



ALPINE
SHIRE COUNCIL

Annual Report

2016/17

About this annual report

Welcome to the Alpine Shire Council Annual Report 2016/17. This report provides an account of Council's performance against the Alpine Shire Council Plan 2013-2017, the Annual Action Plan and Budget for 2016/17.

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

Performance is measured against the five themes in the Council Plan:

Inspired Community Leadership: *Council values effective community advocacy and partnerships*

Enhancing the Environment and Liveability: *An environment managed for now and the future*

Strengthening the Community: *A community supported to be healthy, active and involved*

Prosperous Economy, Employment and Investment: *A dynamic local economy that is sustainable and supported to respond to opportunities and attract appropriate new investment*

Performance Focused Organisation: *A customer focused, equitable and sustainable service to the community*

Council continues to produce this report in electronic form only, which 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. This practice of electronic production began with the 2006/07 report, and continues to be both a financial and environmental saving in the production of this important report.

Council has utilised guidance from the Victorian Department of Treasury and Finance: *Standard requirements for the design and print of annual reports (FRD 30D)*. While this standard applies to Victorian government rather than local government, it specifies that government entities are expected to obtain value for money in procuring services to design and print publications and that excessive or unnecessarily expensive design and print is not appropriate for annual reports. This aligns with cost saving measures initiated by Council.

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 achieved some great results over the past 12 months. These have included:

Inspired Community Leadership

- Welcoming a newly elected Council in October 2016.
- Successful transition to Council-operated branch libraries in Bright, Mount Beauty and Myrtleford.
- Response and recovery from October 2016 flood event.
- Preparation of the new Council Plan, incorporating the Municipal Public Health and Wellbeing Plan.

Enhancing the Environment and Liveability

- Completion of the RecLess project, assisting in identification of plant species resistant to climate change. These details are available for the public, and are used in Council's open spaces management.
- Adoption of Planning Scheme Amendment C51, adding 86 new places to the Planning Scheme Heritage Overlay.

Strengthening the Community

- Improved visitation to outdoor pools as a result of Early Bird Family Season Pass uptake.
- Delivery of youth-driven projects such as the 'Brighten the Park' refurbishment of the Apex Park amenities building in Myrtleford, and Engage programs designed specifically for students across the Shire.

Prosperous Economy, Employment and Investment

- Successful event attraction during 2016/17, including the Spartan Trifecta event held during November 2016, which has been renewed for October 2017.

Performance Focused Organisation

- Update of Council's Long Term Financial Plan (10 years), and preparation to implement an electronic-based accounts payable system from 1 July 2017.

Challenges in 2016/17

- The floods of October 2016 were a challenge for Council, causing an estimated \$950,000 worth of damage to Council infrastructure, including roads and bridges.

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Mayor's message

Welcome to the Annual Report for 2016/17.

This year we saw the election of a new Council in October 2016. We welcomed two newly elected councillors, along with five councillors being re-elected. We adopted our Council Plan 2017-2021 in June 2017, which provides the direction for Council over our four year term, and defines how Council will continue to deliver high quality projects and services to our community. I am looking forward to seeing the results in the coming years.

Our Council deliver a record \$11.52 million of capital projects to the community in 2016/17. This was always going to be an optimistic target, but our Assets team and the contractors undertaking the works have done a great job of not only delivering 99% of budgeted capital works expenditure, but in providing some great community assets in the process. It is always rewarding to see great projects come to fruition, and the construction of Alpine Better Places projects in Bright and Porepunkah are shining examples of this. I look forward to the continued delivery of this project in Myrtleford in the coming year.

Council ended the year in a strong financial position. This ensures that in the following year we are in a good position to make funding applications where matching funding is required.

Council spends a good part of its time on advocacy for and with the community. We continue to meet with politicians and key organisations not only within North East Victoria, but across the State as well. Being able to put Alpine Shire Council's case forward is always a positive and rewarding experience.

Advocacy for Mount Buffalo Chalet continues, with the Mount Buffalo Advisory Group meeting with relevant government ministers and officials on a bipartisan level.

Our community's strength and resilience was shown when dealing with the flood event in October 2016. Council's response to the event was timely, and included operation of a relief centre in Myrtleford for affected community members to seek refuge and advice. Council's Resilience Committee gives us the ability to work closely with representatives from each of the government agencies that work with disaster management.

Our Assets team spent a great deal of time securing assets damaged by floodwaters, and prioritising and establishing repair works, and making things safe for the community.

Community grant funding continues to be a great way of supporting our community groups to deliver projects. In 2016/17 we provided grant funding to assist more than 30 community groups to deliver projects across the Shire. Council's festival and event funding continues to assist those newly established events to run smoothly and effectively for residents and visitors alike.

I would like to recognise the work commitment and professionalism of our Council staff, without whom we would not be able to deliver the projects and services to our community.

Thank you to our two outgoing councillors, Cr Vonarx and Cr Farrell, for their terms of office on the Alpine Shire Council. Your contribution to the community is valued and appreciated.

I would also like to take this opportunity to thank former CEO Dave Barry for his valuable contribution to the Alpine Shire Council over the past four years, and wish him well in his future endeavours. I also extend thanks to Charlie Bird for stepping up from his role as Director Assets into the Acting CEO role on Dave's departure.



Ron Janas
Mayor

CEO's message

It has been a busy year for Council, and one that has seen many changes across the organisation, including welcoming a newly elected Council.

Importantly, we continue to be placed in a strong financial position. Our income was greater than forecast, in part due to recurrent grant funding being received in advance as well as grants being received for capital works to be delivered in this coming year. We continue to manage our expenses well, with materials and services, and employee costs being lower than forecast. We achieved this with a rate rise of 2.3% in 2016/17, which was the lowest rate increase in the State and below the rate cap set by the Victorian Government.

The year also saw the largest capital works program ever delivered by Alpine Shire Council, with a budgeted expenditure of \$11.6 million. We completed 99% of capital works compared to our adopted budget, which is an exceptional effort by all staff and contractors involved. This achievement has delivered many exciting and much needed results for our communities. The Alpine Better Places projects in both Bright and Porepunkah are centrepieces for our towns, and provide increased amenity and accessibility for our community and visitors alike. Projects such as the Mystic Mountain Bike Park Hero Trail and upgrades to the Myrtleford swimming pool provide opportunities for us all to get outdoors and be active. Improvements made to our facilities such as the Mount Beauty library, the Myrtleford library hub building, and the Bright Council offices, all improve the amenity, functionality and sustainability of important community assets and benefit the services and projects that are delivered from them.

Our financial position and capacity to deliver projects has in part been enabled by our success in securing funding. During 2016/2017, Council was successful in attracting more than \$2.6 million worth of competitive funding during from Victorian and Australian government sources. This funding will help to deliver more than \$8.5 million worth of projects to the community, including:

- \$1.3 million towards the Myrtleford Indoor Sports Stadium expansion;
- a total of \$2.0 million towards the Alpine Better Places projects in Bright, Myrtleford and Porepunkah;
- \$200,000 towards the Mount Beauty pool upgrade; and
- \$100,000 towards the McNamara Reserve Multi Sports Facility.

On August 1 2016, Council took over operation of the branch libraries within the Shire. Council also took on the operation of the High Country Library Network hub service, which provides book purchasing and cataloguing activities on behalf of the Alpine Shire Council, Benalla Rural City, Mansfield Shire Council, and Rural City of Wangaratta as part of a shared service arrangement. Thank you to the staff involved who helped ensure a smooth transition from the previous regional library corporation model, to the establishment of the library hub and Council operated branch libraries - it has been a successful and busy year for the service.

As many people in our community experienced, our Shire was heavily impacted by floods in October 2016 as a result of higher than average rainfall and a saturated catchment. Myrtleford was the most affected of our towns. Throughout this time we saw many examples of our local community services and individuals helping and taking care of each other, a reminder of how strong the sense of community throughout our shire is. Council staff were involved in immediate relief and recovery work, and undertook the large job of assessing, prioritising and reinstating damaged infrastructure across the Shire. The final damage bill is estimated to be in the order of \$950,000, and Council has sought relief through the Natural Disaster Fund. The repair and reinstatement of assets has been a large part of works completed during the year.

Internally, the Enterprise Agreement 2016 was negotiated in the first half of 2016/17, and approved by the Fair Work Commission on 9 December 2016. The agreement featured a three-year wage freeze and four-year job security. At its core, the Agreement was developed to provide fair and supportive conditions for staff whilst allowing long term financial sustainability for Council and a capacity for us to continue to deliver exceptional outcomes for our community.

I would like to thank former CEO Dave Barry for his drive and dedication during his tenure. Thank you also to all Council staff that have contributed to us delivering the vast suite of projects and services to the community. It was a year that saw a lot achieved.

I look forward to ensuring that Alpine Shire Council remains a high performing and sustainable organisation into the future. We strive to be a Council you can be proud of.



Charlie Bird
Chief Executive Officer*

** Charlie Bird was appointed as Chief Executive Officer at the Ordinary Council meeting held on 1 August 2017.*

Financial summary

Financial overview 2016/17

Council ended the 2016/17 year with a surplus of \$9.0 million. This is an excellent result for Council mainly due to a number of non-recurring items affecting the end result. This included:

- Council received half of its 2017/18 Victoria Grants Commission income in advance (\$1.8 million) in addition to its 2016/17 allocation. This will result in a corresponding reduction in the Council's 2017/18 income.
- Council received non-monetary contributions from developers in the form of road, drainage and land assets associated with new subdivisions of \$926,000 due to increased property development activity.
- As a result of mapping Council's drainage assets, an additional 21km of assets were identified with a net value of \$2,534,000 and recognised as income. In addition, land under roads assets received by Council associated with new subdivisions has also been recognised as income. These income items are non-cash.
- Additional grants were received for the Alpine Better Places projects, the Mount Beauty Pool upgrade and the Myrtleford Indoor Sports Stadium project, with \$871,000 allocated for projects to be completed in 2017/18.
- Additional materials and services expenditure was incurred to restore infrastructure assets as a result of storm damage (\$821,000).

Employee costs were lower than budgeted. A wage freeze included in Council's Enterprise Agreement, approved in December 2016, as well as a number of budgeted positions remaining vacant during the year contributed to this result.

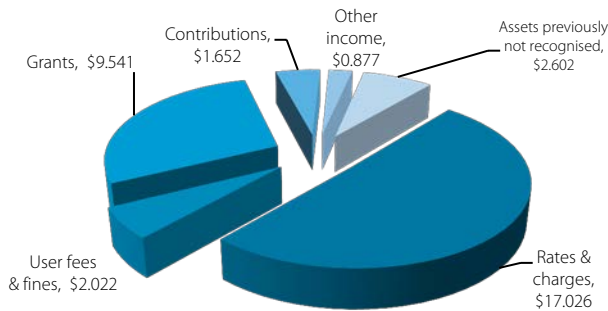


Figure 1: Alpine Shire Council revenue 2016/17 (\$millions)

Figure 1 demonstrates Council's major income sources. Rates and charges are Council's most significant source of revenue. Grants are the second largest income source; this was significantly greater than previous years due to \$1.8 million of 2017/18 Financial Assistance Grants being received in advance. This is also highlighted in Figure 2.

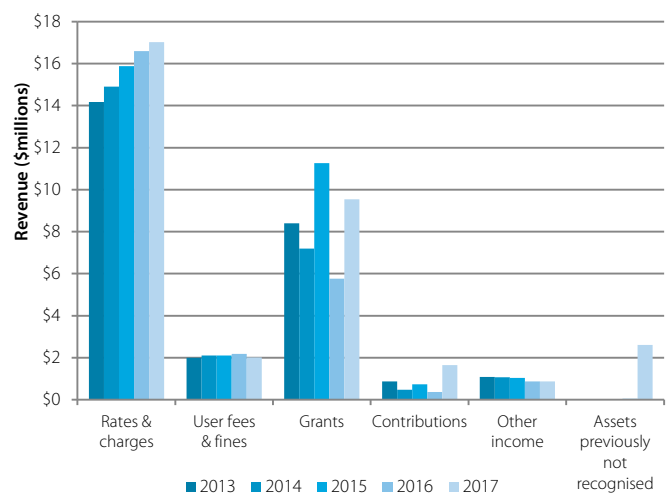


Figure 2: Alpine Shire Council revenue 2012/13 to 2016/17 (\$millions)

Figure 2 highlights Council's revenue over a 5 year period. Rates and charges have consistent small growth. Grants fluctuate depending on the timing of payments, whilst user fees and fines and other income remain consistent with prior years. Contributions have significantly increased as a result of Council undertaking a regional library function, as well as higher than usual contributions from developers in the form of gifted infrastructure assets. Also the recognising of additional drainage assets this year has resulted in additional non-cash income.

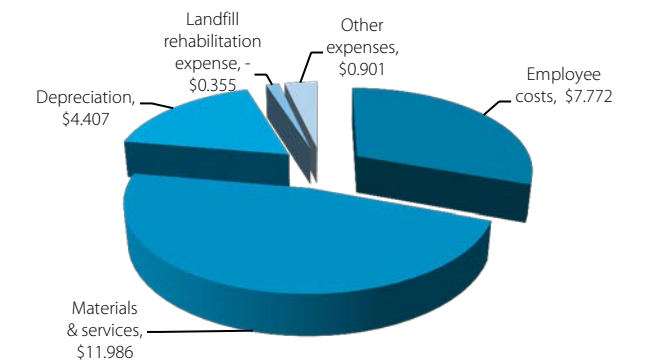


Figure 3: Alpine Shire Council expenditure 2016/17 (\$millions)

Figure 3 demonstrates that materials and services, and employee costs represent Council's major operating expenditure. Materials and services would have been significantly less without non-recurring events such as Council elections and the October 2016 floods.

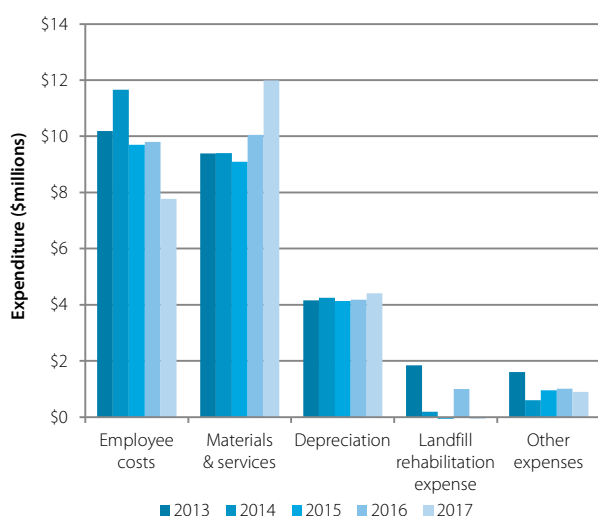


Figure 4: Alpine Shire Council expenditure 2012/13 to 2016/17 (\$millions)

Figure 4 highlights Council's expenditure over the last 5 years. This highlights reductions in employee costs and relatively consistent expenditure in other categories, excluding materials and services. Of the \$1.9 million increase in materials and services, \$1.1 million was for non-recurrent expenditure of which \$0.8 million was expended on the restoration of storm damaged infrastructure assets.

Cash balance

Council maintains a strong cash position at 30 June 2017 at \$11.6 million. However a significant amount of this is as a result of receiving grant income in advance of \$2.7 million and delays in some capital works projects of \$1.0 million.

Looking forward

Council continues to refine and adopt a Long Term Financial Plan (LTFP) as part of the annual budget each year. The LTFP is a critical plan to Council to ensure that 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 and operational performance.

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 untied and are essential for the continued delivery of Council's services and infrastructure.

Council's Annual Financial Statements commence on page 67 of this report.

Capital works summary

Highlights 2016/17

Council's 2016/17 capital works budget was in excess of \$11.62 million, with Council delivering over 99% against budget.

The key capital works delivered in 2016/17 were:

Alpine Better Places - Mafeking Square precinct

The Alpine Better Places – Mafeking Square Precinct works were completed in mid-April 2017. This project originated in 2001 when discussions around the redevelopment and upgrade of Mafeking Square first commenced. Over the years, many alternative designs were proposed, until finally a concept plan was agreed to and adopted by Council in March 2016. Detailed documentation was then completed and the works tendered and awarded in December 2016. The contractor completed the work in a very tight timeframe between early February and mid-April 2017.

The precinct has been rejuvenated with upgraded pavement treatments, increased seating, improved bicycle parking, enhanced landscape treatments and feature lighting. The result is an inviting town centre which encourages people to visit and linger longer. The project was delivered on time and on budget.

Alpine Better Places - Porepunkah

Although commencement of construction of this project was held up whilst Council awaited the outcome of funding announcements, the result is a complete transformation of Porepunkah's town centre. The project features an expanded Riverside Park with a large picnic shelter and Mount Buffalo viewing platform. Additional car parks have been provided as well as upgraded landscaping, street furniture and lighting throughout. Fortunately, Council was successful with receipt of funding from both the National Stronger Regions Fund and the Regional Jobs and Infrastructure Fund. Works were almost completed prior to the end of June; however wet weather in late June and early July delayed the final completion of the works prior to the end of the financial year.

Mystic Mountain Bike Park - Hero Trail

The Mystic MTB Park Hero Trail was successfully completed in mid-December 2016. The Hero Trail was completed as a component of the Alpine Events Park project and is the feature mountain bike trail that links Mystic MTB Park to Pioneer Park and associated facilities.

The trail has been designed to be suitable for use by mountain bike riders of intermediate to advanced technical ability.

The Hero Trail has been hugely popular since its completion and has attracted riders from far and wide.

Myrtleford swimming pool

The renewal of the Myrtleford Swimming Pool was successfully completed in early November 2016 in readiness for the swimming season. The project included the repair and repainting of the pool, repairs to the concrete deck surrounding the pool, and the installation of new pool cover rollers. The total project cost was \$57,586, from an allocated budget of \$65,000.

The flood event in early October 2016 presented a significant risk of the pool shell lifting out of the ground, as the pool had been emptied in anticipation of the works commencing. The Myrtleford CFA came to the rescue and refilled the pool with almost 600,000 litres of water in only a few hours. The pool was subsequently emptied a few days later when the flood water subsided and the contractor was able to proceed with the work.

Mount Beauty library redevelopment

The redeveloped Mount Beauty Library was opened to the public on 31 January 2017. The total project cost was \$513,000, which included the cost of repairs to the roof following storm damage which occurred in January 2016, and which was covered under an insurance claim. Funding of \$280,000 was received from the Victorian Government's Living Libraries fund.

The project delivered an inspiring learning and participatory hub for the local community through increasing the size of the library area by incorporating previously underutilised building space. It also improved synergies with the adjacent recreation reserve and Mount Beauty pondage through the installation of an external deck area.

Other capital works of note in 2016/17 were:

Council office refurbishment

The refurbishment of the Mystic Wing of the Bright Council Office was completed in November 2016. In addition to the visible changes to the office space, the reopening of the Mystic Wing has spearheaded a significant change in the way in which staff work, with a transition into an activity-based working environment. Due to the significant engagement with staff during the concept design phase, and the hard work of all the people involved in the delivery of the project, this transition from the old to the new way of working has been almost seamless, with staff adapting extremely quickly to the new working environment.

The office refurbishment included a number of environmental improvement initiatives, including the installation of double glazing on the external windows, replacement of the 18+ year old air conditioning unit with a new model estimated to be 30% more efficient, and reducing the number of LED lighting fixtures installed onto a dimmable lighting circuit with motion sensors in the meeting spaces.

Planning for the next stage of the office refurbishment is currently underway.

Library hub

Renewal of the former Myrtleford Council Chambers was completed in July 2016, established as a hub to service libraries across four municipalities.

The project was delivered within budget and the cost of items specific to establishment of the Library hub will be shared across the municipalities being serviced by the hub.

Indoor sports stadium - Myrtleford

A study was completed in September 2016 in which the feasibility of providing a second indoor sports stadium court in Myrtleford was investigated. Future demand on indoor sports facilities was forecast, and alternative locations were evaluated, including an expansion of the existing Myrtleford Indoor Sports Stadium and co-locating a new facility at either of the Myrtleford P-12 or Marian College sites.

The total study cost was \$40,395. Funding of \$26,930 was received from Sport and Recreation Victoria, with the balance funded by Council.

The study concluded that strong future demand is forecast which supported development of a second indoor court in Myrtleford, and that the optimum location for this court was to expand the existing facility at an estimated total cost of \$2.6 million. The feasibility study supported an application for \$1.3 million funding from the Victorian Government's Better Indoor Stadiums fund. The application for funding was successful, with a funding announcement in January 2017.

Our Council

Alpine Shire profile



The Alpine Shire 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 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 alpine resorts of Falls Creek and Mount Hotham are geographically located within the Alpine Shire, but are not part of the Alpine Shire municipal district.

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 experience. 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.

In the ABS 2011 Census the main industries identified were accommodation; school education; cafes, restaurants and take-away food services; and supermarket and grocery stores. Tourism, timber, forestry, agriculture, manufacturing and construction are all represented in the shire.

The population of the Alpine Shire is estimated to be 12,450² - a number which significantly increases with the seasonal influx of tourists. Population demographics from the 2016 Census show a 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 28 July 2017) – 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 Customer Service Centre

Lakeside Avenue

Mount Beauty VIC 3699

Phone: 03 5754 4542

Myrtleford Customer Service Centre

Cnr 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 Tony Keeble (Deputy Mayor)	First elected:	November 2008
	Re-elected:	October 2012 October 2016
	Deputy Mayor:	November 2015 – current

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

Cr Kitty Knappstein	First elected:	October 2016
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Cr Sarah Nicholas	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

Outgoing Councillors October 2016

Cr Kate Farrell

First elected: October 2012

Term expired: October 2016

Cr Jan Vonarx

First elected: November 2005

Re-elected: November 2008
October 2012

Term expired: October 2016

Mayor: December 2005 – December 2006
November 2014 – November 2015

Deputy Mayor: December 2006 – December 2007
December 2008 – December 2009
December 2011 – November 2014

More information regarding Councillors can be found on page 45.

The organisation

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

Prior to December 2016, the organisation had a three directorate model: Corporate Performance, Assets and Sustainable Development. In line with Council's cost-savings initiatives, a two-tier directorate model was initiated in January 2017, consisting of Corporate and Assets. The functions of the Sustainable Development directorate were split between the two remaining directorates.

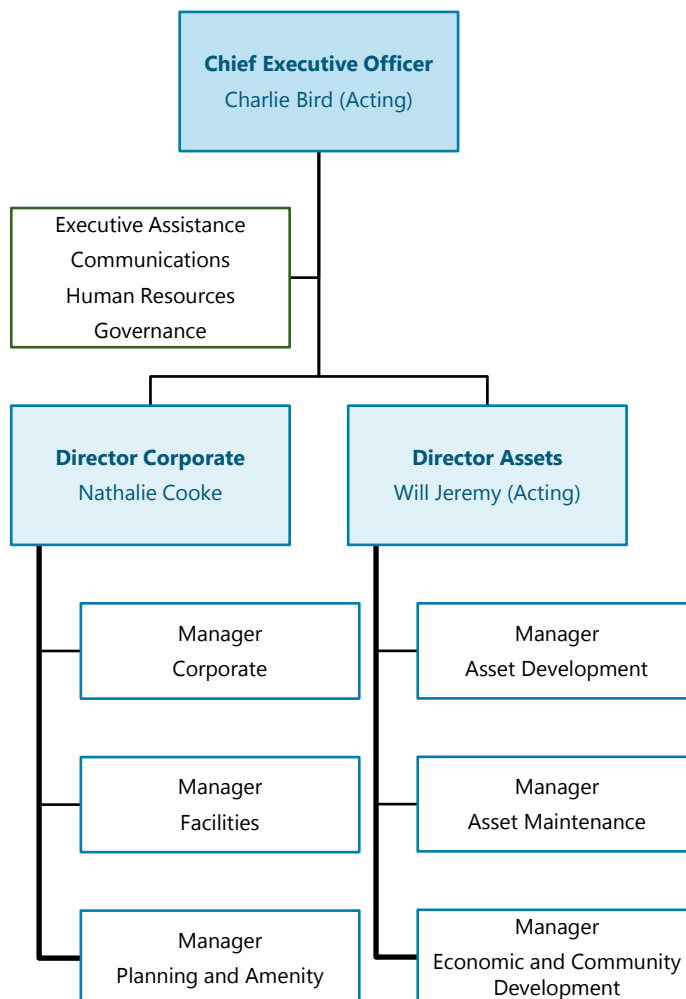
Each director reports to the CEO and is responsible for the delivery of services and projects within program areas. Within each directorate, department managers are responsible for: Asset Development; Asset Maintenance; Corporate; Economic and Community Development; Facilities; and Planning and Amenity.

A small Executive Services team reports directly to the CEO.

During the second half of 2016/17, Council's CEO Dave Barry announced that he would be resigning in May 2017. Council's Director Assets, Charlie Bird, was appointed the Acting Chief Executive Officer. As at 30 June 2017, Council was recruiting for the position of CEO, and anticipated that a resolution to appoint a CEO would be presented to the August 2017 Council meeting.

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

Organisational structure at 30 June 2017



Charlie Bird

ACTING CHIEF EXECUTIVE OFFICER

from May 2017

(Position held by Dave Barry prior to May 2017)

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

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

from February 2017

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

Will Jeremy

ACTING DIRECTOR ASSETS

from May 2017

(Position held by Charlie Bird prior to May 2017)

- Asset Development
 - Project prioritisation, design, management 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
 - Dinner Plain management and special rate services
 - Economic development
 - Tourism, festivals and events
 - Community development
 - Youth services
 - L2P driving program
 - Maternal and child health (child and family services)

Senior Officers departing during 2016/17

- Dave Barry – Chief Executive Officer – May 2017
- Trevor Britten – Director Corporate Performance – September 2016
- Heather Green – Director Sustainable Development / Manager Planning and Amenity – June 2017

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 there is a finite ending to the work, 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). At 30 June 2017 there were 95 FTE staff (permanent and casual) across the organisation. Temporary staff are not included in these figures, and casual staff will tend to fluctuate depending on time of year.

Recruitment and selection

Council recruited for 56 positions during 2016/17, which included internal expressions of interest (for backfill), permanent, temporary and casual positions, and newly created positions with library branches and the High Country Library Network Hub. (see page 23).

Council's workforce turnover for permanent staff (not including casual and temporary staff) was 31% in 2016/17. The majority of this was anticipated, due to Council's Home and Community Care service being transferred to another provider by the Department of Health and Human Services, effective on 1 July 2016.

Turnover occurs for a range of reasons, which includes staff applying for and gaining an internal opportunity at Council, staff taking on a role in a new organisation, and also the cessation of temporary appointments (for example, parental leave backfill and completion of funded projects).

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, 65 separate learning opportunities were attended by more than 280 staff. These sessions included individual and group training, with a mix of in-house and

external training occurring. Where cost benefit can be achieved for group bookings, Council organised on-site training conducted by external providers.

Council encouraged staff to share their knowledge by offering 'learn from within' lunchtime sessions, where colleagues provide a half hour information session on recent learning, workshops, conferences, or simply updating colleagues on relevant projects or news. Sessions were well attended, with over 115 attendees at the seven sessions on offer during 2016/17.

New employee inductions were held as a group with existing staff providing the training. It is another example of Council using the knowledge it has in-house to extend to other staff. Inductions cover health and safety, records, information technology, governance, human resources including the employee code of conduct, customer service and corporate systems and processes.

Council is currently investigating an online compliance training package covering:

- Workplace health and safety fundamentals;
- Bullying and harassment in the workplace;
- Electronic communications and social media in the workplace;
- Equal opportunity in the workplace (anti-discrimination); and
- Sexual harassment in the workplace.

Equal Employment Opportunity

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

Council's Equal Employment Opportunity (EEO) policy ensures that EEO principles are integral in Council's recruitment and selection processes, general employment issues, induction and training, OHS, grievance processes and dispute resolution.

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.

All new staff receive equal opportunity training at mandatory new employee induction sessions. Training for all staff took place in 2015, with a refresher scheduled for late 2017.

Employee Code of Conduct

Council's Employee Code of Conduct provides an outline of 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, dependable and efficient services.

Work experience students

As part of supporting our youth in the community, Council provides opportunities for students to undertake work experience with Council. Council works closely with local schools to offer work experience in a variety of roles across the organisation.

Enterprise Agreement 2016

Council's Enterprise Agreement 2016 was successfully negotiated during the first half of 2016/17, and 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

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.

Emergency preparedness

- CPR refresher
- Fire prevention

Policy and procedure

- Induction to local government
- New employee health and safety inductions

Employee wellbeing

- A.L.E.R.T. mental health
- Mindfulness (wellbeing)
- Building more positive relationships
- Managing challenging conversations

Safety

- Manual handling
- Snake awareness
- Traffic management
- Winter driving awareness

Plant and equipment

- Heavy vehicle licences
- Elevated work platform
- Firearm use

Swimming pool safety

- Lifeguard

Health and Safety initiatives

Other occupational health and safety related initiatives undertaken by Council during 2016/17 included:

- Electrical test and tag program
- Audiometric testing
- Asbestos risk assessments
- Lifting and height safety equipment testing

Incident, hazard and near-miss reporting and investigation remained a key focus throughout the year. The level of reporting was consistent with previous years and continued to show established seasonal trends in reporting.

Table 2: Total staff FTE by department (30 June 2017)

Directorate		Corporate Performance			Assets			
Department	Executive incl Directors	Corporate	Facilities	Planning & Amenity	Economic & Comm Dvpt	Asset Dvpt	Asset Mtc	Total
Permanent – FT – F	3.0	5.0	1.0	3.0	3.0		2.0	17.0
Permanent – FT – M	2.0	3.0	1.0	3.0		3.0	31.0	43.0
Permanent – PT – F	1.2	4.6	6.3	1.7	3.5	0.9	0.2	18.4
Permanent – PT – M		0.9	2.6	1.5		1.0	1.8	7.8
Casual – F		1.4	3.6	0.4	0.1			5.6
Casual- M			1.0				2.3	3.2
Totals by Department	6.2	14.9	15.5	9.6	6.6	4.9	37.3	
Totals by Directorate	6.2		40.0			48.8		95.0

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

** includes casuals at 30 June 2017, but does not include temporary positions, which includes backfill positions such as maternity leave.

Table 2: Summary of FTE categorised by employment classification and gender (at 30 June 2017)

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Other	Totals
Female	0.7	1.8	6.9	8.6	9.0	7.0	2.7	1.1	3.0	41.0
Male	0.3	1.7	19.7	10.0	4.9	6.0	4.9	0.6	6.0	54.0
Total	1.0	3.6	26.6	18.6	13.9	13.0	7.6	1.7	9.0	95.0

** includes casuals at 30 June 2017, but does not include temporary positions, which includes backfill positions such as maternity leave.

Volunteers

Volunteers play a crucial role in the delivery of many services provided by Council. In fact, Council engages more than 100 volunteers across many fields including: visitor information services, L2P program, youth, facility management 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.

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 21 active mentors within the Alpine Shire, volunteering more than 1,500 hours for the learner drivers, assisting them in gaining the driving skills and 120 hours required to undertake their driver's licence test.

In 2016/17 the L2P program and its volunteers assisted 15 young people to successfully gain their driver's licence,

with a further 35 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 & 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 in the community that wish to recognise the good work that is being done in their local neighbourhood. Awards are presented to individuals and organisations. Business and tourism awards are presented every second year.

Australia Day

Australia Day is a well-known way 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 2017 were:

Alpine Shire Citizen of the Year: Patrizia Simone

Local Achiever of the Year:

Myrtleford and District – Bernadette Hays

Bright and District – Patrizia Simone

Kiewa Valley – Bill and Yvonne Sutton

Harrietville – Leah Williams

Local Young Achiever of the Year:

Myrtleford – Maddison Evans

Bright and District – Tasman Cocks-Wheaton

Kiewa Valley – Ebony Tanzen

Lifetime Achievement:

Bright and District – Lorry Torriero

Kiewa Valley – Ron Fensham

Community Event of the Year:

Kangaroo Hoppet International Cross Country Ski Event

Community Organisation of the Year:

Alpine U3A – Kiewa Valley

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 October 2016 were:

Community: Madeleine Lennox

Arts: Indianna Drew

Workplace: Nicholas Goznik

Inspirational: Peter Bennie

Academic: Caitlin Smith

Sport: Jonah Cosgriff

Rural: Matilda Hutton

Alpine Shire Award:

12 - 16 years: Teagan Atherstone

17 - 21 years: Tasman Cocks-Wheaton

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 2013-2017 was developed following the October 2012 council elections and has been reviewed each year since, with the latest review adopted on 28 June 2016. This annual report is the final report against the 2013-2017 Council Plan. A new Council Plan must be generated following the October 2016 Council election, and will commence from 1 July 2017.

The Council Plan is a strategic document, detailing the desired outcomes for the four years following the elections. It contains a Strategic Resource Plan which documents the resources required to deliver the council plan over the next four years, and is supported by the Annual Action Plan and Budget.

In addition to the Strategic Resource Plan, Council has a Long Term Financial Plan (LTFP) which is adopted annually with the Council Budget. The LTFP projects Council's required resources (both financial and non-financial) over the next ten years.

Council Plan

The Council Plan is divided into five theme areas:

Inspired Community Leadership: *Council values effective community advocacy and partnerships*

Enhancing the Environment and Liveability: *An environment managed for now and the future*

Strengthening the Community: *A community supported to be healthy, active and involved*

Prosperous Economy, Employment and Investment: *A dynamic local economy that is sustainable and supported to respond to opportunities and attract appropriate new investment*

Performance Focused Organisation: *A customer focused, equitable and sustainable service to the community*

The Alpine Shire Council Plan 2013-17 includes strategic objectives, strategies for achieving these objectives for the four year period, strategic indicators for monitoring achievement of the strategic objectives and a Strategic Resource Plan.

Performance

Council's performance for the 2016/17 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 service performance indicators and measures. These have been identified to reduce duplicate reporting.

Local Government Planning and Reporting

2016/17 is the third 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 theme reporting in the following section under the headings "Service Performance Indicators". Further reporting is found in the "Governance and Management checklist" on page 51 and in the Performance Report on page 116.

Theme 1: Inspired Community Leadership

Council values effective community advocacy and partnerships

Performance against the Council Plan

Proposed 2016/17 Activities	Major Initiative?	Progress at 30 June 2017
Strategic Objective 1.1: To effectively communicate and engage with stakeholders		
<i>Strategy 1.1.1: Regularly inform and involve our community</i>		
Transition Myrtleford, Mount Beauty and Bright libraries to Council from High Country Library Corporation with a focus on customer service and process improvement.	Yes	Council took over operation of the branch libraries within the Shire on 1 August 2016. Operation of the High Country Library Network Hub also commenced on that date, providing book purchasing and cataloguing services through a shared service agreement to libraries across the Alpine Shire Council, Rural City of Wangaratta, Mansfield Shire Council, Benalla Rural City. The transition to the new service was complete and operational on 1 August 2016. No notable operational or service disruption to customers occurred.
Continue to trial participative budgeting techniques.	No	Public submissions were considered as part of the 2017/18 budgetary process. Independent community members sit on the committees deliberating the allocation of Community Grants and Festival and Event funding.
Strategic Objective 1.2: To advocate on behalf of and represent stakeholders on key issues		
<i>Strategy 1.2.1: To advocate on behalf of and represent stakeholders on key issues</i>		
Strategically lobby and network with key decision makers to positively influence funding applications and opportunities.	No	Council continued to meet with key industry, organisations and government to identify and pursue common goals and issues.
Strategic Objective 1.3: To provide exceptional emergency response and recovery services		
<i>Strategy 1.3.1: To provide exceptional emergency response and recovery services</i>		
No activities in 2016/17		

Services provided to the community

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

Library services

Council transitioned library services from High Country Library Corporation to Council on 1 August 2016. The transition was the result of a detailed service review of the High Country Library Corporation in 2015/16, which recommended libraries be transitioned to each Council and a shared service arrangement be entered into for the provision of book purchasing and cataloguing (the Hub).

Alpine Shire Council provides High Country Library Network Hub services to the Alpine, Rural City of Wangaratta, Mansfield Shire Council and Benalla Rural City libraries through a shared service agreement, adopted in July 2016.

The Library Hub service is delivered from the former Myrtleford Council Chamber building which underwent significant refurbishment to be fit for purpose.

Council appointed both Branch Library and Hub staff to ensure the smooth operation of the libraries, providing no break in service provision for customers.

The Mount Beauty Library also underwent a major refurbishment, with the library operating in temporary premises for three months. The upgraded facility was opened to the public on 31 January 2017.

Flood event

From July through to October 2016, the Shire experienced significant rainfall events, with over 800mm rain falling – almost double the average rainfall in that period. This sustained wet weather resulted in saturated catchments and waterway levels rising across the Shire.

As a result of the sustained wet weather and a large rainfall event occurring in early October 2016, flood damage occurred across the Shire with the largest impact being felt in Myrtleford.

Council staff were involved in all aspects of the flood response, relief and recovery. The Myrtleford Senior Citizens Centre was opened as a relief centre to assist some displaced persons affected during the floods.

Infrastructure across the Shire experienced extensive damage from the rain and floods, with roads and bridges, and tracks and trails particularly hard hit. Council staff acted quickly to reinstate infrastructure damaged by the storm event, with restoration work required including bridge repairs, road grading and gravel re-sheeting, road stabilisation, culvert and drain unblocking and repairs, and general clean up and vegetation clearing.

Damage and resultant repair work was estimated to be \$950,000. Council requested funds from the Natural Disaster Financial Assistance Fund for Local Government to aid in the restoration of this damage.

Council elections

Council elections were held on 22 October 2016. The election was conducted by the Victorian Electoral Commission by postal vote. The cost of the election process was allocated in Council's budget 2016/17.

The election triggers a suite of requirements under the *Local Government Act 1989*, including Councillors-elect taking the Oath of Office and declaration to the Councillor Code of Conduct, the subsequent review of the Councillor Code of Conduct, preparation of a new Council Plan for the four year period following the elections, and the review and adoption of councillor allowances. More information can be found on page 45.

Preparation of new Council Plan

The Alpine Shire Council Plan 2017-2021 was prepared following the general election, and adopted on 28 June 2017. For the first time, the Council Plan incorporated the Municipal Public Health and Wellbeing Plan, providing one key document to provide guidance for Council.

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	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
Governance				
Transparency				
Council resolutions 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>	8.6%	4.4%	0.4%	Only one confidential report was considered by Council during 2016/17.
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>	56	60	56	
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>	83.7%	85.7%	90.8%	

Service / indicator / measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
Service cost				
Cost of governance <i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>	\$34,393	\$35,681	\$34,805	Car mileage costs have been apportioned per km travel, rather than a provisional allowance, meaning a slight reduction in costs compared to the previous years.
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>	58	60	57	

* Also identified as Council Plan Strategic Indicators

** Also identified as a Council Plan Strategic Indicator for Theme 5: Performance Focused Organisation

+ 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 (outside of service performance indicators)

Indicator	Result
Successful audit of the Municipal Emergency Management Plan	Council's Municipal Emergency Management Plan was last approved in November 2015, with the next audit not scheduled until 2018.

Theme 2: Enhancing the Environment and Liveability

An environment managed for now and the future

Performance against the Council Plan

Proposed 2016/17 Activities	Major Initiative?	Progress at 30 June 2017
Strategic Objective 2.1: To provide and maintain quality parks, gardens and natural environment		
<i>Strategy 2.1.1: Use sustainable practices to manage open spaces</i>		
Undertake Council's tree planting and maintenance programs.	No	Council's tree planting and maintenance program occurs across the Shire. Council has utilised the results of the RecLess project, identifying species that are more resistant to climate change, which require less water and maintenance. This is balanced with maintaining the appearance of the Shire with its deciduous trees, and township plantings.
Strategic Objective 2.2: To improve the quality of the built environment and amenity		
<i>Strategy 2.2.1: Minimise the impact of Council services on environmental amenity of the community</i>		
Develop and implement a holistic strategy for the collection, transfer and disposal of waste, recyclables and green/organic waste.	Yes	Tenders were sought in 2016/17 for the collection, transportation and disposal of kerbside waste and recyclables as well as the transportation and disposal of waste to landfill from Myrtleford Landfill, Porepunkah Transfer Station and Mount Beauty Transfer Station. The overall cost of the kerbside waste collection services has decreased resulting in a reduction to the collection charges for ratepayers in 2017/18. Council continues to review options for a kerbside green / organic waste collection service.
<i>Strategy 2.2.2: Control development to protect the environment</i>		
No activities		
Strategic Objective 2.3: To improve the condition and management of Council's assets		
<i>Strategy 2.3.1: Manage Council assets to ensure sustainability</i>		
Implement stage one of the Asset Management System to provide greater detail on how Council manages its assets and centralising asset maintenance, finance and valuation requirements.	No	Council issued an invitation to tender for the provision of an Asset Management System in late 2016/17. The closure date for the tender is in early 2017/18. The Asset Management System will support Council's current utilisation of iPad inspection apps for roads, bridges and footpaths, and provide a greater means of capturing all asset management issues.
Strategic Objective 2.4: To reduce Council's ecological footprint		
<i>Strategy 2.4.1: Reduce impact of Council's operations on the environment</i>		
Cease landfill operations and transition to a landfill diversion strategy.	Yes	Landfill operations at Myrtleford Landfill ceased in May 2017. All waste to landfill is now being diverted to an alternate licensed landfill.

Services provided to the community

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

Improving processes for customers

Council has been implementing a number of internal processes to improve experiences for both customers and internal staff. An example of this is the move away from the old paper-based permit applications for works or occupation on Council land permits, to a fully online application and issuing process.

The increase in efficiency has enabled Council to waive the fees associated with applications if they are made at least two weeks prior to the commencement of the works or occupation.

Completion of revegetation works at Nimmo Bridge Reserve

With the energetic assistance of volunteers from the Myrtleford and District Landcare and Sustainability Group, revegetation works at Nimmo Bridge Reserve were completed.

The planting in late June 2017 complemented earlier tree-planting works carried out on the southern boundary of the Council reserve.

This work was made possible through the Federal Government's 'Stronger Communities Program', and in combination with amenity improvements has significantly improved the Nimmo Bridge Reserve for the benefit of both the local community and visitors.

Plant species responsive to climate change

The completion of the Victorian Adaptation and Sustainability Partnership project 'RecLess' provided showcase gardens, and resources available to the public to assist them to identify plant species that are more resilient to climate change. The community plant guide is utilised by Council staff when selecting and using plant species in public open space areas, enabling Council to reduce long-term costs associated with irrigation and maintenance.

The audit of irrigation systems in open spaces as part of the RecLess project also meant that Council was able to identify areas where inefficiencies were occurring. While replacement of infrastructure has upfront costs, there are associated long-term financial and environmental savings.

Strategic planning

Council's strategic planning role focused on commissioning pieces of strategic work that will provide a rationale for undertaking planning scheme amendments next year. These pieces of work enable Council to update its planning scheme to encourage development within the Shire:

- Planning Scheme Amendment C51 was adopted by Council in September 2016. As a result 86 new places were added to the Planning Scheme's Heritage Overlay. This helps to conserve and enhance heritage places across the Shire.
- Work commenced on the development of Council's Domestic Wastewater Management Plan. This plan will facilitate development and help improve environmental and health outcomes associated with domestic wastewater systems.

Statutory planning

Council's planners have been dealing with a number of permit requests that are increasing in complexity. While this complexity is impacting on processing times it is also reflective of the larger, newer and exciting development projects that are occurring within the Shire.

Table 3: Planning Permits

	2012/13	2013/14	2014/15	2015/16	2016/17
Planning permit applications received / issued	207/254	225/237	245 / 228	241 / 259	242 / 211
Median processing time (days)	32	42	35	35	48
Value of works subject to planning permit	\$18m	\$27m	\$27m	\$31m	\$26m
Value of fees	\$63,834	\$82,748	\$80,789	\$77,666	\$176,848*

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

Municipal building services

Council provides a building permit service for the public. The complexity of planning permits is reflected in the increase in building permits issued and the increase in fees; as fees have a direct relation to the scale and type of development occurring. The provision of planning, environmental health and building under one department also enables a one stop shop to be provided to developers.

Table 4: Building Permits completed by Alpine Shire Council

	2012/13	2013/14	2014/15	2015/16	2016/17
Number of building permits issued	192	195	172	177	189
Value of building works approved	\$10.3m	\$14.9m	\$14.6m	\$15.1m	\$24.7m
Value of fees	\$155,323	\$174,590	\$201,668	\$188,164	\$277,286

Environmental health

As Alpine Shire has a major tourist economy, environmental health plays a key role in ensuring visitors have an enjoyable experience. Fifteen new premises were registered with Council. In the latter part of the year inspections and sampling of all premises increased and the use of new software to track registrations and inspections is providing added value.

Service Performance Indicators

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	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>	35	34	48	During 2016/17, the statutory planning team had a reduced level of staffing. This meant there were less resources able to work on the planning permit applications received by Council during 2016/17, which impacted on the number of days to decision.
Service standard				
Planning applications decided within required timeframes (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>	76%	82%	75%	From 1 July 2016 this indicator includes VicSmart planning applications. This may result in some variances year on year. Council has received a similar number of planning applications as compared to 2015/16, however less total determinations have been made. This is reflective of the reduced staffing levels available in the Statutory Planning department during 2016/17.
Service cost				
Cost of statutory planning service* <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,774	\$1,717	\$1,596	During 2016/17 the statutory planning team had a reduced level of staffing, resulting in a lower employee cost for the service. This lower level of staffing also had an impact on the response time for each planning decision. <i>* Council has amended previous year costs to reflect cost per "new" permit application, rather than cost per "all" permit applications in the relevant year.</i>
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	Nil	No VCAT determinations occurred during 2016/17.

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺	
Roads					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	26.6	34.8	42.2	Sealed local road requests increased on the previous year due to the very wet winter season resulting in flooding in October 2016. 23% of all sealed road requests relate to drainage.	
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%	99.4%		
Service cost					
Cost of sealed local road reconstruction* <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$45	\$105	\$171	Significant redevelopment projects were delivered in the town centres of Bright and Porepunkah which involved full depth reconstruction of road pavement and asphalt seal. The cost of the road reconstruction component of these works has had a significant impact on this service measure. High road reconstruction costs are anticipated in 2017/18 and 2018/19 as the redevelopment of Myrtleford town centre is delivered.	
Cost of sealed local road resealing* <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$7.74	\$8.54	\$5.40		
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>	59	60	57		

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
Waste Collection				
Satisfaction				
Kerbside bin collection requests*	39.7	81.1	87.6	Council has made process improvements for data collection, hence the apparent increase in the number of reported missing bins.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000				
Service standard				
Kerbside collection bins missed*	0.9	0.7	1.5	
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000				
Service cost				
Cost of kerbside garbage collection service*	\$154	\$143	\$137	
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]				
Cost of kerbside recyclables collection service*	\$44	\$43	\$44	
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]				
Waste diversion				
Kerbside collection waste diverted from landfill	48.9%	49.2%	49.6%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

* 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 (outside of service performance indicators)

Indicator	Result
Completion of the Victorian Adaptation and Sustainability Partnership project to make Council's open spaces more sustainable	The Victorian Adaptation and Sustainability Partnership (VASP) project resulted in showcase gardens being identified that collectively feature design and plant species to improve the resilience of those spaces to climate change impacts. Signage and website content were designed to provide additional information to the community, along with the community plant guide.
Conduct energy and water audit	The audit of open spaces was completed and used to identify areas to reduce water usage. An irrigation audit of the river precinct in Bright highlighted major and minor improvements needed in irrigation infrastructure.

Theme 3: Strengthening the Community

A community supported to be healthy, active and involved

Performance against the Council Plan

Proposed 2016/17 Activities	Major Initiative?	Progress at 30 June 2017
Strategic Objective 3.1: To support the health and wellbeing of communities		
<i>Strategy 3.1.1: Facilitate increased community participation</i>		
Review of the Municipal Public Health and Wellbeing Plan	Yes	<p>The Municipal Public Health and Wellbeing Plan (MPHWP) was developed and incorporated into the Council Plan 2017-2021. This was the first time that Council has chosen to incorporate the two important documents. The Council Plan containing the MPHWP was adopted by Council on 27 June 2017.</p> <p>The MPHWP Action Plan was also developed, identifying key activities to be undertaken for the life of the MPHWP.</p>
Strategic Objective 3.2: To improve the resilience of communities		
<i>Strategy 3.2.1: Strengthen the capacity and resilience of communities</i>		
Improve affordability and accessibility to community facilities	No	<p>Council made the Early Bird Family Season Pass available for the outdoor pool season again during 2016/17. The price was reduced to \$85 (down from \$99 in 2015/16), which resulted in 24% more passes purchased than the previous year. Total visitation to outdoor pools increased 8% on the previous year.</p>
Strategic Objective 3.3: To ensure appropriate services and programs for early years, youth and families		
<i>Strategy 3.3.1: Best possible start for children and families within the Alpine Shire</i>		
Undertake year two of the Engage program aimed at capacity building in young people.	No	<p>Activities delivered through the Engage program included the annual Youth Awards, 50 local students attending the Halogen foundation youth event in Melbourne, and a careers day "ideas expo" held in Myrtleford for year nine students across the Shire.</p>
Strategic Objective 3.4: To support positive living and ageing		
<i>Strategy 3.4.1: Support independence and accessibility</i>		
No activities in 2016/17		

Services provided to the community

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

Brighten the Park

An invitation was extended to young people across the Shire to “Brighten the Park”, which was an initiative to refurbish an amenities building at Apex Park in Myrtleford and install a street art piece. Young people were involved in workshops with street artist Andrew Bourke to design an art installation for the building as well as install the designed artworks onto the building itself. The project was supported by Victoria Police, the local Landcare group as well as other community groups. The project was undertaken as a result of funding by Department of Justice and Regulation, through the graffiti prevention grants program. Additional to the art installation, the building has received some renovations, including the installation of a BBQ, with the aim to achieve greater use of the building. A launch event was held on 13 February 2017 upon completion of the project, attended by Jaclyn Symes, Member for Northern Victoria.

Youth Art Project - Myrtleford

Continuing on from the Graffiti Prevention project, Council engaged with an artist to deliver an art project at Myrtleford Skate Park (Cundy Park). The project differed from the previous project completed at Apex Park by applying a “paste up” concept to the project rather than “graffiti – spray painting”. A total of 10 youth were engaged to assist to deliver the project which included design, production and “paste up” of art on the skate infrastructure in Myrtleford. The project has received positive feedback from the community, so much so that the community is raising ideas on the next place for a “paste up” to occur.

New Ideas Expo

This initiative included bringing together Year 8/9 students from all four secondary schools across the Shire. A total of 200 students participated in the day which included activities and guest speakers talking about the future of employment and job “creation”. Speakers included representatives from the Foundation for Young Australians, Australian Centre for Rural Entrepreneurship as well as young people from the local area successfully running their own businesses. As an adjunct to this event, Foundation for Young Australians also spoke at an event for parents talking about the future of employment for young people. These initiatives were undertaken as a part of the funded Engage! program.

Service Performance Indicators

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺	
Libraries					
Utilisation					
Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	3.1	2.9	2.6	Loans do not include eBooks, as Council is unable to distinguish loans on a per-branch basis, data only exists for the High Country Library Network as a whole. Library collection usage is therefore representative only of hard copy items such as books, magazines, audiobooks, and CDs / DVDs. The Mount Beauty library was relocated for three months to allow for renovations, which is likely to have impacted on the number of loans.	
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>	62.0%	60.7%	58.8%		
Service cost					
Cost of library service <i>[Direct cost to Council of the library service / Number of visits]</i>	\$3.02	\$3.13	\$3.03	Alpine Shire Council took over operation of the Branch libraries within the Shire on 1 August 2016, following the establishment of the High Country Library Network. Branch libraries were previously part of the High Country Library Corporation, which was a Regional Library Corporation. Costs do not include capital purchases of books. The relocation of the Mount Beauty Library for three months to allow for renovations is likely to have impacted on number of visits.	
Participation					
Active library members <i>[Number of active library members / Municipal population] x100</i>	24.1%	23.2%	20.7%	A reduction in active members occurred across all three branches. The estimated residential population of the Shire (based on 2016 Census data) has increased by 5% compared to the previous year, which has an effect of reducing the number of active library members 'per head'.	

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	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>	0.7	3.0	1.0	Council inspected each of Council's swimming pools once during the year.
Reportable safety incidents at aquatic facilities* <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	0	0	0	There have been no reportable safety incidents at Council's aquatic facilities in 2016/17.
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>	\$6.38	\$4.84	\$7.65	<p>The closure of Council's indoor pool for a seven week period from mid-December through to early February resulted in a reduction in pool visitation and income compared to the previous year. Operating costs remained consistent during the closure, as the dry area (gymnasium) was still open to the public. The reduction in revenue and visitation impacted on the 'cost per visit'.</p> <p><i>* The 2015/16 reported data has been amended to remove duplication in Learn to Swim visitation (with the effect of reducing visitation data). The previously reported result was \$3.95.</i></p>
Cost of outdoor aquatic facilities* <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$8.76	\$6.04	\$7.13	<p>Council engaged a pool supervisor for the 2016/17 outdoor pool season, which was an additional cost compared to the previous year, along with some additional maintenance costs. Visitation to outdoor pools increased relative to the prior year.</p>
Utilisation				
Utilisation of aquatic facilities* <i>[Number of visits to aquatic facilities / Municipal population]</i>	3.4	3.6	3.2	<p>Council's indoor pool was closed for seven weeks for repair work from prior to Christmas to the end of the first week in February. This resulted in significantly less visitation (over this period) than the prior year, and a shorter first term of the Learn to Swim program. The 5% increase in estimated residential population (based on 2016 Census data) also reduces utilisation 'per head' of population.</p> <p><i>* The 2015/16 reported data has been amended to remove duplication in Learn to Swim visitations. The previously reported result was 3.99.</i></p>

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
Animal Management				
Timeliness				
Time taken to action animal requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.3	1.1	1.1	Council continues to respond promptly to all animal management requests, responding to 93% of requests within 24 hours. <i>* The 2015/16 reported data has been amended to count number of 24 hour periods from time of receipt of the animal management request.</i>
Service standard				
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	83%	94%	76%	Council's result in 2016/17 now accounts only for those animals returned to their owners (in 2015/16, animals 'rehomed' were included). If animals that are 'rehomed' are included in 2016/17, 89% of animals are either returned to their owners, or rehomed. Council continues to utilise social media to source owners where animals may not be registered or microchipped, and works with the RSPCA to ensure that animals not claimed by their owners are rehomed.
Service cost				
Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$27.55	\$19.13	\$19.93	<i>* The 2014/15 and 2015/16 reported data has been amended to correct payment of levies during 2014/15 and 2015/16.</i>
Health and safety				
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0	1.0	Nil	No animal management prosecutions were undertaken in 2016/17.
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	'Time taken to action food complaints' is now reported by calendar year (2016) to align reporting with the Department of Health and Human Services. This may result in some variances year on year.

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
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>	68%	31%	86%	Council focussed on Food Safety assessments across the Shire during 2016.
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>	\$381	\$161	\$356	Council has increased focus on the food safety service during 2016/17, and has also utilised a contractor service for the provision of food safety inspections.
Health and safety				
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 a food premises] x100</i>	0	45.6%	45.5%	'Critical and major non-compliance outcome notifications' are now reported by calendar year (2016). Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
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>	- [^]	14.0	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
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>	100.0%	100%	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
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 on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
Cost of the 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 on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
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 on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
Participation				
Participation in HACC service* <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	29.7%	27.16%	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
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>	36.4%	28.9%	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's National Disability Insurance Scheme (NDIS) and Commonwealth Home Support Programme (CHSP).
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>	102%	112%	104%	In a small number of cases, Council also conducts home visits for newborns where the birth notification was received elsewhere, but Alpine Maternal and Child Health 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%	100%	100%	

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Comments ⁺
Service cost				
Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	- [^]	\$59.68	\$60.93	Council's MCH nurses have focussed on increasing participation in MCH programs during the year.
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>	84.7%	86.7%	88.7%	
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>	87.5%	88.2%	84.6%	

* 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.

[^] This indicator was not mandatory in 2014/15, hence no data exists for that year.

Strategic Indicators (outside of service performance indicators)

Indicator	Result
Total value of community projects delivered by the community grants program	Council's 2016/17 Community Grants program provided assistance to a total of 32 community-led projects. 31 of the projects were completed, while one project did not proceed. A total of \$77,300 was provided through the grants program, assisting to deliver \$458,000 worth of community projects. See page 59 for further details.

Theme 4: Prosperous Economy, Employment and Investment

A dynamic local economy that is sustainable and supported to respond to opportunities and attract appropriate new investment

Performance against the Council Plan

Proposed 2016/17 Activities	Major Initiative?	Progress at 30 June 2017
Strategic Objective 4.1: To effectively plan and deliver strategic and major projects		
<i>Strategy 4.1.1: Develop and deliver a major projects plan</i>		
Develop a new Alpine Shire Cycle Guide to assist with promoting North East Victoria as the chosen cycle destination in Australia.	No	Development of the updated Alpine Shire Cycle Guide was complete by the end of 2016/17. A print run of collateral will occur in the first quarter of 2017/18. Distribution will occur in the same quarter.
Event attraction including Spartan and Enduro World series to increase the economic benefit derived within the Alpine Shire.	No	The Spartan Trifecta event was held during the last weekend in November 2016, with a total of 3,650 event registrations, with an estimated economic value to the Shire of \$2.3 million. The Spartan Trifecta event has been confirmed for October 2017. Event organiser bids for the Enduro World Series 2017 event were unsuccessful. Council will work with event organisers on a bid when the opportunity arises in 2019. New event attraction activity included: Pre-World Paragliding Cup (Bright); Mountain Bike Australia (MTBA) downhill championships in Mount Beauty proposed for February 2018; Bicycle Network - Great Victorian Bike Ride, November 2018; and Herald Sun Tour (Mount Beauty).
Strategic Objective 4.2: To support investment and existing enterprise		
<i>Strategy 4.2.1: Implement targeted tourism and business support</i>		
Market test operations of the Myrtleford Holiday Park to ensure long term sustainability.	No	Market testing is scheduled for the second quarter of 2017/18.
<i>Strategy 4.2.2: Support a diverse and sustainable economy</i>		
Review operations of Council's business facilities to achieve optimal efficiency.	Yes	The review of Council's business facilities is ongoing. The cessation of landfill operations in May 2017 at Myrtleford will result in significant efficiency gains in the operation of the site.

Services provided to the community

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

Tourism

The tourism team is focused on marketing, product and industry development. The development and distribution of tourism collateral including the Shire's Official Visitors Guide, trail brochures, maps and retail and dining guide are also deliverables of this service.

Updating tourist guides

Walks & Trails Guide: This is the most popular piece of tourism collateral that is collected and utilised by visitors to the region. A review of the guide was undertaken, changes made where necessary and a change to production of the

collateral is now consistent with the look and feel of the "Official Visitors Guide" that is also produced by Council.

Cycle Guide: This is a new piece of collateral developed to assist cyclists to navigate their way around the Shire. The guide provides information relative to rides available: Rail Trail; Mountain Biking and Road Cycling. This piece of collateral has also been developed to be consistent with the Official Visitors Guide and Walks & Trails Guide.

Tourism Data Research Project

This project provided statistical and financial data on visitation to the Shire; visitor expenditure into the Shire; holiday bed base total capacity; and impact of events delivered into the Shire. The following is a snapshot of results for the 2016 calendar year:

- Alpine Shire received 550,000 visitors, including domestic overnight visitors (an increase of 18% on year prior);
- International overnight visitors increased by 18.3% on previous year;
- Day trip visitors increased by 7.8% on previous year;
- More than 1.2 million visitor nights were spent in the region;
- It is estimated that \$202 million was spent in the Alpine Shire by these visitors; and
- The contribution of “events” into the economy is estimated to be \$41 million annually.

Spartan Trifecta event

The two-day Spartan Trifecta event was held on 26 and 27 November 2016. The event attracted 3,400 pre-event / online registrations and a further 250 registrations received after registrations closed online. It is estimated that there was a total of 4,800 participants and spectators attended

this event and it is estimated that the event provided stimulation to Alpine Shire economy of \$2.3 million. The Spartan Trifecta Event in Bright was the only Trifecta event undertaken by Spartan Australia in the southern hemisphere. It attracted participation from all over Australia and from countries abroad. Approximately 180 competitors were residents of the Alpine Shire. The Trifecta event featured: 7km (Sprint), 14km (Super) and 21km (Beast) personal challenge distances with competitors choosing to participate in one, two or all of the distance challenges across the two days. A Junior Spartan event was also undertaken of which 550 children raced.

Dinner Plain

Specific marketing activities and events are held in Dinner Plain to encourage visitation to the village during the snow season, and also throughout the year.

Visitor information centres

This service comprises visitor information services located at Bright (Alpine), Mount Beauty and Myrtleford. Council employs coordinators to manage each of the centres, and relies heavily on the support and enthusiasm of the Alpine Ambassadors (see page 20) to provide information services to the region's visitors.

Strategic Indicators

Indicator	Result
Capital program delivered (\$ Actual) / Capital program (\$ Budgeted)	\$11.52 million spent / \$11.62 million budget – 99%.
Number of new events attracted to the Alpine Shire	A total of 145 events were delivered across the Shire during 2016/17. This represents an 18% increase on total events held in the previous year.

Theme 5: Performance Focused Organisation

A customer focused, equitable and sustainable service to the community

Performance against the Council Plan

Proposed 2016/17 Activities	Major Initiative?	Progress at 30 June 2017
Strategic Objective 5.1: To provide excellent customer service		
<i>Strategy 5.1.1: Deliver outstanding customer service</i>		
No activities during 2016/17		
Strategic Objective 5.2: To manage resources well to ensure sustainability		
<i>Strategy 5.2.1: Deliver responsible and prudent financial management</i>		
Review and update the Long Term Financial Plan (LTFP).	No	The Long Term Financial Plan was updated as part of the annual budget process and adopted on 28 June 2017.
<i>Strategy 5.2.2: Deliver best value programs and services</i>		
Continue to simplify workflows and procedures.	No	During the year, Council undertook a project to simplify accounts payable. The process from raising purchase orders, receiving and approving invoices will be electronic from 1 July 2017, replacing the previous paper-based approval system.
Strategic Objective 5.3: To support people and business practices		
<i>Strategy 5.3.1: Develop and maintain a dedicated and passionate workforce</i>		
No activities during 2016/17		
<i>Strategy 5.3.2: Deliver effective and innovative process and technology solutions</i>		
Develop and implement automated business solutions (priorities include customer requests, time and attendance and purchase to pay).	Yes	Council completed the accounts payable part of the "Purchase to Pay" project, ready for the system to 'go live' on 1 July 2017. Further improvements to automated business solutions will be made in the coming year.
Strategic Objective 5.4: To ensure a high standard of governance		
<i>Strategy 5.4.1: Provide good governance</i>		
Implement web based health and safety management system.	No	The set-up of a cloud-based Occupational Health and Safety software solution was commenced in 2016/17, and will continue during 2017/18.

Services provided to the community

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

Innovation

IT infrastructure upgrade

Council undertook a \$100,000 upgrade to its computer network storage both in volume and software with a new innovative model being used. This also increased the speed of the system and assists with minimising the risk of failure moving forward for the next five years.

Workflow and technology improvements

Council trialled new software in for accounts payable which would automatically capture data from creditor invoices. The software sends details directly to the accounting package, thus reducing the handling and requirement for manual data entry. The product will be ready for implementation on 1 July 2017.

Council office refurbishment

The refurbishment of the Mystic Wing of the Bright Council office was completed in November 2016. In addition to the visible changes to the office space, the reopening of the Mystic Wing has spearheaded a significant change in the way in which staff work, with a transition into an activity-based working environment. Due to the significant engagement with staff during the concept design phase, and the hard work of all the people involved in the delivery of the project, this transition from the old to the new way of working has been almost seamless, with staff adapting extremely quickly to the new working environment. Planning for the next stage of the office refurbishment is currently underway.

Strategic Indicators

Indicator	Results 2014/15	Results 2015/16	Results 2016/17	Comments
Adjusted underlying result*	12%	-5%	12%	The underlying result is higher due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million.
Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>				
Working Capital*	289%	231%	285%	Working capital has increased due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million and capital grants \$0.9 million.
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>				
Indebtedness*	26%	23%	19%	Indebtedness has fallen due to reductions in the provision for landfill rehabilitation, as the rehabilitation works are completed.
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>				
Workforce*	23.0%	5.8%	31.1%	Council's Home and Community Care service was recommissioned to another provider during 2015/16. The majority of staff were transitioned on 1 July 2016. This impacted on Council's staff turnover for 2016/17, which was slightly higher than the forecast 28%. It is anticipated that this will return to 15% going forward.
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>				

* More detailed results, forecasts and comments can be found in the Performance Statement found on page 116

** Results for the Council Plan Strategic Indicator "Percentage of Council resolutions made at a meeting of Council closed to the public" can be found on page 23 in Theme 1: Inspired Community Leadership.

Strategic Indicators (outside of service performance indicators)

Indicator	Result
Satisfaction with customer service (community satisfaction rating out of 100 for Council's customer service)	2017 result: 71 (steady from the previous year)
Implement new Customer Request Management (CRM) system	The Customer Request Management project has been put on hold due to the 'Purchase to Pay' project taking priority.

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 8 November 2016, 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 elected as Council's Mayor, with Cr Tony Keeble 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 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.

Council decision making

Decisions by a 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 the 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 the council's annual report).

The majority of decisions, particularly those of an operational nature, are made under delegated authority from the council, either directly to officers or through the CEO. See 'delegated authority' on page 49 for more details.

Council meetings

During 2016/17, Council conducted ordinary council meetings on the first Tuesday of each month. The exceptions to this were in January where 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 as required. The majority of council meetings were held in the council chambers located in Bright, while one was held in Myrtleford during 2016/17.

Council agendas were published on Council's website on the Friday prior to the council meeting. During 2016/17 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 2016/17

Councillor	Ordinary Council	Special Council
Cr Farrell*	4	0
Cr Vonarx*	4	0
Cr Forsyth	9	3
Cr Janas	11	3
Cr Keeble	9	3
Cr Knappstein+	7	3
Cr Nicholas+	7	2
Cr Pearce	11	2
Cr Roper	9	2
Total meetings	11	3

* Crs Farrell and Vonarx term of office expired in October 2016

+ Crs Knappstein and Nicholas were elected in October 2016

Councillor allowances

The Minister for Local Government announced an adjustment factor of 2.5% applying to mayoral and councillor allowances, effective on 1 December 2016, bringing allowances for category 1 councils to:

Mayor: \$59,257 per annum

Councillors: \$19,834 per annum

The amount equivalent to the superannuation guarantee payable during 2016/17 was 9.5%.

In accordance with Section 74(1) of the Act, mayoral and councillor allowances were reviewed in June 2017. Until such time as the review has been completed, mayor and councillors must be paid at the level determined at the previous review (June 2013), which was the maximum amount allowable for a category 1 council.

On 6 June 2017 Council voted to effectively freeze councillor and mayoral allowances by adopting a decrease of 5% to the previously set allowances, thereby removing the effect of the annual adjustment factor for the remainder of the council term.

This was to mirror the effect of the freeze in staff wages, as set out by the Enterprise Agreement 2016 (page 19).

Allowances to be paid from 1 July 2017 will be:

Mayor: \$56,435 per annum

Councillors: \$18,890 per annum

Included in the allowance review was an increase of the set allowances by any annual adjustment factor specified by the Minister for Local Government and payment of the equivalent of the superannuation guarantee contribution in addition to the set allowances.

Councillor expenses

The Councillor Reimbursement of Expenses policy (no. 76) 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 Council Policy.

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

Table 6: Councillor & committee member expenses 2016/17**

Councillor	Travel ¹ \$	Car Mileage ⁺ \$	ChildCare \$	Information & Communication Technology \$	Conferences & Training \$	Total \$
Cr Farrell*	493			335		828
Cr Vonarx*	472			335		808
Cr Forsyth				1,082		1,082
Cr Janas [^]	956	11,736		1,055	514	14,261
Cr Keeble				1,082		1,082
Cr Knappstein [°]	336	534		567	450	1,886
Cr Nicholas [°]	574	909		564	450	2,496
Cr Pearce		248		721		969
Cr Roper		758		721		1,479

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

⁺ Cents per kilometre for vehicle use was apportioned at the Australian Taxation Office rate for 2016/17 of \$0.66 / km.

[^] Cr Janas was Mayor for the entire 2016/17 year, with Mayoral vehicle available for full private use during the relevant term of the Mayor (in accordance with policies 75 & 76)

* Crs Farrell and Vonarx term of office expired in October 2016

[°] Crs Knappstein and Nicholas were elected in October 2016

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

Mayoral and councillor vehicles

Council provides the Mayor with a fully maintained vehicle in accordance with the Mayoral and Councillors Vehicle Policy (no. 75). Councillors are also able to utilise vehicles to attend to council business in accordance with the policy.

Councillor committees

Councillors were appointed to individual committees on 6 December 2016. Councillors report their attendance at committee meetings via the “report by delegate” agenda items at each council meeting.

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

Committee	Delegate
Municipal Association of Victoria	Mayor (Deputy Mayor as substitute)
Hume Region Local Government Network	Mayor (Deputy Mayor as substitute)
Alpine Shire Council – Audit Committee	Cr Nicholas and Cr Knappstein
Alpine Shire Council – Finance Committee	Cr Nicholas and Cr Knappstein
Alpine Shire Council – Municipal Emergency Management Planning Committee	Cr Knappstein
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
Timber Towns Victoria	Cr Pearce
Lake Buffalo Land on Water Management Plan Implementation Group	Cr Nicholas

The following Councillor appointments made by external organisations were noted:

Committee	Delegate
Municipal Association of Victoria – Board (Executive)	Cr Ron Janas Elected as representative for Rural North East Region in March 2017. Appointed by MAV
North East Waste and Resource Recovery Group – Board (Executive)	Cr Ron Janas Term expired March 2017. Appointed by Minister for Environment, Climate Change and Water
Mount Buffalo Destination Advisory Group (Non-Executive)	Cr Ron Janas Appointed by Minister for Environment, Climate Change and Water
Municipal Association of Victoria – Emergency Management Committee (Non-Executive)	Cr Ron Janas Term expired November 2016

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. The most recent reviews occurred in March 2015 and August 2015. Further reviews are scheduled for October 2017 in accordance with the *Local Government Act 1989*.

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 key objective of the audit committee is to assist Council in the governance of and exercising of due care, diligence and skill in relation to:

- financial and performance management and reporting;
- internal control systems;
- risk management;
- policies and practices; and
- compliance with relevant laws and regulations.

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 2016/17 were:

Councillor Representatives

- Cr Kitty Knappstein – appointed December 2016
- Cr Sarah Nicholas – appointed December 2016
- Cr Tony Keeble (December 2015 – December 2016)
- Cr Peter Roper (December 2015 – December 2016)

Independent Representatives

- Ms Sue Lebish – appointed May 2015
- Mr Mark Anderson – appointed May 2015
- Ms Jane Shepherd – appointed April 2016
- Ms Sinead Ryan – appointed April 2016

The committee met five times during the year. Council executive and staff regularly attend the meetings to present reports and address issues. Recommendations from each Audit Committee meeting are subsequently reported to a council meeting.

Key areas of focus for the audit committee during the year were:

- Annual financial and performance reports
- Internal audits on cash handling and credit card processes
- Completion of 2014 strategic risk assessment actions
- JMAPP property and risk management audit
- Benchmarking against VAGO local government audits
- Quarterly finance reports
- Quarterly performance reports
- Quarterly health and safety reports
- Quarterly invoice audits
- Review of the Committee's charter

The audit committee is further complemented by both internal and external auditors. Council's internal auditors undertake an audit program that ensures that internal processes and controls are in place. This is accompanied by a risk framework which ensures that uncertainty does not deflect business function.

Council's external auditors undertake the annual audit of Council's Financial Statements 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.

The Murray to the Mountains Rail Trail committee delegation was revoked in July 2016, with management of the portion of the Rail Trail within the Alpine Shire brought in-house, and managed by Council staff.

A full review of the status of Council's section 86 committee delegations is due to occur by October 2017, in accordance with the *Local Government Act 1989*.

Council also works with advisory committees. Some of these are committees within the organisation. Others 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*.

Asset-based committees (community representatives)

Dinner Plain Advisory Committee – was dissolved at the ordinary council meeting in May 2017, with a commitment to acknowledge the committee's contributions and an undertaking to continue to consult with the Dinner Plain community.

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 2016/17, citizenship ceremonies were held for nine people in the Alpine Shire.

Risk Management

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

- Continued implementation of the agreed recommendations of its internal strategic risk assessment review;
- Completed implementation of the recommendations of its internal audit on project management;
- Implemented regular auditing of purchasing and payment processes; and
- Commenced review of the risk framework, policy and register.

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)	Current policy in operation <input checked="" type="checkbox"/> Communication and Consultation policy adopted: 04/04/2006 Release of Information to the Public Domain policy adopted: 11/02/2013
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	No guidelines <input checked="" type="checkbox"/> Reason for no guidelines: 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.
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act <input checked="" type="checkbox"/> Date of adoption: 27/06/2017
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act <input checked="" type="checkbox"/> Date of adoption: 27/06/2017
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)	Plans <input checked="" type="checkbox"/> Date of operation of current plans: Asset Management Plans: Part A (General information) was adopted 03/11/2010 by the CEO. The remainder of the asset management plans exist in draft form. Part B - Roads (draft) Part C - Bridges and Major Culverts (draft) Part D - Buildings and other built structures (draft) Part E - Pathways (draft) Part F - Drainage (draft) Part G - Recreation (draft) Part H - Open Space (draft)
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy <input checked="" type="checkbox"/> Date of operation of current strategy: 27/06/2017
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 6/02/2007
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 6/08/2013

Governance and Management Items	Assessment	
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: Council's Municipal Emergency Management Plan was endorsed by Council on 10/11/2015. A successful audit was completed on 27/11/2015. The next audit will be conducted during 2018.	<input checked="" type="checkbox"/>
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 27/06/2017	<input checked="" type="checkbox"/>
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)	Plan Date of operation of current plan: 11/12/2009	<input checked="" type="checkbox"/>
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)	Plan Date of operation of current plan: 30/07/2015	<input checked="" type="checkbox"/>
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Framework Date of operation of current framework: 6/02/2007	<input checked="" type="checkbox"/>
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: Council's audit committee was established by Instrument of Delegation on 26/10/2004. The audit committee's charter was last adopted on 02/05/2017.	<input checked="" type="checkbox"/>
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)	Engaged Date of engagement of current provider: 10/10/2016 Council undertook two internal audits during 2016/17 - Cash Handling and Credit Cards.	<input checked="" type="checkbox"/>
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)	Framework Date of operation of current framework: 1/07/2014	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment
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 <input checked="" type="checkbox"/></p> <p>Date of report:</p> <p>Quarterly Council Plan reports were presented at the following Council meetings:</p> <p>Q4: 04/10/2016 (as part of annual report)</p> <p>Q1: 08/11/2016</p> <p>Q2: 07/02/2017</p> <p>Q3: 02/05/2017</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 <input checked="" type="checkbox"/></p> <p>Dates statements presented:</p> <p>Finance reports were presented at the following Council meetings:</p> <p>Q4: 06/09/2016</p> <p>Q1: 06/12/2016</p> <p>Q2: 07/03/2017</p> <p>Q3: 07/06/2017</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 <input checked="" type="checkbox"/></p> <p>Date of reports:</p> <p>Council's audit committee considered the Strategic Risk progress report on the following dates:</p> <p>26/07/2016, 13/12/2016, 24/03/2017</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 <input checked="" type="checkbox"/></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: 04/10/2016 (as part of annual report)</p> <p>Q1: 08/11/2016</p> <p>Q2: 07/02/2017</p> <p>Q3: 02/05/2017</p>
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)	<p>Considered at meeting of the Council in accordance with section 134 of the Act <input checked="" type="checkbox"/></p> <p>Date of consideration:</p> <p>04/10/2016</p>
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)	<p>Reviewed in accordance with section 76C of the Act <input checked="" type="checkbox"/></p> <p>Date reviewed:</p> <p>07/02/2017</p>
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)	<p>Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/></p> <p>Date of review:</p> <p>03/03/2015 and 04/03/2015.</p> <p>A full review of all staff delegations is due in October 2017.</p>

Governance and Management Items	Assessment
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: 25 September 2017



Cr Ron Janas
Mayor
Date: 25 September 2017

Statutory Information Report

Best Value Program

Council must give effect to the best value principles, as defined in the *Local Government Act 1989*. During 2016/17 Council has undertaken a number of projects and reviews seeking to apply the best value principles to its services, including:

Service improvements through technology

Council continues to pursue both in-house developed software solutions, as well as other best practice software for ensuring efficiencies in conducting Council's business. During 2016/17, Council trialled new software in its accounts department to automatically capture data from invoices reducing the handling and requirement for manual data entry. It also provides an electronic means of invoice approvals, providing improved traceability and response times. The product will be ready for implementation on 1 July 2017.

Project and service planning, and human resources

As foreshadowed by the human resources review conducted in previous years, Council moved from a three directorate model to just two directorates during 2016/17.

Projects Pipeline

The Projects Pipeline collates all projects identified in Council's strategic documents as well as additional projects identified within the community that may add value or improve the liveability within the Alpine Shire. The projects within the pipeline are prioritised by Council with consideration of benefit to the community, cost, Council's capacity to deliver and synergy with other projects. This allows projects to be identified for future years.

The pipeline is continually monitored with new projects added as identified; and projects prioritised by Council annually. As a living database the Projects Pipeline allows Council to maintain a strategic approach and ensure priority projects are delivered.

The pipeline was used to make funding applications for fully prioritised and scoped projects in 2016/17. As a result, Council was successful in securing over \$2.5 million in grants for specific projects during the year.

Long Term Financial Plan

The annual adoption of Council's Long Term Financial Plan ensures that Council has planned for the future – to ensure that it remains financially sustainable, while being able to deliver best value services and projects to its community.

The plan is updated annually, and will continue to drive the Strategic Resource Plan, and Council's annual Budget process.

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 resolved at the November 2016 Council meeting to enter into contracts under s186(5)(a) of the *Local Government Act 1989* for the purposes of general road and associated infrastructure repair, general drainage repair / replacement, and general debris clean up and vegetation removal as a result of the emergency situation caused by the September / October 2016 floods. The two contracts valued at more than \$150,000 (\$136,364 excluding GST) are as follows:

- Tox Free Australia Pty Ltd "October 2016 Flood Damage – Jetting Culverts": \$138,243 (excl. GST)
- Stadelman Enterprises "October 2016 Flood Damage – Civil Works": \$144,633 (excl. GST)

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 valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works, that were not of a kind specified in s186(5) or (5A) of the Act, without engaging in a competitive process.

Freedom of Information

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

The *Freedom of Information Act 1982* 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 info@alpineshire.vic.gov.au.

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.

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 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 2016 to 30 June 2017.

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 2016/17.

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 2016/17.

Domestic Animals Act 1994

Pursuant to 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 2013-2017 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 DAMP was formally adopted by Council on 3 December 2013. Key actions in the DAMP 2013-2017 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.

All outcomes from the DAMP were met in 2016/17. A new DAMP must be prepared prior to 4 November 2017.

Carers Recognition Act 2012

Council did not provide a Home and Community Care service during 2016/17 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 2016/17 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 & Alpine Health 2011 Disability Action Plan.

Council has appointed a part-time Building Inclusive Communities Officer who undertakes actions as identified within the DAP and the annual Building Inclusive Communities Directions Plan. Activity continued throughout 2016/17:

- Review, print and distribution of the Mobility Guide for the Alpine Shire.
- Recharge Scheme point identification, implementation and promotion.
- 2016 Seniors Festival events held across the Shire were held at accessible venues.
- Participate in the regional Building Inclusive Communities network.
- Annual Directions Report and Outcomes reports prepared and submitted to DHHS as required under funding arrangement.

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 2016/17 year, Council did not receive any infrastructure and development contributions.

Local laws

Council has seven local laws. Copies of these are available from the Council Offices in Bright and on the Alpine Shire Council website.

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.

Council has 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.

Council adopted a new Local Law No.1 Council Administration on 6 September 2016.

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.

Community grants funding

Council's Community Grants program is a long established funding scheme to assist community groups and organisations to provide programs and projects that benefit the community, including environmental, economic, social, recreational, and wellbeing benefits.

Community support and the ongoing maintenance and sustainability of the projects are also considered.

Forty-two applications were received for 2016/17, with 32 being awarded a grant; however one project did not proceed during the year.

Table 9: Community Grants awarded by Council in August 2016

Applicant	Project	Sponsorship funds awarded by Council	Total project cost
Alpine Arthritis Group	Flex and Bends - FAB Warm Water and Exercise Program	\$1,100	\$6,294
Alpine Cycling Club	First Aid for Volunteers	\$1,500	\$3,150
Alpine Independent Aged Care Advocacy Service Inc.	Alpine Powers of Attorney	\$1,200	\$18,450
Alpine Shinkyokushin Karate	Protective Headgear	\$669	\$892
Bright and District U3A	New Tables and Chairs	\$3,390	\$5,856
Bright Bowls Club	Kitchen Improvements	\$1,200	\$3,239
Bright Community Garden	Bright Community Garden Car Parking Project	\$2,500	\$17,380
Bright Croquet Club	Replace Aged Mower	\$3,000	\$4,500
Bright Garden Club Inc.	Bright Garden Club Maintenance of Bright RSL Grounds - Purchase Lawn Mower	\$550	\$2,450
Bright RSL Sub-branch	The Long Tan Cross	\$1,505	\$2,655
Friends of Germantown Streamside Reserve	Germantown Reserve Boardwalk	\$8,444	\$15,725
Gapsted Community Hall Committee	Gapsted Community Hall Improvement Program - Stage 2	\$8,345	\$11,225
Happy Valley Hall Tree Garden	What Tree is That?	\$1,880	\$2,680
Harrietville Dredge Hole Recreation Reserve	Bring It To Life	\$9,389	\$20,990
Harrietville Community Hall of Management	Harrietville Mural Replacement and Upgrade Project	\$2,500	\$4,878
Harrietville Primary School Parents and Friends	Back to Harrietville Day Celebrating 150 Years of Harrietville Primary School	\$1,500	\$20,525
Kurdawanga Warrabe Committee	Kurdawanga Warrabe	\$3,000	\$78,500
Myrtleford and District Landcare and Sustainability Group	Myrtleford Sustainable House Day	\$1,500	\$16,200
Myrtleford Bowls Club	Youth/Adult Recruitment Drive	\$800	\$4,500
Myrtleford Cemetery Trust	Pioneer Cemetery Tree Planting Project	\$750	\$1,480
Myrtleford Farmers Market	Entertainment - Myrtleford Farmers Market	\$2,000	\$2,800
Myrtleford Golf Club Inc	Myrtleford Golf Project	\$2,000	\$16,626
Myrtleford and District Historical Society Inc.	Modular Units for Gold Mining Displays	\$1,500	\$3,910
Myrtleford Men's Shed	Dust Hazard Removal	\$2,260	\$3,085

Applicant	Project	Sponsorship funds awarded by Council	Total project cost
Myrtleford Men's Shed	Mental Health First Aid Training	\$2,400	\$3,240
Myrtleford Toy Library	Purchase of Toys for Kids with Additional Needs	\$1,400	\$1,880
Neighbourhood Watch - Dederang and District	Community Movie Night	\$1,500	\$4,820
TAFCO Rural Supplies	FARM SMART - Adoption of Sustainable Management Practices in the Ovens, King and Kiewa Valleys	\$2,000	\$111,165
Tawonga Bowls Club	Paving Installation	\$400	\$1,400
Upper Ovens Valley Landcare Group	Environment/ Management Plan- Values and Risks	\$4,500	\$21,100
Mount Beauty Neighbourhood Centre	Safe Disability Access	\$4,000	\$29,000
Myrtleford and District Landcare and Sustainability Group	Myrtleford Ovens River Loop Walk/Clearwater Reserve/Nimmo Bridge Reserve	\$3,500	\$18,105
Total		\$82,182	\$458,700

Tourism festival and event funding:

Events are vitally important to the economic wellbeing of the Alpine Shire. It is estimated that festivals and events attract over 90,000 visitors directly and provide benefit to a wide range of businesses. Council provides support in two direct forms – logistics and funding. Council also provides assistance to event organisers with their planning and preparation.

Funding and logistics support is available to organisations staging events that have the potential to make demonstrable impact on the level of tourism in “Bright and surrounds” and which complement and achieve the objectives of Council’s tourism development strategies.

Applications were assessed against the following criteria:

- Alignment with the Alpine Shire Council Tourism Development strategies;
- Alignment with township brands;
- Level to which the event will attract outside visitors (intrastate and interstate);

- Future growth and sustainability of the event;
- Value added to the existing calendar of events;
- Offer a significant economic benefit to the wider Alpine Shire community;
- Marketing / promotional strategies – how they complement Alpine Shire Council;
- Organisational capacity of the event and its managing participants; and
- Potential for the event to develop into a key tourism or visitor attraction in the foreseeable future.

Sixty-four applications were received through the 2016/17 Tourism Festival and Event funding program. Five submissions were ineligible for funding as they were either: applications for events not within the Alpine Shire; insufficient documentation or information provided at submission; or the event did not fit within the event funding guidelines and/or with Councils tourism strategic direction.

Table 10: Tourism festival and event grants awarded by Council in August 2016

Event name	Applicant	Sponsorship	Logistics
Adventure Travel Film Festival	Adventure Travel Film Festival Australia	\$1,000	\$700
Alfred 6 Hour	Alpine Cycling Club	\$1,500	\$350
Alpine Equine Extravaganza	Alpine Adult Riding Club	Nil	\$500+ use of marquee*
Alpine Shire Relay for Life	Cancer Council Victoria	Nil	\$500
Audax Alpine Classic and Bonjour Bright Festival	Audax Australia Cycling Club	\$4,000	\$5,000
Barrowthon	Beechworth Barrowthon Inc.	Nil	\$2,500
Blackwood Special School Ride	Blackwood Special Schools Outdoor Education Centre	Nil	\$1,000
BMW Club Australia Motorrad Rally	BMW Motorcycle Club Victoria	Nil	\$7,500
Bright Autumn Festival	Bright Autumn Festival Committee	\$1,000	\$7,200
Bright Body & Soul Expo	Bright Body & Soul Expo	\$1,300	Nil
Bright Creative Writing Workshop	Bright Creative Writing Workshop	\$1,000	Nil
Bright Cross	Bright Alpine Sporting Events	\$1,500	\$1,000
Bright Fun Run	Bright P-12 College	Nil	\$3,500
Bright Mountain Film Tour	Hand Cut Productions	\$3,000	Nil
Bright Oktoberfest	Bright Oktoberfest	\$1,000	\$500
Bright Rotary Markets	Rotary Club of Bright	Nil	\$5,000
Bright Rotary Summer Concert Series	Rotary Club of Bright	\$1,000	Nil
Bright Spring Festival Grand Fireworks Spectacular and Entertainment	Bright Spring Festival Committee	\$1,000	\$500
Brighter Days	Brighter Days Foundation	\$5,000	\$5,000
Bright's Iconic Rod Run	Bright Rod & Kustom Club	\$5,500	\$10,200 + use of marquee*

Event name	Applicant	Sponsorship	Logistics
Buffalo Stampede	Mountain Sports Australia	\$6,000	\$1,000
Dederang Picnic Race Day	Dederang Picnic Race Club Inc	\$3,000	\$1,000
Four Peaks - Bright Alpine Climb	Mountain Sports Australia	\$1,000	\$2,500
Harrietville Half Marathon	Harrietville Primary School	\$3,000	\$1,000
Junior Mountain Climb Championships (Alpe d'Buffalo)	Alpine Cycling Club	Nil	\$3,000
Kangaroo Hoppet	Kangaroo Hoppet	\$3,000	\$100
Kiewa Valley Community Bonfire	Champagne Club Kiewa Valley Inc.	\$1,000	\$250
La Fiera Italian Festival	Myrtleford Chamber of Commerce and Industry Inc.	\$4,000	\$1,500
Mid-Winter Snow Ball	Champagne Club Kiewa Valley Inc.	\$1,000	\$250
Mount Beauty Cricket Club New Year's Eve	Mount Beauty United Cricket Club	\$2,000	\$500
Mount Beauty Half Marathon	Mt Beauty Half Marathon Committee	\$2,000	\$500
Mount Beauty Parkrun	Mount Beauty Parkrun	\$2,500	Nil
MountainGrass	Australasian Bluegrass and Old Time Music Association	\$2,000	\$100
Myrtleford and District Agricultural & Pastoral Show	Myrtleford and District Agricultural & Pastoral Society	\$2,000	\$1,000
Myrtleford Bush Market	Myrtleford Chamber of Commerce & Industry Inc.	\$1,000	\$1,000
Myrtleford Festival, The	The Myrtleford Festival Association Inc.	\$5,000	\$4,000
Myrtleford Fun Run	Myrtleford Fun Run	Nil	\$4,000
Myrtleford Golden Spurs Rodeo	Myrtleford Lions Golden Spurs Rodeo Inc.	Nil	\$2,000
Myrtleford Golf Club Annual Tournament	Myrtleford Golf Club Inc	\$750	Nil
Myrtleford Lawn Tennis Club Easter Tournament	Myrtleford Lawn Tennis Club	Nil	\$500
Mystic Cross Trail Run	Bright Alpine Sporting Events	\$2,000	\$1,000
NERD Skating Beauty	North East Roller Derby	Nil	\$360
Ovens Valley Canine Club Championship Show	Ovens Valley Canine Club	Nil	\$1,000
Peaks Challenge Falls Creek	Bicycle Network	Nil	\$1400
Reel Rock Film Tour	Hand Cut Productions	\$1,000	Nil
Repco 4WD Challenge	Cross Country Drivers Association	Nil	\$1,000
Spartan Trifecta*	Spartan Trifecta	\$40,000	
Swagger Music Festival	Swagger Music	\$4,000	\$2,500
Team Mt Beauty - Cyclocross, Enduro, RAMBO, Mitta to Mount Beauty	Team Mt Beauty	\$2,000	\$1,500
Thule B24 MTB Race	Bright Alpine Sporting Events	Nil	\$2,000+ use of marquee*
Tour of Bright (Champion System)	Alpine Cycling Club	Nil	\$10,000
Touratech	Touratech Australia	\$1,000	\$1,000
Victorian Men's Country Teams Championship	Mount Beauty Golf Club Inc.	\$750	Nil
Wandiligong Nut Festival	Wandiligong Nut Festival Committee	\$1,000	\$500
Jayco Herald Sun Tour	GTR Events	\$5,000	Nil
MTBA Downhill Series	MTBA	\$10,000	Nil
High Country Charity Ride	Cycling Australia	\$4,000	Nil
Pre World Paragliding Cup	Northeast Hang Gliding Club	\$5,000	Nil
Myrtleford Show 'n' Shine & Swap Meet	Rotary Club of Myrtleford	\$2,500	\$500
Total		\$145,300	\$85,210

**The marquee owned by Council is erected in Bright and will be utilised by three events. The cost of the marquee erection will be shared across the three events.*

+ The Spartan Trifecta event is funded separately through a new event attraction agreement, but is shown here to acknowledge the funding contributed to the event.

Dinner Plain festival and event funding

Events at Dinner Plain are extremely important for the economy of Dinner Plain. A total of eight events were funded through the Dinner Plain event funding program for 2016/17. Funding applications were assessed in the same manner as the Tourism Festival and Event funding, with funding support available to organisations staging events that have the potential to make demonstrable impact on the level of tourism in Dinner Plain and which complement and achieve the objectives of both of Council's tourism development strategies for "Bright and surrounds" and Dinner Plain, as well as the regional brand.

In addition to these eight events, the hire of a temporary ice skating rink was of keen interest to the Dinner Plain community. \$20,000 in funding was set aside for this event in Winter 2017.

Some events identified for funding in September 2016 did not yet have an organiser identified or confirmed. If this could not be arranged the events would not proceed.

Table 11: Dinner Plain festival and event grants awarded by Council in September 2016

Event Name	Applicant	Funding
MTB Enduro & Funduro	BASE in Bright	\$4,000
The Mile High Trail Run	Running Wild	\$2,000
Christmas In July Winter Lights Show	Phoebe Moncur	\$12,000
Dinner Plain Sled Dog Challenge	Altitude 5000	\$6,000
Easter Festival	Event organiser to be determined	\$5,000
Australia Day Festival	Event organiser to be determined	\$5,000
New Year's Eve Fireworks	Event organiser to be determined	\$7,000
Snow Season Opening Weekend	Event organiser to be determined	\$3,000
Total		\$44,000

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

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.

Annual Financial Report

For the year ended 30 June 2017

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Comprehensive Income Statement

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	17,026	16,680
Statutory fees and fines	4	574	394
User fees	5	1,448	1,789
Grants - operating	6	6,345	3,411
Grants - capital	6	3,196	2,348
Contributions - monetary	7	726	175
Contributions - non monetary	7	926	201
Other income	8	877	968
Assets previously not recognised	22	2,602	52
Total income		33,720	26,018
Expenses			
Employee costs	10	(7,772)	(9,797)
Materials and services	11	(11,986)	(10,047)
Bad and doubtful debts	12	(1)	(11)
Depreciation	13	(4,407)	(4,180)
Landfill rehabilitation expense	25	355	(1,002)
Borrowing costs	15	-	(22)
Other expenses	14	(701)	(711)
Share of net profits/(losses) of associates	16	(110)	(178)
Net loss on disposal of property, infrastructure, plant and equipment	9	(89)	(268)
Total expenses		(24,711)	(26,216)
Surplus/(deficit) for the year		9,009	(198)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation (decrement)/increment	27	2,429	(407)
Share of other comprehensive income of associates	16	-	-
Total comprehensive result		11,438	(605)

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	2,528	2,591
Other financial assets	18	10,007	9,507
Trade and other receivables	19	1,369	1,790
Inventories	20	46	45
Other assets	21	275	245
Total current assets		14,225	14,178
Non-current assets			
Trade and other receivables	19	3	5
Inventories	20	139	143
Investments in associates	16	252	362
Property, infrastructure, plant and equipment	22	208,005	198,271
Total non-current assets		208,399	198,781
Total assets		222,624	212,959
Liabilities			
Current liabilities			
Trade and other payables	23	2,303	1,602
Trust funds and deposits	24	537	737
Provisions	25	2,050	3,759
Income received in advance	26	94	30
Total current liabilities		4,984	6,128
Non-current liabilities			
Provisions	25	3,390	3,989
Income received in advance	26	417	447
Total non-current liabilities		3,807	4,436
Total liabilities		8,791	10,564
Net assets		213,833	202,395
Equity			
Accumulated surplus		92,765	83,982
Reserves	27	121,068	118,413
Total equity		213,833	202,395

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

Statement of Changes in Equity

For the year ended 30 June 2017

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at the beginning of the financial year		202,395	83,982	116,074	2,339
Surplus for the year		9,009	9,009	-	-
Share of other comprehensive income of associates		-	-	-	-
Net asset revaluation increment	27(a)	2,429	-	2,429	-
Transfers to other reserves	27(b)	-	(226)	-	226
Balance at the end of the financial year		213,833	92,765	118,503	2,565

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at the beginning of the financial year		203,000	84,226	116,481	2,293
Deficit for the year		(198)	(198)	-	-
Share of other comprehensive income of associates		-	-	-	-
Net asset revaluation decrement	27(a)	(407)	-	(407)	-
Transfers to other reserves	27(b)	-	(746)	-	746
Transfers from other reserves	27(b)	-	700	-	(700)
Balance at the end of the financial year		202,395	83,982	116,074	2,339

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

Statement of Cash Flows

For the year ended 30 June 2017

		2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
	Notes		
Cash flows from operating activities			
Rates and charges		17,070	16,532
Statutory fees and fines		574	394
User fees		1,531	1,843
Grants - operating		6,315	3,411
Grants - capital		3,721	2,059
Contributions - monetary		800	193
Interest received		307	396
Rent received		536	408
Trust funds and deposits taken		3,078	2,739
Other receipts		81	58
Net GST refund		1,285	1,409
Materials and services		(12,748)	(11,559)
Employee costs		(8,940)	(9,137)
Trust funds and deposits repaid		(3,298)	(2,650)
Other payments		(1,602)	(1,033)
Net cash provided by operating activities	28	8,710	5,063
Cash flows from investing activities			
Payments for investments		(500)	-
Investment in MomentumOne Shared Services Pty Ltd	16	-	(35)
Proceeds from sale of investments		-	499
Payments for property, infrastructure, plant and equipment		(8,461)	(5,855)
Proceeds from sale of property, infrastructure, plant and equipment	9	188	28
Net cash used in investing activities		(8,773)	(5,363)
Cash flows from financing activities			
Finance costs		-	(22)
Repayment of borrowings		-	(945)
Net cash used in financing activities		-	(967)
Net (decrease)/increase in cash and cash equivalents		(63)	(1,267)
Cash and cash equivalents at the beginning of the financial year		2,591	3,858
Cash and cash equivalents at the end of the financial year	17	2,528	2,591
Financing arrangements	29		
Restrictions on cash assets	17		

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 2017

	Note	2017 \$'000	2016 \$'000
Property			
Buildings		1,344	1,414
Total buildings		1,344	1,414
Total property		1,344	1,414
Plant and equipment			
Plant, machinery and equipment		1,080	135
Fixtures, fittings and furniture		148	-
Computers and telecommunications		124	50
Total plant and equipment		1,352	185
Infrastructure			
Roads		2,372	2,022
Bridges		554	828
Footpaths and cycleways		774	374
Drainage		410	84
Recreational, leisure and community facilities		837	499
Parks, open space and streetscapes		818	391
Total infrastructure		5,765	4,198
Total capital works expenditure		8,461	5,797
Represented by:			
New asset expenditure		613	720
Asset renewal expenditure		3,400	3,364
Asset upgrade expenditure		4,448	1,713
Total capital works expenditure		8,461	5,797

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 2017

Note 1: Significant accounting policies (continued)

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 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*.

Note 1: Significant accounting policies

a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(l))
- the determination of employee provisions (refer to note 1(q))
- the determination of the landfill provision (refer to note 1(r))

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

has been made of any material changes to comparatives.

b) Changes in accounting policies

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

c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

d) Accounting for investments in associates and joint arrangements

Associates

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

e) Revenue recognition

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

Rates and charges

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

Statutory fees and fines

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

User fees

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

Grants

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

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Significant accounting policies (continued)

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other income

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

f) Fair value measurement

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

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

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

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

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

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

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

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

g) Cash and cash equivalents

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

h) Trade and other receivables

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

i) Other financial assets

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

j) Inventories

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Significant accounting policies (continued)

k) Recognition and measurement of property, plant and equipment and infrastructure

Acquisition

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

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

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

Revaluation

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

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

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

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using the fair value basis. Council does not recognise land under roads that it controlled prior to that period in its reports.

l) Depreciation and amortisation of property, plant and equipment and infrastructure

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

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

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

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

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

Class of Asset	Threshold Limit
Land	\$1
Land under roads	\$5,000
Buildings	\$5,000
Roads	\$5,000
Bridges	\$5,000
Drainage	\$5,000
Footpaths and cycleways	\$5,000
Recreational, leisure and community facilities	\$5,000
Parks, open space and	\$5,000

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Significant accounting policies (continued)

streetscapes	
Waste management	\$5,000
Plant, machinery and equipment	\$2,000
Fixtures, fittings and furniture	\$2,000
Computers and telecomms	\$2,000

Class of Asset	Period
Buildings	15 to 100 years
Roads	5 to 100 years
Drainage	70 years
Bridges	50 to 100 years
Footpaths and cycleways	22 to 97 years
Recreational, leisure and community facilities	15 to 50 years
Parks, open space and streetscapes	7 to 100 years
Waste management	30 to 70 years
Plant, machinery and equipment	5 to 20 years
Fixtures, fittings and furniture	5 to 20 years
Computers and telecomms	3 to 10 years

m) Repairs and maintenance

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

n) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's 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.

o) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in

accordance with the purpose of the receipt, or forfeited (refer to note 23).

p) Borrowings

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

Borrowing costs

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

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

q) Employee costs and benefits

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

Wages, 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 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 1: Significant accounting policies (continued)

Classification of employee costs

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

The components of this current liability are measured at:

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

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

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

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts a voluntary redundancy in exchange for these benefits. Council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

r) Landfill rehabilitation provision

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

s) Leases

Operating leases

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

t) Goods and Services Tax (GST)

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

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

u) Financial guarantees

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

v) Contingent assets and contingent liabilities and commitments

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

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

w) Pending accounting standards

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

Notes to the Financial Statements

For the year ended 30 June 2017

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has no significant operating leases that will be impacted as a result of this change.

x) Rounding

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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 2: Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$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 detailed below are those adopted by Council on 28 June 2016. The budget was based on

assumptions that were relevant at the time of adoption of the budget. Council sets guidelines and parameters for revenue 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*

Note 2: Budget comparison

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
a) Income and Expenditure				
Income				
Rates and charges	16,800	17,026	226	1
Statutory fees and fines	393	574	181	2
User fees	1,310	1,448	138	3
Grants - Operating	4,224	6,345	2,121	4
Grants - Capital	1,665	3,196	1,531	5
Contributions - monetary	650	726	76	
Contributions - non monetary	106	926	820	6
Other income	846	877	31	
Assets previously not recognised	-	2,602	2,602	7
Total income	25,994	33,720	7,726	
Expenses				
Employee costs	(8,690)	(7,772)	918	8
Materials and services	(10,576)	(11,986)	(1,410)	9
Bad and doubtful debts	-	(1)	(1)	
Depreciation	(4,213)	(4,407)	(194)	10
Landfill rehabilitation expense	(185)	355	540	11
Other expenses	(816)	(701)	115	12
Share of net losses of associates	-	(110)	(110)	13
Net loss on disposal of property, infrastructure, plant and equipment	(149)	(89)	60	14
Total expenses	(24,629)	(24,711)	(82)	
Surplus for the year	1,365	9,009	7,644	

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Budget comparison (continued)

Ref	Item	Explanation
1	Rates and charges	Council received revenue from supplementary valuations for \$85,000 during the year in line with previous years. Also interest charged on rates \$70,000 has been included in the actual amount whereas this was included in Other income for the budget.
2	Statutory fees and fines	Council received higher than expected statutory fees. This was mainly due to increased property development activity, resulting in an increase in statutory planning income which is \$80,000 greater than the budget. Fine revenues also increased, including fines collected in conjunction with the 2016 Council election of \$19,000.
3	User fees	Council received higher than expected user fees. This was mainly due to an increase in property development activity, resulting in an increase in building inspection fees which is \$56,000 greater than the budget. Revenue for most other services was also higher than expected.
4	Grants - Operating	Council received 50% of its 2017/18 Victoria Grants Commission income in advance (\$1.8m). In addition Council received \$190,000 grant for storm infrastructure restoration works.
5	Grants - Capital	Additional grants were received for the Alpine Better Places projects, the Mount Beauty Pool upgrade and the Myrtleford Indoor Sports Stadium project, with \$871,000 allocated for projects to be completed in 2017/18.
6	Contributions - non monetary	This was received by Council in the form of road, drainage and land assets associated with new subdivisions, the amount of which was larger than expected in the budget by \$820,000 due to increased property development activity.
7	Assets previously not recognised	As a result of mapping Council's drainage assets, an additional 21km of assets were identified with a net value of \$2,534,000 and recognised as income. In addition land under roads assets received by Council associated with new subdivisions between 2008/09 and 2015/16 has also been recognised as income.
8	Employee costs	Employee costs were lower than budgeted. A wage freeze included in Council's Enterprise Agreement, approved in December 2016, as well as a number of budgeted positions remaining vacant during the year contributed to this result.
9	Materials and services	<p>Materials and services is higher than budgeted. Influencing this result was \$2.4m of project expenditure identified as operating expenditure, and expensed to materials and services instead of capitalised, including:</p> <ul style="list-style-type: none"> Storm damage - \$821,000 of works to restore damaged assets Alpine Better Places Porepunkah - \$611,000 of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy Alpine Better Places Mafeking Square - \$404,000 of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy. <p>There were a number of other projects with components that were not capitalised as they fell outside Council's capitalisation policy. Excluding the \$2.4m of project works that were not</p>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Budget comparison (continued)

Ref	Item	Explanation
		capitalised, the materials and services budget would have had a \$1.0m favourable result, due to a demand reduction program implemented across all Council departments.
10	Depreciation	This unfavourable variance is mainly due to a revaluation of buildings in 2015/16 which has increased the depreciation amount.
11	Landfill rehabilitation expense	This favourable variance is due to a reassessment of rehabilitation costs and a decrease in the discounted liability amount arising because of the effect of changes in the discount rate and the timing of rehabilitation works.
12	Other expenses	This favourable variance is mainly due to a reduction in direct contributions to events. This was mainly due to an unsuccessful bid for an event.
13	Share of net losses of associates	This mainly represents Council's 23% share of the High Country Library Corporation's loss, which was not included in the budget.
14	Net loss on disposal of property, infrastructure, plant and equipment	This variance is mainly attributed to the write off of Harris lane bridge which was replaced as part of the renewal works.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Budget comparison (continued)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Buildings	1,086	1,344	(258)	1
Total buildings	1,086	1,344	(258)	
Total property	1,086	1,344	(258)	
Plant and equipment				
Plant, machinery and equipment	1,613	1,080	533	2
Fixtures, fittings and furniture	76	148	(72)	
Computers and telecommunications	115	124	(9)	
Total plant and equipment	1,804	1,352	452	
Infrastructure				
Roads	5,075	2,372	2,703	3
Bridges	637	554	83	
Footpaths and cycleways	139	774	(635)	4
Drainage	303	410	(107)	5
Recreational, leisure and community facilities	-	837	(837)	6
Parks, open space and streetscapes	1,673	818	855	7
Waste management	143	-	143	8
Total infrastructure	7,970	5,765	2,205	
Total capital works expenditure	10,860	8,461	2,399	
Represented by:				
New asset expenditure	519	613	(94)	
Asset renewal expenditure	4,697	3,400	1,297	9
Asset upgrade expenditure	5,644	4,448	1,196	9
Total capital works expenditure	10,860	8,461	2,399	

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Budget comparison (continued)

Ref	Item	Explanation
1	Buildings	<p>Building capital works compares unfavourably to budget as a number of projects with a minor building component were classified differently. The significant projects where this occurred were:</p> <ul style="list-style-type: none"> Myrtleford Transfer Station shed upgrade - \$240,000 classified in the budget as Waste Management Porepukah Shelter and Viewing Platform - \$164,000 classified in the budget under Roads as part of the Alpine Better Places Porepukah project Bright Sports Centre pool deck - \$83,000 classified in the budget as Recreational, leisure and community facilities as part of the Bright Pool renewal project. <p>This result was partially offset by a delay in stage two of the Bright office renewal project (\$238,000).</p>
2	Plant, machinery and equipment	<p>Expenditure is less than budget due to delays in the procurement of three trucks (\$364,000) and a loader (\$90,000). These items have been rebudgeted for 2017/18.</p>
3	Roads	<p>Road capital works is less than budget as most of the Alpine Better Places projects at Porepukah and Mafeking Square were classified differently (refer to notes 4 and 5). In addition, a portion of works were not eligible to be capitalised under Council's capitalisation policy.</p>
4	Footpaths and cycleways	<p>Footpaths and cycleways capital works compares unfavourably to budget due to a number of projects with a minor footpath component classified differently. The significant projects where this occurred were:</p> <ul style="list-style-type: none"> Alpine Better Places Mafeking Square - \$271,000 footpath classified in the budget as roads Alpine Better Places Porepukah - \$227,000 footpath classified in the budget as roads Alpine Events Centre - \$47,000 footpath classified in the budget as Recreational, leisure and community facilities.
5	Drainage	<p>Drainage capital works compares unfavourably to budget as a number of projects with a minor drainage component were classified differently. The most significant projects where this occurred were the Alpine Better Places projects at Porepukah and Mafeking Square (\$117,000)..</p>
6	Recreational, leisure and community facilities	<p>Recreational, leisure and community facilities capital works compares unfavourably to budget as a number of projects were classified differently. The significant projects where this occurred were:</p> <ul style="list-style-type: none"> McNamara Reserve Lighting upgrade - \$309,000 Alpine Events Park - \$192,000 Pioneer Park Oval upgrade - \$156,000 <p>These projects were all classified as parks, open space and streetscapes in the budget.</p>

Notes to the Financial Statements

For the year ended 30 June 2017

Note 2: Budget comparison (continued)

Ref	Item	Explanation
7	Parks, open space and streetscapes	Parks, open space and streetscapes compares favourably to budget (refer to note 6).
8	Waste management	Waste management capital works compares favourably to budget as all of the waste management projects were classified differently. The most significant project where this occurred was the Transfer Station upgrade - \$83,000 which was classified as buildings.
9	Asset renewal expenditure Asset upgrade expenditure	The variance in spend relates to the majority of works not being capitalised under Council's capitalisation policy. There has been \$1.6 million identified as operating expenditure which has been expensed to materials and services rather than being capitalised. Also some projects were not completed in 2016/17 with \$1.0 million being carried forward to the 2017/18 budget.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 3: Rates and charges

	2017 \$'000	2016 \$'000
General rates	13,144	12,784
Garbage charges	3,181	3,055
Dinner Plain special rate	436	565
Supplementary rates and rate adjustments	85	87
Interest on rates and charges	70	79
Revenue in lieu of rates	110	110
Total rates and charges	17,026	16,680

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

The valuation base used to calculate general rates for 2016/2017 was \$2,697 million (\$2,611 million 2015/2016). The 2016/2017 rate in the dollar was 0.004901 for residential, 0.003578 for farm and 0.007008 for

commercial/industrial (2015/16 0.004968 for residential, 0.003519 for farm and 0.007097 for commercial/industrial).

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

Note 4: Statutory fees and fines

	2017 \$'000	2016 \$'000
Town planning fees	205	104
Health services	165	130
Permits	126	114
Infringements and costs	40	28
Land information certificates	19	18
Election fines	19	-
Total statutory fees and fines	574	394

Note 5: User fees

	2017 \$'000	2016 \$'000
Aged and health services	20	417
Building services	244	196
Waste management services	293	281
Engineering works	27	60
Leisure centre and recreation	217	243
Community centres	31	17
Legal costs recovered	23	42
Caravan park	362	358
Visitor information centres	184	162
Project management	30	9
Library income	13	-
Other fees and charges	4	4
Total user fees	1,448	1,789

Notes to the Financial Statements

For the year ended 30 June 2017

Note 6: Grants

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants

State funded grants

Total

2017 \$'000	2016 \$'000
6,439	3,245
3,102	2,514
9,541	5,759

Operating recurrent grants

Commonwealth Government

Victorian Grants Commission

State Government

Fuel rebate

School crossing supervisors

Maternal and child health

Rates administration

Home help/linkages

Youth services

Emergency services

Senior citizen centres

Library services

Immunisation services

Weed management

Total recurrent operating grants

5,151	1,679
30	64
19	18
189	164
154	96
-	655
60	52
-	26
46	26
168	-
8	7
20	20
5,845	2,807

Operating non-recurrent grants

Commonwealth Government

Environmental projects

State Government

Vegetation management

Bushfire preparation works

Municipal emergency resourcing program

Economic development and tourism

Victorian adaptation and sustainability partnership

Flood/storm incident and recovery

Community development

Flood mitigation design

Shared services solutions

Tobacco activity

Total non-recurrent operating grants

Total operating grants

-	53
-	15
-	19
30	30
-	20
49	-
190	206
142	150
-	108
75	-
14	3
500	604
6,345	3,411

Notes to the Financial Statements

For the year ended 30 June 2017

Note 6: Grants (continued)

	2017 \$'000	2016 \$'000
Capital grants		
Capital recurrent grants		
<i>Commonwealth Government</i>		
Roads to recovery	1,288	1,513
Total recurrent capital grants	1,288	1,513
Capital non-recurrent grants		
<i>State Government</i>		
Roads	733	18
Recreational, leisure and community facilities	1,005	162
Parks, open spaces and streetscapes	18	253
Buildings	152	402
Total non-recurrent capital grants	1,908	835
Total capital grants	3,196	2,348
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	90	1,442
Received during the financial year and remained unspent at balance date	871	90
Received in prior years and spent during the financial year	(90)	(1,442)
Balance at year end	871	90

Note 7: Contributions

	2017 \$'000	2016 \$'000
Monetary	726	175
Non-monetary	926	201
Total contributions	1,652	376
Contributions of non-monetary assets were received in relation to the following services:		
Land	36	-
Roads	628	145
Other infrastructure	262	56
Total non-monetary contributions	926	201

Notes to the Financial Statements

For the year ended 30 June 2017

Note 8: Other income

	2017 \$'000	2016 \$'000
Scrap sales	46	40
Insurance claim reimbursement	26	181
Interest on investments	288	310
Rent	517	437
Assets previously not recognised	-	52
Total other income	877	1,020

Note 9: Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2017 \$'000	2016 \$'000
Proceeds of sale	188	28
Written down value of assets disposed	(277)	(296)
Total net loss on disposal of property, infrastructure, plant and equipment	(89)	(268)

Note 10: Employee costs

	2017 \$'000	2016 \$'000
a) Employee costs		
Wages and salaries - permanent	5,583	6,754
Workcover	98	144
Wages and salaries - casual	836	675
Annual leave and long service leave	548	844
Provision for redundancies	-	562
Superannuation	686	783
Fringe benefits tax	21	35
Total employee costs	7,772	9,797

b) Superannuation

Council has made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

32 33

Accumulated funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

381 459

Employer contributions - other funds

273 291

Total accumulated funds

654 750

Employer contributions payable at reporting date

- -

Council accounts for its obligations under the defined benefit fund as if it was a defined contribution plan. The reason for this is that the fund manager, Vision Super, is unable to provide accurate information to

each employer in a timely manner. Additional information about Council's exposure in relation to the defined benefit fund is detailed at note 32.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 11: Materials and services

	2017 \$'000	2016 \$'000
Administration	1,579	1,404
Operational	5,424	4,982
Asset maintenance	2,592	2,322
Non recurrent	2,391	1,339
Total materials and services	11,986	10,047

Note 12: Bad and doubtful debts

	2017 \$'000	2016 \$'000
Other debtors	1	11
Total bad and doubtful debts	1	11

Note 13: Depreciation

	2017 \$'000	2016 \$'000
Property	1,192	962
Plant and equipment	592	661
Infrastructure	2,623	2,557
Total Depreciation	4,407	4,180

Refer to note 22 for a more detailed breakdown of depreciation charges.

Note 14: Other expenses

	2017 \$'000	2016 \$'000
Auditors remuneration - VAGO - audit of financial statements, performance statement and grant acquittals	41	29
Auditors remuneration - internal	13	16
Councillor's allowances	197	191
Council grants and contributions	445	470
Refund of rates	5	5
Total other expenses	701	711

Note 15: Borrowing costs

	2017 \$'000	2016 \$'000
Interest - borrowings	-	22
Total borrowing costs	-	22

Notes to the Financial Statements

For the year ended 30 June 2017

Note 16: Investments in associates

Investment in associates accounted for by the equity method are:

High Country Library Corporation

A 23% Interest is held in the High Country Library Corporation.

Fair value of Council's investment in High Country Library Corporation

2017 \$'000	2016 \$'000
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217	341
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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.

35	21
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Council's share of accumulated deficit

Council's share of accumulated surplus at start of year

144	322
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Reported deficit for year

(110)	(178)
-------	-------

Council's share of accumulated surplus at end of year

34	144
----	-----

Council's share of reserves

Council's share of reserves at start of year

-	57
---	----

Transfers (to)/from reserves

-	(57)
---	------

Council's share of reserves at end of year

-	-
---	---

Movement in carrying value of investment in associates

Carrying value of investment at start of year

362	505
-----	-----

Investment in MomentumOne Shared Services Pty Ltd

-	35
---	----

Share of deficit for year

(110)	(178)
-------	-------

Carrying value of investment at end of year

252	362
-----	-----

Council's share of expenditure commitments

Operating commitments

-	-
---	---

Capital commitments

-	-
---	---

Council's share of expenditure commitments

-	-
---	---

Notes to the Financial Statements

For the year ended 30 June 2017

Note 17: Cash and cash equivalents

	2017 \$'000	2016 \$'000
Cash on hand	3	3
Cash at bank	2,525	2,588
Total cash and cash equivalents	2,528	2,591
Council's cash and cash equivalents are subject to restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (note 24)	537	737
Subdivision recreation reserve (note 27b)	361	258
	898	995
Other financial assets (note 18)	10,007	9,507
Total unrestricted cash, cash equivalents and other financial assets	11,637	11,103
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	996	1,709
Dinner Plain reserve	1,169	1,077
Landfill rehabilitation reserve	1,008	977
Other reserves	27	27
Total funds subject to intended allocations	3,200	3,790

Note 18: Other financial assets

	2017 \$'000	2016 \$'000
Term deposits	10,007	9,507
Total other financial assets	10,007	9,507

Note 19: Trade and other receivables

	2017 \$'000	2016 \$'000
Current		
Rates debtors (statutory)	674	718
Other debtors (non-statutory)	316	832
Provision for doubtful debts - other debtors	(17)	(20)
Net GST receivable	396	260
Total current trade and other receivables	1,369	1,790
Non-current		
Other debtors (non-statutory)	3	5
Total non-current trade and other receivables	3	5
Total trade and other debtors	1,372	1,795

Notes to the Financial Statements

For the year ended 30 June 2017

Note 19: Trade and other receivables (continued)

a) Ageing of receivables

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

	2017 \$'000	2016 \$'000
Current (not yet due)	230	738
Past due by up to 30 days	56	61
Past due between 31 and 180 days	19	7
Past due between 181 and 365 days	4	10
Past due more than 1 year	7	16
Total trade and other receivables	316	832

b) Movement in provisions for doubtful debts

Balance at the beginning of the year	20	13
New provisions recognised during the year	-	11
Amounts already provided for and written off as uncollectible	(3)	(4)
Balance at end of year	17	20

Note 20: Inventories

	2017 \$'000	2016 \$'000
Current		
Merchandise	46	45
	46	45
Non-current		
Stores and materials	139	143
	139	143
Total inventories	185	188

Note 21: Other assets

	2017 \$'000	2016 \$'000
Prepayments	181	175
Accrued income	94	70
Total other assets	275	245

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22: Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	At Written Down Fair Value 30 June 2016 \$'000	Acquisitions \$'000	Contributions \$'000	Assets previously not recognised	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Transfers \$'000	At Written Down Fair Value 30 June 2017 \$'000
Land	20,816	-	36	146	-	-	-	-	20,998
Buildings	30,994	1,262	-	-	-	(1,192)	-	107	31,171
Plant and equipment	2,206	1,352	-	-	-	(592)	(44)	5	2,927
Infrastructure	143,685	5,394	890	2,456	2,429	(2,623)	(221)	366	152,376
Work in progress	570	453	-	-	-	-	(12)	(478)	533
Total	198,271	8,461	926	2,602	2,429	(4,407)	(277)	-	208,005

Summary of work in progress	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	153	82	(107)	-	128
Plant and equipment	5	-	(5)	-	-
Infrastructure	412	371	(366)	(12)	405
Total	570	453	(478)	(12)	533

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22: Property, infrastructure, plant and equipment (continued)

	Land - specialised \$'000	Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2016	20,816	20,816	59,141	59,141	153	80,110
Accumulated depreciation at 30 June 2016	-	-	(28,147)	(28,147)	-	(28,147)
	20,816	20,816	30,994	30,994	153	51,963
Movements in fair value						
Acquisition of assets at fair value	-	-	1,262	1,262	82	1,344
Contributed assets	36	36	-	-	-	36
Fair value of assets disposed	-	-	-	-	(12)	(12)
Transfers	-	-	116	116	(107)	9
Assets previously not recognised	146	146	-	-	-	146
	182	182	1,378	1,378	(37)	1,523
Movements in accumulated depreciation						
Depreciation and amortisation	-	-	(1,192)	(1,192)	-	(1,192)
Transfers	-	-	(9)	(9)	-	(9)
	-	-	(1,201)	(1,201)	-	(1,201)
At fair value 30 June 2017	20,998	20,998	60,519	60,519	116	81,633
Accumulated depreciation at 30 June 2017	-	-	(29,348)	(29,348)	-	(29,348)
	20,998	20,998	31,171	31,171	116	52,285

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22: Property, infrastructure, plant and equipment (continued)

	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	6,208	657	2,515	5	9,385
Accumulated depreciation at 30 June 2016	(4,450)	(538)	(2,186)	-	(7,174)
	1,758	119	329	5	2,211
Movements in fair value					
Acquisition of assets at fair value	1,080	148	124	-	1,352
Fair value of assets disposed	(710)	(293)	(1,320)	-	(2,323)
Transfers	2	36	(42)	(5)	(9)
	372	(109)	(1,238)	(5)	(980)
Movements in accumulated depreciation					
Depreciation and amortisation	(381)	(37)	(174)	-	(592)
Accumulated depreciation of disposals	674	293	1,312	-	2,279
Transfers	(1)	(26)	36	-	9
	292	230	1,174	-	1,696
At fair value 30 June 2017	6,580	548	1,277	-	8,405
Accumulated depreciation at 30 June 2017	(4,158)	(308)	(1,012)	-	(5,478)
	2,422	240	265	-	2,927

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22: 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
At fair value 1 July 2016	127,535	27,799	5,425	16,047	970	3,613	6,771	412	188,572
Accumulated depreciation at 30 June 2016	(27,662)	(6,242)	(1,387)	(5,918)	(407)	(477)	(2,382)	-	(44,475)
	99,873	21,557	4,038	10,129	563	3,136	4,389	412	144,097
Movements in fair value									
Acquisition of assets at fair value	2,211	545	724	402	-	735	777	371	5,765
Contributed assets	628	-	77	185	-	-	-	-	890
Revaluation increments/(decrements)	(954)	-	1,595	865	-	-	-	-	1,506
Fair value of assets disposed	(469)	(163)	-	-	-	-	-	(12)	(644)
Transfers	155	185	-	-	-	26	-	(366)	-
Assets previously not recognised	-	-	-	3,602	-	-	-	-	3,602
	1,571	567	2,396	5,054	-	761	777	(7)	7,517
Movements in accumulated depreciation									
Depreciation and amortisation	(1,663)	(300)	(89)	(230)	(9)	(117)	(215)	-	(2,623)
Revaluation increments/(decrements)	1,800	-	(1,509)	632	-	-	-	-	923
Accumulated depreciation of disposals	375	36	-	-	-	-	-	-	411
Assets previously not recognised	-	-	-	(1,146)	-	-	-	-	(1,146)
	512	(264)	(1,598)	(744)	(9)	(117)	(215)	-	(2,435)
At fair value 30 June 2017	129,106	28,366	7,821	21,101	970	4,374	7,548	405	199,691
Accumulated depreciation at 30 June 2017	(27,150)	(6,506)	(2,985)	(6,662)	(416)	(594)	(2,597)	-	(46,910)
	101,956	21,860	4,836	14,439	554	3,780	4,951	405	152,781

Notes to the Financial Statements

For the year ended 30 June 2017

Note 22: Property, infrastructure, plant and equipment (continued)

Valuation of land and buildings

Valuation of land was undertaken by a qualified independent valuer LG Valuation Services Pty Ltd (API Registration no. 62901). 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.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or un-serviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the

valuation. The adjustment has no impact on the comprehensive income statement.

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

Valuation of buildings were performed by Gary Noall, Engineering Coordinator. The effective date of the valuation for building assets is 30 June 2016.

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land - specialised	-	-	20,816	Jun-2016
Buildings - specialised	-	-	31,171	Jun-2016
Total	-	-	51,987	

Valuation of Council's infrastructure assets were performed by Gary Noall, Engineering Coordinator. The effective date of the valuation for road infrastructure assets is 30 June 2017, 30 June 2017 for drainage and 30 June 2015 for bridge infrastructure assets.

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	101,956	Jun-2017
Bridges	-	-	21,860	Jun-2015
Footpaths and cycleways	-	-	4,836	Jun-2017
Drainage	-	-	14,439	Jun-2017
Waste management	-	-	554	
Recreational, leisure and community facilities	-	-	3,780	
Parks, open space and streetscapes	-	-	4,951	
Total	-	-	152,376	

Description of significant unobservable inputs into level 3 valuations

Specialised land 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 40% 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 \$1.25 and \$425 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

Notes to the Financial Statements

For the year ended 30 June 2016

Note 22: Property, infrastructure, plant and equipment (continued)

cost is calculated on a square metre basis and ranges from \$200 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 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.

Note 23: Trade and other payables

	2017 \$'000	2016 \$'000
Trade payables	1,746	1,123
Accrued expenses	549	470
Other creditors	8	9
Total trade and other payables	2,303	1,602

Note 24: Trust funds and deposits

	2017 \$'000	2016 \$'000
Refundable deposits	-	(1)
Fire services levy	241	491
Retention amounts	183	134
Subdivision works	98	98
Other deposits	15	15
Total trust funds and deposits	537	737

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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 25: Provisions

	Landfill restoration \$'000	Employee provisions \$'000	Total \$'000
2017			
Balance at beginning of the financial year	4,554	3,194	7,748
Additional provisions	(237)	722	485
Amounts used	(771)	(1,860)	(2,631)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(118)	(44)	(162)
Balance at the end of the financial year	3,428	2,012	5,440
2016			
Balance at beginning of the financial year	3,718	2,612	6,330
Additional provisions	860	1,492	2,352
Amounts used	(166)	(922)	(1,088)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	142	12	154
Balance at the end of the financial year	4,554	3,194	7,748
		2017 \$'000	2016 \$'000
a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		640	645
Long service leave		159	147
Redundancies		-	562
Other leave		65	66
		864	1,420
Current provisions expected to be wholly settled after 12 months			
Annual leave		96	333
Long service leave		790	1,129
		886	1,462
Total current provisions		1,750	2,882
Non-current			
Long service leave		262	312
		262	312
Total aggregate carrying amount of employee provisions		2,012	3,194

Notes to the Financial Statements

For the year ended 30 June 2017

Note 25: Provisions (continued)

	2017	2016
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	2.80%	2.60%
Weighted average discount rates	2.61%	1.99%
Weighted average settlement period	8 years	10 years
b) Landfill restoration		
Current	300	877
Non-current	3,128	3,677
Total landfill restoration	3,428	4,554
The following assumptions were adopted in measuring the present value of landfill restoration:		
Weighted average increase in restoration costs	2.40%	2.12%
Weighted average discount rates	2.61%	1.99%
Weighted average settlement period	21 years	21 years

Note 26: Income received in advance

	2017 \$'000	2016 \$'000
Lease income received in advance		
This represents income received on 1 July 2011 for the Bright Caravan Park lease to be recognised over the life of the lease (21 years) and lease income from annual tenants at the Myrtleford Holiday Park.		
Current	30	30
Non-current	417	447
Total lease income received in advance	447	477
Other income received in advance		
Current	64	-
Total income received in advance		
Current	94	30
Non-current	417	447
Total income received in advance	511	477

Notes to the Financial Statements

For the year ended 30 June 2017

Note 27: Reserves

	Balance at beginning of reporting period	Increment / (decrement)	Balance at end of reporting period
a) Asset revaluation reserve	\$'000	\$'000	\$'000
2017			
Property			
Land	17,118	-	17,118
Buildings	19,002	-	19,002
	36,120	-	36,120
Infrastructure			
Roads	54,368	846	55,214
Bridges	17,137	-	17,137
Footpaths and cycleways	1,153	86	1,239
Drainage	7,296	1,497	8,793
	79,954	2,429	82,383
Total asset revaluation reserve	116,074	2,429	118,503
2016			
Property			
Land	15,880	1,238	17,118
Buildings	20,647	(1,645)	19,002
	36,527	(407)	36,120
Infrastructure			
Roads	54,368	-	54,368
Bridges	17,137	-	17,137
Footpaths and cycleways	1,153	-	1,153
Drainage	7,296	-	7,296
	79,954	-	79,954
Total asset revaluation reserve	116,481	(407)	116,074

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 2017

Note 27: 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				
2017				
Dinner Plain	1,077	92	-	1,169
Gravel pit restoration	27	-	-	27
Waste Reserve	977	31	-	1,008
Subdivision recreation reserve	258	103	-	361
Total other reserves	2,339	226	-	2,565
2016				
Plant replacement	674	-	(674)	-
Dinner Plain	1,059	-	18	1,077
Gravel pit restoration	27	-	-	27
Waste Reserve	277	700	-	977
Subdivision recreation reserve	256	46	(44)	258
Total other reserves	2,293	746	(700)	2,339

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

Gravel pit restoration reserve is maintained to fund restoration of the Harrierville quarry.

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.

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 2017

Note 28: Reconciliation of cash flows from operating activities to surplus/(deficit)

	2017	2016
	\$'000	\$'000
(Deficit)/surplus for the year	9,009	(198)
Depreciation	4,407	4,180
Net loss on disposal of property, infrastructure, plant and equipment	89	268
Contributions - non monetary assets	(926)	(201)
Finance costs	-	22
Assets previously not recognised	(2,602)	(52)
Landfill rehabilitation expense	(355)	1,002
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	423	(484)
(Increase)/decrease in prepayments	(6)	3
(Increase)/decrease in accrued income	(24)	7
(Increase)/decrease in inventories	3	11
(Increase)/decrease in investment in associates	110	178
Increase/(decrease) in trade and other payables	701	(148)
Increase/(decrease) in trust funds and other deposits	(200)	89
Increase/(decrease) in employee provisions	(1,182)	582
Increase/(decrease) in income in advance	34	(30)
Increase/(decrease) in landfill restoration provision	(771)	(166)
Net cash provided by operating activities	8,710	5,063

Note 29: Financing arrangements

	2017	2016
	\$'000	\$'000
Bank overdraft	250	250
Credit cards	50	50
Bank guarantees	15	15
Total facilities	315	315
Used facilities	65	65
Unused facilities	250	250

Notes to the Financial Statements

For the year ended 30 June 2017

Note 30: Commitments for expenditure

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
2017					
Operating					
Waste management	1,427	726	2,119	1,412	5,684
Dinner Plain Bus	80	-	-	-	80
Cleaning	136	22	-	-	158
Other	236	-	-	-	236
Total	1,879	748	2,119	1,412	6,158
Capital					
Buildings	72	-	-	-	72
Roads	164	-	-	-	164
Recreational, leisure and community facilities	39	-	-	-	39
Total	275	-	-	-	275
	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
2016					
Operating					
Waste management	1,770	594	-	-	2,364
Dinner Plain Bus	36	-	-	-	36
Cleaning	32	-	-	-	32
Other	198	118	-	-	316
Total	2,036	712	-	-	2,748
Capital					
Computers and telecomms	99	-	-	-	99
Buildings	61	-	-	-	61
Roads	174	-	-	-	174
Bridges	182	-	-	-	182
Recreational, leisure and community facilities	4	-	-	-	4
Parks, open space and streetscapes	12	-	-	-	12
Total	532	-	-	-	433

For the year ended 30 June 2017

Note 31: Operating leases

	2017 \$'000	2016 \$'000
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 of a caravan park, a community centre, fitness centre and a café. These properties held under operating leases have remained non-cancellable lease terms between 1 and 18 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	407	386
Later than one year and not later than five years	1,258	1,352
Later than five years	2,839	3,123
Total operating lease receivables	4,504	4,861

Note 32: Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017), this was 9.5% 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 Alpine Shire Council in the Fund cannot be measured as a percentage compared with

other participating employers. Therefore, the 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's Actuary.

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

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

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

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Employer contributions

Regular contributions

On the basis of the results of the 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's defined benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the defined benefit category is in an unsatisfactory financial position at actuarial investigation or the defined benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the defined benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's defined benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the

Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2016 Interim actuarial investigation surplus amounts

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

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

The expected employer contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$31,780.

Note 33: Contingent liabilities and contingent assets

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

Landfill

Council is responsible for three small landfill sites that have been closed 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.

Notes to the Financial Statements

For the year ended 30 June 2017

Note 34: Financial Instruments

a) Objectives and policies

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

b) Market risk

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage 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 us to make a financial loss. We have exposure to credit risk on some financial assets included in our balance sheet. To help manage this risk:

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

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

d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or we will not have sufficient funds to settle a transaction when required, we 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;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;

Notes to the Financial Statements

For the year ended 30 June 2017

Note 34: Financial instruments (continued)

- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in note 29, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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

e) Fair value

Unless otherwise stated, the carrying amount of financial instruments reflects their fair value.

Fair value hierarchy

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

f) Sensitivity disclosure analysis

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

A parallel shift of 1% and -1% in market interest rates (AUD) from year end rates of 2.45%.

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 2017

Note 35: Related party transactions

i) Related Parties

Parent entity
Alpine Shire Council is the parent entity.

Subsidiaries and associates
Interests in subsidiaries and associates are detailed in note 16.

ii) Key management personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Ron Janas - Mayor
Jan Vonarx (to 31 October 2016)
Peter Roper
Daryl Pearce
Tony Keeble
Kate Farrell (to 31 October 2016)
John Forsyth
Kitty Knappstein (from 1 November 2016)
Sarah Nicholas (from 1 November 2016)

Chief executive officer and other key management personnel

Dave Barry - Chief executive officer (to 19 May 2017)
Charlie Bird- Chief executive officer (from 20 May 2017)
Heather Green (to 16 June 2017)
Trevor Britten (to 23 September 2016)
Nathalie Cook (from 27 February 2017)
William Jeremy (from 20 May 2017)

	2017 No.	2016 No.
Total number of Councillors	9	7
Chief executive officer and other key management personnel	6	4
Total key management personnel	15	11

As a result of the Council elections in October 2016 there was a change of two councillors. Also three of the Key Management Personnel resigned and have been replaced during 2016/17.

(iii) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2017 \$'000	2016 \$'000
Short-term benefits	762	835
Long-term benefits	114	-
Termination benefits	99	-
Post-employment benefits	73	58
Total	1,048	835

Notes to the Financial Statements

For the year ended 30 June 2017

Note 35: Related party transactions (continued)

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

< \$10,000

\$10,000 - \$19,999

\$20,000 - \$29,999

\$40,000 - \$49,999

\$50,000 - \$59,999

\$60,000 - \$69,999

\$160,000 - \$169,999

\$170,000 - \$179,999

\$210,000 - \$219,999

\$240,000 - \$249,999

2017	2016
No.	No.
2	-
3	-
4	5
-	1
1	-
1	1
1	3
2	-
-	1
1	-
15	11

(iv) Transactions with related parties

Charlie Bird's partner is a director of 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

The CEO is a director of MomentumOne Shared Services Pty Ltd as Council owns 50% of this company. Momentumone provides a labour hire service mainly for the operation of Council's swimming pool facilities.

Paid to MomentumOne Shared Services Pty Ltd

Received from MomentumOne Shared Services Pty Ltd

Councillor John Forsyth is a member of the board of management for Alpine Health. Transactions with Alpine Health have been predominately related to the provision of home care services.

Paid to Alpine Health

Heather Green is a member of the board of management for Alpine Community Plantations. Transactions with Alpine Community Plantations have been predominately related to the building of a mountain bike trail.

Paid to Alpine Community Plantations

The CEO is a member of the Tourism North East board of directors. Tourism North East provides marketing and advertising services for Council.

Paid To Tourism North East

Councillor Tony Keeble, Heather Green and Nathalie Cooke are members of the board of management for Alpine Children's Services. Transactions with Alpine Children's Services are for minor expenditure refunds and grants.

Paid to Alpine Children's Services

The William Jermy's partner is a casual employee of Council, commencing 23 June 2017. This is a normal Council employee relationship. No amounts were paid in 2016/17.

2017	2016
\$'000	\$'000
192	170
497	11
192	170
2	49
152	215
200	36
174	153
3	5

Notes to the Financial Statements

For the year ended 30 June 2017

Note 35: Related party transactions (continued)

(v) Outstanding balances with related parties

The only outstanding balance that is owing to related parties is to Momentumone Shared Services Pty Ltd for \$15,000.

The only outstanding balance that is owed from related parties is to MomentumOne Shared Services Pty Ltd for \$41,000 (\$49,000 as at 30 June 2016).

(vi) Loans to/from related parties

There were no loans either to or from related parties.

(vii) Commitments to/from related parties

Council has contracted with MomentumOne to provide labour hire services for 2017/18 and 2018/19. While there is no specific amount committed to by Council, it expects the amounts to be paid in future years to be similar to that paid in previous years.

Note 36: Senior officer remuneration

A senior officer other than a Key Management Personnel, is an officer of Council who:

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

The number of senior officers other than responsible persons, are shown below in their relevant income bands:

\$80,000 - \$89,999

Total remuneration for the reporting year for senior officers included above amounted to:

2017 No.	2016 No.
1	-
1	-
2017 \$'000	2016 \$'000
87	-

Note 37: Events occurring after balance date

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

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.


Warren Bennett CPA
ACTING PRINCIPAL ACCOUNTING OFFICER

Date: 22/9/2017

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

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

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


Kitty Knappstein
COUNCILLOR

Date: 22/9/2017


Sarah Nicholas
COUNCILLOR

Date: 22/9/2017


Charlie Bird
CHIEF EXECUTIVE OFFICER

Date: 22/9/2017.

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 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

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

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



MELBOURNE
25 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

Performance Statement

For the year ended 30 June 2017

Performance Statement

For the year ended 30 June 2017

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 experience. 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 12,450, 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 than the Victorian averages.

Sustainable Capacity Indicators

For the year ended 30 June 2017

<i>Indicator / measure</i>	2015	Results 2016	2017	Material Variations
Population				
Expenses per head of municipal population [Total expenses / Municipal population]	\$1,954	\$2,211	\$1,969	Employee costs have reduced due to the transfer of the Home and Community Care service to another provider. Expected landfill rehabilitation costs have reduced due to a reassessment of the future costs, resulting in a \$355,000 gain recognised in 2016/17. The estimated residential population of the Shire has increased by 5% compared to the previous year (based on 2016 Census data), which also reduces the expenses 'per head' of population.
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$14,702	\$14,965	\$15,021	The estimated residential population of the Shire has increased by 5% compared to the previous year (based on 2016 Census data). This reduces the value of infrastructure 'per head' of population.
Population density per length of road [Municipal population / Kilometres of local roads]	21	21	22	The estimated residential population of the Shire has increased by 5% compared to the previous year (based on 2016 Census data). This increases the population density per length of road.

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2017

Indicator / measure	2015	Results 2016	2017	Material Variations
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,558	\$1,677	\$1,584	The estimated residential population of the Shire has increased by 5% compared to the previous year (based on 2016 Census data). This reduces the own-source revenue 'per head' of population.
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$565	\$366	\$573	Recurrent grants have increased due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million.
Disadvantage Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	5	5	5	

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2017

Indicator / measure	2015	Results 2016	2017	Material Variations
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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 2017

Service / indicator / measure	2015	Results 2016	2017	Material Variations
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.4	3.6	3.2	<p>Council's indoor pool was closed for seven weeks for repair work from prior to Christmas to the end of the first week in February. This resulted in significantly less visitation (over this period) than the prior year, and a shorter first term of the Learn to Swim program. The 5% increase in estimated residential population (based on 2016 Census data) also reduces utilisation 'per head' of population.</p> <p>* The 2015/16 reported data has been amended to remove a duplication in Learn to Swim visitations. The previously reported result was 3.99.</p>
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	1	Nil	No animal management prosecutions were undertaken in 2016/17.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	0%	46%	45%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.

Service Performance Indicators (continued)

For the year ended 30 June 2017

Service/indicator / measure	2015	Results 2016	2017	Material Variations
Governance Satisfaction Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	60	57	
Home and community care Participation Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	30%	27%	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	36%	29%	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Libraries Participation Active library members [Number of active library members / Municipal population] x100	24%	23%	21%	A reduction in active members occurred across all three branches. The estimated residential population of the Shire (based on 2016 Census data) has increased by 5% compared to the previous year, which has an effect of reducing the number of active library members 'per head'.

Service Performance Indicators (continued)

For the year ended 30 June 2017

Service/indicator / measure	2015	Results 2016	2017	Material Variations
Maternal and child health Participation Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	85%	86%	89%	
Participation Participation in the MCH service by Aboriginal children [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%	88%	85%	
Roads Satisfaction Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	59	60	57	
Statutory Planning Decision making Council planning decisions upheld at VCAT [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%	Nil	No VCAT determinations occurred during 2016/17.

Service Performance Indicators (continued)

For the year ended 30 June 2017

Service/indicator / measure	2015	Results 2016	2017	Material Variations
Waste Collection Waste diversion Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	49%	49%	50%	

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

"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,

"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 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
Efficiency								
Revenue level								
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,623	\$1,696	\$1,710	\$1,728	\$1,758	\$1,788	\$1,818	
Expenditure level								
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,812	\$3,026	\$2,875	\$2,803	\$2,865	\$2,957	\$3,015	Employee costs have reduced due to the transfer of the Home and Community Care service to another provider. Expected landfill rehabilitation costs have reduced due to a reassessment of the future costs, resulting in a \$355,000 gain recognised in 2016/17.

Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
Workforce turnover								
Resignations and terminations compared to average staff	23%	6%	31.1%	15.0%	15.0%	15.0%	15.0%	Council's Home and Community Care service was recommissioned to another provider during 2015/16. The majority of staff were transitioned on 1 July 2016. This impacted on Council's staff turnover for 2016/17, which was slightly higher than the forecast 28%. It is anticipated that this will return to 15% going forward.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100								
Liquidity								
Working capital								
Current assets compared to current liabilities	289%	231%	285%	182%	134%	147%	145%	Working capital has increased due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million and capital grants \$0.9 million.
[Current assets / Current liabilities] x100								
Unrestricted cash								
Unrestricted cash compared to current liabilities	177%	152%	33%	4%	-9%	-13%	-1%	Unrestricted cash dropped as a result of other financial assets (term deposits \$10 million) not being included (as unrestricted cash).
[Unrestricted cash / Current liabilities] x100								

Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
Obligations								
Asset renewal								
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	71%	80%	77%	74%	99%	95%	94%	
Loans and borrowings								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	6%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
Obligations (continued)								
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2%	6%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
Indebtedness								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	26%	23%	19%	17%	16%	15%	13%	Indebtedness has fallen due to reductions in the provision for landfill rehabilitation, as the rehabilitation works are completed.

Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
Operating position								
Adjusted underlying result								
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	12%	-5%	12%	0%	2%	0%	0%	The underlying result is higher due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million.
Stability								
Rates concentration								
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	58%	65%	59%	72%	70%	70%	70%	Adjusted underlying revenue has increased due to additional grant funding being received in advance in 2016/17 - Victorian Grants Commission \$1.8 million.
Rates effort								
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.6%	0.6%	0.7%	0.7%	

Financial Performance Indicators (continued)

For the year ended 30 June 2017

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 Resource Plan

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2017

1. Basis of preparation

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

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

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the 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 2016-17 - 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 (2015/16), 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 27 June 2017 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 2017

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*.



Warren Bennett CPA
Acting Principal Accounting Officer

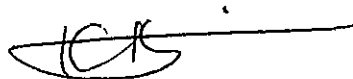
Dated: 22/9/2017

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

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

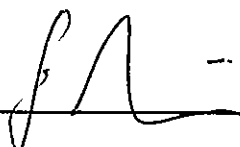
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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



Kitty Knappstein
Councillor

Dated: 22/9/2017



Sarah Nicholas
Councillor

Dated: 22/9/2017



Charlie Bird
Chief Executive Officer

Dated: 22-9-2017

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 2017 • sustainable capacity indicators for the year ended 30 June 2017 • service performance indicators for the year ended 30 June 2017 • financial performance indicators for the year ended 30 June 2017 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Alpine Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

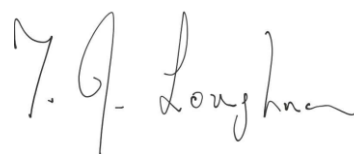
**Auditor's
responsibilities for the
audit of the
performance
statement**

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

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

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

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



MELBOURNE
25 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

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