual survey coordinated by Local Government Victoria. The survey consists of a phone interview with 400 residents of each municipal area, which asks a suite of core questions across each council. State-wide and similar size councils are grouped to provide averages to allow each council to gauge its performance.

Council is performing at least as well as, and in some cases significantly better, than the State-wide average and other small rural councils. Council's performance generally returned to previous trends, after a peak in 2018 results.

Overall Council Direction and Community Consultation have declined slightly compared to the peak in 2018, but in both cases the results are in line with State-wide and small rural averages.

Making Community Decisions and Sealed Local Roads continue to be areas where Alpine performs well above the State-wide and small rural council averages.

Council will continue to focus on Customer Service in the coming year to ensure that the community consistently receives timely and accurate information in response to their requests.

Community Satisfaction Survey Results 2018

Performance Measures – Index Scores	Alpine 2017	Alpine 2018	Alpine 2019	Small Rural 2019	State-wide 2019
Overall Performance	61	62	60	58	60
Community Consultation <i>(Community consultation and engagement)</i>	56	62	56 ⁺	56	56
Advocacy <i>(Lobbying on behalf of the community)</i>	56	57	56	55	54
Making Community Decisions <i>(Decisions made in the interest of the community)</i>	57	60	59 ⁺ *	55	55
Sealed Local Roads <i>(Condition of sealed local roads)</i>	57	60	64 ⁺ **	53	56
Customer Service	71	70	69	70	71
% respondents having contact with Council	56%	63%	59%	64%	62%
Overall Council Direction	58	59	54 ⁺	53	53

⁺ Alpine's result is significantly higher than State-wide Average

^{*} Alpine's result is significantly higher than Small Rural Average

[#] Alpine's 2019 result is significantly higher than Alpine's 2018 result

[^] Alpine's 2019 result is significantly lower than Alpine's 2018 result

Service Performance Indicators

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

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Governance					
Transparency					
Council decisions made at meetings closed to the public* <i>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</i>	4.4%	0.4%	0.0%	1.5%	Council continues to make very few decisions at meetings that are closed to the public.
Consultation and engagement					
Satisfaction with community consultation and engagement <i>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</i>	60	56	62	56	Community consultation and engagement has fallen slightly compared to the previous year, bringing it back into line with the 2017 result. The result is equivalent to both Small Rural and State-wide council averages. Council will work to improve this position again in 2020.
Attendance					
Councillor attendance at council meetings* <i>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100</i>	85.7%	90.8%	90.1%	91.2%	
Service cost					
Cost of governance <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$35,681	\$34,805	\$34,348	\$32,508	Cost of governance has fallen slightly, as the two previous years included costs associated with recruitment of the CEO.
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>	60	57	60	59	Satisfaction with Council decisions has fallen slightly from the previous year, however continues to be better than Small Rural and State-wide council averages.

* Also identified as Council Plan Strategic Indicators

⁺ The Local Government (Planning and Reporting) Regulations 2014 require Council to report material variations between the current year results, and the preceding three years' results. Comments are included where necessary to aid the reader's understanding.

Strategic Indicators

Indicator*	Comparative result 2017/18	Result 2018/19
Staff turnover as a percentage of permanent staff numbers°	7.1% turnover of permanent staff in 2017/18.	14.4% turnover of permanent staff in 2018/19 (see Performance Statement for more details)
Community satisfaction with community consultation and engagement	Index score of 62 in 2018.	Index score of 56 in 2019, in line with Small Rural and State-wide council averages.

⁺ Previous year data is presented where available to demonstrate trends in results.

[°] Indicates that these are also Financial Performance Indicators within the Local Government Performance Reporting Framework. See 'Financial Performance Indicators' tables in the Performance Statement on page 141 for further explanation of results.

* Refer to "Service Performance Indicators" for additional Strategic Indicators marked with an asterisk *

2. A responsible and sustainable organisation

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Balance financial, economic and community outcomes</i>		
Review of Council's policies and procedures	No	Review of 43 (50%) policies is complete (21 current, 19 revoked, 3 abandoned); 35 (41%) are work in progress; and the review of 8 (9%) is yet to commence.
Review of Council's business technology strategy	No	A formal ICT Steering Committee is now in place comprised of all members of the executive, the ICT Coordinator and the Manager Corporate. The Committee convenes monthly to coordinate and progress Council's ICT Strategy on an ongoing basis.
<i>Strategy: Identify and manage Council's risk</i>		
Disaster recovery review	Yes	Disaster Recovery review is complete, the backup project scoped and all backups will be copied to the cloud by the end of July 2019.
<i>Strategy: Manage our financial resources sustainably</i>		
Procurement policy and procedures update	No	Procurement policy has been reviewed, updated to incorporate environmental considerations, approved by Council in June 2019, and fully implemented across Council.
<i>Strategy: Provide an excellent customer experience</i>		
Customer request management improvement	Yes	Customer request management system demonstration and evaluation process is now complete and a new enterprise system vendor has been chosen for the implementation of our Business Systems Transformation program which will launch in 2019/20..
Customer excellence policy	No	A draft Customer Promise has been internally launched. Each department has nominated a "Customer Promise Champion" who is part of a workgroup to practically implement the promise across the organisation with the rollout of the new customer request management system in 2019/20.

Services provided to the community

The Corporate department is responsible for delivery of this service area, which manages the supporting functions to help Council to deliver services in an efficient, effective and safe manner. This includes financial control and planning, revenue collection, information and communication technology, customer service, governance and risk management.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Business Systems Transformation

Council completed its review of its business systems strategy during the year, and will progress into the implementation phase of this program in 2019/20. The Business Systems Transformation program will deliver new systems across many of Council's functional areas that directly impact our customers and ratepayers.

This includes Council's website, rates, planning, building, local laws, customer service, events and facilities. The driving objective behind these new business systems is to better enable staff to deliver excellent customer service.

Customer service

Renovation of Council's Bright office in the early part of 2019 meant that customer service was relocated to the Bright Library for the duration of the refurbishment, without affecting services delivered to the community.

Monitoring of key statistics in customer service during the year included numbers of phone calls, emails, processing of receipts, and top 'query' types. This ensures that support is provided to the customer service team in peak periods, and also ensures that the community receive timely advice.

The implementation of a new customer request management system in 2019/20 will improve the services provided to the community, as will the roll out of the Customer Promise.

Rates and Debt Recovery

A review of Council's farm rate policy and its application to individual properties was undertaken and a staged approach is planned for implementation in the 2019/20 year.

A number of complex, long-term outstanding rate debts were resolved and recovered.

Council was subject to three audits:

- State Revenue Office - relating to the Fire Services Property Levy
- Department of Health and Human Services – relating to granting pensioner concessions
- Centrelink – relating to pension concessions

The final audit results had not been released at the end of June, but the indications were that there were no fundamental or systemic problems or issues.

Strategic Indicators

Indicator*	Comparative result 2017/18	Result 2018/19
Lost time injury frequency rate (as defined by Australian Standard 1885.1 – 1990)	Lost time injury frequency rate was 11.54 hours lost per million hours worked in 2017/18.	Lost time injury frequency rate was 36.15 hours lost per million hours worked in 2018/19.
Overall financial sustainability risk rating (based on Net Result as reported in Victorian Auditor General annual Local Government Audits)	Net result forecast for 2016/17 reported as 26.72% - "Green" according to Results of 2016-17 Audits: Local Government published by VAGO in November 2017. Green for net result is defined as: "More than 0% - generating surpluses consistently." 2017/18 will be published November 2018.	Net result forecast for 2017/18 reported as 22.40% - "Green" according to Results of 2017-18 Audits: Local Government published by VAGO in December 2018. Green for net result is defined as "More than 0% - generating surpluses consistently". 2018/19 data will be published in November / December 2019.
Percentage of planned hazard inspections undertaken	No planned hazard inspections were undertaken in 2017/18.	16 planned hazard inspections were undertaken (89%) in 2018/19.
Ability to pay debts ^o : Non-current liabilities as a percentage of own source revenue	16% in 2017/18.	21% in 2018/19.
Available revenue ^o : Adjusted underlying surplus (or deficit) as a percentage of underlying revenue	13% in 2017/18.	-6% in 2018/19.
Working capital ^o : Current assets as a percentage of current liabilities	423% in 2017/18	349% in 2018/19.
Community satisfaction with customer service provided	70 in 2017/18.	69 in 2018/19.

* Indicates that these are also Financial Performance Indicators within the Local Government Performance Reporting Framework. See 'Financial Performance Indicators' tables in the Performance Statement on page 141 for further explanation of results.

3. Incredible places for our community and visitors

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Deliver Council's capital works program on time, to budget, and to the satisfaction of stakeholders</i>		
Alpine Better Places - Myrtleford	Yes	The entire Alpine Better Places - Myrtleford project was completed in 2018/19. Construction of Stage 1 (Standish Street Roundabout) was completed in 2017/18 and Stage 2 (upgrades of Myrtle Street and Jubilee Park) was completed in 2018/19.
Myrtleford Indoor Sports Stadium expansion	Yes	Construction works were well underway at the end of June 2019, with completion of the project anticipated to be in mid-August 2019.
Myrtleford Library upgrade	Yes	The Library Upgrade works were largely completed in time for the reopening on Monday, 29 April 2019.
McNamara Reserve netball and tennis facilities	Yes	The McNamara Reserve Netball and Tennis Facility was completed in April 2019.
Alpine Events Park	Yes	The Alpine Events Park project was completed in June 2019.
Refurbishment of Bright Council office	No	The Bright office refurbishment works were largely completed in time for the reopening on Monday, 20 May 2019.
Deliver renewal programs for Council assets	No	All 2018/19 renewal projects were completed.
<i>Strategy: Identify our community's infrastructure expectations</i>		
No activities in 2018/19 – see strategic indicators.		

Services provided to the community

The Asset Development department is responsible for delivery of this service area, which delivers the critical projects to renew and upgrade Council's community assets, and to develop new assets. The area is in part subsidised by recurrent and non-recurrent grants.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Project Delivery

The Asset Development team were kept busy in 2018/19, with an \$11.8 million capital works budget to deliver. By 30 June, Council had delivered well in excess of the budgeted capital works expenditure (\$13.4 million) – which included some additionally funded projects through the year, balancing some projects that were delivered under budget, or a reduction in scope versus plan.

More details regarding the projects delivered during 2018/19 can be found on page 10.

Challenges

Ensuring that there were enough project managers to successfully deliver the 2018/19 year's large capital works program continued to be a challenge throughout the year, particularly as new projects were funded and added to the pipeline to commence during the year. Council contracted external project managers as well as increasing hours of existing project staff, to supplement project management staff, enabling a record delivery of capital works for the year.

Strategic Indicators

Indicator	Comparative result 2017/18	Result 2018/19
Ratio of capital works program actually delivered compared to budgeted	99% in 2017/18.	114% in 2018/19.
Community access to our project pipeline	The Project Dashboard is scheduled for release to the public in early July 2018, enabling the community to view and track the progress of the current year's capital works progress across the Alpine Shire. The Project Pipeline is scheduled for release in 2018/19, which will show the community where their project is positioned into the future, with the indicative timing for delivery of projects between 2019/20 and 2033. Both tools will be available on Council's website.	The community was provided access to Council's Project Dashboard in July 2018. The Project Pipeline was released to the community in December 2018. Both are available on Council's website www.alpineshire.vic.gov.au .

4. Infrastructure and open space that our community is proud of

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Maintain Council's parks, trees and reserves</i>		
Elm Leaf Beetle treatment	Yes	Elm Leaf Beetle treatment was completed, with 981 trees treated across the Shire. Council completed mapping the location of trees requiring treatment on public land, ensuring that all trees are catalogued for future treatment. Some significant private trees have also been identified for treatment.
<i>Strategy: Manage and maintain Council infrastructure</i>		
Deliver maintenance programs for civil infrastructure	No	Maintenance programs continue across the year for Council's civil infrastructure assets. Inspection and maintenance programs are conducted for playgrounds, open space infrastructure, bridges, footpaths, and buildings.
Undertake activities in accordance with Road Management Plan (RMP)	No	Scheduled inspections for bridge, road, and footpath inspections were undertaken, with prioritised works following inspections. Unsealed grading program completed, and flood damage inspections from December undertaken, with repair works completed.
<i>Strategy: Prepare for and assist in the response to emergency events</i>		
Undertake activities in accordance with Municipal Emergency Management Plan (MEMP)	No	Sub-plans for the MEMP including Emergency Animal Welfare, Pandemic and Fire Plans have been drafted and will be presented to the Municipal Emergency Management Planning Committee for endorsement in 2018/19. Fire prevention inspections and notices were issued prior to and during summer. Resource plans were prepared for high fire rating days, and communication to the community regarding heat health warnings undertaken.
<i>Strategy: Understand and plan for Council's asset renewal requirements</i>		
Asset management system implementation	Yes	Council continued to trial and test the new asset management system, however key changes to facilitate the effective use of the system did not reach the minimum requirement needed to progress with the system during 2018/19.

Services provided to the community

The Asset Maintenance department is responsible for delivery of this service area, which includes oversight and maintenance of local roads, bridges and drainage, footpaths, open spaces, building maintenance, depot operations, and emergency management.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Road stabilisation

Council's annual road stabilisation and patching program commenced in December 2018. The project involved rehabilitation of a range of identified road pavement defects throughout the Shire.

Works were mostly completed during December, with a small number due for completion in January 2019. A full list of roads affected by the patching and stabilisation was made available on Council's website. Thirteen roads across the Shire were identified for the program.

Centenary Park Irrigation System

The \$30,000 budget enabled the renewal and upgrade of the irrigation system within the park that over the past several years had failed repeatedly becoming unreliable through the hot Summer season and costing money through inefficient distribution and leaks. The new electronic system was designed with improved efficiency and water saving.

Flood damage remediation

In December 2018 a storm event caused damage to Council assets across the Shire, with the most significant damage concentrated in the localities of Barwidgee, Gapsted, Mudgegonga, Rosewhite and Dederang. The event was declared eligible for funding under the Natural Disaster Financial Assistance scheme, funded by the Federal Government and administered by the Victorian State Government. The scope of repair works included the rectification of 122 discrete items of flood related damage to Council's road, bridge and drainage infrastructure.

Gravel Re-sheeting

The \$181,000 program for re-sheeting roads was carried out between Asset Development and Asset Maintenance teams, with a 40 mm material spread by our internal crew over 24,000m² on Keller Road Tawonga, Barwidgee Lane, Woodside Lane and Butterworth's Lane Mudgegonga. The internal crew have undertaken extensive road formation and drainage works to these nominated roads in advance of the re-sheet program to ensure the longevity of the surface and prevent water damage to the roads.

Service Performance Indicators

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

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Roads					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	34.8	42.2	44.8	37.9	51% of all sealed road requests were regarding drainage, consistent with previous year. Total number of requests was down slightly from the previous year.
Condition					
Sealed local roads maintained to condition standards (previously "Sealed local roads below the intervention level") <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	99.4%	99.4%	99.1%	99.1%	
Service cost					
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$104.74	\$170.80	\$66.25	\$42.67	Cost of sealed local road reconstruction was less than the previous year - mostly due less reconstruction associated with the major projects like Alpine Better Places, and no bridge renewals taking place.
Service Cost					
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$8.54	\$5.40	\$6.18	\$6.13	Cost of resealing is consistent with previous years. Council continues to use high quality seals such as asphalt and SAM seal (Strain Alleviating Membrane).
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>	60	57	60	64	Satisfaction with sealed local roads continues to improve, and is now well above Small Rural and State-wide council averages.

* Also identified as Council Plan Strategic Indicators

+ The Local Government (Planning and Reporting) Regulations 2014 require Council to report material variations between the current year results, and the preceding three years' results. Comments are included where necessary to aid the reader's understanding.

Strategic Indicators

Indicator*	Comparative result 2017/18	Result 2018/19
Audit of the Municipal Emergency Management Plan (MEMP)	All the required updates have been made to the MEMP, including a review of the Sub Plans. The review has been conducted with the assistance of the MEMP Committee. The MEMP is audited every three years - the next audit is scheduled for September 2018.	Council's Municipal Emergency Management Plan (MEMP) was endorsed by Council at the Council Meeting held on 7 August 2018. A successful audit of the MEMP was completed on 25 September 2018.

* Refer to "Service Performance Indicators" for additional Strategic Indicators marked with an asterisk *

5. Highly utilised and well managed community facilities

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Align services with community expectations</i>		
Kerbside organic service customer survey	Yes	An organics kerbside bin collection service community survey commenced in June 2019, closing in July 2019, with hard copies mailed to current users of Council's standard two-bin kerbside service, and the ability to complete the survey online by all ratepayers and businesses.
Trial of free green waste disposal weekends	Yes	Free green waste disposal days were held on 30 March 2019 and 7 April 2019. Good participation rates occurred on both days.
<i>Strategy: Deliver quality services for our community</i>		
Deliver municipal waste and recycling services	No	Municipal waste and recycling services were operational across the Shire during the year.
<i>Strategy: Soundly operate and manage community facilities</i>		
Review membership programs at Bright Sports Centre	No	An after-hours access system was introduced at the Bright Sports Centre during the year.
Deliver visitor information centres, seasonal pools and sports centre services	No	Delivery of visitor information centres, seasonal pools and the Bright Sports Centre continued during the year. Additional hours of operation at the Myrtleford pool, and access to both pools to accommodate heat wave conditions in summer were facilitated. Outdoor pool season finished on 7 April 2019. After-hours access to the Bright Sports Centre commenced.
Libraries website update	Yes	The approach has been identified and a roadmap is underway. This project requires coordination across the four member Councils of the High Country Library Network and is being led by Benalla Rural City Council.

Services provided to the community

The Facilities department is responsible for delivery of this service area, which oversees aerodromes, property management, recreation facilities, school crossings, swimming pools, visitor information centres, and waste and recycling across the Shire. The Corporate department delivers library services.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Libraries

Myrtleford Library refurbishment

A refurbishment of the Myrtleford Library was completed during 2018/19. The \$500,000 project was made possible thanks to a \$467,400 funding boost from the State Government's Living Libraries Infrastructure Program.

The library relocated to another venue within Myrtleford for the duration of the refurbishment, ensuring that the library remained open to the public with minimal disruption to service. Feedback from the community has been very positive.

Satisfaction survey

A satisfaction survey was conducted across Alpine's library patrons with strong positive results. 95.4% of respondents were satisfied with their library service (including 60% that were very satisfied), 95.4% of respondents felt that library staff were approachable and helpful, and 90.2% said that the library has the type of books they want to read. Key feedback was a desire for more digital literacy education for older patrons.

Library programs

Libraries in Bright, Mount Beauty and Myrtleford hosted school holiday activities during the year, which were well attended with excellent feedback. A variety of programs targeted at primary school age children was offered across the four school holiday breaks. Several workshops for older patrons, including digital literacy, were also well attended. Patronage at these events continue to show that the community uses their local Library for much more than just borrowing books.

Pools

Operations and management of outdoor pools and Bright Sports Centre

In May 2019, Council entered into a joint tender with Indigo Shire Council for the Provision of Pool Management Services. The purpose of the tender was to explore market options for the management of Council's seasonal swimming pools and the Bright Sports Centre. The tender also enabled Indigo Shire Council and Alpine Shire Council to make separate determinations as to which, if any, of the tendered options to recommend. The recommendations resulting from the tender will be presented to Council in 2019/20.

Mount Beauty pool

Opening of the Mount Beauty pool was delayed until mid-December due to delays in capital works being undertaken on the pool. A number of associated operational issues arose or were identified upon commissioning of the pool. Due to the delay, Council offered the community a discount on the Early Bird Family Pass with the price reduced to \$42.50 for the season. Access to use of the Myrtleford pool was provided free of charge for school groups who would normally have used the Mount Beauty pool in November and December.

Waste

Transportation and disposal of waste

Council awarded a new contract for the collection, transport and disposal of waste from Porepunkah Transfer Station, Mount Beauty Transfer Station, Bright and Myrtleford Depot and Dederang Recreation Reserve and the collection, transportation and acceptance of comingled recyclables and cardboard from Mount Beauty, Porepunkah and Myrtleford Transfer Stations.

Transfer stations

A contract for the operation and management of Council's three waste transfer stations was awarded to provide for improved consistent levels of service and site management. This will be achieved by having an experienced waste facility officer working within the team across all three sites.

Organics Kerbside Service Survey Commenced

Council commenced a survey of residents to gauge community support for, and to identify issues associated with, the possible introduction of a kerbside Food Organics Garden Organics bin service. A review of the survey responses will be undertaken in Q1 2019/20 with a report to Council later in 2019.

Harrietville green waste facility

Council entered into a lease of land with the Harrietville Community Forum for the purpose of operating a community green waste facility. The community objective is to provide a local solution to disposal of green waste, to provide a recycling solution for locally generated green waste and to decrease dumping and or burning of green waste in the community.

Facilities

Lease issued for the operation and management of the Myrtleford Holiday Park

After an extensive process Council entered into a long term lease for the operation and management of the Myrtleford Holiday Park. The lease is for a period of 21 years and provides for substantial capital improvements at the park over the initial 3-5 years including additional powered sites, cabins, ensuite sites and upgrade of the amenities blocks.

New Hangar Leases at Mount Beauty Airfield

Council issued four new leases for hangars at the Mount Beauty Airfield. This brings the number of leased hangar at the airfield to nine. This is a significant investment in the airfield and will result in increased use of this substantial asset.

Service Performance Indicators

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

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	3.0	1.0	0.3	1.7	Council's Environmental Health Officer conducted visits across aquatic facilities during the year.
Health and Safety					
Reportable safety incidents at aquatic facilities <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	0	0	0	0	There were no Worksafe reportable safety incidents at aquatic facilities during the year.
Service cost					
Cost of indoor aquatic facilities* <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$4.84	\$7.65	\$9.46	\$8.63	A reduction in employee costs and an increase in income resulted in a reduction in cost per visit for indoor pools. This was despite a small reduction in visitation compared to the previous year.
Service Cost					
Cost of outdoor aquatic facilities* <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$6.04	\$7.13	\$7.96	\$8.80	The seasonal opening of the Mount Beauty pool was delayed by four weeks due to a delay in the delivery of tiles for completion of upgrade works to the facility. The delayed opening impacted on total visitation (6,600 less visitors to outdoor pools compared to previous year), meaning that 'cost per visit' has increased. Half price early-bird season tickets were offered to the Mount Beauty community in the lead up to the reopening to encourage visitation to the upgraded facility.
Utilisation					
Utilisation of aquatic facilities* <i>[Number of visits to aquatic facilities / Municipal population]</i>	3.6	3.2	3.1	2.4	The seasonal opening of the Mount Beauty pool was delayed by four weeks due to a delay in the delivery of tiles for completion of upgrade works to the facility. The delayed opening impacted on total visitation (6,600 fewer visitors to outdoor pools compared to previous year).

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Libraries					
Utilisation					
Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	2.9	2.6	2.6	2.5	<p>Slight reduction in library collection usage is reflected in similar trends for visitation and active users during the period. Most likely attributed to the relocation of the Myrtleford library for a four month period to allow for renovations.</p> <p>Usage of library collection does not include eBooks, as these are not assigned to individual library branches - it is noted that eBooks and eAudio are increasing in popularity, and visitation to library branches for community programs is also increasing.</p>
Resource standard					
Standard of library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	60.7%	58.8%	59.4%	58.8%	<p>Alpine libraries have a relatively large collection, including historical and older non-English language titles, which are specifically relevant to our region.</p>
Service cost					
Cost of library service* <i>[Direct cost of the library service / Number of visits]</i>	\$3.13	\$3.03	\$3.25	\$3.72	<p>Visitation is slightly lower than in previous years, primarily due to the Myrtleford library relocating for four months during renovations. A slight reduction in active users has also occurred for the same reason.</p>

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Participation					
Active library members* <i>[Number of active library members / Municipal population] x100</i>	23.2%	20.7%	20.0%	18.8%	<p>A slight reduction in active users matches a slight reduction in visitation compared to the previous year. As with other trends, this may be attributed to the relocation of the Myrtleford library to allow for renovations. The library was open to the public but in a different venue for this period.</p> <p>It should be noted that the number of active library members is measured by the activity of library card holders only. However there are significantly higher numbers of patrons who do not hold library cards but regularly utilise a wide variety of library services such as accessing the public computers or free Wi-Fi, or participating in children's group sessions, adult learning sessions and community group activities. If the total number of real users of library services were captured, this participation % would rise significantly.</p>
Waste Collection					
Satisfaction					
Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</i>	81.1	87.6	85.1	84.5	
Service standard					
Kerbside collection bins missed* <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	0.7	1.5	1.6	1.5	
Service cost					
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$142.74	\$136.85	\$101.69	\$119.82	<p>More transport and disposal costs were apportioned to the kerbside garbage cost compared to the previous year, resulting in a higher cost per bin.</p>

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Service cost					
Cost of kerbside recyclables collection service	\$43.43	\$44.30	\$60.42	\$63.46	
<i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>					
Waste diversion					
Kerbside collection waste diverted from landfill*	49.2%	49.6%	45.9%	39.4%	
<i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>					Waste diversion from landfill has reduced compared to the previous year, primarily due to an improvement in data methodology. Tonnage is now provided directly by the contractor, rather than previously having to convert volume to tonnage.

* Also identified as Council Plan Strategic Indicators

+ The Local Government (Planning and Reporting) Regulations 2014 require Council to report material variations between the current year results, and the preceding three years' results. Comments are included where necessary to aid the reader's understanding.

6. A well planned and safe community

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Enforce local laws, regulations and codes</i>		
Undertake a review of Local Laws	Yes	<p>Council completed the Local Laws review, with the Community Local Law 2019 being adopted by Council at its April Council meeting. The Law will come into force on 1 July 2019.</p> <p>The new Law replaces the previous Local Laws 2-7, and removes a large amount of duplication compared to the previous Laws.</p> <p>Council received extensive feedback during the exhibition of the draft Community Local Law in early 2019, and a number of updates were made to the draft in response to community feedback.</p>
Implement Domestic Animal Management Plan (DAMP) initiatives	Yes	Desex your Pet month supported in July 2018, and planning undertaken to support again in July 2019. Preliminary scoping work undertaken to carry out education campaign for responsible cat ownership.
Issue permits and enforce compliance for building, local laws, and environmental health	No	The Domestic Wastewater Management Plan was adopted in March 2019. Recruitment completed for a part time staff member to implement the actions in the DWMP. Council's building team has undertaken approximately twenty compliance actions for illegal building works over the financial year.
<i>Strategy: Plan for and manage development to enhance liveability</i>		
Land Development Strategy	Yes	Desktop data review and data collection was undertaken to provide the groundwork for the project which will be undertaken later in 2019..
Issue permits and enforce compliance for statutory planning	No	Council received 253 planning permit applications during 2018/19, consisting of 187 new permit applications, and 66 amended permit applications. Council issued 242 outcomes, which included 171 new permits issued, and 59 amended permits issued.
Undertake planning amendments	No	<p>Council is participating in DELWP's "SMART Planning" reviews of the planning scheme as part of a State-wide program to streamline planning schemes.</p> <p>Resolution to prepare amendments C59 (Dinner Plain Design Guidelines) and C60 (omnibus amendment) was approved by Council and enters to amendment planning process.</p>
<i>Strategy: Raise awareness and educate community about laws, regulations and codes</i>		
No activities in 2018/19.		

Services provided to the community

The Building and Amenity department is responsible for delivery of this service area, which covers building services, environmental health, and local laws. The Planning department delivers statutory planning and strategic planning services. The following information details the key services provided to the community, and relevant key highlights and deliverables during the year

Local Law Review

Council completed the Local Laws review, with the Community Local Law 2019 being adopted by Council at its April 2019 meeting. The Law will come into force from 1 July 2019.

The new Law replaces the previous Local Laws 2-7, and removes a large amount of duplication compared to the previous Laws.

Council received extensive feedback during the exhibition of the draft Community Local Law in early 2019, and a number of updates were made to the draft in response to community feedback.

More information can be found on page 68.

Domestic Wastewater Management Plan

The Domestic Wastewater Management Plan was adopted by Council on 5 March 2019. Council has commenced preliminary actions to deliver the plan, including preparation of a budget bid for project funding in 2019/20, and recruitment of a part time resource responsible for delivery of the Plan.

Food Sampling

Mandatory food sampling was undertaken in June 2019. This sampling is required as part of Council's obligations under the *Food Act 1984*.

Dinner Plain parking

Council has improved car parking management at Dinner Plain in winter 2019 with the introduction of a new permit system, and other changes to make parking easier for visitors to Dinner Plain. The system has been rolled out to accommodation providers and is supported by additional overnight parking and improved signage.

Challenges

Staff resourcing has been an issue for the Building and Amenity team, resulting in challenges delivering on compliance and enforcement, particularly in the Environmental Health team. A new part time Environmental Health Officer has been recruited (to start in Q1 2019/20) to address mandatory compliance issues as well as deliver the Domestic Wastewater Management Plan.

Table 3: Planning Permits processed by Alpine Shire Council

	2014/15	2015/16	2016/17	2017/18	2018/19
Planning permit applications received / issued	245 / 228	241 / 259	242 / 211	276 / 284	253 / 242
Median processing time (days)	35	35	48	43	36
Value of works subject to planning permit	\$27m	\$31m	\$26m	\$46m	\$48.8m
Value of fees	\$80,789	\$77,666	\$176,848*	\$199,659	\$236,760

* Statutory fees increased on 13 October 2016, due to the coming into force of the Planning and Environment (Fees) Regulations 2016

Table 4: Building Permits completed by Alpine Shire Council

	2014/15	2015/16	2016/17	2017/18	2018/19
Number of building permits issued	172	177	189	197	169
Value of building works approved	\$14.6m	\$15.1m	\$24.7m	\$23.7m	\$23.3m
Value of fees	\$201,668	\$188,164	\$277,286	\$251,498	\$254,334

Strategic Performance Indicators

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

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments*
Animal Management					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.1	1.1	1.0	1.1	Council continues to respond promptly to all animal management requests, responding to 92% of all requests within 24 hours.
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	94.1%	75.9%	60.6%	60.9%	The community continues to use social media as the primary means for finding owners of lost animals (in the first instance), before calling Council. Council works with the RSPCA to ensure that animals not claimed by their owners are rehomed. 61% of animals were returned to their owners, and an additional 31% were rehomed via the RSPCA.
Service cost					
Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$22.77	\$19.93	\$28.15	\$31.37	Slightly fewer animals were registered compared to the previous year, which was offset by a lower proportion of animal management jobs being attended to by Local Laws Officers compared to the previous year.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	1	0	0	0	No animal management prosecutions were undertaken during 2018/19.

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Food Safety					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	1.0	1.0	3.5	1.0	Council received more requests compared to the previous year, but improved resourcing in the Environmental Health unit ensured that all requests were responded to within 24 hours.
Service standard					
Food safety assessments* <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	30.9%	85.6%	67.4%	37.5%	37.5% of required food safety assessments were completed during the 2018 calendar year. If new or changed premises inspections were included, this would increase to 50%. Council has been focusing on quality of inspections, targeting food processes, and ensuring follow up of non-compliance. This has resulted in less assessments being undertaken of Class 2 premises but improved food safety outcomes for inspected premises. Non-assessed premises will be assessed as first priority in the 2019 calendar year.
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$161	\$356	\$235	\$131	Reduction in cost per registered premise, as previous year Council used a mix of staff and contractors to provide the Food Safety / Environmental Health program, whereas this year no contractors were used. 30-40% of Environmental Health Officer time spent on Food Safety. This will increase next year, due to an increased focus on Food Safety Assessments in the 2019 calendar year.
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>	45.6%	45.5%	33.3%	82.9%	Council's Environmental Health unit focused on quality of inspections and follow-ups of non-compliance during the 2018 calendar year.

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Statutory Planning					
Timeliness					
Time taken to decide planning applications* <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	34	48	43	36	Council continued to improve the time taken to decide planning applications, despite the planning team being without a second planning officer for four months.
Service standard					
Planning applications decided within required time frames* (previously "Planning applications decided within 60 days") <i>[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100</i>	82.0%	74.7%	81.0%	71.9%	Council was without a second planning officer for four months, which had an impact on the number of decisions made within statutory timeframes.
Service cost					
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,297	\$1,596	\$1,388	\$1,346	Council received slightly fewer new planning permit applications compared to the previous year, causing a slight increase in costs per new planning application.
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>	0%	0%	0%	100%	One Council decision was referred to VCAT during the year, which was affirmed.

* Also identified as Council Plan Strategic Indicators

⁺ The Local Government (Planning and Reporting) Regulations 2014 require Council to report material variations between the current year results, and the preceding three years' results. Comments are included where necessary to aid the reader's understanding.

7. A thriving and connected community

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2018/19 Budget which contribute to the 2017-2021 Council Plan (review 2018):

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Create socially connected and supported communities</i>		
Deliver Maternal Child Health services	No	Delivery of the service continues, along with recruitment of nurses to the Maternal Child Health service. During Q4 resourcing of the service dropped to 0.6 FTE (of a required 1.7 FTE) as a result of challenges with staff retention and recruitment. This level of resourcing has resulted in prioritising of service to be applied.
Introduce Supported playgroups	Yes	The supported playgroups program was delivered during the year, following the engagement of a facilitator. Small improvements with engagement of families into the Myrtleford Playgroup have occurred in Q4. Planning for commencement of a play group in Mount Beauty is underway with commencement planned for the commencement of Term 4, 2019.
<i>Strategies:</i> <i>Improve healthy eating and physical activity</i> <i>Stop family violence against women and children</i> <i>Reduce the incidence of alcohol and other drug related harm</i>		
Provide community programs from youth to seniors	No	<p>The Community Grants program awarded in August 2018 assisted 23 community groups across the Shire deliver projects valued at \$159,000.</p> <p>Youth Events were held during the year included the NE Skate Series event in Mount Beauty, Glow Party in Mount Beauty, Young and Live at the Courthouse in Bright, Alpine Colour Run in Myrtleford, and the Halogen Young Leadership Conference attended by 50 secondary students across the Shire. All events were well attended.</p> <p>The L2P program had 34 active mentees (adult volunteers) during the year, with 19 learner drivers achieving their P plates.</p>
<i>Strategy: Strengthen visitor attraction and experience</i>		
Provide support for tourism including events and destination marketing	No	A total of 131 events were delivered across the Shire throughout the financial year with an estimated economic impact of \$42.8 million. The 2018 calendar year of visitor statistics reporting was received in this quarter, indicating a 32% increase to domestic overnight visitation, 24% increase to day trip visitation, 4% decrease to international overnight visitation and a 29% increase to total visitor spend from \$261 million in 2017 to \$336 million in 2018.
Implement an Events Management system	No	The implementation of the 'Smarty Grants' system to manage funding programs for Events and Community Grants was completed in Q4 and on time to manage the funding programs for 2019/20. Systems to manage the event management compliance cycle and facilities and open space bookings continue to be investigated.

Initiative / Indicator	Major Initiative?	Progress to 30 June 2019
<i>Strategy: Support and encourage investment and enterprise</i>		
Mount Buffalo business case and activation assessment	Yes	The Task Force continued to focus efforts in the following two areas over the reporting period: 1. Advocating for funding to establish a 'Café in the Chalet'; and 2. Engaging with planning specialists in Council, DELWP and Parks Victoria to amend the Planning Scheme to re-allow use and development at the Mount Buffalo Chalet.
Provide economic development advice for businesses	No	Council provides economic development advice for businesses throughout the year.

Services provided to the community

The Economic and Community Development department is responsible for delivery of this service area, which covers community development, Dinner Plain services, economic development, festivals and events, tourism, maternal and child health, and youth programs.

The following information details the key services provided to the community, and relevant key highlights and deliverables during the year.

Annual Visitation to the Alpine Shire

Visitation data reports for the calendar year of 2018 indicate a considerable increase to visitor numbers and spend to the Shire in comparison to the 2017 calendar year. Domestic overnight visitation is reported to have increased by 26%, international overnight visitation decreased by 4%, day trip visitation increased by 24%. Total visitor spend increased by 29% from \$261 million to \$336 million. As tourism continues to grow in the Alpine Shire and is recognised as a key contributor to the economy, accommodation and Food Services remains as the largest employer in the Alpine Shire, making up 14.2% of total employment. (ABS Census 2016).

Events in the Alpine Shire

A total of 131 events were delivered across the Shire (including Dinner Plain) throughout the financial year. This number incorporates the civic events of Australia Day celebrations, Remembrance Day and Anzac Day ceremonies. While the number of events held is a 9% decrease on 2017/18, growth in participation to a number of events and new events occurring within the Shire, has resulted in the economic impact of events to the Shire increasing by 2% from \$42 million to an estimated \$42.8 million.

Gender equity project

Council commenced a project "Promote Gender Equity and Respectful Relationships at Alpine Shire Council", funded through DELWP, involving MAV, councils, Office for Women, Respect Victoria and OurWatch.

Initiatives completed in 2018/19:

- All staff and Councillors were provided with training to understand gender equity and the link between gender equity and family violence;
- Disclosure officers trained and in place to support;
- Steering group to support the delivery of the remainder of the project formed.

Deliverables in 2019/20:

- Bystander training for all staff and Councillors;
- Preparation and completion of a gender equity audit;
- Results assessed and recommendations suggested;
- Gender Equity Policy developed and adopted.

The project will embed Gender Equity into the organisation. Council is delivering this project in partnership with Alpine Health, who have completed the same project for their organisation.

Dinner Plain

Cobungra Platter Ski Lift:

Weather and natural snow fall conditions were at an optimal level for the 2018 ski season. The Cobungra Platter lift opened for a total of 92 days of the 114 day ski season. Weather conditions allowed for 25 snowmaking sessions to be undertaken on the ski slope throughout the season, delivering 7,681m³ of man-made snow. The 2019 ski season commenced on a positive with the Cobungra Platter lift opening for the ski season opening weekend as a result of good natural snowfalls in the lead up to the weekend. The success of the ski slope at Dinner Plain continues to be as a result of the snow making infrastructure project completed by Council and targeted marketing campaigns in the lead up to and during the 2018 and 2019 ski seasons, including leveraging billboard advertising of the Snow Victoria campaign.

Dinner Plain to Hotham Bus Service:

A new contract was awarded to operate the winter shuttle bus services between Dinner Plain and Hotham for the 2018 ski season. The new operator faced varied challenges throughout the 2018 ski season including challenges associated with regular high snowfalls and the inability to operate normally through those conditions. Feedback from stakeholders and passengers who utilised the services throughout the season was worked through by the operator and Council officers, resulting in a number of improvements being implemented for the 2019 ski season, which will improve the bus experience for residents and guests staying in Dinner Plain.

Grant application successes

A number of grant applications were successful across the financial year. Each of the funds received will address actions as identified in the Municipal Public Health and Wellbeing Plan key priority areas:

- \$100,000 over two years to support the MTBA National Championships and Oceania Championships in 2019 and the National Championships in 2020 (Sports and Recreation Victoria).
- \$36,500 "Promote Gender Equity and Respectful Relationships at Alpine Shire Council" – see previous page for more details.
- A total of \$51,096 to support two projects,
 - Purchase of a Variable Messaging Sign board to provide road safety messaging; and
 - Develop a Cycle Safety Strategy for the Shire (TAC).

Both projects were completed in 2018/19, with the Cycle Safety Strategy being presented to Council for endorsement in 2019/20.

- \$75,000 to develop a "Kindergarten Central Enrolment Scheme" for Alpine Shire. This project will be delivered in partnership with third party organisations delivering kindergarten services across the Shire (Department of Education). This project will be completed in 2019/20.
- \$25,000 to develop a model for possible co-resourcing of Maternal Child Health services with neighbouring Councils. This project will be completed in partnership with Indigo Shire Council and Rural City of Wangaratta (Department of Education). Project completed in 2018/19.
- \$75,000 across three years for the delivery of FReeZA initiatives across the Shire. This is an increase on previous amounts received.

- \$30,000 to develop an Economic Development Strategy for Myrtleford (Regional Development Victoria). A draft strategic document was completed in the 2018/19 FY with the final document being presented to Council for endorsement in the 2019/20 FY.
- \$11,500 to deliver “This Girl Can” initiatives across the Shire. (Vic Health). This project was completed in the 2018/19 FY.
- \$33,340 for 2009 Bushfire Commemoration Event grants (DELWP). This fund assisted community groups to deliver eight activities commemorating the 2009 bushfire event. These projects were completed in the 2018/19 FY.

Challenges

Maternal Child Health Nurse recruitment

Recruitment into vacant positions in the Maternal Child Health Service continues to be a challenge, particularly with new requirements of the State Early Childhood Reform Plan for additional services to be added to current servicing for vulnerable families. While the “Hard to Staff” project has been completed and achievable recommendations implemented, a number of recommendations are long term solutions which will take time and commitment from other stakeholders to implement.

Dinner Plain Ski Slope

The success of the Dinner Plain ski slope continues to put pressure on infrastructure requirements across the village. Improvements to public facilities at Scrubbers End public shelter and an increase to car parking will need to be addressed in the near future.

Service Performance Indicators

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

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
Home and Community Care (HACC)					
Timeliness					
Time taken to commence the HACC service <i>[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]</i>	14	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service standard					
Compliance with Community Care Common Standards <i>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</i>	100%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost					
Cost of domestic care service <i>[Cost of the domestic care service / Hours of domestic care service provided]</i>	\$61.11	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost Cost of personal care service <i>[Cost of the personal care service / Hours of personal care service provided]</i>	\$53.16	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost Cost of respite care service <i>[Cost of the respite care service / Hours of respite care service provided]</i>	\$54.74	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Participation					
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	27.16%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

Service/indicator/measure	2015/16	2016/17	2017/18	2018/19	Comments ⁺
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>	28.93%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Maternal and Child Health (MCH)					
Satisfaction					
Participation in first MCH home visit <i>[Number of first MCH home visits / Number of birth notifications received] x100</i>	112.0%	104.0%	102.1%	108.5%	In a small number of cases, Council also conducts home visits for newborns where the birth notification was received elsewhere, but Alpine MCH Nurses conduct the first home visit.
Service standard					
Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	100.0%	100.0%	103.2%	100.0%	
Service cost					
Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$59.68	\$60.93	\$63.18	\$74.30	Council's MCH coordinator position became vacant in January, and Council found it difficult to recruit MCH nurses to fill the role, resulting in slightly less contact hours compared to the previous year. Both Universal and Enhanced MCH services are provided to the community.
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>	85.6%	88.7%	86.5%	84.5%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.
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>	88.2%	84.6%	95.7%	79.2%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.

* Also identified as Council Plan Strategic Indicators

⁺ The Local Government (Planning and Reporting) Regulations 2014 require Council to report material variations between the current year results, and the preceding three years' results. Comments are included where necessary to aid the reader's understanding.

Strategic Indicators

Indicator*	Comparative result 2017/18	Result 2018/19
Percentage of people who volunteer in the community	At the 2016 Census, 30.5% of the Alpine Shire population reported that they had done volunteer work within the previous 12 months. This is much higher than the State average of 19.5%. Community grant projects delivered within the year were coordinated and most delivered by community group volunteers. Additionally, all 144 events delivered throughout the year were delivered by community organisations or commercial organisations both relying on small to large numbers of volunteer labour.	30.5% of the total population of the Alpine Shire are reported to volunteer in their community. (ABS Census 2016)
Number of permitted festivals and events in the Alpine Shire	Council provided assistance and permits for 133 events to occur throughout the Shire, throughout the 2017/18 year.	A total of 131 festivals and events were held across the Shire throughout the year, including civic events delivered by Council.
Visitor numbers	Visitor numbers to the Shire are measured by calendar year. 2017 calendar year visitation increased substantially compared to 2016. Domestic overnight visitors increased by 16%, international overnight visitors increased by 29.7% and domestic day trip visitors increased by 50.7%. Total visitor numbers increased from 561,800 to 737,200.	Total visitor numbers to the Shire is recorded by calendar year. Results for the 2018 calendar year: Total domestic overnight visitors - 568,000, total domestic day trippers - 367,000, total international overnight visitors - 367,000 which represents a 29% increase to 2017 results.
Increase small business and light industry in the Shire	The number of businesses operating in 2016 totalled 1452, while in 2017 total businesses operating totalled 1,469 – an increase of 17 businesses. The notable increases sit within the “construction” and “retail” industries, however, these businesses are reported as being self-employers or employ 1-4 employees.	Recent data is not available.

* Refer to “Service Performance Indicators” for additional Strategic Indicators marked with an asterisk *

Governance report

Council report

Council's role

Council's role, functions and powers are governed by the *Local Government Act 1989* (the Act), which sets out the legislative framework under which all councils in Victoria must operate.

Councillors

The Alpine Shire Council comprises seven elected members in an un-subdivided Shire. Council elections occurred on 22 October 2016, appointing Councillors for a four-year term. Councillors-elect took their Oath of Office and made their Code of Conduct declaration on 8 November 2016.

The Act requires each Council to elect a Mayor, and must determine whether to elect them for a term of one or two years. The Mayor takes precedence at all municipal proceedings, and must chair all Council meetings at which they are present. If they are absent or unable to act, they must appoint a Councillor to be Acting Mayor.

On 13 November 2018, Council resolved to appoint both the Mayor and Deputy Mayor to a one year term, and to appoint the Deputy Mayor as Acting Mayor in accordance with section 73(3) of the Act. Councillor Ron Janas was re-elected as Council's Mayor, with Cr Sarah Nicholas elected as Deputy Mayor.

Councillor Code of Conduct

Council is committed to working together in an ethical and accountable manner to provide leadership and good governance of the Alpine Shire.

The Councillor Code of Conduct provides the necessary framework within which the Council will operate. It assists Councillors in understanding their role, their legislative obligations and the values and behaviours by which they will operate.

In accordance with the *Local Government Act 1989*, Council was required to review the Code within four months of the October 2016 general election. Council adopted the Code at a special council meeting held on 7 February 2017, and all Councillors signed a declaration that they would abide by the code. No adjustments were made to the code during 2018/19.

Council decision making

Decisions made by Council are made in one of two ways:

- At ordinary and special meetings of Council by resolution; or
- Under delegated authority by Council officers.

A 'decision of Council' (resolution) can only be made in the formal setting of an ordinary or special Council meeting. Decisions are made by majority voting. As an individual, neither the Mayor nor Councillors have the authority to act or make decisions on behalf of Council or its staff.

Prior to a council meeting, an agenda is prepared by Council officers, containing the items that require either a Council decision (such as a planning application), or items required to be brought before Council (such as the minutes of a Council committee, or Council's annual report).

The majority of decisions, particularly those of an operational nature, are made under delegated authority from Council, either directly to officers or through the CEO. See 'delegated authority' on page 57 for more details.

Council meetings

During 2018/19, Council conducted ordinary Council meetings on the first Tuesday of each month. The exceptions to this were in January when no meeting was scheduled due to the Christmas holiday period, and in November, when the meeting was held on the second Tuesday of the month, due to the Melbourne Cup Day public holiday.

Special meetings of Council were held in December 2018 and June 2019. The majority of both ordinary and special council meetings were held in Bright, with March 2019 meeting held in Mount Beauty, and the April 2019 meeting held in Myrtleford.

Council agendas were published on Council's website on the Friday prior to the council meeting. During 2018/19 a public question time was held at the beginning of each council meeting. Question time is no longer recorded in the written minutes of the council meeting, however it is available as part of the audio-visual recording of the council meeting, livestreamed on Council's website and YouTube channel. File recordings are available on the website after the meeting.

Councillor briefing sessions are held to give Councillors the opportunity to meet with management to keep up to date with issues as they arise. No formal decisions of Council may be made at these meetings. Each is considered an 'Assembly of Councillors', and reported at Council meetings.

Table 5: Council meeting attendance 2018/19

Councillor	Ordinary Council	Special Council
Cr Forsyth	8	1
Cr Janas	11	2
Cr Keeble	10	1
Cr Knappstein	11	2
Cr Nicholas	10	2
Cr Pearce	11	2
Cr Roper	10	2
Total meetings	11	2

Councillor allowances

In June 2017 Council had voted to effectively freeze Councillor and Mayoral allowances by adopting a decrease of 5% to the previously set allowances. This was to remove the effect of the mandatory annual adjustment factor for the remainder of the Council term. This reduction was introduced to mirror the effect of the freeze in staff wages, as set out by the Enterprise Agreement 2016 (page 20).

The Minister for Local Government announced an adjustment factor of 2.0% applying to Mayoral and Councillor allowances, effective on 1 December 2018. The amount equivalent to the superannuation guarantee (9.5% during 2018/19) is payable in addition to the allowance.

Alpine Shire Council allowances to be paid to from 1 December 2018 were:

Mayor: \$58,715 per annum

Councillors: \$19,653 per annum

Councillor expenses

The Councillor Reimbursement of Expenses policy (no. 76) was reviewed and adopted in June 2019. The policy sets out the electronic equipment that will be provided to councillors, as well as the types of approved expenses that will be reimbursed under the policy. Expenses can only be reimbursed if the expense was incurred while performing duties as a Councillor or committee member and fulfils the requirements as described in the policy.

Council provides the Mayor with a fully maintained vehicle, and councillors are also able to utilise fleet vehicles to attend to council business in accordance with the policy.

In accordance with r14(2)(db) of the *Local Government (Planning and Reporting) Regulations 2014*, the following table presents the required expense declarations incurred by Council on behalf of each Councillor:

Table 6: Councillor & committee member expenses 2018/19**

Councillor	TR ¹ \$	CM ⁺ \$	CC [@] \$	ICT [°] \$	C&T [#] \$	Total \$
Cr Forsyth	\$633	\$0		\$1,080	\$905	\$2,618
Cr Janas [^]	\$459	\$14,419		\$1,080	\$1,681	\$17,639
Cr Keeble	\$0	\$0		\$1,080	\$0	\$1,080
Cr Knappstein	\$303	\$460		\$1,080	\$1,520	\$3,363
Cr Nicholas	\$457	\$486		\$1,080	\$821	\$2,844
Cr Pearce	\$351	\$666		\$720	\$0	\$1,737
Cr Roper	\$0	\$797		\$720	\$0	\$1,517

¹ TR is Travel including transport, accommodation and meal costs associated with conferences and training, but does not include civic event costs.

⁺ CM is Car Mileage allocated using the cents per kilometre Australian Taxation Office rate for 2018/19 of \$0.68 / km for pool vehicles, Mayoral vehicle, and reimbursement for use of private vehicles.

[@] CC is Child-care expenses

[°] ICT is Information and Communication Technology

[#] C&T is Conferences and Training

[^] Cr Janas was Mayor for the entire 2018/19 year, with Mayoral vehicle available for full private use during the relevant term of the Mayor (in accordance with policy 76)

****** Audit committee members were paid sitting fees (allowances), but no other expenses were incurred.

Councillor committees

Councillors were appointed to individual committees on 4 December 2018.

Councillor delegates were appointed on the following groups and committees (non-executive):

Committee	Delegate
Municipal Association of Victoria	Cr Janas
Hume Region Local Government Network	Cr Janas
Alpine Shire Council – Audit Committee	Cr Forsyth and Cr Knappstein
Alpine Shire Council – Finance Committee	Cr Forsyth and Cr Knappstein
Alpine Shire Council – Municipal Emergency Management Planning Committee	Cr Knappstein Cr Janas
Alpine Shire Council – Community Resilience Committee	Cr Knappstein
Alpine Children's Services Inc.	Cr Keeble
Alpine Alliance (between Council and Alpine Health)	Cr Knappstein

Councillor delegates were appointed to the following groups (non-executive):

Committee	Delegate
North East Waste and Resource Recovery Group (Forum)	Cr Nicholas (Cr Pearce to be nominated as Cr Nicholas' proxy)
Lake Buffalo Land on Water Management Plan Implementation Group	Nil
National Timber Councils Association	Cr Pearce

The following Councillor appointments made by external organisations were noted:

Committee	Delegate
Municipal Association of Victoria – Board	Cr Janas Elected by North East Victorian councils. Term expired March 2019, and was subsequently re-elected.
Mount Buffalo Destination Advisory Group	Cr Janas
Mount Buffalo Business Case Assessment and Activation Taskforce	Cr Janas
Municipal Association of Victoria Emergency Management Reference Group	Cr Janas Cr Knappstein
Municipal Association of Victoria Environment Committee	Cr Nicholas

Delegated authority

The *Local Government Act 1989* (the Act) and numerous other pieces of legislation confer specific powers, duties and functions on a council.

An Instrument of Delegation under section 98(1) of the Act provides the CEO with the necessary authority to perform the duties of the position. Council delegates powers, duties and functions to staff, and appoints authorised officers under various Acts. The CEO can further sub-delegate powers, duties and functions to staff.

Council is required to review the delegations provided to the CEO and council staff within 12 months of the election, but is able to update delegations at any time during the year or the term of council. Reviews of CEO and Council appointed delegations were undertaken in for October 2017 in accordance with s98(6) of the *Local Government Act 1989*. Subsequent reviews of delegations from Council were undertaken in May 2019.

Audit committee

Council's Audit Committee is an advisory committee of Council formed in accordance with section 139 of the *Local Government Act 1989*. The Audit Committee oversees and monitors Council's audit processes and internal control activities.

The primary purpose of the Audit Committee is to advise Council in the effective conduct of its responsibilities relating to:

- Corporate governance;
- Financial management and reporting;
- Management of risks and maintenance of effective controls;
- Internal and external audits;
- Business continuity and disaster recovery;
- Compliance with laws and regulations; and
- The organisation's ethical development.

The Audit Committee charter requires that the committee consist of a minimum of five members, comprising three or more independent members and two Councillors nominated by Council. The Committee members for 2018/19 were:

Councillor Representatives

- Cr Kitty Knappstein – appointed December 2016
- Cr Sarah Nicholas – appointed December 2016 to December 2018
- Cr John Forsyth – appointed December 2018

Independent Representatives

- Ms Sue Lebish, Chair – appointed May 2015
- Mr Mark Anderson – appointed May 2015
- Ms Sinead Ryan – appointed April 2016
- Mr Gerard Moore – appointed April 2018

The Audit Committee met five times during the year – four regular meetings and one meeting to consider the annual financial and performance statements. Council executive and staff regularly attend the meetings to present reports and address issues. Recommendations from each Audit Committee meeting are subsequently reported to and considered by Council.

Key areas of focus for the Audit Committee during the year were:

- Annual financial and performance reports
- Review and update of the Committee's charter
- Internal audits
- Asset register and management
- Infrastructure valuations
- Policy review
- Introduction of a balanced scorecard report
- Business systems transformation project
- Benchmarking against VAGO local government audits: delivering local government services
- Quarterly finance reports
- Quarterly performance reports
- Quarterly health and safety reports
- Quarterly purchasing audits

Two internal audits were undertaken during 2018/19: financial systems migration review; and fraud control review. The scope of the financial systems migration review included the accounts payable and purchasing approval processes. The scope of the fraud control review included cash handling, accounts payable and receivable processes, payroll, procurement practices, data management, human resources practices and asset management practices.

Council's external auditors undertake the annual audit of Council's Financial Statement and Performance Statement, on behalf of the Victorian Auditor General's Office.

Special and Advisory committees of Council

Council has two remaining committee of management under the provisions of section 86 of the *Local Government Act 1989*. These committees assist with the supervision and administration of the Bright Senior Citizens' Centre and the Mount Beauty Recreation Reserve.

Instruments of Delegation for both s86 committees were reviewed and adopted in October 2017, in accordance with the *Local Government Act 1989*.

Council also works with advisory committees that provide advice to Council regarding the operations and management of Council assets.

Organisational committees

Audit Committee - see previous page.

Finance Committee - provides oversight of Council's financial performance and management. Quarterly financial reports are also presented to Council meetings as required by s138 of the *Local Government Act 1989*.

Citizenship Ceremonies

Under the *Australian Citizenship Act 2007*, Council has the role of performing citizenship ceremonies on behalf of the Department of Immigration and Citizenship for candidates who are residents of the Alpine Shire. The Pledge of Commitment made at the citizenship ceremony is the final legal requirement to becoming an Australian citizen.

The Alpine Shire Council places great importance on Australian citizenship, with the Mayor presiding over the ceremonies. Ceremonies are held as required prior to the commencement of Council meetings. If required, there is also a special citizenship ceremony held at Australia Day ceremonies.

During 2018/19, citizenship ceremonies were held for 16 new citizens in the Alpine Shire. As part of celebrating 70 years of Australian citizenship, 12 of these new citizens were welcomed at a ceremony on Australia Day 2019.

Risk Management

Council is committed to reducing its exposure to financial, strategic and operational risk. As part of this commitment, Council:

- Continued its regular review and reassessment of its risk register;
- Commenced a review of its critical functions and development of recovery plans for future business continuity planning purposes;
- Independently audited its fraud controls; and
- Undertook a holistic risk review of its operation and maintenance of the Bright river pool.

Governance and Management Checklist

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	<p>Current policy in operation <input checked="" type="checkbox"/></p> <p>Communication and Consultation policy adopted: 04/04/2006</p> <p>Release of Information to the Public Domain policy adopted: 11/02/2013</p> <p>Council has a project underway which will review and update all policies during 2018/19 and 2019/20.</p>
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	<p>No guidelines <input checked="" type="checkbox"/></p> <p>Reason for no guidelines:</p> <p>Council utilises a range of tools to assist staff in determining when to engage with the community. A specific engagement plan is developed for each new capital project.</p>
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	<p>Adopted in accordance with section 126 of the Act <input checked="" type="checkbox"/></p> <p>Date of adoption: 18/06/2019</p>
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	<p>Adopted in accordance with section 130 of the Act <input checked="" type="checkbox"/></p> <p>Date of adoption: 18/06/2019</p>
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	<p>Plans <input checked="" type="checkbox"/></p> <p>Date of operation of current plans:</p> <p>Council currently has working drafts of the following asset management plans:</p> <p>Part A - General information;</p> <p>Part B – Roads;</p> <p>Part C – Bridges;</p> <p>Part D – Buildings;</p> <p>Part E – Pathways;</p> <p>Part F – Drainage;</p> <p>Part G – Recreation;</p> <p>Part H - Open space.</p> <p>A project will be undertaken during 2019/20 to update these documents and bring them into line with current best practice.</p>
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	<p>Strategy <input checked="" type="checkbox"/></p> <p>Date of operation of current strategy: 18/06/2019</p>
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	<p>Policy <input checked="" type="checkbox"/></p> <p>Date of operation of current policy: 14/11/2017</p>

Governance and Management Items	Assessment
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	<p>Policy</p> <p>Date of operation of current policy:</p> <p>6/08/2013</p> <p>Fraud and Corruption Control policy has been reviewed, pending recommendations from an internal Fraud Control audit conducted in May 2019. The policy will be presented to Council for adoption in 2019/20.</p>
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i></p> <p>Date of preparation:</p> <p>Council's Municipal Emergency Management Plan was endorsed by Council on 07/08/2018. A successful audit was completed on 25/09/2018.</p>
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<p>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i></p> <p>Date of approval:</p> <p>18/06/2019</p>
11 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)	<p>Plan</p> <p>Date of operation of current plan:</p> <p>11/12/2009</p> <p>A review of the Business Continuity Plan commenced and was in progress during 2018/19. The review will continue in 2019/20.</p>
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<p>Plan</p> <p>Date of operation of current plan:</p> <p>30/07/2015</p>
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	<p>Framework</p> <p>Date of operation of current framework:</p> <p>6/02/2007</p> <p>Council's Governance and Risk Framework was presented to the Audit Committee in September 2017. It has not been formally adopted by Council.</p>
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	<p>Established in accordance with section 139 of the Act</p> <p>Date of establishment:</p> <p>Council's audit committee was established by Instrument of Delegation on 26/10/2004.</p> <p>The audit committee's charter was last adopted on 07/05/2019.</p>

Governance and Management Items	Assessment
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	<p>Engaged</p> <p>Date of engagement of current provider:</p> <p>At the Ordinary Council meeting on 05/04/2016, Council resolved to not appoint an internal auditor for a three year period but rather source quotes on a per audit basis as required under Council's Procurement Policy.</p> <p>Internal audits conducted during 2018/19 focused on a Financial System Migration Review, and a Fraud Control Review. Outcomes are proactively managed through the Audit Committee.</p>
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	<p>Framework</p> <p>Date of operation of current framework:</p> <p>01/07/2014</p>
17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	<p>Report</p> <p>Date of report:</p> <p>Quarterly Council Plan reports were presented at the following Council meetings:</p> <p>Q4: 02/10/2018 (as part of annual report);</p> <p>Q1: 04/12/2018;</p> <p>Q2: 05/02/2019;</p> <p>Q3: 04/06/2019.</p>
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to Council in accordance with section 138(1) of the Act</p> <p>Dates statements presented:</p> <p>Finance reports were presented at the following Council meetings:</p> <p>Q4: 04/09/2018 (in-principle financial statements for annual report); and 02/10/2018 (as part of annual report);</p> <p>Q1: 04/12/2018;</p> <p>Q2 & Q3: 04/06/2019.</p>
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>Reports</p> <p>Date of reports:</p> <p>Council's Audit Committee considered the risk register on 26/10/2018 and 31/05/2019.</p>
20 Performance reporting (six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	<p>Reports</p> <p>Date of reports:</p> <p>Quarterly progress reports against the indicators contained in the Council Plan were presented at the following Council meetings:</p> <p>Q4: 02/10/2018 (as part of annual report);</p> <p>Q1: 04/12/2018;</p> <p>Q2: 05/02/2019;</p> <p>Q3: 04/06/2019.</p>

Governance and Management Items	Assessment
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act <input checked="" type="checkbox"/> Date of consideration: 02/10/2018
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act <input checked="" type="checkbox"/> Date reviewed: 07/02/2017
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/> Date of review: A full review of delegations undertaken in accordance with s98(6) of the Act (within 12 months after the last general election) occurred in October 2017. Delegations were updated on 07/05/2019.
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/> Date local law made: 06/09/2016

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



Charlie Bird
Chief Executive Officer
Date: 16 September 2019



Cr Ron Janas
Mayor
Date: 16 September 2019

Statutory Information Report

Best Value Program

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles.

During 2018/19 Council has undertaken a number of projects and reviews seeking to apply the best value principles to its services, including:

Review of the operations of Councils' Transfer Stations resulted in the awarding of a contract to an experienced operator to operate and manage the three sites to improve site operations and customer service standards.

Launch of Council's online Project Dashboard in July 2018, enabled the community and other stakeholders to view and track the progress of current capital works projects across the Alpine Shire. The dashboard can be viewed at <http://maps.alpineshire.vic.gov.au/dashboard/>.

Launch of Council's online Project Pipeline in December 2018, enabled the community to see the scheduling of capital works projects into the future, and provides an indication of when they are likely to be delivered. The project pipeline can be viewed at <http://maps.alpineshire.vic.gov.au/pipeline/>.

Review and upgrade of Council's website was undertaken to ensure the website is a user friendly, up to date source of information for the community. Improved functionality planned for the website will allow increased ability for customers to lodge information requests and payments. The new website is due for launch in August 2019, with customer access improvements to be rolled out progressively post-launch. www.alpineshire.vic.gov.au.

Review of Business Systems provided a holistic review of Council's business systems was undertaken which has resulted in the development of a future roadmap for our technology systems and a program of works to provide a more efficient work space and better digital interfaces for our customers.

Review of Local Laws resulted in a simplification of Council's Local laws into a single "Community Local Law 2019", to improve efficiency in the operations of the local laws areas of Council and provide streamlined and more responsive community services. The new law makes the law more accessible, relevant and adaptable to serve our community over the life of the law.

Undertaking a Banking Tender enabled new contracts for the provision of banking and bill payment services at a saving of approximately \$75,000 over 5 years

Maintenance of Long Term Financial Plan ensures that Council reviews its Long Term Financial Plan (LTFP) annually to ensure that it remains financially sustainable and delivers the optimal balance of best-value services and projects to the community. The LTFP includes a scenario modelling tool which enhances Council's understanding of the impact of environmental factors on its financial outcomes (such as inflation, rate capping, grants and ongoing development in the Shire) and to understand the available mitigations for worst-case financial scenarios.

Annual Review of Procurement Policy and Financial Delegations ensures that Council's procurement is undertaken in line with Council's Procurement Policy and Financial Delegations, outlining minimum standards for tendering, contract documentation and approvals, to ensure that ratepayers obtain the best value for the services Council provides.

Documents Available for Public Inspection

In accordance with the *Local Government Act 1989* and regulation 12 of the *Local Government (General) Regulations 2015*, the following documents and information are available for public inspection on request at the Alpine Shire Council Office, 2 Churchill Avenue, Bright:

- a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months;
- b) the agendas for, and 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 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;
- c) 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;
- d) 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;
- e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- g) 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.

Contracts

In accordance with Regulation 14 of the *Local Government (Planning and Reporting) Regulations 2014*, the following disclosures are made:

- a) *A list of contracts entered into by Council valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works, of a kind specified in section 186(5)(a) and (c) of the Act:*

Council did not enter into any contracts during 2018/19 that were valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works that were of a kind specified in section 186(5)(a) and (c) of the Act.

- b) *A list of contracts entered into by Council valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works, if the Council did not engage in a competitive process before entering into the contract and it is not of a kind specified in section 186(5) or (5A) of the Act:*

Council did not enter into any contracts during 2018/19 that were valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works, without engaging in a competitive process.

Information privacy

The primary legislative obligations applying to Council's treatment of personal and health information are contained in the Victorian Government's *Privacy and Data Protection Act 2014* and the *Health Records Act 2001*.

The legislation prescribes a number of Information Privacy Principles that the Council is required to comply with to promote and ensure the fair and responsible collection and handling of personal and health information.

Council will continue to comply with the privacy principles contained in the Act.

More privacy information can be obtained from Council's website: www.alpineshire.vic.gov.au.

Freedom of Information

Freedom of Information (Fol) legislation ensures public accountability at all levels of government in Australia.

The *Freedom of Information Act 1982 [Vic]* gives the public a legal right to see certain council documents created after 1 January 1989 and also any personal documents relating to individuals (regardless of how long they have been held).

How do I make a request?

An application under the *Freedom of Information Act 1982* can be made by forwarding the following:

- The request must be made in writing, providing sufficient information to enable the documents to be identified, and where possible, include the approximate date range of the documents requested.
- Applications must be accompanied with the prescribed fee.

Forward your request to:

Freedom of Information officer
Alpine Shire Council
PO Box 139
BRIGHT 3741

Council will respond to your request within the legislated period. Search and access charges allowable under the Act may apply to your request.

For further information, contact Council's Freedom of Information officer on 03 5755 0555 or email

foi@alpineshire.vic.gov.au.

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.
- For the 2018/19 year, Council did not receive any infrastructure and development contributions.

Protected Disclosures Act

The purpose of the *Protected Disclosure Act 2012* is to encourage and facilitate the making of disclosures in relation to the improper conduct of Council and its employees and to provide protection for persons making disclosures against detrimental action.

Council fully supports the Act, having a high regard for transparency and accountability.

In accordance with Section 70 of the *Protected Disclosure Act 2012*, the following information is provided:

- a) Information about how to access the Protected Disclosure Procedures document

The policy and procedures are available in hard copy at the Council offices or by request and electronically via the Council website and staff intranet.

- b) The number of disclosures made to Council and notified to the IBAC for assessment

There were no disclosures made directly to Council during the period of 1 July 2018 to 30 June 2019.

Road Management Act 2004

Council, as a road authority, is required under section 22 of the *Road Management Act 2004* to publish a copy of any direction received from the Minister in its annual report. No directions were received from the Minister in 2018/19.

Food Act 1984

Council is required under section 7E of the *Food Act 1984* to publish a copy of any direction received from the Minister in its annual report. No directions were received from the Minister in 2018/19.

Carers Recognition Act 2012

Council did not provide a Home and Community Care service during 2018/19 and therefore does not meet the definition of a care agency under the *Carers Recognition Act 2012*. Therefore the reporting obligations for care agencies under s12(2)(a) of the Act do not apply to Council for the 2018/19 year.

Disability Act 2006

Alpine Shire Council is committed to supporting the rights of people with a disability to achieve full participation in community life.

As required under section 38 of the *Disability Act 2006*, Alpine Shire Council prepared a Disability Action Plan (DAP). The document was prepared jointly with Alpine Health, and is referred to as: Alpine Shire Council and Alpine Health 2011 Disability Action Plan.

Activity continued throughout 2018/19:

- Two additional RECHARGE Scheme points identified, bringing total RECHARGE points in the Shire to eight.
- 2018 Seniors Festival events held across the Shire, held at accessible venues.
- Participated in the regional Building Inclusive Communities network.
- Annual Directions report and Outcomes reports prepared and submitted to DHHS as required under funding arrangement.
- Continue to support and promote All Terrain Wheelchair.
- Engaged Institute of Access Training Australia in 2017 to undertake accessibility appraisal of 14 Council owned buildings and provide a report of recommendations.
- Engaged Architecture and Access (Aust) Pty Ltd (formerly Institute of Access Training Australia) in 2019 to undertake accessibility appraisal of six recently completed capital projects and provide report of recommendations.
- Council's website updated with consideration for people with disabilities.
- Community Grants Program supported Mount Beauty OCD and Anxiety Support Group to deliver workshops in Mount Beauty.
- Staff and volunteers from Alpine Visitor Information Centre undertook Accessible Communication Training for Customer Service Staff delivered by Gateway Health
- Disability Action Plan will be updated during 2019/20 financial year.

Domestic Animals Act 1994

Pursuant to section 68A of the *Domestic Animals Act 1994*, Council must prepare a Domestic Animal Management Plan (DAMP) every four years, review the plan annually, and publish an evaluation of its implementation of the plan in its annual report.

The DAMP 2017-2021 sets out how Council manages its responsibilities under the *Domestic Animals Act 1994* and delivers services to enhance and promote responsible pet ownership in the community.

Council's 2017-2021 DAMP was reviewed and formally adopted by Council on 3 October 2017, with a desktop review undertaken in 2018 (no changes required). Key actions in the DAMP 2017-2021 were developed with input from staff and key stakeholders such as the RSPCA, customer request data, and service delivery statistics. They include:

- Educating the community on the benefits and requirements of registering dogs and cats;
- Reducing the number of feral cats;
- Reducing the incidence of dogs and cats wandering at large; and
- Reducing the incidence of dog attacks.

The 2017-2021 DAMP includes the following initiatives:

- Renew s84Y agreement with RSPCA (in accordance with the *Domestic Animals Act 1994*);
- Vet discounted de-sexing;
- Improve use of existing systems; and
- Further improve public awareness program.

For 2018/19, the majority of key targets were met, with the exception of the target of 95% of animal registrations being renewed by 1 June 2019. This target was not met, largely due to a software error resulting in incomplete renewals being sent out in March 2019. Progress is being made to make up this target.

Key areas of progress in 2018/19 were:

- Participation in 'Desex your pet month' was conducted in July 2018, where Council partnered with local veterinarians to provide discounted desexing and microchipping of animals, provided they are registered with Council. This was a very popular initiative, and will be continued in future years.
- Very high rehoming statistics (particularly for dogs), with 92% of animals collected by Council either returned to their owners or transferred to RSPCA for rehoming.

Local laws

During 2018/19, Council had seven Local Laws in operation.

In April 2019, Council made one single Community Local Law 2019, replacing Locals Laws 2-7.

The Community Local Law 2019 reflects a significant change from the previous Local Law structure, and removes a significant amount of duplication and redundant content. The new law will bring the Alpine Shire into line with current best practice, and make the law more accessible, relevant and adaptable to serve the community over the life of the law.

The Community Local Law 2019 was made following initial stakeholder consultation to assist in identifying issues and solutions to help draft the new Local Law, and subsequent statutory consultation as required under Section 223 of the *Local Government Act 1989*.

The Community Local Law 2019 will become operational on 1 July 2019. On the coming into operation of the Community Local Law, Local Laws 2-7 will be revoked. Local Law 1: Council Administration remains unchanged. Council had previously gazetted a provision under section 224A of the *Local Government Act 1989* to allow Victorian Police to act as authorised officers to enforce 'Part 3: Consumption of alcoholic beverages', and 'Part 5: Enforcement' of the Alpine Shire Council Local Law No. 2 – Municipal Places (2012), where they relate to the use, possession or consumption of alcohol.

Following the Community Local Law 2019 coming into operation on 1 July 2019, Council will gazette this same ability for Victoria Police to enforce the alcohol restrictions in the new Local Law.

Copies of current Local Laws are available from the Council Offices in Bright and on the Alpine Shire Council website.

Local Laws in operation as at 30 June 2019

1. Council Administration	Deals with use of the Common Seal; Election of Mayor, Council Meeting Procedures.
2. Municipal Places	Deals with behaviour in Municipal Places, Liquor Consumption Control.
3. Dinner Plain	Deals with the regulation and control of activities at Dinner Plain.
4. Livestock	Deals with the regulation and control of livestock on roads in the Municipality.
5. Amenity	Deals with the regulation and control of activities which may be dangerous or unsafe or detrimental to the quality of life and environment.
6. Streets and Roads	Deals with the regulation and control of issues such as management of roads for traffic, control of vehicles and animals on roads, secondary activities on roads, including advertising signs, trading from a road or reserve, outdoor eating facilities and busking.
7. Murray to the Mountains Rail Trail	Deals with the regulation and control of activity on and access to the Murray to the Mountains Rail Trail.

Local Laws in operation as at 1 July 2019

1. Council Administration	Deals with use of the Common Seal; Election of Mayor, Council Meeting Procedures.
Community Local Law 2019	<p>The objectives of the Community Local Law 2019 are to:</p> <ul style="list-style-type: none"> • provide for the peace, order and good government of the municipal district; • protect, maintain and enhance the natural environment of the municipal district; • ensure the protection of Council assets and the sustainable use of resources; • protect the health and safety of persons within the municipal district; • regulate the management of animals on land and on Council land; and • provide uniform and fair administration of this Local Law.

Grants and funding

Grants awarded by Council

Just as important as the funding that Council receives, is the support that it provides to the community. Council has a long history of supporting community groups to run events, programs and projects. These are in the form of festival and event funding, and also in the form of community grants.

Tourism festival and event funding:

Events are vitally important to the economy in the Alpine Shire.

Alpine Shire Council's 2018/19 Event Funding Program was open for applications between 4 May and 29 June 2018. A total of 47 applications were received, with a cumulative request of \$258,565 in financial sponsorship.

All 47 applicants received support through the Event Funding Program, totalling \$187,430 in financial sponsorship and an estimated value of \$78,380 in logistics support.

Logistics support includes Council staffing to deliver various services for events as well as estimated costs for additional waste management and facility cleaning services.

In addition to the support outlined in Table 7, the Chief Executive Officer was delegated to distribute residual funds of \$35,040.

An assessment panel consisting of one member of the Bright and District Chamber of Commerce; one member of the Upper Kiewa Valley Community Association; one member of Rotary Myrtleford; and two Councillors, considered the applications, providing recommendations to Council. Council's Manager Economic and Community Development, and Council's Events Development Officer were also present to support the assessment panel.

Applications were assessed against the following criteria:

- Community impact and benefit;
- Expected economic and tourism benefits;
- Event profile;
- Capacity and capability of the event organiser to develop and deliver the event; and
- General criteria, including: long term sustainability of the event; operational detail of the event (including marketing); social justice principles; capacity to build relationships; location and fit of the event within the community; long term legacy creation; links to state/regional and local event strategies/plans.

Table 7: Tourism festival and event grants awarded by Council in August 2018

Event	Applicant	Financial Sponsorship	Logistics Support
16th Great Alpine Classic Golf Tournament 2018	Myrtleford Golf Club Incorporated.	\$1,200	Nil
5 Zero (New Event)	Bright Brewery	\$2,000	Nil
Audax Alpine Classic and Bonjour Bright	Audax Alpine Classic	\$6,500	\$3,500
Australian National AAA Bright Paragliding	North East Victorian Hang Gliding Club	\$2,500	Nil
Four Peaks Alpine Climb	Mountain Sports Australia	\$2,500	\$250
Bright Autumn Festival - Gala Day	Bright Autumn Festival Committee - Chamber of Commerce	\$9,700	\$2,680
The Alfred 6 Hour	Alpine Cycling Club	\$2,200	\$300
Bright Cabaret Festival	FAM Events and Productions	\$2,000	Nil
Bright Festival of Photography	Bright Festival of Photography	\$2,000	Nil
Bright Fun Run	Bright P12 College	\$5,430	\$650
Make it Bake it Grow it - Markets	Bright Chamber of Commerce	Nil	\$2,500
Bright Mountain Film Tour	Hand Cut Productions	\$2,000	\$250
Bright OktoberFest	Bright Chalet	Nil	\$800
Bright Running Festival (New Event)	Perseverance Events Pty Ltd	\$1,000	Nil
Bright Spring Festival Grand Fireworks Spectacular and Entertainment	Bright Spring Festival Committee - Chamber of Commerce	\$2,000	\$500
Brighter Days Festival	Brighter Days Foundation	Nil	\$15,000
Bright's Iconic Rod Run	Bright Rod and Kustom Club Inc.	\$25,000	\$26,500
Buffalo Stampede	Mountain Sports Australia	\$4,000	\$1,000
Dederang Picnic Races 2018	Dederang Picnic Race Club	\$700	Nil
Get a Grip of the Grind (New Event)	Halpin Partnership Pty Ltd	\$2,000	Nil
Harrierville Half Marathon	Team Harrierville Half	\$3,500	\$500
High Country Charity Ride	Cycle Plan	\$2,000	Nil
High Country Kids Free Christmas Movie Night 2018	BELKY Pty Ltd - Trading as Cloud 9 Cinema	\$1,000	Nil
High Country Women's Cycling Festival	High Country Women's Cycling Pty Ltd	\$2,000	\$500
LaFiera	Myrtleford Chamber of Commerce	\$7,500	\$3,000
Mid Winter Snowball	Champagne Club Kiewa Valley Inc.	\$1,500	Nil
Mount Beauty Art Show	Mount Beauty Art Group	\$2,000	Nil
Mount Beauty Music Festival	Mount Beauty Music Festival	\$5,000	\$500
Myrtleford & District Agricultural & Pastoral Show	Myrtleford and District Agricultural and Pastoral Society Show	\$4,000	\$700
Myrtleford 65th Golden Spurs Rodeo / Little Tackers Rodeo Training	Myrtleford Golden Spurs Rodeo Committee Inc.	\$1,000	\$1,100
Myrtleford Show & Shine	Rotary Club of Myrtleford Inc.	\$1,000	\$1,000
Myrtleford Bush Market	Myrtleford Chamber of Commerce	\$1,200	\$700
Myrtleford Farmers Market	Myrtleford Farmers Market	\$1,000	\$1,500
Mount Beauty NYE Celebrations	Mount Beauty United Cricket Club	\$2,000	\$300
OVCC Championships	Ovens Valley Canine Club	\$1,000	\$650
Peaks Challenge	Bicycle Network	Nil	\$1,700

Event	Applicant	Financial Sponsorship	Logistics Support
Rotary Club of Bright - Summer Concert Series	Rotary Club of Bight	\$1,500	\$500
Rotary Club of Bright - Markets	Rotary Club of Bright	\$6,000	\$3,500
Team Mount Beauty MTB Event Series	Team Mount Beauty	\$1,500	\$1,200
Myrtleford Festival	The Myrtleford Festival Association Inc.	\$7,500	\$2,500
Tour of Bright	Alpine Cycling Club	\$10,000	\$2,000
Touratech Travel Event & Adventure Challenge	Touratech Australia	\$2,000	\$1,000
Transmoto 8-Hour Enduro	Three Crowns Media Group Pty Ltd	\$3,000	\$250
Valley Fire Festival	Champagne Club Kiewa Valley Inc.	\$2,000	\$250
Wandi Cross	Wandi Trail Runners Inc.	\$3,500	\$200
Wandiligong Nut Festival	Wandiligong Nut Festival	\$2,000	\$900
Spartan Australia Trifecta	Initiative Events Pty Ltd	\$40,000	Nil
Total		\$187,430	\$78,380

Dinner Plain festival and event funding

Council allocated \$50,000 in its 2018/19 budget to assist with the delivery of events in Dinner Plain. Events are vitally important for the economy of Dinner Plain and a key driver of tourism, particularly in the green season.

Funding is to support a mixture of event types spread over the year. These include existing successful events and emerging events designed to attract visitation by targeting key school holiday and public holiday periods.

An event funding assessment panel comprising Dinner Plain residents and business owners met to discuss the allocation of funding.

Attracting event organisers to Dinner Plain is challenging, but ongoing event activity is critical for Dinner Plain's economy.

The \$33,500 amount in Table 8 to be provided to events is to assist event organisers with event delivery. The additional \$4,000 for promotion of events was promotion coordinated by Council, particularly for those events being delivered by Council.

The Chief Executive Officer was delegated to distribute residual funds, of \$12,500.

Table 8: Dinner Plain festival and event grants awarded by Council in September 2018

Event name	Applicant	Funding	Promotion (by Council)
Dinner Plain Mountain Bike Enduro	DP Riders	\$5,000	\$850
Sled Dog Challenge	Altitude 5000	\$5,500	\$230
Easter Festival	Alpine Shire	\$6,000	\$1,130
Flickerfest	Alpine Shire	\$5,000	\$730
New Year's Eve Fireworks and Entertainment	Alpine Shire	\$6,000	\$530
Snow Season Opening Weekend Fireworks and Entertainment	Alpine Shire	\$6,000	\$530
Total		\$33,500	\$4,000

Community grants funding

Council's Community Grants Program is a long established funding program assisting community groups and organisations to deliver community focussed projects, programs and initiatives.

The 2018/19 Community Grants Program was open for applications between 4 May and 29 June 2018. A total of 37 applications were received, with a cumulative request of \$157,654 in funding.

The applications were reviewed by an assessment panel comprising: three members of the Mount Beauty Community; one member of the Bright and District Chamber of Commerce; one youth representative from Bright; one youth representative from Myrtleford; and two Councillors. Council's Manager Economic and Community Development, and Council's Community Development Officer were also present to support the assessment panel.

Applications were assessed against the following criteria:

- The degree of benefit to the community;
- The contribution and support from the community toward the project;
- The degree to which projects can be maintained and are sustainable;
- The impact on environmental, economic, social, built, recreational and wellbeing criteria; and
- The geographical spread of funding allocation across the Shire;

The assessment panel recommended that 23 applicants receive funding, with 15 receiving the full amount of funding requested and 8 received funding at a reduced level. An application from the Mount Beauty Music Festival was transferred to the Event Funding Program.

In addition to the amounts allocated in Table 9, \$1,000 was allocated to support community groups wishing to apply for small grants to run Clean Up Australia Day events in March 2019, and \$4,000 to subsidise first aid training sessions for interested volunteer community groups across the Shire. The Chief Executive Officer was delegated to distribute residual funds, \$8,884.

Table 9: Community Grants awarded by Council in August 2018

Applicant	Project	Sponsorship funds awarded by Council	Total project cost
Alpine Community Plantation	Mystic Park Crossing Improvements	\$8,150	\$10,902
Alpine Shire Heritage Network (ASHN)	Re-Print Heritage Trail Brochure	\$3,000	\$5,760
Bright and District Historical Society	Blue Plaque Walk	\$1,200	\$1,954
Bright Community Garden	Glass House	\$4,000	\$6,080
Bright Garden Club	Gardener's Event	\$600	\$3,420
Bright United Men's Shed	Ovens Valley Model Train Layout	\$1,500	\$4,595
Happy Valley Hall Committee of Management	Supporting Volunteers and Building Community	\$4,700	\$7,300
Harrietville Historical Society	The Past Brought to Light	\$950	\$1,751
Kangwa Compost Collective	Kangwa Compost Collective	\$1,000	\$7,830
Kiewa Valley Historical Society	Update to existing equipment/new signage	\$1,500	\$2,000
Kiewa Valley Modellers Inc.	New lawnmower	\$3,000	\$4,498
Mount Beauty Car Club	Club Grader	\$5,000	\$30,000
Mount Beauty Men's Shed	Shed Extension	\$5,000	\$10,289
Mount Beauty Neighbourhood House	Kitchen Floor Replacement	\$3,807	\$11,407
Mount Beauty OCD and Anxiety Support Group	Living with anxiety and building a resilient community	\$1,300	\$3,930
Mudgegonga Hall Committee	External stairs and emergency exits	\$6,000	\$8,422
Myrtleford and District Circolo Calabrese	Calabrese Community Cultural Events Enhancement	\$900	\$1,244
Myrtleford Community Garden	Tools for the job	\$809	\$1,078
Myrtleford Amateur Swimming Club	Shade Marquee	\$1,200	\$1,645
Porepunkah Public Hall & Porepunkah Public Reserve Committee of Management	Pump Track for Punka Peeps	\$7,500	\$23,170
Upper Kiewa Valley Lions Club	Replacement cover for quick shade gazebo	\$500	\$720
Upper Kiewa Valley Lions Club	Purchase of quick shade gazebo	\$1,500	\$2,020
Upper Ovens Valley Landcare Group	Environment Management Plan – values and risks	\$3,000	\$9,500
Total		\$66,116	\$159,515

Glossary

Act	the <i>Local Government Act 1989</i>
Alpine Shire	the geographic region in which the Alpine Shire Council operates.
Alpine Shire Council	the organisation represented by elected councillors and staff.
Annual report	a report of the council's operations of the previous financial year and contains a report of operations, audited financial statements and an audited performance statement
Budget	a plan setting out the services and initiatives to be funded for the financial year and how they will contribute to achieving the strategic objectives specified in the council plan
Council	the abbreviation of Alpine Shire Council
council (lowercase)	a reference to councils generally, not specifically the Alpine Shire Council
Council Plan	a plan setting out the medium-term strategic objectives, strategies, strategic indicators and resources reflecting vision and aspirations of the community for the next four year
Financial performance indicators	a prescribed set of indicators and measures that assess the effectiveness of financial management in a council covering operating position, liquidity, obligations, stability and efficiency
Financial statements	the financial statements and notes prepared in accordance with the Local Government Model Financial Report, Australian Accounting Standards and other applicable standards as they apply to the general purpose financial reports and a statement of capital works and included in the annual report
Financial year	the period of 12 months ending on 30 June each year
Indicator	what will be measured to assess performance
Initiatives	actions that are one-off in nature and/or lead to improvements in service
Major initiative	significant initiatives that will directly contribute to the achievement of the council plan during the current year and have a major focus in the budget
Measure	how an indicator will be measured and takes the form of a computation, typically including a numerator and denominator
Minister	the Minister for Local Government
Performance statement	a statement including the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report
Planning and accountability framework	the key statutory planning and reporting documents that are required to be prepared by councils to ensure accountability to local communities in the performance of functions and exercise of powers under the Act
Regulations	the <i>Local Government (Planning and Reporting) Regulations 2014</i>
Services	assistance, support, advice and other actions undertaken by a council for the benefit of the local community
Service outcome indicators	the prescribed service performance indicators to be included in the performance statement which measure whether the stated service objective has been achieved
Service performance indicators	a prescribed set of indicators measuring the effectiveness and efficiency of council services covering appropriateness, quality, cost and service outcomes
Strategic objectives	the outcomes a council is seeking to achieve over the next four years and included in the council plan
Strategic resource plan	a plan of the financial and non-financial resources for at least the next four years required to achieve the strategic objectives in the council plan. It is also referred to as a long term financial plan
Strategies	high level actions directed at achieving the strategic objectives in the council plan
Sustainable capacity indicators	a prescribed set of indicators measuring whether councils have the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks covering financial performance, capacity and governance and management

Acronyms and abbreviations

CEO	Chief Executive Officer
CFA	Country Fire Authority
CPA	Certified Practising Accountant
CPR	Cardiopulmonary Resuscitation
CSS	Community Satisfaction Survey
DAMP	Domestic Animal Management Plan
DELWP	Department of Environment, Land, Water and Planning (Victorian Government)
DHHS	Department of Health and Human Services (Victorian Government)
EA	Enterprise Agreement
FOI	Freedom of Information
FTE	Full Time Equivalent staff
HACC	Home and Community Care Services
HR	Human Resources
ICT	Information and Communication Technology
LGV	Local Government Victoria
LGPRF	Local Government Performance Reporting Framework
LPPF	Local Planning Policy Framework
MAV	Municipal Association of Victoria
MSS	Municipal Strategic Statement
MTB	Mountain Bike
OH&S	Occupational Health and Safety
RDV	Regional Development Victoria
RSPCA	Royal Society for the Prevention of Cruelty to Animals
SES	State Emergency Service
VCAT	Victorian Civil and Administrative Tribunal
VIC	Visitor Information Centre

Annual Financial Report

For the year ended 30 June 2019

Understanding the Financial Report

The Annual Financial Report comprises of audited Financial Statement and Performance Statement. The purpose of the Financial Statement is to provide readers with a detailed report of Council's financial performance (profit or loss), financial position (level of assets against liabilities) and cash flow (increase or decrease in cash held by Council) in accordance with Australian Accounting Standards. The preparation of the Financial Statements is consistent for all councils across Victoria and also provides a comparison against the previous financial year.

The purpose of the performance statement is to provide readers with an overview of how Council performed against the nominated Service Performance, Sustainable Capacity and Financial Capacity indicators as required by section 131 of the *Local Government Act 1989* and part 4 of the *Local Government (Planning and Reporting) Regulations 2014*. This reporting is consistent for all councils across Victoria, and provides a comparison against the previous financial year(s) results.

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Certification of the Financial Report

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.



Victoria Schmidt
PRINCIPAL ACCOUNTING OFFICER

Date: 24 September 2019

In our opinion, the accompanying financial statements present fairly the financial transactions of Alpine Shire Council for the year ended 30 June 2019 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.



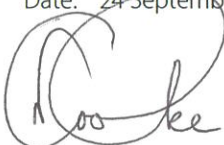
Kitty Knappstein
COUNCILLOR

Date: 24 September 2019



John Forsyth
COUNCILLOR

Date: 24 September 2019



Nathalie Cooke
ACTING CHIEF EXECUTIVE OFFICER

Date: 24 September 2019

Independent Auditor's Report

To the Councillors of Alpine Shire Council

Opinion	<p>I have audited the financial report of Alpine Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • 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 significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its 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. I further describe my responsibilities under that Act and those standards 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 Victoria. 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, disclosing, as applicable, matters related to 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	<p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>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.</p>
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MELBOURNE
26 September 2019


 Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	17,949	17,772
Statutory fees and fines	3.2	579	654
User fees	3.3	1,225	1,621
Grants - operating	3.4	5,403	5,114
Grants - capital	3.4	3,904	3,885
Contributions - monetary	3.5	1,002	647
Contributions - non monetary	3.5	582	553
Other income	3.6	1,036	1,217
Share of net profits of associates	6.3	19	22
Total income		31,699	31,485
Expenses			
Employee costs	4.1	(7,417)	(7,485)
Materials and services	4.2	(12,218)	(10,511)
Depreciation	4.3	(4,405)	(4,621)
Bad and doubtful debts	4.4	(6)	-
Other expenses	4.5	(760)	(667)
Net loss on disposal of property, infrastructure, plant and equipment	4.6	(3,339)	(808)
Landfill rehabilitation expense	4.7	(1,047)	41
Assets written-off / impaired	6.2	(89)	(371)
Total expenses		(29,281)	(24,422)
Surplus for the year		2,418	7,063
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation (decrement)/increment	9.1	4,215	(1,261)
Total comprehensive result		6,633	5,802

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

Balance Sheet

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	1,699	1,585
Other financial assets	5.1	15,000	14,500
Trade and other receivables	5.1	2,328	2,011
Inventories	5.2	64	54
Other assets	5.2	227	282
Non-current assets classified as held for sale	6.1	515	591
Total current assets		19,833	19,023
Non-current assets			
Inventories	5.2	105	117
Property, infrastructure, plant and equipment	6.2	219,825	211,939
Investments in associates	6.3	76	57
Investment property	6.4	3,260	3,260
Total non-current assets		223,266	215,373
Total assets		243,099	234,396
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,871	1,839
Trust funds and deposits	5.3	373	366
Income received in advance	5.3	36	70
Provisions	5.4	2,395	2,225
Total current liabilities		5,675	4,500
Non-current liabilities			
Income received in advance	5.3	494	388
Provisions	5.4	3,842	3,053
Total non-current liabilities		4,336	3,441
Total liabilities		10,011	7,941
Net assets		233,088	226,455
Equity			
Accumulated surplus		108,130	107,255
Reserves	9.1	124,958	119,200
Total equity		233,088	226,455

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

Statement of Changes in Equity

For the year ended 30 June 2019

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at the beginning of the financial year		226,455	107,255	117,242	1,958
Surplus for the year		2,418	2,418	-	-
Net asset revaluation increment	6.2	4,215	-	4,215	-
Transfers to other reserves	9.1	-	(1,868)	-	1,868
Transfers from other reserves	9.1	-	325	-	(325)
Balance at the end of the financial year		233,088	108,130	121,457	3,501

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at the beginning of the financial year		220,653	99,585	118,503	2,565
Surplus for the year		7,063	7,063	-	-
Net asset revaluation decrement		(1,261)	-	(1,261)	-
Transfers to other reserves	9.1	-	(17)	-	17
Transfers from other reserves	9.1	-	624	-	(624)
Balance at the end of the financial year		226,455	107,255	117,242	1,958

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

Statement of Cash Flows

For the year ended 30 June 2019

	Notes	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		18,043	17,531
Statutory fees and fines		579	654
User fees		1,161	1,658
Grants - operating		5,403	5,134
Grants - capital		3,641	3,374
Contributions - monetary		1,090	609
Interest received		387	291
Rent received		589	519
Trust funds and deposits taken		2,982	2,910
Other receipts		319	-
Net GST refund		1,772	1,609
Materials and services		(13,214)	(12,589)
Employee costs		(7,453)	(7,530)
Trust funds and deposits repaid		(2,867)	(3,098)
Other payments		(831)	(667)
Net cash provided by operating activities	9.2	11,601	10,405
Cash flows from investing activities			
Payments for investments		(500)	(4,493)
Payments for property, infrastructure, plant and equipment	6.2	(11,096)	(6,958)
Proceeds from sale of property, infrastructure, plant and equipment	4.6	109	103
Net cash used in investing activities		(11,487)	(11,348)
Net decrease in cash and cash equivalents		114	(943)
Cash and cash equivalents at the beginning of the financial year		1,585	2,528
Cash and cash equivalents at the end of the financial year	5.1	1,699	1,585
Financing arrangements - total facilities	5.5	315	315
Restrictions on cash assets	5.1	373	366

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

Statement of Capital Works

For the year ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Property			
Buildings		5,083	1,344
Total property		5,083	1,344
Plant and equipment			
Plant, machinery and equipment		678	1,080
Fixtures, fittings and furniture		85	75
Computers and telecommunications		39	124
Library Books		70	73
Total plant and equipment		872	1,352
Infrastructure			
Roads		2,582	2,372
Bridges		371	554
Footpaths and cycleways		1,468	774
Drainage		349	410
Recreational, leisure and community facilities		78	837
Parks, open space and streetscapes		211	756
Waste		82	62
Total infrastructure		5,141	5,765
Total capital works expenditure		11,096	8,461
Represented by:			
New asset expenditure		353	613
Asset renewal expenditure		4,064	3,400
Asset upgrade expenditure		6,679	4,448
Total capital works expenditure		11,096	8,461

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

Notes to the Financial Statements

For the year ended 30 June 2019

Overview

Introduction

The Alpine Shire Council (Council) was established by an Order of the Governor in Council on 18 November 1994 and is a body corporate. The Council's main office is located at 2 Churchill Avenue, Bright Victoria 3741.

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 (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

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 6.2);
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2);
- the determination of employee provisions (refer to Note 5.4);
- the determination of landfill provisions (refer to Note 5.4).

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.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variances. Council has adopted a materiality threshold of the greater of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures details below are those adopted by Council on 18 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council set 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*.

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Income					
Rates and charges	18,050	17,949	(101)	(1)	
Statutory fees and fines	571	579	8	1	
User fees	1,043	1,225	182	17	1
Grants - Operating	3,074	5,403	2,329	76	2
Grants - Capital	3,475	3,904	429	12	3
Contributions - monetary	772	1,002	230	30	4
Contributions - non monetary	205	582	377	184	5
Other income	852	1,036	184	22	6
Share of net profits of associates	-	19	19	-	
Total income	28,042	31,699	3,657	13	
Expenses					
Employee costs	(8,151)	(7,417)	734	(9)	
Materials and services	(10,390)	(12,218)	(1,828)	18	7
Bad and doubtful debts	-	(6)	(6)	-	
Depreciation	(4,719)	(4,405)	314	(7)	
Landfill rehabilitation expense	(185)	(1,047)	(862)	466	8
Assets written-off / impaired	-	(89)	(89)	-	
Other expenses	(754)	(760)	(6)	1	
Net loss on disposal of property, infrastructure, plant and equipment	(100)	(3,339)	(3,239)	3,239	9
Total expenses	(24,299)	(29,281)	(4,982)	21	
Surplus for the year	3,743	2,418	(1,325)	(35)	

Notes to the Financial Statements

For the year ended 30 June 2019

1.1 Income and expenditure (continued)

Ref	Item	Explanation
1	User fees	User fees were greater than budget due to <ul style="list-style-type: none"> a) higher than expected visitor numbers at Council's Visitor Information Centres resulting in increased income b) recognition of engineer works income for subdivisions works received in previous financial years c) higher volumes of waste received at Council's transfer stations resulting in increased income.
2	Grants – Operating	Operating grants were \$2.3m favourable to budget primarily due to early receipt of half (\$1.9m) of the 2019/20 Victorian Grants Commission grant. Also additional rates valuation grants were received relating to the centralisation of valuations and 17/18 valuations.
3	Grants - Capital	Capital grants were \$0.4m favourable to budget primarily due to the receipt of Fixing Country Roads grant of \$0.8m. This was partially offset by a grant for \$0.5m for the Alpine Better Places Myrtle Street project which had been budgeted for 2018/19 but which was received late in 2017/18.
4	Contributions - monetary	Monetary contributions were \$0.2m favourable to budget primarily due to higher than expected developer contributions.
5	Contributions - non monetary	Non-monetary contributions were \$0.4m favourable to budget due to higher than expected development activity in the Shire.
6	Other Income	Other income was \$0.2m favourable to budget due to higher than expected interest earned on investments as a result of higher than budgeted cash balance.
7	Materials and services	Materials and services were \$1.8m higher than budgeted. Influencing this result was \$2.3m of project expenditure identified as operating expenditure, and expensed to materials and services instead of capitalised, including: <ul style="list-style-type: none"> a) Storm damage - \$0.3m of works to restore damaged assets b) Alpine Better Places Myrtleford - \$1.0m of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy c) Alpine Events Centre - \$0.3m of works that related to outdoor furniture and landscaping and demolition works, which are not capitalised under Council's capitalisation policy. d) Myrtleford Library Upgrade and McNamara Reserve Netball and Tennis Facilities- \$0.2m of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy.
8	Landfill rehabilitation expense	Landfill rehabilitation expenses were \$0.9m over budget due to an increase in the provision made for the Myrtleford landfill rehabilitation and monitoring costs. The increased provision is required because the rehabilitation costs are estimated to rise over the coming years and combined with the ultra-low interest rate environment, a change to the assumptions around inflation and discount factors was also required.

Notes to the Financial Statements

For the year ended 30 June 2019

1.1 Income and expenditure (continued)

Ref	Item	Explanation
9	Net loss on disposal of property, infrastructure, plant and equipment	A loss on disposal of \$3.2m in assets was recognised following a detailed review of the valuation for open spaces and waste assets with the write off of previously capitalised items. Additional write off of assets that were demolished prior to their renewal.

Notes to the Financial Statements

For the year ended 30 June 2019

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Buildings	4,679	5,083	404	9	
Total buildings	4,679	5,083	404	9	
Total property	4,679	5,083	404	9	
Plant and equipment					
Plant, machinery and equipment	731	678	(53)	(7)	
Fixtures, fittings and furniture	105	85	(20)	(19)	
Computers and telecommunications	-	39	39	-	
Library Books	76	70	(6)	(8)	
Total plant and equipment	912	872	(40)	(4)	
Infrastructure					
Roads	3,877	2,582	(1,295)	(33)	1
Bridges	457	371	(86)	(19)	
Footpaths and cycleways	590	1,468	878	149	2
Drainage	210	349	139	66	3
Recreational, leisure and community facilities	533	78	(455)	(85)	4
Parks, open space and streetscapes	172	211	39	23	
Waste management	-	82	82	-	
Total infrastructure	5,839	5,141	(698)	(12)	
Total capital works expenditure	11,430	11,096	(334)	(3)	
Represented by:					
New asset expenditure	70	353	283	404	
Asset renewal expenditure	4,996	4,064	(932)	(19)	
Asset upgrade expenditure	6,364	6,679	315	5	
Total capital works expenditure	11,430	11,096	(334)	(3)	

Expenditure on uncompleted works has been included in their asset classification refer Note 6.2 Summary of work in progress - additions.

Notes to the Financial Statements

For the year ended 30 June 2019

1.2 Capital works (continued)

Ref	Item	Explanation
1	Roads	<p>Capital works pertaining to roads were \$1.3m less than budgeted. This was primarily due to most of the Alpine Better Places Myrtle Street project expenditure being reclassified from Roads to:</p> <ul style="list-style-type: none"> a) Operating expenditure \$1.0m as it was not capitalised under Council's capitalisation policy. b) Buildings, Footpaths and Cycleways, and other assets \$1.2m <p>This was partially offset by additional road works being undertaken for road reconstruction and station street upgrade of \$1.0m as additional grant funding for these projects was obtained.</p>
2	Footpaths and cycleways	<p>Capital works pertaining to Footpaths and Cycleways was \$0.8m over budget due to:</p> <ul style="list-style-type: none"> a) \$0.6m of the budget for Alpine Better Places Myrtle Street being reclassified from 'Roads' to 'Footpaths and Cycleways', and b) \$0.2m of additional works for Station Street Upgrade undertaken as additional grant funding for this project was obtained.
3	Drainage	<p>Capital works pertaining to Drainage was \$0.14m over budget due to:</p> <ul style="list-style-type: none"> a) \$0.07m of the budget for Alpine Better Places Myrtle Street being reclassified from 'Roads' to 'Drainage', and b) \$0.06m of additional works for Station Street Upgrade undertaken as additional grant funding for this project was obtained.
4	Recreational, leisure and community facilities	<p>Capital works pertaining to recreational, leisure and community facilities was \$0.5 favourable to budget due to:</p> <ul style="list-style-type: none"> a) \$0.3m budgeted Mount Beauty Pool Upgrade project being reclassified as 'Buildings'. b) \$0.2m budgeted Dinner Plain Mountain Bike Trails project being reclassified as 'Footpaths and Cycleways'.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 2 Analysis of Council results by program

2.1 Analysis of Council results by program

Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Asset Development	4,087	2,175	1,912	4,062	-
Asset Maintenance	858	10,508	(9,650)	108	222,213
Corporate Services	20,058	2,043	18,015	4,152	20,746
Councillors and Executive	48	7,935	(7,887)	3	76
Economic and Community Development	1,068	1,726	(658)	958	-
Facilities	4,581	4,706	(125)	19	64
Planning Services	494	106	388	-	-
Building and Amenity	505	82	423	5	-
	31,699	29,281	2,418	9,307	243,099
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Asset Development	4,421	1,040	3,381	4,421	-
Asset Maintenance	769	8,601	(7,832)	110	214,452
Corporate Services	19,759	1,797	17,962	3,814	19,832
Councillors and Executive	32	8,078	(8,046)	10	57
Economic and Community Development	597	1,233	(636)	585	-
Facilities	5,033	3,502	1,531	44	55
Planning Services	340	119	221	-	-
Building and Amenity	534	52	482	15	-
	31,485	24,422	7,063	8,999	234,396

Notes to the Financial Statements

For the year ended 30 June 2019

2.1 Analysis of Council results by program (continued)

Asset Development

This area delivers the critical projects to renew and upgrade our community assets, and to develop new assets.

Asset Maintenance

Asset Maintenance is responsible for maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. The functions include engineering services, open spaces, local roads and bridges, emergency management and municipal resources.

Corporate Services

Corporate manages the supporting functions to help Council to deliver services in an efficient, effective and safe manner. This includes financial control and planning, revenue collection, information technology, customer service, governance, health and safety and risk management.

Councillors and Executive

Includes all human resources support, marketing and communications activities, and advocacy activities. This area also includes remuneration for the Council workforce, the Mayor and the Councillors.

Economic and Community Development

Economic and Community Development supports a thriving, connected community and encouraging enterprise, events and tourism.

Facilities

Facilities operate Council facilities and services for the community. These include waste facilities, swimming pools, community centres, recreation facilities and visitor information centres.

Planning Services

The planning services area includes the assessment of developments and planning strategy.

Building and Amenity

Building and Amenity area includes building regulation, environmental health and local laws.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 3 Funding for the delivery of our services

3.1 Rates and charges

	2019 \$'000	2018 \$'000
General rates	14,056	13,547
Waste charges	3,160	3,203
Dinner Plain special rate	172	294
Supplementary rates and rate adjustments	196	120
Interest on rates and charges	88	84
Revenue in lieu of rates	277	524
Total rates and charges	17,949	17,772

Council uses capital improved value (CIV) as the basis of valuation of all properties within the shire. The CIV of a property is the total market value of the land plus buildings and other improvements.

The valuation base used to calculate general rates for 2018/2019 was \$3,199 million (\$2,726 million in 2017/2018). The 2018/2019 rate in the dollar was 0.004424 for residential, 0.003230 for farm and 0.006326 for commercial/industrial (2017/18 0.4994 for residential, 0.0033646 for farm and 0.007141 for commercial/industrial).

The date of the latest general revaluation of land for rating purposes within the shire was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

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.

3.2 Statutory fees and fines

	2019 \$'000	2018 \$'000
Town planning fees	279	322
Health services	132	137
Animal and roadside trading permits	124	133
Infringements and costs	29	29
Land information certificates	14	19
Election Fines	1	14
Total statutory fees and fines	579	654

Statutory 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.

Notes to the Financial Statements

For the year ended 30 June 2019

3.3 User fees

	2019 \$'000	2018 \$'000
Building services	244	249
Waste management services	375	400
Engineering works	118	57
Leisure centre and recreation	209	211
Community centres	26	32
Legal costs recovered	32	19
Caravan park	-	439
Visitor information centres	209	202
Library income	8	10
Other fees and charges	4	2
Total user fees	1,225	1,621

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

Notes to the Financial Statements

For the year ended 30 June 2019

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants

State funded grants

Total

2019 \$'000	2018 \$'000
4,241	6,439
5,066	3,102
9,307	8,999

(a) Operating recurrent grants

Commonwealth Government

Financial assistance grant

Fuel rebate

3,792	3,730
29	26

State Government

School crossing supervisors

Maternal and child health

Rates administration

Youth services

Senior citizen centres

Library services

Immunisation funding

Weed management

Tobacco activity

36	27
282	192
184	(89)
74	74
45	46
176	173
7	9
20	20
5	6

Total recurrent operating grants

4,650	4,214
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Operating non-recurrent grants

State Government

Learning and development

Municipal emergency resourcing program

Economic development and tourism

Cycle Safety Strategy

Flood/storm incident and recovery

Community development

Recycling services

3	10
60	64
226	120
20	-
138	535
324	153
(18)	18

Total non-recurrent operating grants

753	900
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Total operating grants

5,403	5,114
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Notes to the Financial Statements

For the year ended 30 June 2019

3.4 Funding from other levels of government (continued)

	2019 \$'000	2018 \$'000
(b) Capital grants		
Capital recurrent grants		
<i>Commonwealth Government</i>		
Roads to Recovery	449	1,059
Total recurrent capital grants	449	1,059
Capital non-recurrent grants		
<i>State Government</i>		
Capital projects		
Roads	1,358	1,333
Bridges	93	-
Recreational, leisure	629	16
Pathways	40	-
Buildings	1,335	1,477
Total non-recurrent capital grants	3,455	2,826
Total capital grants	3,904	3,885
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	455	871
Received during the financial year and remained unspent at balance date	520	85
Received in prior years and spent during the financial year	(455)	(501)
Balance at year end	520	455

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured

3.5 Contributions

	2019 \$'000	2018 \$'000
Monetary	1,002	647
Non-monetary	582	553
Total contributions	1,584	1,200
Contributions of non-monetary assets were received in relation to the following services:		
Land	17	-
Roads	372	393
Other infrastructure	193	160
Total non-monetary contributions	582	553

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

Notes to the Financial Statements

For the year ended 30 June 2019

3.6 Other income

	2019 \$'000	2018 \$'000
Insurance claim reimbursement	28	-
Interest on investments	424	315
Rent	584	501
Fair value adjustments for investment property	-	401
Total other income	1,036	1,217

Interest is recognised as it is earned. 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

Notes to the Financial Statements

For the year ended 30 June 2019

Note 4 Cost of delivering services

4.1 Employee costs

	2019 \$'000	2018 \$'000
a) Employee costs		
Wages and salaries - permanent	5,416	5,421
Workcover	153	116
Wages and salaries - casual	594	661
Annual leave and long service leave	589	617
Superannuation	645	650
Fringe benefits tax	20	20
Total employee costs	7,417	7,485
b) Superannuation		
Council has made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	26	28
Accumulated funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	324	346
Employer contributions - other funds	295	276
Total accumulated funds	619	622
Employer contributions payable at reporting date	28	29

Refer to note 9.3 for further information relating to Council's superannuation obligation

4.2 Materials and services

	2019 \$'000	2018 \$'000
Administration	1,753	1,646
Operational	5,882	5,029
Asset maintenance	2,296	2,680
Non-recurrent	2,287	1,156
Total materials and services	12,218	10,511

Non-recurrent material and services expenditure refers to the portion of project expenditure that is not eligible to be capitalised.

Notes to the Financial Statements

For the year ended 30 June 2019

4.3 Depreciation

	2019 \$'000	2018 \$'000
Property	1,220	1,268
Plant and equipment	449	605
Infrastructure	2,736	2,748
Total Depreciation	4,405	4,621

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Bad and doubtful debts

	2019 \$'000	2018 \$'000
Other debtors	6	-
Total bad and doubtful debts	6	-

Provision for doubtful debt is recognised in accordance with the expected credit loss model, or when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

4.5 Other expenses

	2019 \$'000	2018 \$'000
Auditors remuneration - VAGO - audit of financial statements, performance statement and grant acquittals	37	37
Auditors remuneration - Internal	25	3
Councillors allowances	205	207
Council grants and contributions	488	415
Refund of rates	5	5
Total other expenses	760	667

4.6 Net loss on disposal of property, infrastructure, plant and equipment

	2019 \$'000	2018 \$'000
Proceeds of sale	(109)	(103)
Written down value of assets disposed	3,448	911
Total net loss on disposal of property, infrastructure, plant and equipment	3,339	808

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

4.7 Landfill rehabilitation expenses

	2019 \$'000	2018 \$'000
Additional provisions	758	1
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	289	(42)
Total Landfill rehabilitation expenses	1,047	(41)

Notes to the Financial Statements

For the year ended 30 June 2019

Note 5 Our financial position

5.1 Financial assets

	2019 \$'000	2018 \$'000
(a) Cash and cash equivalents		
Cash on hand	2	3
Cash at bank	1,697	1,582
Total cash and cash equivalents	1,699	1,585
(b) Other financial assets		
Term deposits	15,000	14,500
Total other financial assets	15,000	14,500
Council's cash and cash equivalents are subject to restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 5.3(b))	373	366
	373	366
Total unrestricted cash, cash equivalents and other financial assets	16,326	15,719
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	778	660
Dinner Plain reserve	727	1,025
Subdivision reserves	177	41
Waste reserve	2,597	865
Other reserves	-	27
Total funds subject to intended allocations	4,279	2,618

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.

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

	2019 \$'000	2018 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	821	915
Net GST receivable	327	190
<i>Non statutory receivables</i>		
Other debtors	1,193	918
Provision for doubtful debts - other debtors	(13)	(12)
Total current trade and other receivables	2,328	2,011

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised in accordance with the expected credit loss model, or when there is objective evidence that impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Statements

For the year ended 30 June 2019

5.1 Financial assets (continued)

(d) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) was:

	2019 \$'000	2018 \$'000
Current (not yet due)	1,107	719
Past due by up to 30 days	47	32
Past due between 31 and 180 days	17	146
Past due between 181 and 365 days	3	3
Past due more than 1 year	19	18
Total trade and other receivables	1,193	918

(e) Impaired receivables

At balance date, other debtors representing financial assets with a nominal value of \$13,000 (2018: \$12,000) were impaired. The amount of the provision raised against these debtors was \$13,000 (2018: \$12,000). In determining the value of the provision for doubtful debts, an expected credit loss model was used, incorporating a combination of historical trends, knowledge of individual issues and forward-looking expected losses. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

5.2 Non-financial assets

(a) Inventories

Current

Merchandise

	2019 \$'000	2018 \$'000
	64	54
	64	54
Non-current		
Pavement material	105	117
	105	117
Total inventories	169	171

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, 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. Non-current pavement material is crushed rock expected to be used in road and pathway projects over the next ten years.

(b) Other assets

Prepayments

Accrued income

Total other assets

	2019 \$'000	2018 \$'000
	105	197
	122	85
	227	282

Notes to the Financial Statements

For the year ended 30 June 2019

5.3 Payables

(a) Trade and other payables

	2019 \$'000	2018 \$'000
Trade payables	2,474	1,349
Accrued expenses	388	486
Other creditors	9	4
Total trade and other payables	2,871	1,839

(b) Trust funds and deposits

Fire services levy	83	98
Retention amounts	236	146
Subdivision works	52	107
Other deposits	2	15
Total trust funds and deposits	373	366

(c) Lease income received in advance

Current	36	70
Non-current	494	388
Total lease income received in advance	530	458

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. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Other 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 Services Levy - Council is the collection agent for the 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.

Subdivision works - Council receives deposits as a form of surety from property developers until certain works are completed. Once the works are completed the amounts are refunded.

Lease income received in advance - This represents income received in advance for the Bright and Myrtleford Caravan Park leases at the start of the lease to be recognised on a straight line basis over the life of the leases (21 years).

Notes to the Financial Statements

For the year ended 30 June 2019

5.4 Provisions

	Employee provisions \$'000	Landfill restoration \$'000	Total \$'000
2019			
Balance at beginning of the financial year	1,967	3,311	5,278
Additional provisions	760	758	1,518
Amounts used	(858)	(52)	(910)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	62	289	351
Balance at the end of the financial year	1,931	4,306	6,237
2018			
Balance at beginning of the financial year	2,012	3,428	5,440
Additional provisions	617	1	618
Amounts used	(667)	(76)	(743)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	5	(42)	(37)
Balance at the end of the financial year	1,967	3,311	5,278

	2019 \$'000	2018 \$'000
a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	583	509
Long service leave	122	160
Other accrued and parental leave	138	55
	843	724
Current provisions expected to be wholly settled after 12 months		
Annual leave	100	233
Long service leave	757	803
	857	1,036
Total current provisions	1,700	1,760
Non-current		
Long service leave	231	207
	231	207
Total aggregate carrying amount of employee provisions	1,931	1,967

	2019	2018
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.80%	3.00%
Weighted average discount rates	1.32%	2.65%
Weighted average settlement period	2 years	2 years

Notes to the Financial Statements

For the year ended 30 June 2019

5.4 Provisions (continued)

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. LSL is measured at present value. Unconditional LSL is disclosed as a 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.

b) Landfill restoration

Current

Non-current

Total landfill restoration

The following assumptions were adopted in measuring the present value of landfill restoration:

Weighted average increase in restoration costs

Weighted average discount rates

Weighted average settlement period

2019 \$'000	2018 \$'000
695	465
3,611	2,846
4,306	3,311

2019	2018
2.48%	2.50%
1.32%	2.65%
3 Years	4 years

Council is obligated to restore former landfill sites at Myrtleford and Porepunkah to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, which has been estimated

based on current understanding of work required to reinstate the sites to this 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.

5.5 Finance arrangements

Bank overdraft

Credit cards

Bank guarantees

Total facilities

Used facilities

Unused facilities

2019 \$'000	2018 \$'000
250	250
50	50
15	15
315	315
65	65
250	250

Notes to the Financial Statements

For the year ended 30 June 2019

5.6 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	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
2019					
Operating					
Waste management	1,738	1,717	2,408	777	6,640
Electricity	680	680	-	-	1,360
Dinner Plain bus	168	42	42	-	252
Cleaning	225	42	11	-	278
Consultancy	81	-	-	-	81
Other	66	-	-	-	66
Total	2,958	2,481	2,461	777	8,677
Capital					
Buildings	494	-	-	-	494
Bridges	106	-	-	-	106
Other	21	-	-	-	21
Total	621	-	-	-	621

	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
2018					
Operating					
Waste management	1,553	1,332	3,334	777	6,996
Dinner Plain bus	168	168	42	-	378
Cleaning	225	225	43	-	493
Consultancy	369	-	-	-	369
Other	754	680	680	-	2,114
Total	3,069	2,405	4,099	777	10,350
Capital					
Buildings	315	-	-	-	315
Roads	54	-	-	-	54
Recreational, leisure and community facilities	84	-	-	-	84
Other	60	-	-	-	60
Total	513	-	-	-	513

Notes to the Financial Statements

For the year ended 30 June 2019

5.6 Commitments (continued)

a) Operating lease commitments

At the reporting date, Council had no obligations under non-cancellable operating leases.

b) Operating lease receivables

The Council has entered into commercial property leases on some properties, consisting caravan parks, a community centre, fitness centre and a cafe. These properties held under operating leases have remained non-cancellable lease terms between 1 and 20 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

Later than one year and not later than five years

Later than five years

Total operating lease receivables

	2019 \$'000	2018 \$'000
Not later than one year	476	410
Later than one year and not later than five years	1,651	1,284
Later than five years	3,338	2,815
Total operating lease receivables	5,465	4,509

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.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

	2019 \$'000	2018 \$'000
Cost of acquisition	515	591
Total non-current assets classified as held for sale	515	591

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of their 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.

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At written down fair value 30 June 2018 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Reclassification \$'000	Disposal \$'000	Impairment losses \$'000	Transfers \$'000	At written down fair value 30 June 2019 \$'000
Land	27,634	-	17	4,366	-	-	-	-	-	32,017
Buildings	28,035	2,856	-	(1,024)	(1,220)	(60)	(497)	(60)	2,834	30,864
Plant and equipment	2,883	872	-	91	(449)	-	(34)	-	23	3,386
Infrastructure	150,328	4,898	565	782	(2,736)	(5)	(2,876)	(29)	(36)	150,891
Work in progress	3,059	2,470	-	-	-	-	(41)	-	(2,821)	2,667
Total	211,939	11,096	582	4,215	(4,405)	(65)	(3,448)	(89)	-	219,825

Summary of work in progress	Opening WIP \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	2,845	2,227	(2,783)	-	2,289
Plant and equipment	23	-	(23)	-	-
Infrastructure	191	243	(15)	(41)	378
Total	3,059	2,470	(2,821)	(41)	2,667

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property infrastructure plant and equipment (continued)

a) Property	Land \$'000	Land under roads \$'000	Total land \$'000	Buildings \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2018	20,632	7,002	27,634	55,920	55,920	2,845	86,399
Accumulated depreciation at 30 June 2018	-	-	-	(27,885)	(27,885)	-	(27,885)
	20,632	7,002	27,634	28,035	28,035	2,845	58,514
Movements in fair value							
Acquisition of assets at fair value	-	-	-	2,856	2,856	2,227	5,083
Contributed assets	-	17	17	-	-	-	17
Revaluation increments/(decrements)	3,792	574	4,366	13,614	13,614	-	17,980
Fair value of assets disposed	-	-	-	(2,020)	(2,020)	-	(2,020)
Transfers	-	-	-	2,837	2,837	(2,783)	54
Assets reclassified as non-current assets held for sale	-	-	-	(164)	(164)	-	(164)
	3,792	591	4,383	17,123	17,123	(556)	20,950
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(1,220)	(1,220)	-	(1,220)
Revaluation increments/(decrements)	-	-	-	(14,638)	(14,638)	-	(14,638)
Accumulated depreciation of disposals	-	-	-	1,523	1,523	-	1,523
Impairment losses recognised in operating result	-	-	-	(60)	(60)	-	(60)
Transfers	-	-	-	(3)	(3)	-	(3)
Assets reclassified as non-current assets held for sale	-	-	-	104	104	-	104
	-	-	-	(14,294)	(14,294)	-	(14,294)
At fair value 30 June 2019	24,424	7,593	32,017	73,043	73,043	2,289	107,349
Accumulated depreciation at 30 June 2019	-	-	-	(42,179)	(42,179)	-	(42,179)
	24,424	7,593	32,017	30,864	30,864	2,289	65,170

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property infrastructure plant and equipment (continued)

	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Library Books	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
b) Plant and equipment						
At fair value 30 June 2018	5,137	395	714	658	23	6,927
Accumulated depreciation at 30 June 2018	(2,866)	(255)	(509)	(391)	-	(4,021)
	2,271	140	205	267	23	2,906
Movements in fair value						
Acquisition of assets at fair value	678	85	39	70	-	872
Revaluation increments/(decrements)	-	-	-	88	-	88
Fair value of assets disposed	(314)	(59)	(293)	-	-	(666)
Transfers	-	23	-	-	(23)	-
	364	49	(254)	158	(23)	294
Movements in accumulated depreciation						
Depreciation and amortisation	(270)	(26)	(84)	(69)	-	(449)
Revaluation increments/(decrements)	-	-	-	3	-	3
Accumulated depreciation of disposals	281	58	293	-	-	632
	11	32	209	(66)	-	186
At fair value 30 June 2019	5,501	444	460	816	-	7,221
Accumulated depreciation at 30 June 2019	(2,855)	(223)	(300)	(457)	-	(3,835)
	2,646	221	160	359	-	3,386

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property, infrastructure, plant and equipment (continued)

	Roads	Bridges	Footpaths and cycleways	Drainage	Waste	Recreational, leisure and community facilities	Parks, open spaces and streetscapes	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
c) Infrastructure									
At fair value 30 June 2018	130,760	27,675	9,060	21,551	2,136	4,536	5,029	191	200,938
Accumulated depreciation at 30 June 2018	(28,401)	(7,520)	(3,228)	(6,881)	(1,134)	(1,448)	(1,807)	-	(50,419)
	102,359	20,155	5,832	14,670	1,002	3,088	3,222	191	150,519
Movements in fair value									
Acquisition of assets at fair value	2,582	151	1,468	326	82	78	211	243	5,141
Contributed assets	372	-	39	154	-	-	-	-	565
Revaluation increments/(decrements)	-	-	-	-	73	-	711	-	784
Fair value of assets disposed/written off	(372)	-	-	-	(1,343)	-	(3,038)	(41)	(4,794)
Assets reclassified as non-current assets held for sale	-	-	-	-	(85)	-	-	-	(85)
Transfers	-	-	15	-	13	-	(67)	(15)	(54)
	2,582	151	1,522	480	(1,260)	78	(2,183)	187	1,557
Movements in accumulated depreciation									
Depreciation and amortisation	(1,731)	(276)	(145)	(217)	(63)	(154)	(150)	-	(2,736)
Revaluation increments/(decrements)	-	-	-	-	280	-	(282)	-	(2)
Accumulated depreciation of disposals	244	-	-	-	679	-	954	-	1,877
Assets reclassified as non-current assets held for sale	-	-	-	-	80	-	-	-	80
Impairment losses recognised in operating result	-	-	-	-	(29)	-	-	-	(29)
Transfers	-	-	-	-	(26)	-	29	-	3
	(1,487)	(276)	(145)	(217)	921	(154)	551	-	(807)
At fair value 30 June 2019	133,342	27,826	10,582	22,031	876	4,614	2,846	378	202,495
Accumulated depreciation at 30 June 2019	(29,888)	(7,796)	(3,373)	(7,098)	(213)	(1,602)	(1,256)	-	(51,226)
	103,454	20,030	7,209	14,933	663	3,012	1,590	378	151,269

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property, infrastructure, plant and equipment (continued)

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

Asset recognition thresholds and depreciation periods

	Depreciation period	Threshold limit \$'000
Class of Asset		
Land	-	-
Land under roads	-	5
Buildings	15 to 100 years	5
Roads	5 to 100 years	5
Bridges	70 years	5
Drainage	50 to 100 years	5
Footpaths and cycleways	22 to 97 years	5
Recreational, leisure and community facilities	15 to 50 years	5
Parks, open space and streetscapes	20 to 50 years	5
Waste management	12 to 20 years	-
Plant, machinery and equipment	3 to 20 years	2
Fixtures, fittings and furniture	5 to 20 years	2
Computers and telecomms	3 to 10 years	2

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation

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 above and are consistent with the prior year unless otherwise stated.

Repairs and maintenance

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.

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of land

Valuation of land was undertaken by a qualified independent valuer Martin Burns AAPI (Liquid Pacific). The valuation of land 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.

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

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

Details of the Council's land and information about the fair value hierarchy as at 30 June 2019 are detailed on the following page.

Valuation of land under roads

An indexed based revaluation was conducted in the current year for land under roads; this valuation was based on the change in the capital improved value for properties in the Alpine Shire which is used by Council to calculate land rate charges, a full revaluation of these assets will be conducted in 2020/21.

Valuation of buildings

Valuation of Council's building assets was performed by a qualified independent valuer Martin Burns AAPI (Liquid Pacific). The date of the current valuation is detailed in the following table.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land	-	13,134	11,290	Jun-2019
Land under roads	-	-	7,593	Jun-2019
Buildings	-	9,541	21,323	Jun-2019
Total	-	22,675	40,206	

Notes to the Financial Statements

For the year ended 30 June 2019

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of infrastructure

Valuation of Council's infrastructure assets was performed by an asset management consultant Andrew Bainbridge. Bachelor of Engineering (Civil). The date of the current valuation is detailed in the following table.

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

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	103,454	Jun-2017
Bridges	-	-	20,030	Jun-2018
Footpaths and cycleways	-	-	7,209	Jun-2017
Drainage	-	-	14,933	Jun-2017
Waste management	-	-	663	Jun-2019
Recreational, leisure and community facilities	-	-	3,012	Jun-2018
Parks, open space and streetscapes	-	-	1,590	Jun-2019
Total	-	-	150,891	

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 10% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$6.60 and \$650 per square metre.

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 cost is calculated on a square metre basis and ranges from \$200 to \$4000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings 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 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 5 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.

Reconciliation of specialised land

Land under roads
Parks and reserves
Facilities
Office/depots

Total specialised land

2019 \$'000	2018 \$'000
7,593	7,002
5,205	4,709
4,260	3,572
1,825	1,601
18,883	16,884

For the year ended 30 June 2019

	2019 \$'000	2018 \$'000
Investment in associates accounted for by the equity method are:		
MomentumOne Shared Services Pty Ltd		
A 50% Interest is held in the MomentumOne Shared Services Pty Ltd.		
Fair value of Council's investment in MomentumOne Shared Services Pty Ltd.	76	57
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	57	35
Reported profit/(deficit) for year	19	22
Council's share of accumulated surplus at end of year	76	57
Movement in carrying value of investment in associates		
Carrying value of investment at start of year	57	252
Distributions for the year	-	(217)
Share of profit/(deficit) for year	19	22
Carrying value of investment at end of year	76	57
Council's share of expenditure commitments		
Operating commitments	-	-
Capital commitments	-	-
Council's share of expenditure commitments	-	-

committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as

Notes to the Financial Statements

For the year ended 30 June 2019

6.4 Investment property

	2019 \$'000	2018 \$'000
Balance at beginning of financial year	3,260	-
Transferred from property infrastructure plant and equipment	-	2,859
Fair value adjustments	-	401
Balance at end of financial year	3,260	3,260

Investment property 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.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by a qualified independent valuer LG Valuation Services Pty Ltd (API Registration no. 62901) who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property as at 30 June 2018.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 7 People and relationships

7.1 Council and key management remuneration

a) Related Parties

Interests in associates are detailed in Note 6.3.

b) 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

Ron Janas - Mayor
Sarah Nicholas – Deputy Mayor
Peter Roper
Daryl Pearce
Tony Keeble
John Forsyth
Kitty Knappstein

Chief executive officer and other key management personnel

Charlie Bird- Chief Executive Officer
Nathalie Cooke - Director
William Jeremy - Director

	2019 No.	2018 No.
Total Number of Councillors	7	7
Chief Executive Officer and other Key Management Personnel	3	3
Total Key Management Personnel	10	10

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019 \$'000	2018 \$'000
Short-term benefits	715	704
Long-term benefits	12	12
Post-employment benefits	47	47
Total	774	763

Notes to the Financial Statements

For the year ended 30 June 2019

7.1 Council and key management remuneration (continued)

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$20,000 - \$29,999

\$60,000 - \$69,999

\$170,000 - \$179,999

\$210,000 - \$219,999

	2019	2018
	No.	No.
	6	6
	1	1
	2	2
	1	1
	10	10

(d) 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 \$148,000.

There were no officers meeting this definition.

Notes to the Financial Statements

For the year ended 30 June 2019

7.2 Related party disclosure

(a) Transactions with related parties

Rural City of Wangaratta

Council provides a library hub service to Rural City of Wangaratta, in addition to a various other transactions.

Paid to Rural City of Wangaratta

Received from Rural City of Wangaratta

2019
\$'000

2018
\$'000

11

55

388

352

MomentumOne

Momentumone provides a labour hire services mainly for the operating of Council's swimming pool facilities.

Paid to MomentumOne Shared Services Pty Ltd

302

251

Alpine Community Plantations

Transactions with Alpine Community Plantations have been predominately related to the maintenance of a mountain bike trails.

Paid to Alpine Community Plantations

25

13

Tourism North East

Tourism North East provides marketing and advertising services for Council.

Paid To Tourism North East

202

177

Received from Tourism North East

30

-

Partners of key management personnel that are employed by Council

Council employed partners of key management personnel. This is a normal Council employee/contractor relationship.

18

77

(b) Outstanding balances with related parties

The outstanding balances owing to related parties is to

MomentumOne Shared Services Pty Ltd

Rural City of Wangaratta

4

-

1

-

The outstanding balances owing with related parties is to

Tourism North East

Rural City of Wangaratta

30

-

-

94

(c) Loans to/from related parties

There were no loans either to or from related parties.

(d) Commitments to/from related parties

Council has contracted with MomentumOne to provide labour hire services for seasonal swimming pools for three years to September 2022. These services are estimated at \$200,000 per year.

Notes to the Financial Statements

For the year ended 30 June 2019

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

Contingent liabilities

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

Landfill

Council is responsible for three small landfill sites that have been closed for more than twenty years at Myrtleford, Mount Beauty and Harrietville. These sites are being monitored by Council and it may be required to perform rehabilitation works in the future. It is estimated that the works if required are likely to cost \$800,000.

Superannuation

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 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Liability Mutual Insurance

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

The following AASs have been issued that are mandatory for the 30 June 2019 reporting period. Council has assessed these standards and has identified no material impacts from their application.

Disaggregated Disclosures- (AASB 1052) (applies 2018/19)

AASB 1052 requires disclosure of information about the assets, income and expenses of the local government according to the broad functions or activities of the local government and a description of their nature. This has been disclosed in note 2.1.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred.

The following new AASs have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified that 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 for LG sector)

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. There was \$270,000 of grant funding that was recognised as income in 18/19 that would not have been recognised until 19/20 if the new standard was applied.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

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

Notes to the Financial Statements

For the year ended 30 June 2019

8.2 Change in accounting standards (continued)

of interest expense over the lease term.

As council has no leased assets or operating leases this change in accounting standard is unlikely to have a material impact.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019/20)

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

Council's Visitor Information Centres utilises volunteers to assist in providing its services. The change in this accounting standard is likely to require an estimate of the fair value of these services to be included in the employee costs, this amount for 2018/19 was \$124,000.

Service Concession Arrangements: Grantor (AASB 1059) (applies 2019/20)

This standard applies to arrangements that involve an operator providing a public service on behalf of a public sector grantor. Council has no such arrangement so this change in the standard will have no impact.

8.3 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 the Notes 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's 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 does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act*

1989. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

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

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

Notes to the Financial Statements

For the year ended 30 June 2019

8.3 Financial instruments (continued)

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 8.1.

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:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- monitors budget to actual performance on a regular basis; and

- sets 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 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.

All financial liabilities are expected to be settled within normal terms of trade.

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

(e) 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 1.9%.

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.

Notes to the Financial Statements

For the year ended 30 June 2019

8.4 Fair value measurement

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.

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.

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. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 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.

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.

8.5 Events occurring after the balance date

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

Notes to the Financial Statements

For the year ended 30 June 2019

Note 9 Other matters

9.1 Reserves

	Balance at beginning of reporting period	Increment / (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
a) Asset revaluation reserve			
2019			
Property			
Land	17,193	4,366	21,559
Buildings	19,002	(1,024)	17,978
	36,195	3,342	39,537
Plant, machinery and equipment			
Books	-	91	91
Infrastructure			
Roads	55,214	-	55,214
Bridges	15,642	-	15,642
Footpaths and cycleways	1,239	-	1,239
Drainage	8,793	-	8,793
Waste	-	353	353
Recreational, leisure and community	159	-	159
Parks, open spaces and streetscapes	-	429	429
	81,047	782	81,829
Total asset revaluation reserve	117,242	4,215	121,457
2018			
Property			
Land	17,118	75	17,193
Buildings	19,002	-	19,002
	36,120	75	36,195
Infrastructure			
Roads	55,214	-	55,214
Bridges	17,137	(1,495)	15,642
Footpaths and cycleways	1,239	-	1,239
Drainage	8,793	-	8,793
Recreational, leisure and community	-	159	159
	82,383	(1,336)	81,047
Total asset revaluation reserve	118,503	(1,261)	117,242

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

Notes to the Financial Statements

For the year ended 30 June 2019

9.1 Reserves (continued)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
b) Other reserves				
2019				
Dinner Plain	1,025	-	(298)	727
Gravel pit restoration	27	-	(27)	-
Waste	865	1,732	-	2,597
Subdivision recreation	41	136	-	177
Total other reserves	1,958	1,868	(325)	3,501
2018				
Dinner Plain	1,169	-	(144)	1,025
Gravel pit restoration	27	-	-	27
Waste	1,008	-	(143)	865
Subdivision recreation	361	17	(337)	41
Total other reserves	2,565	17	(624)	1,958

The **Dinner Plain reserve** is maintained to ensure all rates raised from Dinner Plain properties are quarantined and invested back into Dinner Plain.

The **gravel pit restoration reserve** has been closed as the Harrietteville quarry is no longer in use and there is no requirement for restoration.

The **waste reserve** is maintained to fund landfill rehabilitation works. Where budgeted rehabilitation projects are not carried out in the financial year, funds are allocated to the reserve to fund future rehabilitation work.

The **subdivision recreation reserve** is maintained to account for contributions received under the *Subdivision Act 1988*. This reserve funds future recreational projects which meet the definition of the Act.

Notes to the Financial Statements

For the year ended 30 June 2019

9.2 Reconciliation of cash flows from operating activities to surplus

	2019 \$'000	2018 \$'000
Surplus for the year	2,418	7,063
Depreciation	4,405	4,621
Net loss on disposal of property, infrastructure, plant and equipment	3,339	808
Contributions - non monetary assets	(582)	(553)
Fair value adjustments for investment property	-	(401)
Proceeds from the sale of non-current assets classified as held for sale	141	-
Landfill rehabilitation expense	1,047	(41)
Assets written-off / impaired	89	371
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(317)	(639)
(Increase)/decrease in prepayments	92	(16)
(Increase)/decrease in accrued income	(37)	9
(Increase)/decrease in inventories	2	14
(Increase)/decrease in investment in associates	(19)	(22)
Increase/(decrease) in trade and other payables	1,032	(464)
Increase/(decrease) in trust funds and other deposits	7	(171)
Increase/(decrease) in employee provisions	(36)	(45)
Increase/(decrease) in income in advance	72	(53)
Increase/(decrease) in landfill restoration provision	(52)	(76)
Net cash provided by operating activities	11,601	10,405

Notes to the Financial Statements

For the year ended 30 June 2019

9.3 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 2019, 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 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.10%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 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 2018 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 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG 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.

Notes to the Financial Statements

For the year ended 30 June 2019

9.3 Superannuation (continued)

2018 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following in the defined benefit category of which Council is a contributing employer:

	2018 \$m	2017 \$m
A VBI surplus	131.9	69.8
A total service liability surplus	218.3	193.5
A discounted accrued benefits surplus	249.1	228.8

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 2018. Council was notified of the 30 June 2018 VBI during August 2018.

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.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

2019 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in October 2019.

Performance Statement

For the year ended 30 June 2019

Performance Statement

For the year ended 30 June 2019

Description of municipality

The Alpine Shire Council is situated in north-east Victoria, approximately 300km from the Victorian state capital Melbourne, and 70km south of Albury-Wodonga. The area of the Alpine Shire is 4,790 square kilometres consisting of 92% public land.

The Shire extends from mountain ranges to the valley floor, where residents choose to live predominantly around the three main towns of Bright, Myrtleford and Mount Beauty. Other members of the populace live in the smaller towns, villages and surrounding farming communities that are spread throughout the Shire.

The region offers a diverse lifestyle with a mix of culture, history and experiences. The region is a well-known destination for tourists with festivals, markets, exhibitions, sporting and recreational activities held throughout the Alpine Shire; together with a range of cafes, restaurants and wineries.

The estimated resident population of the Shire is 12,730, a number which significantly increases with the seasonal influx of tourists. Population demographics show a lower population of 20-39 year olds, but a much higher population of persons aged 55 and over as compared to the Victorian averages.

Sustainable Capacity Indicators

For the year ended 30 June 2019

Indicator / measure	Results				Material Variations
	2016	2017	2018	2019	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,211	\$1,969	\$1,951	\$2,300	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure, hence the apparent increase in expenses per head of municipal population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,965	\$15,021	\$14,727	\$14,753	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	21	22	22	22	
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,677	\$1,584	\$1,701	\$1,635	Own-source revenue per head of municipal population decreased slightly in 2019 which is comparable with the years prior to 2018.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$366	\$573	\$421	\$401	
Disadvantage					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5	5	5	5	

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2019

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators

For the year ended 30 June 2019

Service / indicator / measure	Results				Material Variations
	2016	2017	2018	2019	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.6	3.2	3.1	2.4	The seasonal opening of the Mount Beauty pool was delayed by four weeks due to a delay in the delivery of tiles for completion of upgrade works to the facility. The delayed opening impacted on total visitation (6,600 fewer visitors to outdoor pools compared to previous year).
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1	0	0	0	No animal management prosecutions were undertaken during 2018/19.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	46%	45%	33%	83%	Council's Environmental Health unit focused on quality of inspections and follow-ups of non-compliance during the 2018 calendar year.

Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	57	60	59	Satisfaction with Council decisions has fallen slightly from the previous year, however continues to be better than Small Rural and State-wide council averages.
Home and community care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	27%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	29%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	23%	21%	20%	19%	<p>A slight reduction in active users matches a slight reduction in visitation compared to the previous year. As with other trends, this may be attributed to the relocation of the Myrtleford library to allow for renovations. The library was open to the public but in a different venue for this period.</p> <p>It should be noted that the number of active library members is measured by the activity of library card holders only. However there are significantly higher numbers of patrons who do not hold library cards but regularly utilise a wide variety of library services such as accessing the public computers or free Wi-Fi, or participating in childrens group sessions, adult learning sessions and community group activities. If the total number of real users of library services were captured, this participation % would rise significantly.</p>

Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	86%	89%	87%	85%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	88%	85%	96%	79%	Difficulty in recruiting MCH Nurses, and slightly fewer birth notifications recorded compared to the previous year, impacted on the participation in the MCH service.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	60	57	60	64	Satisfaction with sealed local roads continues to improve, and is now well above Small Rural and State-wide council averages.

Service Performance Indicators (continued)

For the year ended 30 June 2019

Service/indicator /measure	Results				Material Variations
	2016	2017	2018	2019	
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	0%	0%	100%	One Council decision was referred to VCAT during the year, which was affirmed.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	49%	50%	46%	39%	Waste diversion from landfill has reduced compared to the previous year, primarily due to an improvement in data methodology. Tonnage is now provided directly by the contractor, rather than previously having to convert volume to tonnage.

Service Performance Indicators (continued)

For the year ended 30 June 2019

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 that Act

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

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth to control the standards of HACC service provision.

"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 authorised 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 authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2019

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,696	\$1,710	\$1,717	\$1,753	\$1,802	\$1,843	\$1,888	\$1,934	Based on projections of the Victorian fair go rates system, growth in local residences and supplementary development.
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,026	\$2,875	\$2,803	\$3,361	\$2,860	\$2,921	\$2,969	\$3,032	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure, causing an apparent increase in expenses per property assessment. If this was excluded, the result would be \$2,857, which is in line with previous and projected year results.
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	6%	31%	7%	14.4%	15%	15%	15%	15%	Staff resignations and terminations (turnover) returned to a more expected level in 2019 following a peak in 2017 due to the Home and Community Care service being recommissioned to another provider, and a low level of turnover the following year. Forecast turnover has been projected to 15%.

Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	231%	285%	423%	349%	355%	348%	387%	354%	Current assets compared to current liabilities in the current year has reduced to more closely align to recent historical and future results.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	152%	33%	1%	5%	30%	32%	34%	45%	Future year projections (2020-2023) do not include unspent grant funding and carried forward capital works, hence the apparent rise compared to 2018 and 2019 results.
Obligations									
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	80%	77%	76%	92%	137%	72%	105%	105%	Asset renewal compared to depreciation is expected to trend upwards in 2020 compared to recent results which have been 70-80%. The 2021 result is forecast to reduce as a result of additional renewal works being completed in 2020.

Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Obligations (continued)									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	0%	0%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments</i>	6%	0%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	23%	19%	16%	21%	12%	10%	9%	7%	Council ceased to borrow in the 2016 year reducing non-current liabilities. In 2019 Council indebtedness increased due to an increased provision for future landfill rehabilitation costs.
[Non-current liabilities / Own source revenue] x100									
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-5%	12%	13%	-6%	8%	0%	7%	7%	The 2019 year includes \$4.3 million of asset write off and other non-current expenditure. The result would be 9% if adjusted for the above amount which is in line with other years.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									

Financial Performance Indicators (continued)

For the year ended 30 June 2019

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	65%	59%	62%	65%	68%	74%	69%	69%	The 2019 result is in line with other years. The 2021 result is higher as financial assistant grant funding is anticipated to be lower to adjust for payments in advance.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	0.6%	Rates compared to property values has reduced over time as a result of rate revenue increasing at a slower pace than property values. Rate revenue is controlled by the Fair Go Rates System while property values are market based.

Financial Performance Indicators (continued)

For the year ended 30 June 2019

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

"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

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

Other Information

For the year ended 30 June 2019

1. Basis of preparation

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

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

The Performance Statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variations in the results contained in the Performance Statement. Council has utilised materiality thresholds as described in the "Local Government Better Practice Guide 2018-19 - Performance Statement" relevant to each indicator and measure. Where Council's year on year result varies by more than 10% of the State-wide average (2017/18), Council has reported a material variance. Explanations have not been provided for variations below these 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 18 June 2019 and 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

For the year ended 30 June 2019

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*.



Victoria Schmidt
Principal Accounting Officer

Date: 24 September 2019

In our opinion, the accompanying Performance Statement of the Alpine Shire Council for the year ended 30 June 2019 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.



Kitty Knappstein
Councillor

Date: 24 September 2019



John Forsyth
Councillor

Date: 24 September 2019



Nathalie Cooke
Acting Chief Executive Officer

Date: 24 September 2019

Independent Auditor's Report

To the Councillors of Alpine Shire Council

Opinion	<p>I have audited the accompanying performance statement of Alpine Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, 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. I further describe my responsibilities under that Act and those standards 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>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. 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 performance statement	<p>The Councillors of the council are 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 determine 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	<p>As required by the <i>Audit Act 1994</i>, 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</p>


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 decisions of users taken on the basis of this performance statement.

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 the 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 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 overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement 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 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

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