



# Alpine Shire

**ORDINARY COUNCIL MEETING**

**MINUTES**

**M8 – 1 August 2017**

**Auditorium@Mount Beauty Visitor Information Centre**

**7:00pm**



The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Auditorium@Mount Beauty Visitor Information Centre, Kiewa Valley Highway, Mount Beauty on **1 August 2017** and commenced at **7:00pm**.

### **PRESENT**

#### **COUNCILLORS**

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

#### **OFFICERS**

Mr Charlie Bird – Acting Chief Executive Officer  
Ms Nathalie Cooke – Director Corporate  
Ms Elaine Burrridge – Acting Director Assets

#### **APOLOGIES**

Mr Will Jeremy – Acting Director Assets



## AGENDA

1	RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS.....	244
2	ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE.....	244
3	CONFIRMATION OF MINUTES.....	244
	3.1 SPECIAL COUNCIL MEETING - SPM6.....	244
	3.2 ORDINARY COUNCIL MEETING - M7.....	244
4	APOLOGIES.....	245
5	OBITUARIES / CONGRATULATIONS.....	245
6	DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST.....	245
7	PUBLIC QUESTIONS.....	245
8	PRESENTATION OF REPORTS BY OFFICERS.....	246
	8.1 ACTING CHIEF EXECUTIVE OFFICER – CHARLIE BIRD.....	246
	8.1.1 Contracts approved by the Acting CEO.....	246
	8.2 ACTING DIRECTOR ASSETS – ELAINE BURRIDGE.....	247
	8.2.1 Community Grants Program 2017/2018.....	247
	8.2.2 Event Funding Program 2017/2018.....	253
	8.3 DIRECTOR CORPORATE – NATHALIE COOKE.....	261
	8.3.1 Nil.....	261
9	MAYORS REPORT - APPOINTMENT OF CHIEF EXECUTIVE OFFICER.....	262
10	ASSEMBLY OF COUNCILLORS.....	264
11	GENERAL BUSINESS.....	265
12	MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN.....	265
13	RECEPTION AND READING OF PETITIONS.....	265
14	DOCUMENTS FOR SEALING.....	266



## **1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS**

*The Acting CEO will read the following statement:*

Most council meetings are filmed with both video and audio being recorded.

Video is focused on a specific area however audio from the entire room is captured.

By speaking during question time, or at any time during the meeting, you consent to your voice and any comments you make being recorded.

In common with all narrative during council meetings verbal responses to congratulations, obituaries and question time will not be recorded in the written minutes.

The reasoning behind recording council meetings is of course to hold us more accountable and improve transparency of council's decision making to our community.

The full meeting is being recorded and will be uploaded to Council's YouTube channel which is "Alpine Shire Council" and will also be available on the YouTube channel shortly after this meeting.

## **2 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS, AND RECOGNITION OF ALL PEOPLE**

*The Acting CEO will read the following statement:*

The Alpine Shire Council acknowledges the traditional owners of the land we are now on.

We also acknowledge those people who have contributed to the rich fabric of our community and strive to make wise decisions that will improve the quality of life for all.

## **3 CONFIRMATION OF MINUTES**

### **3.1 SPECIAL COUNCIL MEETING - SPM6**

*Cr Roper  
Cr Forsyth*

*That the minutes of Special Council Meeting SPM6 held on 27 June 2017 as circulated be confirmed.*

*Carried*

### **3.2 ORDINARY COUNCIL MEETING - M7**

*Cr Roper  
Cr Forsyth*

*That the minutes of Ordinary Council Meeting M7 held on 4 July 2017 as circulated be confirmed.*

*Carried*



#### **4 APOLOGIES**

Mr Will Jeremy, Acting Director Assets.

#### **5 OBITUARIES / CONGRATULATIONS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its responses to questions.

#### **6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST**

Item 8.2.1 Community Grants Funding Program 2017/18

Cr Ron Janas declared a conflict of interest due to his involvement with the Myrtleford and District Landcare Sustainability Group.

Cr Tony Keeble declared a conflict of interest due to his involvement with the following groups:

- Birkebeiner Nordic Ski Group
- Mount Beauty Men's Shed and the
- Mount Beauty Tennis Club

Item 8.2.2 Event Funding Program 2017/18

Cr Ron Janas declared a conflict of interest with respect to his wife's involvement with the Myrtleford Festival.

Cr Kitty Knapstein declared a conflict of interest with respect to her involvement with the Bright Autumn Festival.

Cr Tony Keeble declared a conflict of interest due to his involvement with the Kangaroo Hoppet.

Cr John Forsyth made note of his membership with the Myrtleford Rotary club, no conflict of interest declared.

#### **7 PUBLIC QUESTIONS**

Questions on Notice will be limited to two questions per person.

Questions on Notice can be written or from the floor.

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its responses to questions.

**8 PRESENTATION OF REPORTS BY OFFICERS****8.1 ACTING CHIEF EXECUTIVE OFFICER – CHARLIE BIRD****8.1.1 Contracts approved by the Acting CEO**

*Cr Nicholas*

*Cr Roper*

*That the Contracts approved by the Acting CEO be noted.*

Contract No:	CQ17050	Process:	Request for Quotation
Title:	Various Asphalt works (2016-17)		
Tenderer:	Session Asphalt		
\$ (excl. GST):	\$58,000		

*Carried*



## 8.2 ACTING DIRECTOR ASSETS – ELAINE BURRIDGE

### 8.2.1 Community Grants Program 2017/2018

File Number: 1780

#### INTRODUCTION

Each year Council supports a community grants program assisting to fund projects that encourage community development, community resilience and social inclusion. The 2017/18 Community Grants program opened for applications at the beginning of May and closed on 30 June 2017.

Council received 32 applications with one of those being transferred to the Events Funding stream; 27 are recommended for funding with a total funding amount of \$79,535.

*Cr Roper*

*Cr Forsyth*

Cr Roper moved to suspend standing orders.

Cr Janas; Cr Knappstein and Cr Keeble left the meeting room at 8:00p.m

*Cr Roper*

*Cr Forsyth*

Cr Roper moved to reinstate standing orders.

*Cr Roper*

*Cr Forsyth*

*Moved a motion for elect Cr Pearce as Chair for*

*8.2.1 Community Grants Program 2017/18 and*

*8.2.2 Events Funding Program 2017/18.*

*Carried*



*Cr Forsyth*

*Cr Roper*

*That Council:*

*1. Allocates funding as follows:*

<i>Applicant</i>	<i>Project</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>	<i>Total project cost</i>
<i>Alpine Cycling Club</i>	<i>Mystic MTB Park Maintenance Equipment</i>	<i>\$3,075</i>	<i>\$2,200</i>	<i>\$4,100</i>
<i>Alpine Little Athletics Centre</i>	<i>Purchase Sporting Equipment (Hurdles)</i>	<i>\$4,350</i>	<i>\$4,350</i>	<i>\$5,800</i>
<i>Birkebeiner Nordic Ski Club</i>	<i>Ski de Femme (Signage)</i>	<i>\$1,064</i>	<i>\$700</i>	<i>\$1,419</i>
<i>Boomerang Bags Bright</i>	<i>Boomerang Bags (Start Up)</i>	<i>\$1,229</i>	<i>\$900</i>	<i>\$3,879</i>
<i>Bright Croquet Club</i>	<i>Stainless Steel Urn</i>	<i>\$229</i>	<i>\$229</i>	<i>\$305</i>
<i>Bright Senior Citizens Centre</i>	<i>New Blinds</i>	<i>\$2,520</i>	<i>\$2,520</i>	<i>\$3,350</i>
<i>Bright United Men's Shed</i>	<i>Air Conditioning</i>	<i>\$1,045</i>	<i>\$1,000</i>	<i>\$2,695</i>
<i>Champagne Club</i>	<i>Melbourne Cup Day event</i>	<i>\$1,500</i>	<i>\$1,000</i>	<i>\$3,060</i>
<i>Communities That Care Alpine</i>	<i>Resilient Families</i>	<i>\$5,756</i>	<i>\$5,756</i>	<i>\$17,495</i>
<i>Mount Beauty Men's Shed</i>	<i>Install Dust Extraction System</i>	<i>\$5,034</i>	<i>\$4,000</i>	<i>\$12,234</i>
<i>Mount Beauty Neighbourhood Centre</i>	<i>Kitchen Upgrade</i>	<i>\$2,600</i>	<i>\$2,600</i>	<i>\$14,606</i>
<i>Mount Beauty 1st Scouts Group</i>	<i>Purchase Tables and Chairs</i>	<i>\$900</i>	<i>\$600</i>	<i>\$1,200</i>
<i>Mount Beauty Wildlife Rescue</i>	<i>Recovery aviaries for rescued birds and small mammals</i>	<i>\$2,112</i>	<i>\$1,500</i>	<i>\$2,672</i>
<i>Myrtleford &amp; District Historical Society Inc.</i>	<i>Podium for Horse Trough Signage</i>	<i>\$781</i>	<i>\$781</i>	<i>\$1,106</i>
<i>Myrtleford 1st Scout Group</i>	<i>Camping Trailer</i>	<i>\$4,800</i>	<i>\$3,000</i>	<i>\$6,400</i>





<i>Applicant</i>	<i>Project</i>	<i>Amount Requested</i>	<i>Amount Recommended</i>	<i>Total project cost</i>
<i>Myrtleford Playgroup</i>	<i>Replenish Toys, craft and activity materials</i>	<i>\$1,237</i>	<i>\$1,237</i>	<i>\$1,650</i>
<i>Myrtleford Theatre Troupe Inc.</i>	<i>Theatre Practice Masks</i>	<i>\$450</i>	<i>\$450</i>	<i>\$650</i>
<i>North East Canoe Club</i>	<i>Purchase Double Kayak</i>	<i>\$2,146</i>	<i>\$2,000</i>	<i>\$2,866</i>
<i>Porepunkah Public Hall &amp; Porepunkah Public Reserve Committee of Management</i>	<i>Enhancement of Community Hall</i>	<i>\$17,086</i>	<i>\$8,000</i>	<i>\$37,446</i>
<i>Porepunkah Public Hall &amp; Porepunkah Public Reserve Committee of Management</i>	<i>Improvements to Public Reserve Facilities</i>	<i>\$8,680</i>	<i>\$7,500</i>	<i>\$37,880</i>
<i>RC McNamara Reserve Recreation Committee of Management</i>	<i>Purchase Lawnmower</i>	<i>\$8,800</i>	<i>\$8,000</i>	<i>\$24,000</i>
<i>Team Mount Beauty</i>	<i>The Big Easy MTB Trail</i>	<i>\$15,650</i>	<i>\$10,000</i>	<i>\$29,090</i>
<i>Team Mount Beauty - Spoke Sisters</i>	<i>MTBA Coaching Course for women</i>	<i>\$3,380</i>	<i>\$3,000</i>	<i>\$4,940</i>
<i>Upper Kiewa Valley Lions</i>	<i>Laptop and Printer</i>	<i>\$672</i>	<i>\$672</i>	<i>\$897</i>
<i>Upper Ovens Valley Landcare Group</i>	<i>Environment Management Plan</i>	<i>\$4,300</i>	<i>\$2,000</i>	<i>\$6,600</i>
<i>Wandi Bright Food Swap</i>	<i>Autumn Harvest &amp; Seed Sewing Festival</i>	<i>\$3,400</i>	<i>\$2,200</i>	<i>\$10,280</i>
<i>Myrtleford and District Landcare and Sustainability Group</i>	<i>War on Waste in Alpine Shire</i>	<i>\$3,340</i>	<i>\$3,340</i>	<i>\$11,300</i>
<b>TOTAL =</b>		<b>\$106,136</b>	<b>\$79,535</b>	<b>\$247,924</b>

2. *Officers liaise with the Mount Beauty Tennis Club (Toilet upgrade, value \$4,744) to better understand the requirements and need for the proposed project and to determine whether it can be completed within the Asset Maintenance program as this project relates to Council owned assets.*



3. *Note that the Community Grants program will assist in the delivery of \$247,924 of community projects to be undertaken in the 2017/2018 Financial Year.*
4. *Officers provide feedback and assistance to unsuccessful applicants on other potential funding opportunities that may be available for their projects.*

*Carried*

## **BACKGROUND**

The Community Grants program is a long established funding program that has assisted numerous community groups and organisations in the past. This year, applications were received from a diverse group of organisations from across the Shire.

The total amount of funds requested through the Community Grants Program this year was \$115,420.

## **ISSUES**

The Community Grants program is of great value to our community. Groups and organisations are able to access valuable funds to improve their facilities, resources or programs. This helps the group/organisation to be sustainable and offer a wider range of activities and keep people better connected. Groups may benefit from new and improved facilities, equipment or training to enable them to be more effective and perhaps lead safer activities. Often the grants enable the community to complement the workings of Council; an example being empowering our Landcare groups.

Seventeen of the projects have been recommended for reduced funding due to availability of funds. All of these projects can still proceed, with a reduced grant allocation.

One project was unsuccessful as it did not satisfy the criteria for this grants program.

The geographical spread of successful projects is:

- 10 from Bright and surrounding towns,
- 9 from Mount Beauty,
- 6 from Myrtleford, and
- 2 Shire-wide.

Applications were considered according to the following criteria:

- a. Projects that provide a high degree of community benefit;
- b. A good geographic spread of allocation across the Shire;
- c. The contribution and support from the community toward the project;
- d. Projects that impact on environmental, economic, social, built, recreational and wellbeing criteria; and
- e. Projects that can be maintained and are sustainable.



Unsuccessful applicants will be provided with feedback and offered advice on other potential funding opportunities that may be available for their projects.

Applicant	Project	Amount Requested
Champagne Club	Marquee and equipment	\$1,485
Insufficient information in application around the benefit of purchasing the required equipment.		
Chopped and Changed Kustom Car Club	Advertising and Prizes	\$1,931
This has been recommended for funding via the Event Funding Program 2017/18		
Mount Beauty Tennis Club	Upgrade Toilets in Clubrooms	\$3,444
This is a Council owned facility which may undergo major works in the future. In the meantime Council will liaise with the Club to ascertain any immediate needs for works.		
Myrtleford & District Landcare & Sustainability Group	Sustainable Solutions for Myrtleford	\$2,420
Failed to provide a project plan with the submission.		

### **POLICY IMPLICATIONS**

The Event Funding Program is consistent with the following strategic objective in the Council Plan 2017-2021:

- Strategic Objective 7: A thriving and connected community.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

An allocation of \$80,000 for community grants was adopted in the 2017/18 Budget for distribution to community projects through the Community Grants program.

A total of \$79,535 is recommended to be allocated from the budget.

### **CONSULTATION**

The Community Development Officer regularly advises groups and individuals of grant opportunities. The Community Grants Guidelines suggest that any prospective applicant contact the Economic and Community Development Department prior to submitting a grant application. This is an opportunity to gain advice on whether the proposed project is a suitable project for this program, advice on writing a grant application and how to structure a budget.

An assessment panel consisting of Cr Janas, Manager Economic and Community Development, Community Development Officer, and seven community members representing the diversity of the Alpine Shire geographical location, age and gender met on 13 July 2017 to consider the applications after having had the opportunity to



pre-read the applications. Cr Tony Keeble and Cr Kitty Knappstein attended the panel in an observation capacity.

### **CONCLUSION**

Funding the 27 projects to the value of \$79,535 will ensure that all highly valued projects are funded for 2017/18, and will enable \$247,924 projects to be delivered. The recommendations put forward by the assessment panel support community participation, contribute to the building of healthy and strong communities and represent a diversity of projects from across the municipality.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Acting Director Assets
- Manager Economic and Community Development
- Community Development Officer

Cr Janas declared a conflict of interest with respect to the Myrtleford and District Landcare and Sustainability Group project and was not involved in the panel decision for that application.

Cr Tony Keeble declared a conflict of interest with respect to: Birkenbeiner Nordic Ski Club, Mount Beauty Men's Shed and Mount Beauty Tennis club and was not involved in the panel decision for those applications.

### **ATTACHMENT(S)**

- Nil



## 8.2.2 Event Funding Program 2017/2018

File Number: 1610.26

### INTRODUCTION

Events are vitally important to the economy of the Alpine Shire. A total of 145 events were hosted throughout the municipality over the 2016/17 financial year. It is estimated that events inject \$41million into the local economy in recent years. Council provides support to event organisers in two forms: logistics support and financial sponsorship.

*Cr Roper*

*Cr Forsyth*

*That Council:*

*1. Allocates financial sponsorship and logistical funding to events as follows:*

<i>Event</i>	<i>Applicant</i>	<i>Sponsorship</i>	<i>Logistics</i>
<i>15th Great Alpine Classic Golf Tournament 2018</i>	<i>Myrtleford Golf Club Incorporated.</i>	<i>\$1,200</i>	<i>Nil</i>
<i>Audax Alpine Classic</i>	<i>Audax Alpine Classic</i>	<i>\$4,500</i>	<i>\$5,000</i>
<i>Australian Adventure Travel Film Festival</i>	<i>Australian Adventure Travel Film Festival</i>	<i>Nil</i>	<i>\$700</i>
<i>Alpine Shire Relay for life - Myrtleford</i>	<i>Cancer Council Victoria</i>	<i>\$1,000</i>	<i>\$500</i>
<i>Blackwood Alpine Ride</i>	<i>Blackwood Outdoor Specialist School</i>	<i>Nil</i>	<i>\$500</i>
<i>Bright Cabaret Festival</i>	<i>Jenny Packham T/A FAM Events &amp; Productions</i>	<i>\$2,000</i>	<i>Nil</i>
<i>Bright Cross</i>	<i>Bright Alpine Sporting Events (BASE)</i>	<i>\$1,500</i>	<i>\$500</i>
<i>Bright Fun Run</i>	<i>Bright P-12 College</i>	<i>Nil</i>	<i>\$4,000</i>
<i>Bright Mountain Film Tour</i>	<i>Hand Cut Productions</i>	<i>\$3,200</i>	<i>\$150</i>
<i>Bright Oktoberfest</i>	<i>Bright Chalet</i>	<i>\$1,000</i>	<i>\$800</i>



<i>Event</i>	<i>Applicant</i>	<i>Sponsorship</i>	<i>Logistics</i>
<i>Bright Photography Festival*</i>	<i>Bright ATFF</i>	<i>\$2,000</i>	<i>Nil</i>
<i>Bright Rotary Markets</i>	<i>Rotary Club of Bright</i>	<i>Nil</i>	<i>\$5,000</i>
<i>Bright Rotary Summer Concert Series</i>	<i>Rotary Club of Bright</i>	<i>\$1,500</i>	<i>\$500</i>
<i>Bright Spring Festival Grand Fireworks Spectacular and Entertainment</i>	<i>Bright Spring Festival Committee</i>	<i>\$1,000</i>	<i>\$500</i>
<i>Brighter Days Festival</i>	<i>Brighter Days Foundation</i>	<i>\$5,000</i>	<i>\$10,000</i>
<i>Bright's Iconic Rod Run</i>	<i>Bright Rod &amp; Kustom Club Inc.</i>	<i>\$5,000</i>	<i>\$18,000</i>
<i>Buffalo Stampede</i>	<i>Mountain Sports Australia</i>	<i>\$4,500</i>	<i>\$1,000</i>
<i>Dederang Picnic Races 2018</i>	<i>Dederang Picnic Race Club</i>	<i>\$3,500</i>	<i>Nil</i>
<i>Four Peaks - Bright Alpine Climb</i>	<i>Mountain Sports Australia</i>	<i>\$1,500</i>	<i>\$500</i>
<i>Great Southern Endurance Run*</i>	<i>Mountain Sports Australia</i>	<i>\$2,000</i>	<i>\$1,000</i>
<i>Harrietteville Half Marathon</i>	<i>'Team Harrietteville Half' and Harrietteville Primary</i>	<i>\$3,000</i>	<i>\$2,000</i>
<i>High Country Charity Ride</i>	<i>BDA Racing</i>	<i>\$2,500</i>	<i>Nil</i>
<i>High Country Christmas for the Kids!</i>	<i>BELKY PTY LTD Trading as Cloud9 Cinema</i>	<i>\$1,000</i>	<i>Nil</i>
<i>High Country Woman's Cycling Celebration *</i>	<i>Michelle Armstrong Communication WOR</i>	<i>\$2,500</i>	<i>\$200</i>
<i>Kangaroo Hoppet</i>	<i>Kangaroo Hoppet Inc.</i>	<i>\$3,000</i>	<i>\$350</i>
<i>Kiewa Valley Community Bonfire</i>	<i>Champagne Club Kiewa Valley Inc.</i>	<i>\$1,000</i>	<i>\$250</i>



<i>Event</i>	<i>Applicant</i>	<i>Sponsorship</i>	<i>Logistics</i>
<i>La Fiera</i>	<i>The Myrtleford Chamber of Commerce &amp; Industry Inc.</i>	<i>\$4,000</i>	<i>\$5,000</i>
<i>Midwinter Snowball</i>	<i>Champagne Club Kiewa Valley Inc.</i>	<i>\$1,000</i>	<i>\$100</i>
<i>Mount Beauty Music Festival *</i>	<i>Mount Beauty Music Festival Muster Inc.</i>	<i>\$3,000</i>	<i>\$500</i>
<i>Mountaingrass</i>	<i>ABOTMA Aust. Bluegrass &amp; Old Time Music Association</i>	<i>\$2,000</i>	<i>\$250</i>
<i>Myrtleford Bush Market</i>	<i>The Myrtleford Chamber of Commerce &amp; Industry Inc.</i>	<i>\$1,000</i>	<i>\$1,000</i>
<i>Myrtleford Farmers Market - Entertainment</i>	<i>The Myrtleford Farmers Market</i>	<i>\$1,500</i>	<i>\$1,000</i>
<i>Myrtleford Lawn Tennis Club Easter Tournament</i>	<i>Myrtleford Lawn Tennis Club</i>	<i>\$1,000</i>	<i>\$500</i>
<i>Myrtleford and District Agriculture Show 70th Anniversary</i>	<i>Myrtleford &amp; District Agricultural &amp; Pastoral Show</i>	<i>\$2,000</i>	<i>\$500</i>
<i>New Year's Eve Mount Beauty 2018</i>	<i>Mount Beauty United Cricket Club</i>	<i>\$1,500</i>	<i>\$500</i>
<i>Ovens Valley Canine Club Championship Shows</i>	<i>Ovens Valley Canine Club Inc.</i>	<i>Nil</i>	<i>\$1,000</i>
<i>Paragliding World Cup Bright 2018*</i>	<i>North East Victoria Hang Gliding Club Inc.</i>	<i>\$5,000</i>	<i>\$2,000</i>
<i>Peaks Challenge Falls Creek</i>	<i>Bicycle Network</i>	<i>Nil</i>	<i>\$1,500</i>
<i>Show 'n Shine and Swap Meet</i>	<i>Rotary Club of Myrtleford</i>	<i>\$1,000</i>	<i>\$1,000</i>
<i>Swagger Music Festival</i>	<i>Swagger Music</i>	<i>\$4,000</i>	<i>\$5,000</i>
<i>The Barrowthon</i>	<i>Beechworth Barrowthon Incorporated</i>	<i>\$1,000</i>	<i>\$500</i>
<i>The Bright Brewery - Alfred 6 Hour</i>	<i>Alpine Cycling Club</i>	<i>\$1,000</i>	<i>\$1,000</i>



<i>Event</i>	<i>Applicant</i>	<i>Sponsorship</i>	<i>Logistics</i>
<i>THULE B24</i>	<i>Bright Alpine Sporting Events</i>	<i>Nil</i>	<i>\$1,000</i>
<i>Tour of Bright</i>	<i>Alpine Cycling Club</i>	<i>Nil</i>	<i>\$15,000</i>
<i>Wandiligong Nut Festival</i>	<i>Wandiligong Nut Festival - Committee</i>	<i>\$1,000</i>	<i>\$1,500</i>
<i>Wild Deer Hunting, Guiding and Fishing Expo *</i>	<i>Wild Deer Hunting and Adventures</i>	<i>Nil</i>	<i>\$5,000</i>
<i>Spartan 2017 Event</i>	<i>Spartan Australia</i>	<i>\$40,000</i>	<i>Nil</i>
<i>Bright Autumn Festival</i>	<i>Bright and District Chamber of Commerce</i>	<i>\$2,000</i>	<i>\$7,500</i>
<i>The Myrtleford Festival</i>	<i>The Myrtleford Festival Association Incorporated</i>	<i>\$5,000</i>	<i>\$5,500</i>
<i>TOTAL</i>		<i>\$130,400</i>	<i>\$108,300</i>

\* indicates "new event"

2. *Provides delegation to the Chief Executive Officer to distribute the residual funds, \$59,325.*
3. *Officers provide feedback and assistance to unsuccessful applicants on their funding application.*

*Carried*





## BACKGROUND

The adopted Council budget for the 2017/18 financial year has allocated \$270,000 to support events through either financial sponsorship or logistical support/provision. In addition to this budget there is an allowance (\$43,025) for staff overtime to provide logistical support.

Across the total of 54 applications received, totals of \$286,640 in financial sponsorship and \$56,500 in logistic support were requested.

The event funding assessment panel has recommended a total of \$90,400 in financial sponsorship and \$108,300 in logistical support, which includes Council staff providing logistical support. In addition to this, Council has already allocated \$40,000 this year to the Spartan event (as part of a three-year agreement) from the events budget. This event is currently in its second year. This brings Council's total event sponsorship allocation to \$130,400.

The event funding panel comprised of:

Members from Myrtleford and Bright Chambers of Commerce, a representative from Harrierville, Cr Janas, Cr Keeble, Cr Knappstein, Acting Director Assets, Manager Economic and Community Development and both Development Officers – Events were also present to provide information on the applications received.

The 2017/18 event funding round opened on 1 May 2017 and closed 1 July 2017. A total of 54 applications were received. The total number of applications received is not reflective of the total number of events that are hosted throughout the Shire, being 145 events delivered throughout the 2016/17 financial year. The number of events held annually throughout the Shire has increased significantly over recent years. In comparison a total of 87 events were delivered in the 2012/13 financial year.

## ISSUES

The following five events were not recommended for event funding. Unsuccessful applicants will be provided with feedback and offered advice on other potential funding opportunities that may be available for their events.

Event	Applicant	Reason event not recommended for funding
80 Years of Mount Beauty CFA *	Mount Beauty Fire and Rescue CFA	Application withdrawn
Bright International Mountain Bike Festival*	Alpine Gravity Pty Ltd	Additional stakeholder engagement required
Girls Night In *	Michellini Wines	Fundraiser, not eligible for funding
Melbourne Cup Day 2017 *	Champagne Club Kiewa Valley Inc.	Club fundraiser, not eligible for funding



Monster Slide in the Pines*	Outdoor Leisure Events	Additional stakeholder engagement required
-----------------------------	------------------------	--

The surplus funds may be considered for distribution to events:

- Not funded through the program as a result of more information being required;
- MTBA - downhill event: Initial discussions are underway for a downhill MTB Nationals event in February 2018;
- Great Vic Bike Ride: Initial discussions have commenced with Bicycle Network for the event to return to the High Country in 2018;
- Other event opportunities if they arise.

### **POLICY IMPLICATIONS**

The Event Funding Program is consistent with the following strategic objective in the Council Plan 2017-2021:

- Strategic Objective 7: A thriving and connected community.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

Council adopted \$270,000 in the 2017/18 budget to support the delivery of events through the Events Funding Program; less \$15,000 for marquee management leaves an available budget of \$255,000. The recommended allocation of \$195,675 for sponsorship and logistics results in a budget surplus of \$59,325. The remaining \$43,025 for logistical support is allowed for in Council's employee budget.

Surplus funds may be considered for distribution to events:

- Not funded through the program as a result of more information being required;
- MTBA - downhill event: Initial discussions are underway for a downhill MTB event in February 2018;
- Other event opportunities if they arise.

### **CONSULTATION**

The Event Funding Program was widely advertised in the local media, on Council's website, Council's Facebook page and emailed directly to all existing event organisers.

The assessment panel including three Councillors, Council Officers and representatives from across the Shire came together to assess funding applications.

The applications were assessed against the following criteria:

- Alignment with the Alpine Shire Council's and regional tourism pillars
- Potential for the event to develop into a key attraction for the Alpine Shire
- Level to which the event will attract visitors from outside the local community (intrastate and interstate) and encourage repeat visitation



- Level that the event will provide economic impact into the local community
- Future growth and financial sustainability of the event
- Marketing promotional strategies - how they complement Alpine Shire.
- How well the event will integrate with the local community
- Value add to the existing events calendar
- Strategic vision and organisational capacity to deliver the event

There was a general agreement about the events that met the criteria and have greatest benefit to the Alpine Shire.

### **CONCLUSION**

Events are extremely important to the Alpine Shire by providing economic injection and cultural enrichment.

The recommendations put forward by the funding assessment panel support events that align with the regional brand, encourage repeat visitation, contribute to the events calendar, have a positive economic impact for the community and are sustainable over a long period of time.

The recommendation aligns with event funding criteria.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Acting Director Asset
- Manager Economic and Community Development
- Development Officer (Events Development)
- Development Officer (Events Operations)

During the assessment the representatives from Council and other members declared their interests and removed themselves from the assessment of those events.

Cr Janas declared a conflict of interest with respect to the Myrtleford Festival.

Cr Knappstein declared a conflict of interest with respect to the Bright Autumn Festival.

Cr Keeble declared a conflict of interest with respect to the Kangaroo Hoppet.

### **ATTACHMENT(S)**

- Nil



*Cr Roper*

*Cr Pearce*

Moved to suspend standing orders.

Cr Janas; Cr Knappstein and Cr Keeble re-entered the meeting room at 8:09p.m

*Cr Roper*

*Cr Forsyth*

Moved to reinstate standing orders.

**8.3 DIRECTOR CORPORATE – NATHALIE COOKE****8.3.1 Nil**

The Mayor requested for Mr Bird excuse himself from the meeting room as he had applied for the position of Chief Executive Officer. Mr Bird vacated the meeting room at 8.11p.m



## 9 MAYORS REPORT - APPOINTMENT OF CHIEF EXECUTIVE OFFICER

File Number: 1350.01 and Personal File

### INTRODUCTION

Council is required by the *Local Government Act 1989* to appoint a Chief Executive Officer under a contract for up to five (5) years.

*Cr Nicholas*  
*Cr Knapstein*

*That:*

- 1. Mr Charlie Bird be appointed to the position as the Chief Executive Officer for the Alpine Shire for a period of five (5) years commencing 2 August 2017 and expiring on 1 August 2022*
- 2. The Chief Executive Officer's Contract of Employment between the Alpine Shire Council and Charlie Bird be signed and sealed.*

*Carried*

### BACKGROUND

Council at its May meeting appointed Mr Bird to the acting Chief Executive Officers' role for a period of up to twelve months to allow for the recruitment process to be undertaken.

Council engaged Davidsons in April this year to commence the recruitment process for its Chief Executive Officer.

### ISSUES

Council has recruited and appointed the new Chief Executive Officer in accordance with the requirements of the *Local Government Act 1989*. Those requirements and procedures stipulate the following:

- Invite applications for the position by publishing a notice in a newspaper circulating throughout Victoria. The position was advertised in The Age newspaper (29 April), Border Mail (6 May) and North East Jobs directory (10 May). The advertisement also appeared on Seek, LinkedIn and on Davidson's website;
- All applications were assessed and considered with the conditions specified in the notice with interviews conducted with suitable candidates;
- The appointment of a Chief Executive officer must be by resolution of Council (and the subject of this report); and
- The Chief Executive Officer is employed under contract with set performance criteria and a specified expiry date.



### **POLICY IMPLICATIONS**

The appointment of the Chief Executive Officer will meet the following strategic objective set out in the Council Plan 2017-2021:

- Strategic Objective 1 A high performing organisation.

### **FINANCIAL AND RESOURCE IMPLICATIONS**

The budget makes allowances for the appointment of a Chief Executive Officer and all contract employment obligations.

The recruitment process was accounted for in the 2016/17 budget.

### **CONCLUSION**

Council has completed its recruitment process and has appointed a Chief Executive in accordance with the legislative requirements of the *Local Government Act 1989*.

### **DECLARATION OF CONFLICT OF INTEREST**

Under Section 80C of the *Local Government Act 1989*, the following officers declare that they have no interests to disclose in providing this report.

- Mayor
- Executive Assistant to Mayor

### **ATTACHMENT(S)**

- Nil

Mr Bird was recalled into the meeting room at 8.16p.m.



## 10 ASSEMBLY OF COUNCILLORS

### INTRODUCTION

Section 80A of the *Local Government Act 1989* requires a written record of Assemblies of Councillors to be reported at an ordinary meeting of the Council and to be incorporated in the minutes of the Council meeting.

*Cr Keeble*

*Cr Pearce*

*That the summary of the Assemblies of Councillor for June / July 2017 be received.*

*Carried*

### BACKGROUND

The written records of the assemblies held during the previous month are summarised below. Detailed assembly records can be found in Attachment 10.0 to this report.

Date	Meeting
27 June	Briefing Session
4 July	Briefing Session
18 July	Victorian Grants Commission

### ATTACHMENT(S)

- 10.0 Assemblies of Councillors – June / July 2017



**11 GENERAL BUSINESS**

Refer to Alpine Shire Council's website [www.alpineshire.vic.gov.au](http://www.alpineshire.vic.gov.au); for its responses to questions.

**12 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN**

Nil

**13 RECEPTION AND READING OF PETITIONS**

Nil

**14 DOCUMENTS FOR SEALING**

*Cr Forsyth*

*Cr Keeble*

1. *That the following documents be signed and sealed.*

*Planning Permit issued for 5.2016.101.1 at 10-18 Pioneer Lane, Bright permitted a nine lot subdivision. Conditions 31 and 32 require a Section 173 Agreement to be entered into in order to create an exemption under Clause 44.06-1 of the Alpine Planning Scheme. The exemption will allow the future owners of each lot an ability to construct a single dwelling onsite without the need for a planning permit.*

2. *Planning Permit issued for 5.2016.22.1 at 1 McCullough Street, Porepunkah permitted a two-lot subdivision. North East Catchment Management Authority condition 13 requires a Section 173 Agreement to be entered into to ensure any future dwelling constructed on proposed lot 1 of PS 744197C be elevated a minimum of 500mm above natural ground level. The elevation of the dwelling should ensure that the dwelling not be effected by flooding associated with the adjacent waterway.*

*Carried*

There being no further business the Chairperson declared the meeting closed at 8:28 p.m.

.....  
Chairperson



# High Country Library Network Shared Service Agreement

October 2017- June 2020

## Contents

---

1. Introduction.....	3
2. Membership.....	3
3. Library Management Group.....	4
4. The Hub.....	5
5. The Agreement .....	8
6. Financial Information .....	11
7. Insurance and Indemnity .....	12
8. Service Delivery .....	13
Appendix A – Cost Attribution Formula .....	19
Appendix B – Branch Contact Details .....	20
Appendix C – Responsibility Matrix .....	21
Appendix D – Agreed Services Provided by the Hub .....	25
Appendix E – Collection Management Principles .....	28
Appendix F – Hub Assets.....	30
Appendix G - Year One Budget.....	31

## 1. Introduction

---

- A. Alpine Shire Council (**Alpine**), Benalla Rural City Council (**Benalla**), Mansfield Shire Council (**Mansfield**) and Wangaratta Rural City Council (**Wangaratta**) (collectively **the Members**) have established a shared service Library Network known as the High Country Library Network (**the Network**).
- B. The public library branches within each council's municipal district share a common Library Management System and library collection.
- C. The Members have agreed to receive collection, cataloguing and support services relating to the High Country Library Network through a hub (the Hub) located in Myrtleford and operated by Alpine. The costs associated with the Hub will be shared by each Member based on the cost attribution formula outlined in this Shared Service Agreement (the Agreement).
- D. The Members acknowledge that it is essential to the success of this Agreement that there is a co-operative partnership approach and that this will require a strategic and flexible approach to the delivery of Library Hub services.
- E. All parties have committed to strive to develop and improve systems and service delivery within the budget constraints. There will be a focus on achieving the services outlined in this Agreement to ensure improved outcomes for the community.
- F. In operating the Hub, Alpine has committed to provide high quality services to the other Members. The service will support the Members to:
- Encourage and promote optimal use by the community of library services;
  - Develop and maintain customer service standards comparable to the best in Australia; and
  - Develop and maintain a diverse collection which meets the needs of the community.

## 2. Membership

---

### 2.1 Members

The Members of the Network are:

- Alpine;
- Benalla;
- Mansfield; and
- Wangaratta.

The value of the contribution of each Member is outlined in the Cost Attribution Formula at Appendix A. The Network collection is owned by and recognised in each council's financial statements and is not owned by the Members jointly.

### 2.2 Branches

Library branches that receive services from the Hub are:

- Bright library;

- Mansfield library;
- Mount Beauty library;
- Myrtleford library;
- Sir Edward 'Weary' Dunlop Learning Centre (Benalla library); and
- Wangaratta library.

For contact details of all branches refer to Appendix B.

## 3. Library Management Group

---

### 3.1 Statement of purpose

The purpose of the Library Management Group is to:

- Provide a forum to facilitate the exchange of ideas and experiences which enhance the quality of library services in the Members municipalities;
- Provide a forum to examine and discuss trends and issues in services in Victorian public libraries;
- Develop and monitor guidelines for the management of the Network collection;
- Monitor Key Performance Indicators related to the operation of the services and set out in the second column of Appendix D, most specifically the performance of Alpine in the operation of the Hub;
- Monitor issues and concerns between the Members and Alpine;
- Monitor and oversee the library collection in accordance with the Collection Management Policy and Plan; and
- Review the Local History Collection and develop principles for its management and location (currently housed in Wangaratta).

### 3.2 Membership

The Library Management Group comprises:

- The Hub Coordinator (Secretariat);
- One council manager with overall responsibility for library services from each council; and
- One Library Coordinator, or equivalent, from each of Alpine, Benalla, Mansfield and Wangaratta.

The Group must, at its first meeting and annually thereafter, appoint among the representatives a Chairperson who will hold office for a term of one (1) year but is eligible for reappointment for a further term, unless he/she resigns (in which case the Group must appoint a new Chairperson to chair the meetings). No person may be the Chairperson for more than two consecutive years.

In the event that the appointed Chairperson is absent from a meeting the representatives present at the Library Management Group meeting must appoint an acting Chairperson, who must preside over that meeting or until the Chairperson is present.

### 3.3 Meetings of the Library Management Group

The Library Management Group must meet not less than four (4) times per year at a geographically central location.

The Library Management Group may appoint sub-committees as it determines necessary, including the appointment of the Collections Group.

In all other respects, the Library Management Group may regulate its own proceedings.

### 3.4 Reporting

The Secretariat of the Library Management Group must produce the Agenda and Minutes in consultation with the Chairperson. The Agendas and Minutes of meetings will be provided to each member of the Library Management Group.

### 3.5 Execution of Duties

Each member of the Library Management Group will be responsible for exercising their delegated powers and for the reporting back to their respective council upon the exercise of those powers.

## 4. The Hub

---

### 4.1 Location

The Hub is located in the former Council Chambers in Myrtleford opposite the Myrtleford library. The Stack collection will be located in the meeting rooms and strong room of the Myrtleford library.

### 4.2 Address

The address of the Hub is:

Cnr Standish St & O'Donnell Ave  
Myrtleford VIC 3737.

### 4.3 Operating hours

The operating hours of the Hub will be 8.30 am to 5.00 pm, Monday to Friday (public holidays excepted).

### 4.4 Services provided to the branches

The Hub will operate as a processing facility operated by Alpine. It will provide the following services (as outlined in Appendix D – Agreed Services Provided by the Hub):

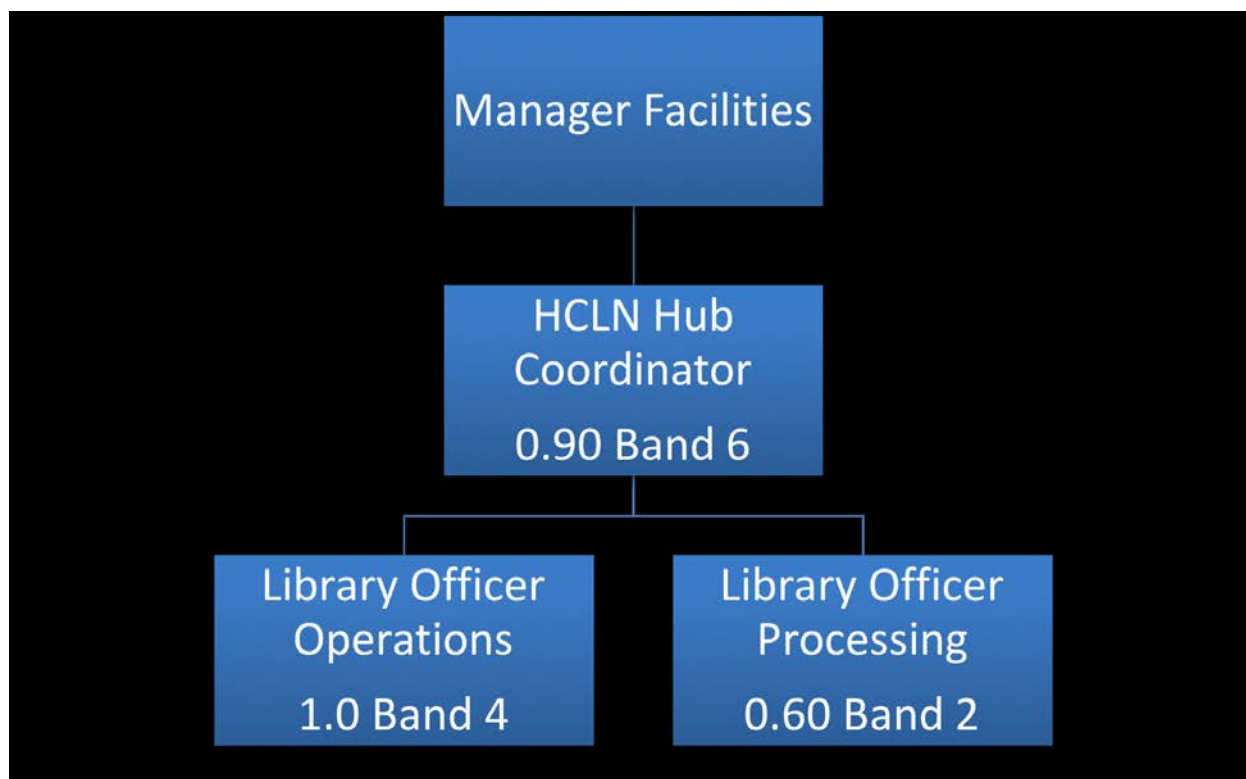
- A team of Hub employees to ensure network branches are dealt with efficiently, courteously and in accordance with this Agreement;
- Liaison with branch managers/coordinators across the Network to ensure a detailed understanding of branch requirements is known and understood;
- Development and implementation of procedures for managing the regional collection as recommended by the Library Management Group;

- Management of the Network collection in accordance with the Collection Management Principles set out in Appendix E and the Collection Management Policy;
- Provision of secretariat support for the Library Management Group;
- Provision of reports to the Members in accordance with the Agreement;
- Management the library management systems outlined in this Agreement;
- Maintenance of the Network website;
- Preparation of annual data for the Local Government Performance Reporting Framework;
- Ordering and purchasing of books and materials;
- Cataloguing of books and materials;
- Management of the courier service of books between branches and ensure delivery meets the requirements of this Agreement;
- Processing of books and materials to shelf ready standards;
- Maintenance of magazine subscriptions;
- Maintenance of inter library loans and SWIFT processes.
- Monitoring of usage of online resources to ensure they are relevant and provide training to branches where necessary; and
- Representation of the Network at meetings as required.



#### 4.5 Hub structure

Alpine will employ staff in the Hub. The structure is



\*To be operating model transitioned to during life of the Agreement

#### 4.6 Hub assets

Alpine will occupy the premises from which the Hub will operate. A rental component, based on the market rental, will form part of the financial contribution payable by the Members.

Alpine has provided assets that accommodate the specific nature of the Hub building (being round) and ensure an inviting and functional environment for the Hub staff. Assets provided by Alpine include desks and book shelves.

## 5. The Agreement

---

### 5.1 Purpose of this Agreement

This Agreement sets out in specific and measurable terms the services to be provided by Alpine to the other Members and allocation of roles and responsibilities for the Hub and Network services, as well as consequential other matters.

### 5.2 Administration of the Agreement

The administration of this Agreement will be overseen by the Library Management Group, as outlined in this Agreement.

### 5.3 Term of the Agreement

This Agreement will be for 34 months commencing on 1 October 2017 and concluding on 30 June 2020.

Any Member must provide a minimum of six (6) months' notice within that period of its intention to withdraw from this Agreement.

Extensions or variations to the Agreement will be dependent upon agreement being reached by the Members on the terms of any extension or variation and other relevant financial matters.

### 5.4 Entry of new Member(s)

If a non-party requests to join the Network the following process must be undertaken:

- The non-party will be admitted to membership only upon the members unanimously agreeing to admit it;
- Alpine must provide to each of the Members all information reasonably requested in order for agreement to be reached.
- A review of the Cost Attribution Formula will be undertaken to determine if the current method (as outlined in Appendix A) is appropriate.
- Any newly admitted Member must:
  - Agree to be bound by the terms of this Agreement;
  - Have the same rights, duties and obligations as the existing Members under this Agreement.

### 5.5 Exit of Member(s)

If a Member wishes to exit the Network:

- The Member must give a minimum of 6 months' notice.
- The portion of the net assets to which the exiting Member is entitled must be calculated according to the value of the assets as disclosed by the financial statements and will be the same portion as outlined in the Cost Attribution Formula outlined in this Agreement.
- The portion of net assets to which the exiting Member is entitled may be taken in such combination of property and cash as is agreed between the Members. If it is agreed

that the exiting Member is entitled to materials then the removal of those materials will be at the cost of the exiting Member.

- Any redundancy or change in operation costs occasioned as a result of a Member exiting the Network will be determined by a review undertaken just prior to the notified exit date to assess the reduced function of the Hub. The review will consider:
  - The reduced number of materials being processed by the Hub as a result of the Member exiting;
  - The reduced number of crates being transported to and from the Hub as a result of the Member exiting;
  - The number of hours required to undertake operations and processing functions for the remaining Members;
  - Entry of new Members to the Network; and
  - Recommendations by the Library Management Group.
- Any redundancy or change in operation costs will be incurred by all Members based on the Cost Attribution Formula.
- The exiting Member will take its portion of the Collection based on the following:
  - The value of the exiting Members collection as recognised in the Member council's financial statements.
  - Books and library items purchased during the term of this Agreement to the value based on the Cost Attribution Formula.
  - The exiting Member is entitled to books and library items relevant to its local collection and history.
- A review of the Cost Attribution Formula will be undertaken to determine if the current method (as outlined in Appendix A) is appropriate for the remaining Members.

## 5.6 The Network and Financial Obligations

At the conclusion of each financial year for the term of this Agreement and, regardless of whether the Members agree to extend its term or to enter a new agreement, Alpine must provide to each of the other Members:

- An Income Statement for the financial period (1 July – 30 June);
- A Balance Sheet for the financial period; and (as at 30 June)
- A readable copy of all audited records, in an appropriate format, associated with the operations of the Hub during the term of this Agreement.

Each Member must:

- Make contributions, in accordance with a biannual invoicing protocol aligned to DELWP funding timeline, towards the cost of the services and maintenance of the Network, in accordance with any Annual Budget and the Cost Attribution Formula;
- Contribute to the share of the net assets or net liabilities as determined in the final Balance Sheet in accordance with the percentages specified in the Cost Attribution Formula; and

- Remove materials apportioned to it under the Cost Attribution Formula at each Member's own cost.

## 5.7 Dispute Resolution

If there is a dispute or difference between the Members in relation to this Agreement, the parties undertake to use all reasonable endeavours to settle the dispute or difference by negotiation. If the parties cannot settle the dispute within 21 days, the matter must be determined as a dispute under the *Commercial Arbitration Act 2011* and the arbitrator's decision shall be final and binding on the parties. The costs of any arbitration shall be borne equally by Members involved in the arbitration.

## 5.8 Review of the Agreement

This Agreement must be reviewed annually by June 30 by the Library Management Group. The effectiveness, accuracy and relevance of Agreement will be reviewed as will the accuracy of specified services to ensure a true reflection of actual activities being undertaken. This Agreement may also be reviewed at any other time at the request of any current Member. Should this Agreement require amendment outside the scheduled review cycle, this review must be conducted through the Library Management Group.

Circumstances that can lead to a review include:

- A change in the level of service required;
- Changes that affect Alpine's ability to deliver the stated services; and
- Changes in the services required by two or more Members.

Reviews will cover:

- The scope of the services being delivered and their appropriateness;
- The appropriateness of frequency measures;
- The roles and responsibilities of both Alpine and the other Members;
- The assessment of the delivery of services against the Key Performance Indicators as contained in the second column in Appendix H; and
- Performance against budget as outlined in Appendix E of this Agreement.

## 5.9 Variations to Agreement

The unanimous agreement of Members is required:

- To any variations to this Agreement; or
- To any costs incurred as a result of a variation which will be apportioned based on the Cost Attribution Formula.

Any such agreement must be in writing, executed by the parties.

## 6. Financial Information

---

### 6.1 Financial contributions

Financial contributions under the Agreement are determined based on

- The Cost Attribution Formula outlined in Appendix A;
- The Annual Budget;
- Variances to budget, which will be shared among the Members based on the Cost Attribution Formula outlined in Appendix A; and
- Variances to budgeted expenditure, which will not exceed 10% unless agreed by the Library Management Group.

The Cost Attribution Formula is based on the population as per the most recent Australian Bureau of Statistics reports per Member.

Contributions will be made by members in full, up front at the commencement of each financial year.

### 6.2 Financial principles of Agreement

The Principles on which this Agreement is based and will operate are:

- No surprises;
- Process improvement;
- Minimising costs to Members;
- Reporting quarterly;
- Recommendations to Members by the Library Management Group and
- The Library Management Group reviewing the final operating result and making a recommendation to the Members on how a variance to budget will be treated.

### 6.3 Budget

Alpine will develop a Budget for the Hub operations annually, in line with the financial year ending 30 June. The Annual Budget will be drafted by March annually to be presented to and endorsed by the Library Management Group prior to being presented to a Member.

### 6.4 Financial reports

Financial reports will be prepared quarterly as follows:

- YTD Income Statement v Budget;
- YTD Balance Sheet;
- Forecast Income Statement v Budget;
- Forecast Balance Sheet; and
- Within 3 weeks of quarter end.

## 6.5 Financial management

Alpine will:

- Administer and account to the Members in accordance with the method set out in the Annual Budget or per 6.3 and 6.4 of the Agreement.
- Provide to the Members annually in advance a tax invoice for the amount owing in accordance with the Annual Budget; and
- Ensure that all financial activity in relation to the operation of the Hub is audited and reported in accordance with its usual processes.

## 6.6 Third party providers

A number of third party vendors which provide services for the Network that are within the scope of this Agreement will be managed by Alpine on behalf of the Members. The services of all third party vendors will be procured in accordance with the *Local Government Act 1989*. Any breach of the Act is the responsibility of Alpine. The third party vendors include:

- Syrsi Dynix > (Library Management System via a Managed Service);
- SWIFT;
- Blue Cloud Analytics;
- SMS provider;
- Couriers;
- Book and other library material suppliers;

# 7. Insurance and Indemnity

---

## 7.1 Public Liability Insurance

The Members warrant that they are members of the MAV Insurance Scheme (**the Scheme**) and are bound by the rules of the Scheme. In the event that any of the Members cease to be members of the Scheme they will immediately, pursuant to Section 76A of the *Local Government Act 1989*, effect public liability insurance. They agree that this public liability insurance will be for a minimum level of cover of \$20,000,000.

## 7.2 Work-Cover

Hub employees are employed by Alpine and are covered under Alpine's WorkCover policy of insurance. Should an employee be injured, any WorkCover costs (e.g. insurance excess, top up salary and backfill) will be shared among the Members based on the Cost Attribution Formula.

## 7.3 Indemnity

Each Member (**the Indemnifying Member**) agrees to indemnify each other Member and keep indemnified the other Members, their servants and agents, and each of them against any and all liability and all actions, suits, proceedings, damages, claims, costs and expenses connected with any breach of this Agreement by the Indemnifying Member or related to any wilful or neglect conducted on the part of the Indemnifying Member. The indemnifying Member's liability to

indemnify the other Members shall be reduced proportionally to the extent that any act or omission of the other Members contributed to the loss or liability.

## 8. Service Delivery

---

Services must be delivered in accordance with this Agreement as outlined in Appendix D.

Any services not listed under the Agreed Services in Appendix D are beyond this Agreement. If the Network requires additional services then these services will be negotiated and agreed upon individually.

Alpine will not be held responsible or legally liable for any unplanned delay or interruption in service caused by third party providers such as SIRSI Dynix, website hosts, book suppliers, book processing, carriers, newsagents supplying newspapers and or carriers. Any planned outages will be advised to those with the network who will be affected and progress with resolution will be advised in a timely fashion. Alpine will operate in a way which minimises interruption and work with third party suppliers to ensure continual supply where possible.

### 8.1 Service Delivery Principles

- Alpine will ensure that all service delivery outputs in relation to this Agreement are delivered in a timely, accurate and consistent manner.
- Alpine will develop, document and share baseline data – As stated in the VAGO Report – Shared Services in Local Government
- All outputs will be delivered in accordance with the specified service levels as outlined in this Agreement and Appendices.
- Members will deliver accurate and timely inputs to enable Alpine to deliver the services in the most effective manner possible.
- Members will raise any issues in relation to provision of information or services so that these can be addressed promptly.
- Services will be delivered from the Hub located at the Myrtleford library.
- Concerns relating to the delivery of the services within this Agreement should be raised initially with the Library Management Group.
- The quality of services delivered under this Agreement will be monitored by Members through the Library Management Group.
- Any deficiencies identified between the Agreed Services and those delivered will be addressed immediately. Feedback on the services received will be monitored in the following ways:
  - Discussions between the day-to-day contacts;
  - Escalation discussions;
  - Library Management Group meetings; and
  - Advice and suggestions from Client staff members.

If identified issues cannot be resolved within the specified timeframe, dispute resolution will commence in accordance with Section 5.7

## 8.2 Collection management

The Hub will provide the following collection management services:

- Report on progress against the collection management policy and stated collection management principles, specifically Clause 1.5 rate of acquiring new materials against the Australian Library and Information Association enhanced standard and 1.6.3 use of cooperative purchasing (MAV, Procurement Australia)
- Maintenance and application of the Network collection and related policies;
- Strategic procurement of shelf-ready collection resources;
- Maintenance of the Network online catalogue;
- Movement of library materials both within the region and through the SWIFT consortium.
- Provision of Library Management System management reports.

## 8.3 Member responsibilities

The responsibilities of each Member and branch includes:

- Managing and supporting their own office applications to support its library service, such as public access, staff email and staff network access;
- Establishing a Subject Matter Expert (**SME**) for its library service. The SME will be the first point of contact for general operational issues in relation to the Library Management System for the Member library service and the collection;
- Ensuring its library staff are appropriately trained in the use of the Syrsi Dynix Library Management System;
- Ensuring Application Security in line with the Members standard operating procedures;
- Logging all fault calls, help requests and queries for the LMS to the Sirsi Dynix help desk system;
- Providing timely replies/responses to queries in resolving issues;
- Being responsible for all goods located on the Member's site, whether in use or not;
- Providing resources as requested to assist in user testing, projects and other activities related to the Library services;
- Providing input into the preparation of the quarterly reports for the Library Management Group;
- Adhering to the adopted Network policies and procedures;
- Engaging with the Network in active planning for growth and the future direction; and
- Providing localised training for new employees.

Refer to Appendix C – Responsibilities Matrix.



## 8.4 Alpine Responsibilities

Alpine will:

- Manage and maintain the hardware and software to operate the Sirsi Dynix Library Management System for the Hub;
- Manage and maintain the hardware and software to operate the Network website, which at the commencement of this Agreement was [www.hclc.vic.gov.au](http://www.hclc.vic.gov.au);
- Assist in the planning for capacity, growth and aligning service delivery with Member needs;
- Manage the preparation of quarterly reports for the Library Management Group;
- Develop and align procurement policy and procedures in consultation with Members.
- Adhere to the Network's policies and procedures as they relate to Hub operations;
- Coordinate training for new applications, modules and databases;
- Provide the Members with at least 2 normal working day's-notice of any scheduled downtime as per the agreed process;
- Manage third party suppliers as they relate to the Library Management System and the responsibilities of operation of the Hub;
- Provide Secretariat support for the Library Management Group;
- Develop and maintain library policies specific to library services but not specific to each Member;
- Represent the Network at external organisations and associations;
- Provide professional advice for future planning of library services;
- Provide and support individual training programs; and
- Promote and participate in the Premiers Reading Challenge.

## 8.5 Collection databases

The Hub will manage the online databases provided to the Network. The online databases will be reviewed annually to ensure they remain relevant and are being used by the Members. The Hub will also ensure that branch staff are trained in using the online databases. At the commencement of this Agreement the following online databases were used:

- Britannica
- Cengage – (National geographic, General One file and Health and Wellness)
- Ancestry
- Bolinda
- One Click
- Zinio

## 8.6 Operational management

The Hub will seek productivity and service improvements wherever possible.

Procurement and Contract Management Skills will be developed in all staff involved with these functions.

Procurement Policy and procedures will be developed and maintained in alignment with best practise and where possible incorporate Members Council policy.

A 6 monthly process of supplier review will ensure best value and continual service improvement.

The Hub will maintain engagement with Local Government Victoria to seek support, guidance and resources, primarily in relation to shared procurement.

The Hub will actively engage agency arrangements and/or State Purchase Contracts and Whole of Victorian Government Contracts

**THIS AGREEMENT** was made on.....2017

**SIGNED** for and on behalf of **ALPINE** )  
**SHIRE COUNCIL** by ..... as delegate, in )  
the presence of: )

.....  
Signature of Witness

.....  
Name of Witness

**SIGNED** for and on behalf of **BENALLA** )  
**RURAL CITY COUNCIL** by ..... as delegate, in )  
the presence of: )

.....  
Signature of Witness

.....  
Name of Witness

**SIGNED** for and on behalf of **MANSFIELD** )  
**SHIRE COUNCIL** by ..... as delegate, in )  
the presence of: )

.....  
Signature of Witness

.....  
Name of Witness

**SIGNED** for and on behalf of **WANGARATTA** )  
**RURAL CITY COUNCIL** by ..... as delegate, in )  
the presence of: )

.....  
Signature of Witness

.....  
Name of Witness

## Appendix A – Cost Attribution Formula

---

The membership of each Member is based on a Cost Attribution Formula. That formula is determined by the population of each Member as stated by the Australian Bureau of Statistics. At the commencement of this Agreement the Member cost attribution was outlined as follows:

<b>Council</b>	<b>Population*</b>	<b>%Network Membership</b>
Alpine Shire	11,881	20%
Benalla Rural City Council	13,647	23%
Mansfield Shire Council	7,893	13%
Wangaratta Rural City Council	26,815	44%
	<b>60,236</b>	<b>100%</b>

## Appendix B – Branch Contact Details

Council	Branch
Alpine Shire Council	Bright Library 12 Ireland St, Bright VIC 3741 brightlibrary@alpineshire.vic.gov.au Phone: 03 5755 1540 Fax: 03 5755 1540
Alpine Shire Council	Mount Beauty Library 61 Lakeside Avenue, Mt Beauty VIC 3699 mtblibrary@alpineshire.vic.gov.au Phone: 03 5754 4305
Alpine Shire Council	Myrtleford Library Cnr Standish St & O'Donnell Ave, Myrtleford VIC 3737 myrtllibrary@alpineshire.vic.gov.au Phone: 03 5751 1591 Fax: 03 5751 1737
Benalla Rural City Council	Sir Edward 'Weary' Dunlop Learning Centre (Benalla Library) 2 Fawckner Drive, Benalla VIC 3672 email: to be advised Phone: 03 5762 2069 Fax: 03 5762 7056
Mansfield Shire Council	Mansfield Library Cnr High & Collopy Street, Mansfield VIC 3722 library@mansfield.vic.gov.au Phone: 03 5775 2176 Fax: 03 5779 1084
Wangaratta Rural City Council	Wangaratta Library 21 Docker Street, Wangaratta VIC 3677 email: library@wangaratta.vic.gov.au Phone: 03 5721 2366

## Appendix C – Responsibility Matrix

The responsibility matrix outlines key functions of the Network and where the responsibility resides.

Split up of hub and branch duties	Hub	Branch	Member	Notes
<u>Relationship Management</u>				
Feedback and refinement of policies	x	x		Through Library Management Group.
Facilitation of Library Management Group	x			
Participation in Library Management Group	x	x	x	
Facilitation of Collections Group	x			If such a group is set up by the Library Management Group.
Participation in Collections Group	x	x		
<u>Collection Management</u>				
Development of Collection and related policies	x			Om consultation with the Library Management Group.
Procurement of materials	x			Branches input into profile and local priority buying
Processing of materials	x			
Maintenance of catalogue	x			Including entering new stock
Facilitating movement of materials	x			
Discarding of materials		x		In accordance with procedures.
Repairs		x		Only when absolutely necessary. Consider discard/repurchase.
Local History acquisitions	x	x		Refer to procedure
SWIFT and Inter library loans	x			Hub administers but

Split up of hub and branch duties	Hub	Branch	Member	Notes
processes				branches have a role
Processing of donations	x	x		Refer to procedure
<u>Information Technology</u>				
Support of Library Management System	x			If issues are not able to be resolved by Members IT department, tickets will be logged directly with Sirsi Dynx.
Library Management System upgrades			x	Upgrades will be performed by the Hub and tickets relating to the upgrade will be directed to the Hub.
Provide help desk function for library system	x			
PC Res	x	x	x	PC Res will be managed on an Alpine server. Administration of the server will be completed by Alpine. User issues will be administered by each Member. Server related issues will be forwarded to Alpine for resolution.
Quarterly reporting	x			
Updates to regional website/social media	x			
Support to website and social media sites	x			
Updates to Council website/social media		x		
Management of third party suppliers	x	x		Depending on nature of each and service provided
Support normal Office applications to support library			x	
Support normal Office applications to support hub	x			



Split up of hub and branch duties	Hub	Branch	Member	Notes
Ensure application security	x		x	Set ups , staff exits
Adhere to library procedures	x	x	x	
Log calls for support with the Library Management System	x			
Have appropriate disaster recovery and continuity plans	x		x	
Contribute to planning processes	x		x	
<u>Administration</u>				
Support for Library Management Group	x			
External representation - PLVN/SWIFT	x			
Provide library advice on planning of services	x			
Provide and support individual training programs	x	x	x	Depending on nature
<u>Financial Management</u>				
Development and management of Budget	x			Input from Councils
Reporting on financial performance	x			
Processing of Hub related debtors/creditors	x			
Processing of Branch related debtors/creditors			x	
<u>Management Reporting</u>				
Preparation of quarterly reports	x			
<u>Information Services</u>				

Split up of hub and branch duties	Hub	Branch	Member	Notes
Provision of databases	x			
Training in online databases	x			
<u>Other</u>				
Story time/Rhyme time		x		
Outreach		x		

## Appendix D – Agreed Services Provided by the Hub

Below is a detailed listing of the services provided by the Hub and how the services will be measured.

Agreed Services	Performance indicator
Development and management of Budget.	Adoption of the annual Hub Budget by each Member.
Reporting on financial performance.	Reporting quarterly to Library Management Group within 3 weeks of end of quarter end.
Management, raising and payment of all Network invoices	Raising and payment of all Network invoices in accordance with terms.
Maintenance and application of the Network's Collection Management Policy and other related policies.	Policy endorsed and reviewed annually.
Administration of strategic procurement of shelf-ready collection resources.	<ul style="list-style-type: none"> <li>• Periodicals one week.</li> <li>• Items requested by patrons or purchased to fill reservations – one week.</li> <li>• Other items – 4 weeks.</li> </ul>
Shelf-ready processing of donated items not funded from each Member's collection resources budget: <ul style="list-style-type: none"> <li>• No charge for processing of donations equalling up to 2% of total number of new items allocated in the previous year.</li> <li>• A schedule of shelf-ready processing fees is applied to donations above the agreed threshold</li> <li>• All donations are added in consultation with the Collections Officer in keeping with the Collection Development Policy and to maintain the level of quality of the overall.</li> </ul>	<ul style="list-style-type: none"> <li>• 100% of donations processed within 12 weeks of receipt.</li> <li>• Externally funded collection items processed within 4 weeks of receipt.</li> </ul>
Maintenance of the Network online catalogue.	Items entered within three weeks of receipt.
Movement of library materials both within the region and through the SWIFT consortium	Ready for despatch from Hub within 24 hours of arrival  Supply of Inter Library loans (SWIFT) is

Agreed Services	Performance indicator
	dependent on availability from the library of origin
Support of Library Management System	<p>LMS procedural guides provided to Members.</p> <p>LMS hardware and software managed and maintained in accordance with Alpine Shire Council and Sirsi Dynix operational requirements on an annual and ongoing basis.</p> <p>Licences are maintained in support of LMS operations on an annual basis by Alpine Shire Council.</p> <p>Establish a Subject Matter Expert (SME). The SME will be the first point of contact for general operational issues in relation to the Library Management System.</p> <p>Hub will advise of pending upgrades to be implemented by each member.</p>
Quarterly reporting of loans.	Hub Coordinator will prepare all management reports.
Website/social media updates and site support and maintenance	Material is current and sites functional
<p>Participate in the strategic planning for the Network.</p> <p>Managing the preparation of quarterly reports for the Library Management Group.</p>	Hub Coordinator will participate in the strategic planning for the Network.
Support for Library Management Group	Meetings held quarterly, outcomes recorded and provided to Members.
Development, application and maintenance of library policy specific to the Hub. These policies shall be adopted by each Member.	Policies maintained and reviewed in accordance with agreed timeframes.
External representation at relevant Library forums.	Reporting to the Library Management Group on learnings from sessions.
Provision of databases	Report on usage of databases
Review of electronic databases to be completed on an annual basis.	Recommendation provided on each database.
Provision of training in online databases as required.	Delivery as required

<b>Agreed Services</b>	<b>Performance indicator</b>
Local Government Planning and Reporting Regulations	Report December YTD and end of financial year within 3 weeks.
ASC to maintain Hub IT infrastructure and provide network support to hub.	Effective service of network
Supplier performance reviews. Six monthly reporting regime for inclusion in HCLN quarterly reports	Commercially advantageous supplier agreements and service improvements

## Appendix E – Collection Management Principles

---

### 1. Collection Management:

Building and maintaining a collection that is relevant to the community's needs in both scale and quality is fundamental to the provision of an effective library service. Similarly, managing the collection through the various stages from selection to disposal of materials will require adherence to the following base standards.

- 1.1 A Collection Management Policy and Plan will be prepared and reviewed annually.
- 1.2 The Hub will be responsible for maintenance and application of the Policy and Plan in consultation with the Library Management Group.
- 1.3 The collection will be aggressively weeded to identify and remove from display, those materials that:
  - 1.3.1 Are irretrievably damaged.
  - 1.3.2 Are out of date and could present misleading information to patrons.
  - 1.3.3 The weeding process is also to identify materials that have not been borrowed for two years and ascertain whether such materials should be relocated to other service points or disposed of.
- 1.4 All materials will be reviewed prior to disposal to ensure that items of value, historical significance or potential use are retained within the region.
- 1.5 The rate of acquiring new materials should be set at a level which enables community demand to be met and acceptable collection turnover rates to be achieved. The collection target is to have 2.2 items per capita with 60% of the collection to have been acquired in the past 5 years (The ALIA enhanced standard).
- 1.6 Materials selection and acquisition will be the responsibility of the Hub collections staff in consultation with the Library Management Group and will take place through a combination of the following activities:
  - 1.6.1 An annual Collection Conference to determine parameters for acquisitions in the coming year
  - 1.6.2 Profile (of the region) buying of 75% of materials , Audio visual materials 10% and provision for up to 15% based on local preferences ,Branch Librarians and other staff are able to suggest stock from their knowledge of local preferences.
  - 1.6.3 Use of cooperative purchasing (MAV, Procurement Australia) as far as possible
  - 1.6.4 Acquisition of materials from other sources.
- 1.7 Following receipt, new library materials will be catalogued and available on shelves no later than:
  - 1.7.1 One week for periodicals.
  - 1.7.2 One week for items requested by patrons or purchased to fulfil reservations.
  - 1.7.3 Eight weeks for all other items.
- 1.8 Materials will be allocated to service points using the criteria in the Collection Management Plan, which will take into account the service point profile, expressed and

anticipated community needs and preferences, collection size and the existing collection.

- 1.9 The collection will “float” with the exception of items which have local significance and/or are purchased via local preferences. These items will be marked so that they are identifiable to a particular branch.
- 1.10 Hub and branch staff will monitor collection performance in order to build their knowledge of the community’s preferences and refine the selection process.

## 2. Catalogues and Location Aids:

Library users select materials and access information in a variety of ways ranging from browsing the shelves to pre-selecting items prior to their visit. To aid this process the Network will comply with the following minimum standards.

- 2.1 The on-line public access catalogues (OPACs) will accurately reflect the library’s holdings, including the location and status of items.
- 2.2 At least one dedicated OPAC terminal will be provided at each service point. Additional terminals will be provided based on user demand.
- 2.3 Catalogue entries will be accurate, up-to-date and include sufficient detail to enable users to find the required information.
- 2.4 Signage which assists users to easily locate items and facilities will be provided at all service points.

## 3. Reference and Information Services

The following minimum standards will guide the delivery of such services.

- 3.1 Access to the reference and information resources of the region and assistance with their use will be free of charge to those eligible for membership. Where it is necessary to access external information sources and/or inter-library loans, any significant costs incurred may be recovered from the enquirer.
- 3.2 The region’s services may be accessed in person, by telephone or email, or via the Network’s web page.
- 3.3 Staff will be trained in the use of reference resources available in the region, whether provided in print or non-print formats. Staff will also be trained in the skills of conducting reference interviews and will have knowledge of the general resources available from common referral points.
- 3.4 When an enquiry cannot be satisfied from resources within the service point, further research or referral will be undertaken and the enquirer will be advised of the expected time frame.
- 3.5 Photocopy services will be provided at all service points. Charges for photocopies provided in relation to reference enquiries will be at the rates set down in Appendix 2.
- 3.6 The Network will periodically review its ability to deliver more effective reference services across the region, with particular emphasis on the potential of services to overcome the region’s geographical barriers.

## Appendix F – Hub Assets

A detailed listing of assets provided to the Hub at the time of dissolution of the High Country Library Corporation are listed below:

Item	Tag	Description	Purchase date	Price
2 x Cutting mats			2003	\$ 200.00
2 x Tables		End processing	1999	\$ 800.00
Compactus			1996	\$ 12,000.00
3 x Basket trolley				\$ 1,350.00
3 x Foot stools			1999	\$ 60.00
4 x Metal filing cabinets 3-draw			1997	\$ 1,200.00
57 x Garden pallets		Branches have some but 57 all up	2011	\$ 800.00
6 x Metal trolleys			2007	\$ 1,600.00
60 x Plastic crates		Courier crates	1996	\$ 960.00
20 x Plastic crates			2013	\$ 428.00
8 x Ergonomic chairs			1999	\$ 1,888.00
Coffee table		Photocopy table	2000	\$ 100.00
Cutting blade			2003	\$ 75.00
Display board panel			2007	\$ 1,300.00
Herma screen		1720 Tripod Projector Screen	2009	\$ 196.00
Hydraulic trolley			1997	\$ 1,000.00
ILL Work bench			2011	\$ 450.00
Jastek laminator	000316		2011	\$ 400.00
Gigaset E495 Cordless Phone	000318		2013	\$ 129.00
Fellows binder		Spiral Binding Machine	2014	\$ 499.00
Foot rest			2015	\$ 74.95
Fellows shredder		Paper Shredder P-48C	2006	\$ 134.00
DX red crates (SWIFT)		Bought 30 odd but out and about		
Upright trolley				
5 x Computers				
1 x computer bench			1999	\$ 400.00
<b>Total</b>				<b>\$26,043.95</b>



## Appendix G – Year One Budget

---

The following budget reflects the first year (FY2017/18) only of operation under this Agreement and will be reviewed annually in line with Alpine's budget process and the financial requirements of this Agreement.

<b>Income</b>	<b>Amount</b>
Alpine Operations Contribution	\$72,605.40
Alpine Collection Contribution	\$82,181.60
Benalla Operations Contribution	\$83,496.21
Benalla Collection Contribution	\$94,508.84
Mansfield Operations Contribution	\$47,193.51
Mansfield Collection Contribution	\$53,418.04
Wangaratta Operations Contribution	\$159,731.88
Wangaratta Collection Contribution	\$180,799.52
Premiers Reading Challenge	\$25,000.00
<b>Total Income</b>	<b>\$798,935.00</b>
Collection	\$410,908.00
Operations	\$55,642.00
Labour & Overheads	\$212,993.00
Freight	\$36,392.00
Overheads and Cleaning	\$23,000.00
Library Management System	\$52,000.00
Rental	\$8,000.00
<b>Total Expenditure</b>	<b>\$798,935.00</b>



# Alpine Shire

## ANNUAL FINANCIAL REPORT For the year ended 30 June 2017

## Financial Report

Page

### Contents

Comprehensive Income Statement.....	4
Balance Sheet.....	5
Statement of Changes in Equity.....	6
Statement of Cash Flows .....	7
Statement of Capital Works.....	8
Introduction.....	9
Statement of compliance.....	9
Note 1: Significant accounting policies .....	9
Note 2: Budget comparison.....	15
Note 3: Rates and charges .....	21
Note 4: Statutory fees and fines.....	21
Note 5: User fees .....	21
Note 6: Grants .....	22
Note 7: Contributions .....	23
Note 8: Other income .....	24
Note 9: Net gain/(loss) on disposal of property, infrastructure, plant and equipment.....	24
Note 10: Employee costs .....	24
Note 11: Materials and services .....	25
Note 12: Bad and doubtful debts .....	25
Note 13: Depreciation.....	25
Note 14: Other expenses .....	25
Note 15: Borrowing costs .....	25
Note 16: Investments in associates .....	26
Note 17: Cash and cash equivalents.....	27
Note 18: Other financial assets.....	27
Note 19: Trade and other receivables.....	27
Note 20: Inventories.....	28
Note 21: Other assets.....	28
Note 22: Property, infrastructure, plant and equipment.....	29
Note 23: Trade and other payables .....	34
Note 24: Trust funds and deposits.....	34
Note 25: Provisions .....	35
Note 26: Lease income received in advance.....	36
Note 27: Interest-bearing loans and borrowings .....	36
Note 28: Reserves .....	37
Note 29: Reconciliation of cash flows from operating activities to surplus/(deficit).....	39

Note 30: Financing arrangements .....	39
Note 31: Commitments for expenditure .....	40
Note 32: Operating leases .....	41
Note 33: Superannuation .....	41
Note 34: Contingent liabilities and contingent assets .....	42
Note 35: Financial Instruments .....	43
Note 36: Related party transactions .....	45
Note 37: Senior officer remuneration .....	46
Note 38: Events occurring after balance date .....	47
Certification of the Financial Report .....	48

# Comprehensive Income Statement

For the year ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
<b>Income</b>			
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	890	201
Other income	8	877	968
Assets previously not recognised	22	2,456	52
Share of net profits/(losses) of associates	16	(124)	(178)
<b>Total income</b>		<b>33,414</b>	<b>25,840</b>
<b>Expenses</b>			
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	118	(1,002)
Borrowing costs	15	-	(22)
Other expenses	14	(701)	(711)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	9	(89)	(268)
<b>Total expenses</b>		<b>(24,838)</b>	<b>(26,038)</b>
<b>Surplus/(deficit) for the year</b>		<b>8,576</b>	<b>(198)</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation (decrement)/increment	28	2,429	(407)
Share of other comprehensive income of associates	16	-	-
<b>Total comprehensive result</b>		<b>11,005</b>	<b>(605)</b>

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
<b>Assets</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>14,225</b>	<b>14,178</b>
<b>Non-current assets</b>			
Trade and other receivables	19	3	5
Inventories	20	139	143
Investments in associates	16	238	362
Property, infrastructure, plant and equipment	22	207,823	198,271
<b>Total non-current assets</b>		<b>208,203</b>	<b>198,781</b>
<b>Total assets</b>		<b>222,428</b>	<b>212,959</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	23	2,303	1,602
Trust funds and deposits	24	537	737
Provisions	25	2,055	3,759
Lease income received in advance	26	30	30
Interest-bearing loans and borrowings	27	-	-
<b>Total current liabilities</b>		<b>4,925</b>	<b>6,128</b>
<b>Non-current liabilities</b>			
Provisions	25	3,686	3,989
Lease income received in advance	26	417	447
Interest-bearing loans and borrowings	27	-	-
<b>Total non-current liabilities</b>		<b>4,103</b>	<b>4,436</b>
<b>Total liabilities</b>		<b>9,028</b>	<b>10,564</b>
<b>Net assets</b>		<b>213,400</b>	<b>202,395</b>
<b>Equity</b>			
Accumulated surplus		92,332	83,982
Reserves	28	121,068	118,413
<b>Total equity</b>		<b>213,400</b>	<b>202,395</b>

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
<b>2017</b>				
Balance at the beginning of the financial year	202,395	83,982	116,074	2,339
Surplus/(deficit) for the year	8,576	8,576	-	-
Share of other comprehensive income of associates	-	-	-	-
Net asset revaluation increment/(decrement) 28(a)	2,429	-	2,429	-
Transfers to other reserves 28(b)	-	(226)	-	226
Transfers from other reserves 28(b)	-	-	-	-
<b>Balance at the end of the financial year</b>	<b>213,400</b>	<b>92,332</b>	<b>118,503</b>	<b>2,565</b>

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016</b>				
Balance at the beginning of the financial year	203,000	84,226	116,481	2,293
Surplus/(deficit) for the year	(198)	(198)	-	-
Share of other comprehensive income of associates	-	-	-	-
Net asset revaluation increment/(decrement) 28(a)	(407)	-	(407)	-
Transfers to other reserves 28(b)	-	(746)	-	746
Transfers from other reserves 28(b)	-	700	-	(700)
<b>Balance at the end of the financial year</b>	<b>202,395</b>	<b>83,982</b>	<b>116,074</b>	<b>2,339</b>

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	2016
	Notes	Inflows/ (Outflows) \$'000	Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		17,070	16,532
Statutory fees and fines		574	394
User fees		1,516	1,843
Grants - operating		6,315	3,411
Grants - capital		3,721	2,059
Contributions - monetary		745	193
Interest received		307	396
Rent received		524	408
Trust funds and deposits taken		2,798	2,739
Other receipts		81	58
Net GST refund		1,285	1,409
Materials and services		(12,757)	(11,559)
Employee costs		(8,940)	(9,137)
Trust funds and deposits repaid		(2,998)	(2,650)
Other payments		(1,531)	(1,033)
<b>Net cash provided by operating activities</b>	<b>29</b>	<b>8,710</b>	<b>5,063</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(8,773)</b>	<b>(5,363)</b>
<b>Cash flows from financing activities</b>			
Finance costs		-	(22)
Repayment of borrowings		-	(945)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(967)</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	<b>17</b>	<b>2,528</b>	<b>2,591</b>
Financing arrangements	30		
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
<b>Property</b>			
Land		-	-
<b>Total land</b>		-	-
Buildings		1,344	1,414
<b>Total buildings</b>		<b>1,344</b>	<b>1,414</b>
<b>Total property</b>		<b>1,344</b>	<b>1,414</b>
<b>Plant and equipment</b>			
Plant, machinery and equipment		1,080	135
Fixtures, fittings and furniture		148	-
Computers and telecommunications		124	50
<b>Total plant and equipment</b>		<b>1,352</b>	<b>185</b>
<b>Infrastructure</b>			
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
<b>Total infrastructure</b>		<b>5,765</b>	<b>4,198</b>
<b>Total capital works expenditure</b>		<b>8,461</b>	<b>5,797</b>
<b>Represented by:</b>			
New asset expenditure		613	720
Asset renewal expenditure		3,400	3,364
Asset expansion expenditure		-	-
Asset upgrade expenditure		4,448	1,713
<b>Total capital works expenditure</b>		<b>8,461</b>	<b>5,797</b>

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

#### 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(j))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(k))
- the determination of employee provisions (refer to note 1(p))
- the determination of the landfill provision (refer to note 1(q))

##### b) Changes in accounting policies

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

##### c) Accounting for investments in associates and joint arrangements

###### Associates

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

##### d) Revenue recognition

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

###### Rates and charges

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

###### Statutory fees and fines

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

###### User fees

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

###### 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.

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.

## Notes to the Financial Statements

For the year ended 30 June 2017

### Note 1: Significant accounting policies (continued)

#### 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.

#### Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

#### Other income

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

#### e) Fair value measurement

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

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

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

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

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

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

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

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

#### f) Cash and cash equivalents

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

#### g) Trade and other receivables

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.

#### h) 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.

#### i) 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.

#### j) 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.

## Notes to the Financial Statements

### For the year ended 30 June 2017

#### Note 1: Significant accounting policies (continued)

In accordance with Council's policy, the threshold limits detailed in note 1(k) 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.

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

## Notes to the Financial Statements

For the year ended 30 June 2017

### Note 1: Significant accounting policies (continued)

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

#### l) Repairs and maintenance

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

#### m) Impairment of assets

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

#### n) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to note 24).

#### o) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent

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

#### 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.

#### p) Employee costs and benefits

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

#### Wages, 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.

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.

## Notes to the Financial Statements

For the year ended 30 June 2017

### Note 1: Significant accounting policies (continued)

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.

#### 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 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.

#### Classification of employee costs

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

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

#### q) **Landfill 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.

#### r) **Leases**

##### Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease

payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a two to five year period.

##### 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.

#### s) **Goods and Services Tax (GST)**

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

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

#### t) **Contingent assets and contingent liabilities and commitments**

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

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

#### u) **Pending accounting standards**

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

*Revenue from contracts with customers (AASB 15) (applies 2018/19)*

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to

## Notes to the Financial Statements

For the year ended 30 June 2017

### Note 1: Significant accounting policies (continued)

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.

#### v) Rounding

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

# 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*.

### a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
<b>Income</b>				
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	890	784	6
Share of net profits/(losses) of associates	-	(124)	(124)	7
Other income	846	877	31	
Assets previously not recognised	-	2,456	2,456	8
<b>Total income</b>	<b>25,994</b>	<b>33,414</b>	<b>7,420</b>	
<b>Expenses</b>				
Employee costs	(8,690)	(7,772)	918	9
Materials and services	(10,576)	(11,986)	(1,410)	10
Bad and doubtful debts	-	(1)	(1)	
Depreciation	(4,213)	(4,407)	(194)	11
Landfill rehabilitation expense	(185)	118	303	12
Borrowing costs	-	-	-	
Other expenses	(816)	(701)	115	13
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	(149)	(89)	60	14
<b>Total expenses</b>	<b>(24,629)</b>	<b>(24,838)</b>	<b>(209)</b>	
<b>Surplus/(deficit) for the year</b>	<b>1,365</b>	<b>8,576</b>	<b>7,211</b>	



# 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 during the year in line with previous years. Also interest charged on rates 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. Fine revenues also increased, including fines collected in conjunction with the 2016 Council election.
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. 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 and drainage assets associated with a new subdivision, the amount of which was larger than expected in the budget.
7	Share of net profits/(losses) of associates	This represents Council's 23% share of the High Country Library Corporation's loss, which was not included in the budget.
8	Assets previously not recognised	As a result of mapping Council's drainage assets, an additional 21km of assets were identified and recognised as income.
9	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..
10	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"> <li>Storm damage - \$821,000 of works to restore damaged assets</li> <li>Alpine Better Places Porepukah - \$611,000 of works that related to outdoor furniture and landscaping, which are not capitalised under Council's capitalisation policy</li> <li>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..</li> </ul> <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 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..</p>

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 2: Budget comparison (continued)

Ref	Item	Explanation
11	Depreciation	This unfavourable variance is mainly due to a revaluation of buildings in 2015/16 which has increased the depreciation amount
12	Landfill rehabilitation expense	This favourable variance is predominately due to a decrease in the discounted liability amount arising because of the effect of changes in the discount rate and the timing of rehabilitation works.
13	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.
14	Net gain/(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
<b>Property</b>				
Land	-	-	-	
<b>Total land</b>	-	-	-	
Buildings	1,086	1,344	(258)	1
<b>Total buildings</b>	<b>1,086</b>	<b>1,344</b>	<b>(258)</b>	
<b>Total property</b>	<b>1,086</b>	<b>1,344</b>	<b>(258)</b>	
<b>Plant and equipment</b>				
Plant, machinery and equipment	1,613	1,080	533	2
Fixtures, fittings and furniture	76	148	(72)	
Computers and telecommunications	115	124	(9)	
<b>Total plant and equipment</b>	<b>1,804</b>	<b>1,352</b>	<b>452</b>	
<b>Infrastructure</b>				
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
<b>Total infrastructure</b>	<b>7,970</b>	<b>5,765</b>	<b>2,205</b>	
<b>Total capital works expenditure</b>	<b>10,860</b>	<b>8,461</b>	<b>2,399</b>	
<b>Represented by:</b>				
New asset expenditure	519	613	(94)	
Asset renewal expenditure	4,697	3,400	1,297	9
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	5,644	4,448	1,196	9
<b>Total capital works expenditure</b>	<b>10,860</b>	<b>8,461</b>	<b>2,399</b>	

# 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"> <li>• Myrtleford Transfer Station shed upgrade - \$240,000 classified in the budget as Waste Management</li> <li>• Porepunkah Shelter and Viewing Platform - \$164,000 classified in the budget under Roads as part of the Alpine Better Places Porepunkah project</li> <li>• 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.</li> </ul> <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 Porepunkah 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"> <li>• Alpine Better Places Mafeking Square - \$271,000 footpath classified in the budget as roads</li> <li>• Alpine Better Places Porepunkah - \$227,000 footpath classified in the budget as roads</li> <li>• Alpine Events Centre - \$47,000 footpath classified in the budget as Recreational, leisure and community facilities.</li> </ul>
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 Porepunkah 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"> <li>• McNamara Reserve Lighting upgrade - \$309,000</li> <li>• Alpine Events Park - \$192,000</li> <li>• Pioneer Park Oval upgrade - \$156,000</li> </ul> <p>These projects were all classified as parks, open space and streetscapes in the budget.</p>
7	Parks, open space and streetscapes	<p>Parks, open space and streetscapes compares favourably to budget (refer to note 6).</p>

## Notes to the Financial Statements

For the year ended 30 June 2017

### Note 2: Budget comparison (continued)

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total rates and charges</b>	<b>17,026</b>	<b>16,680</b>

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

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
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	-
<b>Total statutory fees and fines</b>	<b>574</b>	<b>394</b>

## Note 5: User fees

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
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
<b>Total user fees</b>	<b>1,448</b>	<b>1,789</b>

# 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

	2017 \$'000	2016 \$'000
Commonwealth funded grants	6,439	3,245
State funded grants	3,102	2,514
<b>Total</b>	<b>9,541</b>	<b>5,759</b>

### Operating recurrent grants

<i>Commonwealth Government</i>		
Victorian Grants Commission	5,151	1,679
<i>State Government</i>		
Fuel rebate	30	64
School crossing supervisors	19	18
Maternal and child health	189	164
Rates administration	154	96
Home help/linkages	-	655
Youth services	60	52
Emergency services	-	26
Senior citizen centres	46	26
Library services	168	-
Immunisation services	8	7
Weed management	20	20
<b>Total recurrent operating grants</b>	<b>5,845</b>	<b>2,807</b>

### Operating non-recurrent grants

<i>Commonwealth Government</i>		
Environmental projects	-	53
<i>State Government</i>		
Vegetation management		15
Bushfire preparation works	-	19
Municipal emergency resourcing program	30	30
Economic development and tourism	-	20
Victorian adaptation and sustainability partnership	49	-
Flood/storm incident and recovery	190	206
Community development	142	150
Flood mitigation design	-	108
Shared services solutions	75	-
Tobacco activity	14	3
<b>Total non-recurrent operating grants</b>	<b>500</b>	<b>604</b>
<b>Total operating grants</b>	<b>6,345</b>	<b>3,411</b>

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 6: Grants (continued)

	2017 \$'000	2016 \$'000
<b>Capital grants</b>		
<b>Capital recurrent grants</b>		
<i>Commonwealth Government</i>		
Roads to recovery	1,288	1,513
<b>Total recurrent capital grants</b>	<b>1,288</b>	<b>1,513</b>
<b>Capital non-recurrent grants</b>		
<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
<b>Total non-recurrent capital grants</b>	<b>1,908</b>	<b>835</b>
<b>Total capital grants</b>	<b>3,196</b>	<b>2,348</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
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)
<b>Balance at year end</b>	<b>871</b>	<b>90</b>

## Note 7: Contributions

	2017 \$'000	2016 \$'000
Monetary	726	175
Non-monetary	890	201
<b>Total contributions</b>	<b>1,616</b>	<b>376</b>
Contributions of non-monetary assets were received in relation to the following services:		
Roads	-	145
Other infrastructure	142	56
Library	578	-
Other	6	-
<b>Total non-monetary contributions</b>	<b>726</b>	<b>201</b>



# 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
<b>Total other income</b>	<b>877</b>	<b>968</b>

## 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)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(89)</b>	<b>(268)</b>

## Note 10: Employee costs

	2017 \$'000	2016 \$'000
<b>a) Employee costs</b>		
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
<b>Total employee costs</b>	<b>7,772</b>	<b>9,797</b>

### b) Superannuation

Council has made contributions to the following funds:

#### Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	32	33
Employer contributions - other funds	-	-
<b>Total superannuation contribution</b>	<b>32</b>	<b>33</b>

#### Accumulated funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	381	459
Employer contributions - other funds	273	291
<b>Total accumulated funds</b>	<b>654</b>	<b>750</b>

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 33.

# 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	5,423	4,982
Asset maintenance	2,585	2,322
Non recurrent	2,391	1,339
<b>Total materials and services</b>	<b>11,978</b>	<b>10,047</b>

## Note 12: Bad and doubtful debts

	2017 \$'000	2016 \$'000
Rate debtors	-	-
Other debtors	1	11
<b>Total bad and doubtful debts</b>	<b>1</b>	<b>11</b>

## Note 13: Depreciation

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

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
<b>Total other expenses</b>	<b>701</b>	<b>711</b>

## Note 15: Borrowing costs

	2017 \$'000	2016 \$'000
Interest - borrowings	-	22
<b>Total borrowing costs</b>	<b>-</b>	<b>22</b>

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 16: Investments in associates

	2017 \$'000	2016 \$'000
Investment in associates accounted for by the equity method are:		
<b>High Country Library Corporation</b>		
A 23% Interest is held in the High Country Library Corporation.		
<b>Fair value of Council's investment in High Country Library Corporation</b>	<b>217</b>	<b>341</b>
<b>MomentumOne Shared Services Pty Ltd</b>		
A 50% interest is held in MomentumOne Shared Services Pty Ltd.		
<b>Fair value of Council's investment in MomentumOne Shared Services Pty Ltd.</b>	<b>21</b>	<b>21</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	144	322
Reported surplus/(deficit) for year	(124)	(178)
Transfers (to)/from reserves	-	-
Distributions for the year	-	-
<b>Council's share of accumulated surplus/(deficit) at end of year</b>	<b>20</b>	<b>144</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	-	57
Transfers (to)/from reserves	-	(57)
<b>Council's share of reserves at end of year</b>	<b>-</b>	<b>-</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	362	505
Investment in MomentumOne Shared Services Pty Ltd	-	35
Share of surplus/(deficit) for year	(124)	(178)
Share of asset revaluation	-	-
Distributions received	-	-
<b>Carrying value of investment at end of year</b>	<b>238</b>	<b>362</b>
<b>Council's share of expenditure commitments</b>		
Operating commitments	-	0
Capital commitments	-	-
<b>Council's share of expenditure commitments</b>	<b>-</b>	<b>0</b>

# 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
<b>Total cash and cash equivalents</b>	<b>2,528</b>	<b>2,591</b>
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 28b)	361	258
	<b>898</b>	<b>995</b>
Other financial assets (note 18)	10,007	9,507
<b>Total unrestricted cash, cash equivalents and other financial assets</b>	<b>11,637</b>	<b>11,103</b>
<b>Intended allocations</b>		
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
<b>Total funds subject to intended allocations</b>	<b>3,200</b>	<b>3,790</b>

## Note 18: Other financial assets

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

## Note 19: Trade and other receivables

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

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 19: Trade and other receivables (continued)

	2017 \$'000	2016 \$'000
<b>a) Ageing of receivables</b>		
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:		
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
<b>Total trade and other receivables</b>	<b>316</b>	<b>832</b>
<b>b) Movement in provisions for doubtful debts</b>		
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)
Amounts provided for but recovered during the year	-	-
<b>Balance at end of year</b>	<b>17</b>	<b>20</b>

## Note 20: Inventories

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

## Note 21: Other assets

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

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	-	-	-	-	-	-	-	20,816
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
<b>Total</b>	<b>198,271</b>	<b>8,461</b>	<b>890</b>	<b>2,456</b>	<b>2,429</b>	<b>(4,407)</b>	<b>(277)</b>	<b>-</b>	<b>207,823</b>

Summary of work in progress	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	151	82	(105)	-	128
Plant and equipment	7	-	(7)	-	-
Infrastructure	412	371	(366)	(12)	405
<b>Total</b>	<b>570</b>	<b>453</b>	<b>(478)</b>	<b>(12)</b>	<b>533</b>

For the year ended 30 June 2017

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

	Land - specialised	Total land	Buildings - specialised	Total buildings	Work in progress	Total property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	20,816	20,816	59,141	59,141	151	80,108
Accumulated depreciation at 30 June 2016	-	-	(28,147)	(28,147)	-	(28,147)
	<b>20,816</b>	<b>20,816</b>	<b>30,994</b>	<b>30,994</b>	<b>151</b>	<b>51,961</b>
<b>Movements in fair value</b>						
Acquisition of assets at fair value	-	-	1,262	1,262	82	1,344
Fair value of assets disposed	-	-	-	-	(12)	(12)
Transfers	-	-	116	116	(105)	11
	-	-	<b>1,378</b>	<b>1,378</b>	<b>(35)</b>	<b>1,343</b>
<b>Movements in accumulated depreciation</b>						
Depreciation and amortisation	-	-	(1,192)	(1,192)	-	(1,192)
Transfers	-	-	(9)	(9)	-	(9)
	-	-	<b>(1,201)</b>	<b>(1,201)</b>	-	<b>(1,201)</b>
At fair value 1 July 2017	20,816	20,816	60,519	60,519	116	81,451
Accumulated depreciation at 30 June 2017	-	-	(29,348)	(29,348)	-	(29,348)
	<b>20,816</b>	<b>20,816</b>	<b>31,171</b>	<b>31,171</b>	<b>116</b>	<b>52,103</b>

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	7	9,387
Accumulated depreciation at 30 June 2016	(4,450)	(538)	(2,186)	-	(7,174)
	<b>1,758</b>	<b>119</b>	<b>329</b>	<b>7</b>	<b>2,213</b>
<b>Movements in fair value</b>					
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)	(7)	(11)
	<b>372</b>	<b>(109)</b>	<b>(1,238)</b>	<b>(7)</b>	<b>(982)</b>
<b>Movements in accumulated depreciation</b>					
Depreciation and amortisation	(381)	(37)	(174)	-	(592)
Accumulated depreciation of disposals	674	293	1,312	-	2,279
Transfers	(1)	(26)	36	-	9
	<b>292</b>	<b>230</b>	<b>1,174</b>	<b>-</b>	<b>1,696</b>
<b>At fair value 1 July 2017</b>	6,580	548	1,277	-	8,405
<b>Accumulated depreciation at 30 June 2017</b>	(4,158)	(308)	(1,012)	-	(5,478)
	<b>2,422</b>	<b>240</b>	<b>265</b>	<b>-</b>	<b>2,927</b>



For the year ended 30 June 2017

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

	<b>Roads</b>	<b>Bridges</b>	<b>Footpaths and cycleways</b>	<b>Drainage</b>	<b>Waste</b>	<b>Recreational, leisure and community</b>	<b>Parks, open spaces and streetscapes</b>	<b>Work in progress</b>	<b>Total infrastructure</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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)
	<b>99,873</b>	<b>21,557</b>	<b>4,038</b>	<b>10,129</b>	<b>563</b>	<b>3,136</b>	<b>4,389</b>	<b>412</b>	<b>144,097</b>
<b>Movements in fair value</b>									
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
	<b>1,571</b>	<b>567</b>	<b>2,396</b>	<b>5,054</b>	<b>-</b>	<b>761</b>	<b>777</b>	<b>(7)</b>	<b>7,517</b>
<b>Movements in accumulated depreciation</b>									
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)
	<b>512</b>	<b>(264)</b>	<b>(1,598)</b>	<b>(744)</b>	<b>(9)</b>	<b>(117)</b>	<b>(215)</b>	<b>-</b>	<b>(2,435)</b>
At fair value 1 July 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)
	<b>101,956</b>	<b>21,860</b>	<b>4,836</b>	<b>14,439</b>	<b>554</b>	<b>3,780</b>	<b>4,951</b>	<b>405</b>	<b>152,781</b>

# 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
<b>Total</b>	-	-	<b>51,987</b>	

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	
<b>Total</b>	-	-	<b>152,376</b>	

### 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

60%. 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 69 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	1,731	1,123
Accrued expenses	549	470
Other creditors	8	9
<b>Total trade and other payables</b>	<b>2,288</b>	<b>1,602</b>

## 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
<b>Total trust funds and deposits</b>	<b>537</b>	<b>737</b>

### Purpose and nature of items

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

**Fire 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.

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 25: Provisions

	Landfill restoration \$'000	Employee provisions \$'000	Total \$'000
<b>2017</b>			
Balance at beginning of the financial year	4,554	3,194	7,748
Additional provisions	-	722	722
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)
<b>Balance at the end of the financial year</b>	<b>3,665</b>	<b>2,012</b>	<b>5,677</b>
<b>2016</b>			
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
<b>Balance at the end of the financial year</b>	<b>4,554</b>	<b>3,194</b>	<b>7,748</b>
		<b>2017</b>	<b>2016</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>a) Employee provisions</b>			
<b>Current provisions expected to be wholly settled within 12 months</b>			
Annual leave		640	645
Long service leave		159	147
Redundancies		-	562
Other leave		65	66
		<b>864</b>	<b>1,420</b>
<b>Current provisions expected to be wholly settled after 12 months</b>			
Annual leave		96	333
Long service leave		790	1,129
		<b>886</b>	<b>1,462</b>
<b>Total current provisions</b>		<b>1,750</b>	<b>2,882</b>
<b>Non-current</b>			
Long service leave		262	312
		<b>262</b>	<b>312</b>
<b>Total aggregate carrying amount of employee provisions</b>		<b>2,012</b>	<b>3,194</b>

## 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>b) Landfill restoration</b>		
Current	305	877
Non-current	3,424	3,677
<b>Total landfill restoration</b>	<b>3,729</b>	<b>4,554</b>
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: Lease income received in advance

	2017 \$'000	2016 \$'000
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
<b>Total lease income received in advance</b>	<b>447</b>	<b>477</b>

### Note 27: Interest-bearing loans and borrowings

Council has no borrowings or finance leases as at both 30 June 2017 and 30 June 2016.

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 28: Reserves

	Balance at beginning of reporting period	Increment / (decrement)	Share of increment / (decrement) on revaluation of HCL	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
<b>a) Asset revaluation reserve</b>				
<b>2017</b>				
<b>Property</b>				
Land	17,118	-	-	17,118
Buildings	19,002	-	-	19,002
	<b>36,120</b>	<b>-</b>	<b>-</b>	<b>36,120</b>
<b>Infrastructure</b>				
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
Recreational, leisure and community facilities	-	-	-	-
Parks, open spaces and streetscapes	-	-	-	-
	<b>79,954</b>	<b>2,429</b>	<b>-</b>	<b>82,383</b>
<b>Total asset revaluation reserve</b>	<b>116,074</b>	<b>2,429</b>	<b>-</b>	<b>118,503</b>
<b>2016</b>				
<b>Property</b>				
Land	15,880	1,238	-	17,118
Buildings	20,647	(1,645)	-	19,002
	<b>36,527</b>	<b>(407)</b>	<b>-</b>	<b>36,120</b>
<b>Infrastructure</b>				
Roads	54,368	-	-	54,368
Bridges	17,137	-	-	17,137
Footpaths and cycleways	1,153	-	-	1,153
Drainage	7,296	-	-	7,296
Recreational, leisure and community facilities	-	-	-	-
Parks, open spaces and streetscapes	-	-	-	-
	<b>79,954</b>	<b>-</b>	<b>-</b>	<b>79,954</b>
<b>Total asset revaluation reserve</b>	<b>116,481</b>	<b>(407)</b>	<b>-</b>	<b>116,074</b>

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 28: 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>b) Other reserves</b>				
<b>2017</b>				
Dinner Plain	1,077	93		1,170
Gravel pit restoration	27	-	-	27
Waste reserve	977	31	-	1,008
Subdivision recreation reserve	258	103		361
<b>Total other reserves</b>	<b>2,339</b>	<b>227</b>	<b>-</b>	<b>2,566</b>
<b>2016</b>				
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
<b>Total other reserves</b>	<b>2,293</b>	<b>746</b>	<b>(700)</b>	<b>2,339</b>

**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 29: Reconciliation of cash flows from operating activities to surplus/(deficit)

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
(Deficit)/surplus for the year	6,252	(198)
Depreciation	4,407	4,180
Net loss on disposal of property, infrastructure, plant and equipment	89	268
Contributions - non monetary assets	(890)	(201)
Finance costs	-	22
Assets previously not recognised	-	(52)
Share of net profits/(losses) of associates	-	178
<b>Change in assets and liabilities:</b>		
(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	-	-
Increase/(decrease) in trade and other payables	686	(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	(30)	(30)
<b>Increase/(decrease) in landfill restoration provision</b>	<b>(825)</b>	<b>836</b>

## Note 30: Financing arrangements

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Bank overdraft	250	250
Credit cards	50	50
Bank guarantees	15	15
<b>Total used facilities</b>	<b>315</b>	<b>315</b>



# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 31: 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
<b>2017</b>					
<b>Operating</b>					
Waste management	1,419	424	2,119	1,412	5,374
Dinner Plain bus	80	-	-	-	80
Cleaning	136	26	-	-	162
Other	236	-	-	-	236
<b>Total</b>	<b>1,871</b>	<b>450</b>	<b>2,119</b>	<b>1,412</b>	<b>5,852</b>
<b>Capital</b>					
Computers and telecomms	-	-	-	-	-
Buildings	72	-	-	-	72
Roads	164	-	-	-	164
Bridges	-	-	-	-	-
Recreational, leisure and community facilities	39	-	-	-	39
Parks, open space and streetscapes	-	-	-	-	-
<b>Total</b>	<b>275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>275</b>
	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
<b>2016</b>					
<b>Operating</b>					
Waste management	1,770	594	-	-	2,364
Dinner Plain bus	36	-	-	-	36
Cleaning	32	-	-	-	32
Other	198	118	-	-	316
<b>Total</b>	<b>2,036</b>	<b>712</b>	<b>-</b>	<b>-</b>	<b>2,748</b>
<b>Capital</b>					
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
<b>Total</b>	<b>532</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>433</b>

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 32: Operating leases

### 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, a fitness centre, a cafe and a cinema. These properties held under operating leases have remaining 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

Later than one year and not later than five years

Later than five years

Total operating lease receivables

	2017 \$'000	2016 \$'000
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
<b>Total operating lease receivables</b>	<b>4,504</b>	<b>4,861</b>

## Note 33: 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.

**For the year ended 30 June 2017**Employer contributionsRegular 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 34: 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 33. 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

At the end of 2012 the EPA issued guidelines for closed landfills, which will apply to the closed Porepukah Landfill. In July 2013, the EPA issued a pollution abatement notice requiring Council to prepare and submit a rehabilitation plan and aftercare plan for the premises, which must contain time bound milestones for implementation.

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 35: 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 34.

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;
- monitor budget to actual performance on a regular basis; and

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 35: Financial instruments (continued)

- 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 36, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at note 27.

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 36: 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)

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

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:

	<b>2017</b>	<b>2016</b>
	<b>\$'000</b>	<b>\$'000</b>
Short-term benefits	633	893
Long-term benefits	114	-
Termination benefits	99	-
<b>Total</b>	<b>846</b>	<b>893</b>

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 36: 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	-
	<b>15</b>	<b>11</b>

### (iv) Transactions with related parties

The CEO is a Director of Momentumone Shared Services Pty Ltd as Council owns 50% of this company. Momentumone provides a labour hire services mainly for the operating of Council's swimming pool facilities. Council paid \$192,000 in 2016/17 and \$170,000 in 2015/16 for these services.

The Acting Director of Assets partner is a casual employee of Council, commencing 23 June 2017. This is a normal Council employee relationship.

### (v) Outstanding balances with related parties

There were no outstanding balances with related parties.

### (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 commitment by Council, it expects the amounts to be paid in future years to be similar to that paid in previous years.

## Note 37: 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

	2017	2016
	No.	No.
	1	-
	<b>1</b>	<b>-</b>
	2017	2016
	\$'000	\$'000
	87	-

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

# Notes to the Financial Statements

For the year ended 30 June 2017

## Note 38: Events occurring after balance date

There were no events after balance date.



## 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:

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:

**Sarah Nicholas**  
**COUNCILLOR**

Date:

**Charlie Bird**  
**CHIEF EXECUTIVE OFFICER**

Date:



# ALPINE

SHIRE COUNCIL

## **Alpine Shire Council**

## **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.

Based on 2016 Census data, the estimated resident population of the Shire is 12,450 (a 5% increase compared to 2011 Census data). The Shire's population 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
<b>Population</b>				
<b>Expenses per head of municipal population</b> [Total expenses / Municipal population]	\$1,954	\$2,211	\$1,988	Expenses per head of population has reduced, due to a reduction in employee costs due to a wage freeze included in Council's Enterprise Agreement (approved December 2016), and a demand reduction program implemented across all Council departments.
<b>Infrastructure per head of municipal population</b> [Value of infrastructure / Municipal population]	\$14,702	\$14,965	\$15,052	
<b>Population density per length of road</b> [Municipal population / Kilometres of local roads]	21	21	22	Municipal population has increased by 5% compared to previous year, due to the release of 2016 Census data from the Australian Bureau of Statistics
<b>Own-source revenue</b>				
<b>Own-source revenue per head of municipal population</b> [Own-source revenue / Municipal population]	\$1,558	\$1,677	\$1,781	
<b>Recurrent grants</b>				
<b>Recurrent grants per head of municipal population</b> [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.

## Sustainable Capacity Indicators (continued)

For the year ended 30 June 2017

<i>Indicator / measure</i>	2015	Results 2016	2017	Material Variations
<b>Disadvantage</b>				
<b>Relative socio-economic disadvantage</b>				
[Index of Relative Socio-economic Disadvantage by decile]	5	5	5	

### 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
<p><b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	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.</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>
<p><b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]</p>	0	1	Nil	No animal management prosecutions were undertaken in 2016/17.
<p><b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100</p>	0%	46%	45%	

## Service Performance Indicators (continued)

For the year ended 30 June 2017

Service/indicator / measure	2015	Results 2016	2017	Material Variations
<b>Governance</b> <b>Satisfaction</b> <b>Satisfaction with council decisions</b> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	60	57	
<b>Home and community care</b> <b>Participation</b> <b>Participation in HACC service</b> [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.
<b>Participation</b> <b>Participation in HACC service by CALD people</b> [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.
<b>Libraries</b> <b>Participation</b> <b>Active library members</b> [Number of active library members / Municipal population] x100	24%	23%	21%	A reduction in active members occurred across all three branches, correlating with a reduction in loans.

## Service Performance Indicators (continued)

For the year ended 30 June 2017

Service/indicator / measure	2015	Results 2016	2017	Material Variations
<b>Maternal and child health</b> <b>Participation</b> <b>Participation in the MCH service</b> [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%	
<b>Participation</b> <b>Participation in the MCH service by Aboriginal children</b> [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%	
<b>Roads</b> <b>Satisfaction</b> <b>Satisfaction with sealed local roads</b> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	59	60	57	
<b>Statutory Planning</b> <b>Decision making</b> <b>Council planning decisions upheld at VCAT</b> [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)

[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]

Service/indicator / measure	2015	Results 2016	2017	Material Variations
<b>Waste Collection</b> <b>Waste diversion</b> <b>Kerbside collection waste diverted from landfill</b> [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 2019 2020		2021	Material Variations
<b>Efficiency</b>								
<b>Revenue level</b>								
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,623	\$1,696	\$1,746	\$1,757	\$1,765	\$1,794	\$1,824	
<b>Expenditure level</b>								
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,812	\$3,026	\$2,882	\$2,784	\$2,845	\$2,937	\$2,995	
<b>Workforce turnover</b>								
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	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.

## Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts		2021	Material Variations
					2019	2020		
<b>Liquidity</b>								
<b>Working capital</b>								
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	289%	231%	289%	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.
<b>Unrestricted cash</b>								
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	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).
<b>Obligations</b>								
<b>Asset renewal</b>								
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	71%	80%	77%	74%	99%	95%	94%	
<b>Loans and borrowings</b>								
<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.

## Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	Results			Forecasts			Material Variations	
	2015	2016	2017	2018	2019	2020		2021
<b>Obligations (continued)</b> <b>Loans and borrowings repayments compared to rates</b> [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.
<b>Indebtedness</b> <b>Non-current liabilities compared to own source revenue</b> [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.
<b>Operating position</b> <b>Adjusted underlying result</b> <b>Adjusted underlying surplus (or deficit)</b> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	12%	-5%	19%	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.

## Financial Performance Indicators (continued)

For the year ended 30 June 2017

Dimension / indicator / measure	2015	Results 2016	2017	2018	Forecasts			Material Variations
					2019	2020	2021	
<b>Stability</b>								
<b>Rates concentration</b>								
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	58%	65%	54%	72%	70%	70%	70%	Other income includes \$2.5 million worth of found drainage assets.
<b>Rates effort</b>								
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.6%	0.6%	0.6%	0.6%	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:**

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 Knapstein**  
**Councillor**  
**Dated:**

---

**Sarah Nicholas**  
**Councillor**  
**Dated:**

---

**Charlie Bird**  
**Chief Executive Officer**  
**Dated:**



**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 25 July 2017  
**Location:** Committee Room, Bright Office  
**Start Time:** 3.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	A/CEO
Cr John Forsyth	Councillor	Elaine Burridge	A/DA
Cr Peter Roper	Councillor	Clare Cowdry	A/MP&A
Cr Kitty Knappstein	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Tony Keeble	Deputy Mayor	Will Jeremy	A/DA
Cr Sarah Nicholas	Councillor	Nathalie Cooke	DC
Cr Daryl Pearce	Councillor		

**1. Conflict of interest disclosures**

Nil

**2. Record of Councillors that have disclosed a conflict of interest leaving the assembly**

Nil

**3. Matters considered**

- Councillor only discussion
- Third party transactions
- Smoking ban in outdoor dining areas
- Youth
- Events Funding
- Community Grants
- Dinner Plain Ice Skating event update
- Ordinary Council Meeting agenda review

**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 1 August 2017  
**Location:** Treats Café, Tawonga South  
**Start Time:** 5.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	A/CEO
Cr Tony Keeble	Deputy Mayor	Nathalie Cooke	DC
Cr Sarah Nicholas	Councillor	Elaine Burridge	A/DA
Cr John Forsyth	Councillor		
Cr Daryl Pearce	Councillor		
Cr Peter Roper	Councillor		
Cr Kitty Knappstein	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>		
		Will Jeremy	A/DA

**1. Conflict of interest disclosures**

Nil

**2. Record of Councillors that have disclosed a conflict of interest leaving the assembly**

Nil

**3. Matters considered**

- Councillor only time
- Preliminaries
- Ordinary Council Meeting Agenda review

**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 15 August 2017  
**Location:** Committee Room, Bright Office  
**Start Time:** 3.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	CEO
Cr Tony Keeble	Deputy Mayor	Will Jeremy	A/DA
Cr Sarah Nicholas	Councillor	Nathalie Cooke	DC
Cr John Forsyth	Councillor		
Cr Kitty Knappstein	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>
Cr Daryl Pearce	Councillor
Cr Peter Roper	Councillor

**1. Conflict of interest disclosures****2. Record of Councillors that have disclosed a conflict of interest leaving the assembly****3. Matters considered**

- Councillor only time
- Preliminaries
- Myrtleford Indoor Sports Stadium and McNamara Reserve Multi Sports Facilities – Architectural Services
- Events Funding
- Kerbside collection and contract transition
- Myrtleford Holiday Park
- Tawonga and Porepunkah Bridge Caravan Park
- High Country Library update
- End of Financial Year process of financial statements
- Purchase to Pay transformation
- Alpine Children's Services – Myrtleford kinder
- Nug Nug Reserve – removal of trees

**RECORD OF ASSEMBLY OF COUNCILORS**

**Meeting Title:** Briefing Session  
**Date:** 22 August 2017  
**Location:** Committee Room, Bright Office  
**Start Time:** 3.00pm  
**Chairperson:** Cr Ron Janas, Mayor

**Councillor and staff attendees:**

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
Cr Ron Janas	Mayor	Charlie Bird	CEO
Cr Tony Keeble	Deputy Mayor	Will Jeremy	A/DA
Cr Sarah Nicholas	Councillor	Nathalie Cooke	DC
Cr John Forsyth	Councillor		
Cr Kitty Knappstein	Councillor		
Cr Peter Roper	Councillor		

**Councillor and staff apologies:**

<b>Name</b>	<b>Position</b>
Cr Sarah Nicholas	Councillor
Cr Daryl Pearce	Councillor

**1. Conflict of interest disclosures****2. Record of Councillors that have disclosed a conflict of interest leaving the assembly****3. Matters considered**

- Councillor only time
- Preliminaries
- Municipal Health and Wellbeing Action Plan 2017-2021
- Myrtleford Senior Citizen activation project
- Dinner Plain events funding
- Alpine Events Park
- Eurobin Flood Bypass
- Dinner Plain Village Green update
- Potential sale of Lyndhurst
- Financial Assistance Grants funding
- Bridge Renewal works
- Border Trust request for financial assistance