



Alpine Shire

ORDINARY COUNCIL MEETING

MINUTES

M9 – 4 September 2018

Bright Council Chambers

7:00pm



The next **Ordinary Meeting** of the **Alpine Shire Council** was held in the Council Chambers, Great Alpine Road, Bright on **4 September 2018** commenced at **7:00pm**.

PRESENT

COUNCILLORS

Cr Ron Janas – Mayor

Cr John Forsyth

Cr Kitty Knappstein

Cr Tony Keeble

Cr Daryl Pearce

Cr Peter Roper

OFFICERS

Mr Charlie Bird – Chief Executive Officer

Ms Nathalie Cooke – Director Corporate

Mr William Jeremy – Director Assets

APOLOGIES

Cr Sarah Nicholas – Deputy Mayor



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1 RECORDING AND LIVESTREAMING OF COUNCIL MEETINGS

The CEO will read the following statement:

All 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 streamed live on 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 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 ORDINARY COUNCIL MEETING – M8 – 7 AUGUST 2018

Cr Keeble

Cr Knappstein

That the minutes of Ordinary Council Meeting M8 held on 7 August 2018 as circulated be confirmed.

Carried

4 APOLOGIES

Cr Sarah Nicholas

5 OBITUARIES / CONGRATULATIONS

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au for its YouTube live-streaming recording for responses to questions.



6 DECLARATIONS BY COUNCILLORS OF CONFLICT OF INTEREST

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au; for its YouTube live-streaming recording for responses to questions.

7 PUBLIC QUESTIONS ON AGENDA ITEMS

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; for its YouTube live-streaming recording for responses to questions.



8 PRESENTATION OF REPORTS BY OFFICERS

8.1 CHIEF EXECUTIVE OFFICER – CHARLIE BIRD

8.1.1 Contracts approved by the CEO

Cr Keeble

Cr Forsyth

That the Contracts approved by the CEO be noted.

Contract No:	CT18023	Process:	Public Tender
Title:	Mount Beauty Pool Facility - retiling of the main, intermediate and toddler pools and repair and repainting of the concrete concourse.		
Tenderer:	Farley Pools		
\$ (excl. GST):	\$134,920.94		

Carried



8.2 DIRECTOR ASSETS – WILLIAM JEREMY

8.2.1 Dinner Plain Event Funding Program 2018/19

File Number: 1608.12

INTRODUCTION

This report relates to the allocation of financial sponsorship to events at Dinner Plain for the 2018/19 financial year.

Cr Keeble

Cr Pearce

That Council:

1. Allocates financial sponsorship to events at Dinner Plain as follows:

<i>EVENT NAME</i>	<i>APPLICANT</i>	<i>FUNDING</i>	<i>PROMOTION (BY COUNCIL)</i>
<i>Dinner Plain Mountain Bike Enduro</i>	<i>DP Riders</i>	<i>\$5,000</i>	<i>\$850</i>
<i>Sled Dog Challenge</i>	<i>Altitude 5000</i>	<i>\$5,500</i>	<i>\$230</i>
<i>Easter Festival</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$1,130</i>
<i>Flickerfest</i>	<i>Alpine Shire</i>	<i>\$5,000</i>	<i>\$730</i>
<i>New Year's Eve Fireworks and Entertainment</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$530</i>
<i>Snow Season Opening Weekend Fireworks and Entertainment</i>	<i>Alpine Shire</i>	<i>\$6,000</i>	<i>\$530</i>
<i>Sub total</i>		<i>\$33,500</i>	<i>\$4,000</i>

2. Provides delegation to the Chief Executive Officer for distribution of the residual funds, \$12,500.

Carried

BACKGROUND

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

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

An event funding assessment panel comprising Dinner Plain residents and business owners met to discuss the allocation of funding, and they support the recommendations as outlined in this report.

Attracting event organisers to Dinner Plain is challenging, but ongoing event activity is critical for Dinner Plain's economy. Some events identified for funding have been



proposed by Alpine Shire Council as a means of supporting the Dinner Plain economy. All events proposed by Alpine Shire Council are free events and are targeted at holiday periods.

The \$33,500 amount recommended to be provided to events is to assist event organisers with event delivery. The additional \$4,000 amount recommended for promotion of events will be promotion that will be coordinated by Council and particularly for those events being delivered by Council.

ISSUES

Focal Promotions was contracted by Council to deliver the Geebung Polo event for a five year period with the last year of the contract being in the delivery of the 2018 event. Focal Promotions did not apply for funding to continue with the delivery of this event in 2019. Community consultation is underway to seek feedback to assist in shaping plans for the event into the future.

EVENT INFORMATION

Overview

The following table outlines the events that applied for funding, the amount requested, and the amount recommended.

EVENT NAME	REQUESTED FUNDING	RECOMMENDED FUNDING
MTB Enduro & Funduro	\$5,000	\$5,000
Sled Dog Challenge	\$6,000	\$5,500
Easter Festival	\$6,000	\$6,000
Flickerfest / Australia Day	\$5,000	\$5,000
New Year's Eve Fireworks and Entertainment	\$6,000	\$6,000
Snow Season Opening Weekend Fireworks	\$6,000	\$6,000
Sub total	\$34,000	\$33,500
Promotion		\$4,000
Events budget		\$50,000
Balance		\$12,500

POLICY IMPLICATIONS

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

- A thriving and connected community.



FINANCIAL AND RESOURCE IMPLICATIONS

The recommended funding allocation for events in Dinner Plain is within the adopted budget of \$50,000 for the 2018/19 financial year. It is recommended the balance of \$12,500 be left unallocated, considered for event opportunities that may arise this financial year, and allocated accordingly at the discretion of the Chief Executive Officer. This may include consideration of funding for a Geebung Polo event in 2019.

CONSULTATION

The events and recommended funding amounts were submitted in a report to a panel of Dinner Plain residents and business owners and discussed at a meeting on 17 August 2018. The panel has endorsed the requests put forward in this report.

CONCLUSION

Events are a key driver of visitation to Dinner Plain and investment in event activities is essential to support the Dinner Plain economy.

The recommended allocation of funding for events in Dinner Plain in 2018/19 has been endorsed by a panel of Dinner Plain community and business representatives.

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.

- Director Assets
- Manager Economic and Community Development

ATTACHMENT(S)

- Nil



8.2.2 Supply and Delivery of Emulsion

File Number: CT18043

INTRODUCTION

This report relates to the award of a contract for the supply and delivery of bitumen emulsion to the Alpine Shire Council.

Cr Pearce

Cr Forsyth

That Council awards Contract No. 1804301 for the 'Supply and Delivery of Emulsion' to Downer EDI Works for a three year period at tendered rates and subject to rise and fall linked to the price movement in bitumen as published by Bitumen Importers Australia.

Carried

BACKGROUND

Alpine Shire Council uses approximately 100,000 litres of bitumen emulsion each year to maintain its sealed road and path network. A three year supply contract expired on 21 August 2018, and Council sought tenders for a new supply contract.

The Invitation to Tender was advertised in local newspapers, on tenders.net and on the Alpine Shire Council website. Tenders opened on 10 July 2018 and closed on 7 August 2018. The tender documents were downloaded by three suppliers, and one tender was received, containing both conforming and non-conforming offers.

EVALUATION

The evaluation panel comprised Council's Director Assets, Manager Asset Maintenance and Civil Works Coordinator. The tender was evaluated in accordance with the key selection criteria listed in the Invitation to Tender:

- Price
- Qualifications and Previous Performance
- Delivery
- Social

Following an initial assessment of the offers received, the tenderer was asked to clarify aspects of their tender, including providing further detail on the rise and fall option in the non-conforming tender. Following these clarifications, it was determined that the non-conforming tender from Downer EDI Works presented the best value for Council.



ISSUES

The tenderer has presented two options in their tender submission:

- Conforming offer: Fixed supply rate, subject to annual CPI increase; and
- Non-conforming offer: Variable supply rate, subject to a 'rise and fall' calculation.

Based on the tendered rates, the non-conforming offer represents a discount of 10-11% over the conforming offer, equivalent to approximately \$9,000 per annum.

Under the non-conforming offer, Council would carry the risk/benefit of price movements, with the rate linked to price movements in bitumen as published by Bitumen Importers Australia. The price of bitumen is influenced by demand, currency fluctuations and the oil price, and it is not easy to forecast what future movements are likely to be.

Over the previous three (3) years there have been six (6) months with price decreases, nine (9) with price increases and 21 with no movement in price. If the same change in price were to occur over the coming three (3) year period, then Council would benefit from awarding a contract based on a variable supply rate subject to rise and fall, rather than a fixed price with annual CPI increases.

POLICY IMPLICATIONS

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

The recommendation is consistent with the following strategic objective in the Council Plan 2017-2021:

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

FINANCIAL AND RESOURCE IMPLICATIONS

The approximate annual cost of bitumen supply to Council is \$90,000+GST. There is sufficient provision within the 2018/19 budget to cover the cost of this contract.

CONSULTATION

The tender evaluation panel engaged with Downer through the tender clarification process, and carried out research to independently verify recent trends in and key influences on bitumen pricing.



CONCLUSION

Following a comprehensive assessment, the non-conforming tender from Downer EDI Works is considered to be the best value option for Council.

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.

- Director Assets
- Manager Asset Maintenance
- Civil Works Coordinator

ATTACHMENT(S)

- Nil



8.2.3 Provision of public toilets and amenities in Tawonga South

File Number: 1547.04

INTRODUCTION

The purpose of this report is to provide a progress update on the investigation into the development of new public toilets and amenities in Tawonga South.

Cr Keeble

Cr Roper

That Council:

- 1. Continues to engage with landholders in Tawonga South in order to secure access to a suitable development site; and*
- 2. Incorporates the implementation of new public toilets and amenities as an integral component of the future Alpine Better Places Tawonga South project.*

Carried

BACKGROUND

There are no public toilets in Tawonga South. The nearest public toilets to the Tawonga South CBD are located in Mount Beauty CBD, approximately 1.2km to the south east, and in Tawonga Pioneer Memorial Park, approximately 6km to the north.

A petition in support of the provision of public toilets and amenities in Tawonga South was tabled at the February 2018 Ordinary Council Meeting.

The petition contains the signatures of 837 residents and visitors and states:

"We the undersigned, being residents of the Upper Kiewa Valley, visitors and general members of the public, call on the Alpine Shire Council to urgently provide amenities, including public toilets, parking and picnic area in the town business centre of Tawonga South (being the section of Kiewa Valley Highway from Simmonds Creek Road to Vails Road)".

A report was tabled at the March 2018 Ordinary Council Meeting responding to the petition. The recommendations carried in this report were that Council:

- 1) Continues to investigate options to develop new public toilets in Tawonga South, acknowledging the limited options which are available; and
- 2) Provides a progress update at the September 2018 Ordinary Council Meeting.

ISSUES

Council does not own land or have access to any Crown Land within Tawonga South CBD suitable for establishing public toilets and amenities. This limits the available options for developing these facilities.



Council Officers have consulted with stakeholders in Tawonga South CBD in order to negotiate access to suitable land for development, with three promising leads being progressed over recent months.

One of these leads initially appeared very promising, and would have potentially provided an opportunity for public toilets, parking and amenities to have been established in a prime Tawonga South CBD location, with the possibility of a future pedestrian footbridge connection to the pondage walk. However, the landholders subsequently withdrew their interest.

One lead relies on the support of VicRoads to allow public toilets to be developed on land adjacent to the Kiewa Valley Highway. There is sufficient land available for public toilets to be established in the identified location, however insufficient for additional public parking or for other amenities. VicRoads in-principle support and list of development conditions has been sought. Informal engagement with an adjacent landholder has established that this option would be strongly opposed.

The third lead results from an approach made to Council by a potential investor. Discussions are at a very early stage, and Council Officers will continue to engage and explore opportunities for a mutually beneficial outcome.

Council remains receptive to approaches by members of the public, existing and potential business operators and investors, providing further leads to explore.

POLICY IMPLICATIONS

This recommendation is in consistent the following strategic objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

There is no allocation in the 2018/19 capital works budget for the construction of a new public toilet and amenities block in Tawonga South.

Council's project pipeline includes the implementation of an Alpine Better Places Tawonga South project, with tentative timeframe for delivery of the scoping and design element of the project falling within the term of the current Council.

There appears to be good alignment between the objectives of the Alpine Better Places portfolio of projects and the implementation of public toilets, additional off-street parking and picnic area in Tawonga South.

Subject to concluding the negotiation of access to a suitable development site within a compatible timeframe, it is recommended that the scoping and delivery of public toilets, parking and picnic area, be implemented as an integral component of the Alpine Better Places Tawonga South project.

CONSULTATION

Council Officers have consulted with landholders in Tawonga South CBD in order to negotiate access to suitable land for development. Two leads are currently being progressed.



Following the identification of suitable land for development, a stakeholder engagement plan will be developed and implemented during the scoping of the project. This plan would include engagement with the local business community and residents in the Kiewa Valley.

CONCLUSION

A petition with 837 signatures has been received in support of the provision of public toilets and amenities in Tawonga South. Council continues to explore opportunities to secure access to a suitable development site.

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.

- Director Assets

ATTACHMENT(S)

- Nil



8.2.4 McNamara Reserve Netball and Tennis Facilities

File Number: CT18041

INTRODUCTION

This report relates to the award of a contract for the construction of the McNamara Reserve Netball and Tennis Facilities. The work includes demolition of the existing amenities block and construction of upgraded netball and tennis facilities at McNamara Reserve in Myrtleford.

Cr Keeble

Cr Roper

That Council awards Contract No. 1804101 for Construction of McNamara Reserve Netball and Tennis Facilities to Barton Street Developments for the Lump Sum price of \$548,628+GST.

Carried

BACKGROUND

In August 2016, Council sought funding from Sport and Recreation Victoria to deliver a new multi-sports facility to replace the existing amenities building at the multi-use courts at McNamara Reserve, Myrtleford. The project was in response to a need identified by key stakeholders for an upgraded, Disability Discrimination Act (DDA) compliant and female friendly amenities building.

In August 2017, Council engaged an architect to progress the design and documentation of the facility. The consultation and design development stage of the project was completed in May 2018, and tenders subsequently invited for construction.

The Invitation to Tender was advertised in the Herald Sun and Border Mail on Wednesday 20 June 2018, and on the tenders.net and Alpine Shire Council websites. Tenders closed on Wednesday 25 July 2018.

The Tender documents were downloaded by 25 prospective tenderers and two tender submissions were received.

EVALUATION

The evaluation panel consisted of the Director Assets, Manager Asset Development and the Project Manager.

The Tenders were evaluated according to the key selection criteria listed in the Invitation to Tender:

- Price
- Qualification & Previous Performance
- Delivery
- Social



Following the initial assessment of offers, only one of the tenders was shortlisted to take part in further evaluation. The tenderer was invited to clarify aspects of their tender and provide further detail on their proposed program including their ability to meet the required timeframes. Following the tender interview it was determined that the tender from Barton Street Developments best met the selection criteria.

ISSUES

McNamara Reserve user groups have notified Council of their preferred construction window of October 2018 to March 2019. Construction during this period will present the least disruption to scheduled netball and tennis matches, including the Easter Tennis Tournament. Barton Street Developments has confirmed their ability to meet this construction timeframe.

Award of the contract as recommended will result in a significant cost overrun against the project budget. The key factors contributing to this cost overrun are:

- A number of significant items were omitted from the cost estimate developed during the concept design phase, and this cost estimate was then used to establish the overall project budget and seek external grant funding;
- Market rates achieved through the tender process are significantly higher in a number of areas than was assumed at the concept design stage; and
- A low level of contingency was applied to the concept design cost estimate, which wasn't reflective of the level of uncertainty that remained in the project at this early stage.

It is unknown whether re-tendering the construction scope will result in a more competitive outcome, however it will result in the nominated construction window being missed and a 12 month delay in the delivery of the project.

POLICY IMPLICATIONS

The tender was advertised and evaluated in accordance with Council's Procurement Policy.

This recommendation is in consistent the following strategic objective of the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

The total project budget is \$500,000, comprising \$100,000 of grant funding from Sport and Recreation Victoria, with the balance of \$400,000 being funded by Council.

Based on the recommended contract award price of \$548,628, the forecast completion cost of the project is \$736,135, which represents a forecast cost overrun of \$236,135 against the approved project budget.

The forecast cost overrun can be accommodated in Council's long-term financial plan, however it will result either in a reduction in the working capital ratio, or the requirement to defer delivery of planned capital projects beyond 2018/19.



CONSULTATION

The highest priority action recommended in the 2012 McNamara Recreation Reserve Masterplan was “upgrade the multi-use courts amenities building with a particular focus on improving the toilets and installing fully accessible facilities”.

Council Officers have worked closely with the McNamara Reserve Committee, user groups and the appointed architect to identify the requirements of each group. Several conceptual design workshops were conducted and a final floorplan and layout agreed by all parties in December 2017.

Throughout the detailed design and documentation phase, Council has continued to engage with all key stakeholders. Continuing project updates will be distributed via email and on Council's website and Facebook page. The implementation of the project stakeholder and communication plan will continue throughout the duration of the project.

CONCLUSION

Following a comprehensive tender assessment, the tender from Barton Street Developments was deemed to present the best value for Council.

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.

- Director Assets
- Manager Asset Development
- Project Manager

ATTACHMENT(S)

- Nil



8.2.5 Bright Car Parking Plan

File Number: 01761.02

INTRODUCTION

This report relates to the adoption of the Bright Car Parking Plan by Council.

Cr Keeble

Cr Knappstein

That Council adopts the Bright Car Parking Plan.

Carried

BACKGROUND

In response to feedback from members of the community about increasing demand being placed on existing car parking, Council committed to develop a car parking plan for Bright.

The project commenced with community consultation in October 2017, followed by data collection in January and March 2018. The draft car parking plan was released for community consultation in June 2018.

All submissions to the draft plan have now been considered, and amendments made to the draft plan where practicable and aligned with the objectives of the plan. The plan was finalised in August 2018.

Following adoption, discrete projects identified in the plan will be added to Council's project pipeline for delivery within the timeframes identified in the plan.

ISSUES

The following changes were made to the draft car parking plan as a result of community feedback:

- Existing all day parking has been retained in Riverside Avenue, and the proposed bus loading/unloading zone relocated to Mountbatten Avenue;
- The proposed bus zone in Railway Avenue (adjacent to the Community Centre) has been converted to a loading zone;
- A new disabled space has been added to the southern end of Ireland Street;
- The parking layout in Riverside Avenue will be formalised, and a pedestrian crossing added at the end of Riverside Walk to improve pedestrian safety;
- A bus loading/unloading zone has been added in the Burke Street car park;
- Pedestrian access will be improved along Masciorini Lane to better connect Toorak Road to Star Road; and
- Pedestrian crossings in Star Road, Camp Street and Mountbatten Avenue will be improved.



Additionally, the proposed timeframe for implementation of the following improvements was brought forward:

- Upgrade and extend footpaths on Wood Street;
- Improve walkways between Burke, Ireland and Wills Streets; and
- Upgrade pedestrian crossings in Gavan Street.

A number of community members have been critical of the consideration which had been given to both cyclist and pedestrian movements within the development of the car parking plan. Equally, Council received feedback which was strongly supportive of the multi-faceted approach, and particularly in relation proposals supporting cyclists and pedestrians as a transport mode.

POLICY IMPLICATIONS

This recommendation is consistent with the following strategic objective in the Council Plan 2017-2021:

- Incredible places for our community and visitors.

FINANCIAL AND RESOURCE IMPLICATIONS

The estimated cost to deliver all of the projects identified in the plan is \$1.3m; however adoption of the plan has no implications for the 2018/19 budget or resourcing.

Discrete projects identified in the plan will be added to Council's project pipeline for delivery within the timeframes identified in the plan, and considered in the development of future budgets.

CONSULTATION

The community has been involved in the development of the car parking plan during two rounds of consultation:

- Community input was sought in October 2017 at two drop-in sessions. Approximately 40 people attended the sessions, with 20 written submissions received.
- In June and July 2018 two further drop-in sessions were held and the community was invited to provide comment on the draft plan. Approximately 20 people attended the two drop-in sessions, with 14 written submissions were received.

Additional consultation was conducted with directly affected businesses and stakeholders, and further engagement will be necessary through the implementation of each component of the plan.

CONCLUSION

The Bright Car Parking Plan has been established following a robust process of community engagement supported by data gathering.



Implementation of the discrete projects recommended in the plan will deliver a measureable response to the challenges currently being experienced with parking in Bright.

DECLARATION OF CONFLICT OF INTEREST

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

- Director Assets
- Manager Asset Development
- Project Manager

ATTACHMENT(S)

- 8.2.5 Bright Car Parking Plan, August 2018



8.3 DIRECTOR CORPORATE – NATHALIE COOKE

8.3.1 Long Term Lease for the Management and Operation of the Myrtleford Holiday Park

File Number: CT18001

INTRODUCTION

This report details the recommendation for Council to enter into a long term lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park.

Cr Keeble

Cr Forsyth

That Council:

- 1. Subject to Ministerial Approval, enter into a Long Term Lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park as follows;*
 - a. Purchase of Assets and Lease Premium - \$290,000 excluding GST;*
 - b. Commencement rent - \$50,000 per annum excluding GST;*
 - c. Capital Works over the life of the lease - \$1,272,629 excluding GST;*
 - d. 21 year lease, commencing 10 September 2018;*
 - e. Estimate life of lease income -\$1,300,000 excluding GST.*
- 2. Sign and seal the Lease at the appropriate stage of the meeting.*

Carried

BACKGROUND

Alpine Shire Council is the Committee of Management of the Myrtleford Holiday Park (the Park) pursuant to the *Crown Land (Reserves) Act 1978*. The Park is currently operated by Alpine Shire Council. The Myrtleford Holiday Park Business Plan developed in 2014 called for a program of works to be undertaken over the following three (3) years and a subsequent market test for the long term lease of the Management and Operation of the Park. Council has subsequently undertaken approximately \$360,000 of upgrade/new works including upgrade of the camp kitchen, bunk houses, amenity block and the installation of two new two bedroom cabins, two double ensuite units and some hard stand areas in lower lying sections of the Park.

Tenders were invited for the long term lease of the Park in September 2017. This process resulted in one conforming submission which was not considered good value and not progressed. Feedback was sought from a number of parties who had



downloaded tender documentation and as a result some changes were made to the tender criteria particularly as it related to tenant improvements.

A new invitation for tender process was conducted in January/February 2018.

The Park is an important and popular tourist asset and the awarding of a long term lease represents a significant opportunity for Alpine Shire Council to achieve long term capital improvements and the development of a high quality tourist experience.

The lessee will be required to manage the operations and use of the Park in a professional manner and in accordance with all laws, guidelines and regulations and subject at all times to the terms as specified in the Lease.

In leasing the Premises some of Council's key objectives are to:

- Maximise financial return and long term financial benefit to Council;
- Make available to members of the general public an affordable and high quality caravan and camping facility;
- Ensure the use of the premises optimises its exceptional location and is compatible with surrounding uses and the requirements of Council;
- Ensure the long term sustainability and viability of the Myrtleford Holiday park; and
- Ensure continued community access to, and benefit from, the Premises.

The invitation to tender was advertised in the Alpine Observer and Myrtleford Times on 17 January 2018 and through tenders.net. The tender was also advertised on the Victoria Caravan Parks Association online billboard and emailed directly to a number of local and multi-site park operators.

Tenders documents were subsequently downloaded by 17 parties, two of which returned conforming tenders.

Tenders were evaluated according to the selection criteria listed in the Invitation to Tender, including:

- Proposed capital works, purchase price for equipment and assets, lease premium and commencement rent;
- Ability to meet Council's objectives;
- Relevant business experience and the skills necessary to undertake the management, maintenance and redevelopment of the Premises;
- Business and marketing plans for the proposed use of the Premises;
- Financial capacity and funding capacity to meet the tenants obligations under the Lease and;
- The tenderer's ability to meet applicable occupational health and safety requirements.

The evaluation also included a comparison of the forward financial projections of the park should it remain Council operated, and referenced an independent valuation undertaken of the park in September 2017.



The recommendation to proceed with Sustainable Park Solutions Pty Ltd was adopted by Council at the April 2018 Ordinary Council meeting.

A wholly owned subsidiary company of Sustainable Park Solutions will be the party to the lease of the Park, this company is Myrtleford Creekside Caravan Park Pty Ltd ACN 625 649 032.

As required under s190 of the *Local Government Act* Council advertised a public notice inviting submissions to the lease under s223 of the Act. The public notice was advertised 11 April 2018 with the closing date for submissions being 10 May 2018. No submissions were received.

Having met its obligations under the Act a lease has now been finalised and signed by Myrtleford Creekside Caravan Park Pty Ltd. Department of Environment, Land, Water and Planning (DELWP) has provided Grant and Purpose of the lease and upon signing by Council will be forwarded to the Department for Ministerial Attestation.

ISSUES

Council looked at the short term or upfront offers as well as long term reinvestment into the Park which would ensure the sustainability of the Park and the appeal of the Park to future users.

A capital works improvement program is an important consideration for ongoing sustainability. This requirement directly affects other components of the tender offer.

Other considerations taken into consideration and form part of the lease are:

- Annual CPI;
- 3 year market review (commencing in year 6 of the lease); and
- Required upgrades and renewals of key assets such as amenity blocks, lighting, powerhead upgrade, drainage and internal roads.

A detailed analysis was undertaken of the submissions received and the option for Council to continue to operate the Park. After consideration of these options it is recommended Council proceed with the long term lease of the park on the terms submitted by Sustainable Park Solutions Pty Ltd.

Under Section 5(2)(d) of the Act, Council is able to acquire, hold deal with or dispose of the property (including land) for the purposes of performing its functions and exercising its powers.

Section 190 of the Act notes restrictions on Councils power to lease land:

- 1) *A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.*
- 2) *Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- 3) *If the lease is to be –*
 - a) *for 1 year or more and –*



- i) *the rent for any period of the lease is \$50,000 or more a year; or*
 - ii) *the current market rental value of the land is \$50,000 or more a year; or*
 - b) *for ten years or more; or*
 - c) *a building or improving lease –*
the Council must at least 4 weeks before the lease is made, publish a public notice of the proposed lease.
- 4) *A person has the right to make a submission under section 223 of the act on the proposed lease.*

Lease documentation was developed for the purpose of entering into long term lease of the Park. The length of the lease is 21 years and the starting rental is \$50,000. Due to these two factors Council is required under *Section 190* of the Act to publish a public notice of a proposed lease. A lease has been finalised and agreed with Sustainable Park Holdings Pty Ltd. The lessee will be Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary company of Sustainable Park Solutions Pty Ltd). This lease was prepared and reviewed by Council's solicitors. The lease has also been reviewed by DELWP and Grant and Purpose approval has been received. The commencement date under the lease is 10 September 2018. Upon signing by Council the lease will be forwarded to DELWP for Ministerial Attestation.

POLICY IMPLICATIONS

The tender was advertised and evaluated according to the Council's Procurement Policy.

The process undertaken is in accordance with obligations under the *Local Government Act 1989*, the *Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land*.

This recommendation is consistent with the following strategic objective of the Council Plan 2017-2021:

- Highly utilised and well managed community facilities.

FINANCIAL AND RESOURCE IMPLICATIONS

The offer from Sustainable Park Holdings Pty Ltd provides for a significant capital investment in the park including \$405,000 of required works that Council had identified would be required over the next 5-10 years.

Against Council's forward net income projections for the Park, including provisions for renewals, upgrade and planned new work the lease offer is forecast to generate additional \$30,000 income for Council.

Though this is not a significant increase over Council's forecast under Council operation, the proposed lessee is contributing an additional \$900,000 in capital works in the first three (3) years of the lease that offer substantial improvements to the



amenity of the park including an additional 14 powered sites, office/resident upgrade, two additional ensuite sites (including services), one additional two bedroom cabin, two safari tent style units and numerous minor amenities.

Council will also receive a payment of \$290,000 excluding GST for existing plant and equipment.

CONSULTATION

Pursuant to Section 190 of the *Local Government Act 1989* public notice was given where interested persons were invited to make submissions under Section 223 of the Act on the proposed lease (Section 190(3a) (3b)& (4)). No submissions were received.

CONCLUSION

Entering into the Long Term lease with Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd) for the Management and Operation of the Myrtleford Holiday Park is considered the best value option for Council.

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.

- Director Corporate
- Manager Facilities

ATTACHMENT(S)

- Nil



8.3.2 Lease of Cobungra Court Harrietteville

File Number: Lease Register

INTRODUCTION

The purpose of the report is to recommend that Council enter into a short term lease of Cobungra Court Reserve Harrietteville identified as Reserve Lot 1 on LP132168.

Cr Keeble

Cr Roper

That Council:

- 1. Enter into a lease of Cobungra Court Reserve Harrietteville (Reserve Lot 1 LP132168) with John O'Sullivan under the following terms:*
 - a. Commencement rent \$220.00 p.a. excluding GST (adjusted annually to CPI);*
 - b. Term 3 years (at Council's sole discretion, a second term of 3 years may be granted); and*
- 2. Sign and seal the Lease at the appropriate stage of the meeting.*

Carried

BACKGROUND

At the time of the original development of Cobungra Court Harrietteville a parcel of land was reserved for possible future access to land beyond the court (location map attached), the Reserve occupies Council land. The land is identified as Reserve Lot 1 LP132168. The Reserve has residential properties on two sides and backs onto a significant parcel of private land that is heavily wooded.

In 2009 Council was approached by a resident adjoining the Reserve regarding the possibility of entering into a lease or licence over the land. An initial lease for a period of 3 years was issued. By leasing the land the lease holder assumed responsibility for maintaining the land while use of the land was restricted to those conditions specified under the lease. No building or other structures (aside from perimeter fencing) is allowed under the lease.

Subsequent leases have been issued in 2012 and 2015, with public Expressions of Interest (EOI) called for prior to the issuing of each lease. On each occasion the lease was issued to a resident adjoining the Reserve.

In January 2018 Council called for an EOI for the forward lease of the Reserve, this included advertising in local papers on 17 January 2018. Council received requests for information from three parties; one submission for the lease was received and two objections were received. The submission for the lease was received from the proposed lessee who had purchased the property from the previous lessees of the Reserve.



The two objections were considered and the parties who submitted the objections were contacted. One of the objections related to concerns over the exclusive use nature of a lease and the possible limits this may cause to access to the Reserve in the case of an emergency and for access to services that passed through the Reserve to an adjoining property. After a site meeting and discussions regarding these concerns the conditions of the lease were amended to include requirements for access to be granted for emergency management, access for maintenance or works on services in the reserve and responsibility of the lessee to ensure no damage occurred to these services from activities by the lessee on the leased reserve land.

The second objection questioned the premise upon which Council was issuing a lease over the Reserve and sought clarification of the process Council undertook as part of the communication of the EOI. We have responded explaining the history of the Reserve, previous lease processes and the process of calling for the EOI on this occasion. Council also explained the purpose and nature of the lease, including that the short term nature of the lease allows for Council to have flexibility in the use of this land into the future while minimising the costs to the community for maintaining the land. Both objectors have received written responses to their concerns and a copy of the amended lease provided for comment, no further feedback has been received.

The sole submission for lease is from an adjoining resident landowner. The offered rent is slightly higher than the rent under the previous lease. The amended terms of the lease have been agreed to by the proposed lessor. The lease has been signed and has been submitted for execution. By issuing a new lease the occupation and use status of the land will remain consistent with that of the past nine years while reducing Council's costs associated with the Reserve.

ISSUES

Under Section 5(2)(d) of the *Local Government Act 1989* (the Act), Council is able to acquire, hold deal with or dispose of the property (including land) for the purposes of performing its functions and exercising its powers.

Section 190 of the Act notes restrictions on Councils power to lease land.

- 1) *A Council's power to lease any land to any person is limited to leases for a term of 50 years or less.*
- 2) *Subject to any other Act, if a Council leases any land to any person subject to any exceptions, reservations, covenants and conditions, it must comply with this section.*
- 3) *If the lease is to be –*
 - a. *for 1 year or more and –*
 - i. *the rent for any period of the lease is \$50,000 or more a year; or*
 - ii. *the current market rental value of the land is \$50,000 or more a year; or*





8.3.3 Planning Application 5.2017.112.1 - 5 Switchback Road Mudgegonga – amended application received. Consequently report recommendation withdrawn.



8.3.4 Planning Application 5.2017.149.1 - 1 Bakers Gully Road, Bright

Application number:	5.2017.149.1
Proposal:	6 Lot Subdivision and removal of native vegetation
Applicant's name:	Mountain Planning
Owner's name:	Martin, Hewitt, Jackson, NECC and Perugini
Address:	1 Bakers Gully Road, Bright
Land size:	2.879ha
Current use and development:	Vacant residential land
Site features:	Sloping easterly aspect lot, western half covered in remnant vegetation and the other half cleared to grassland
Why is a permit required?	The Low Density Residential Zone (32.03-3) and the Bushfire Management Overlay (44.06-2) require approval for subdivision and the Clause 52.17 - Native Vegetation requires approval for the removal of native vegetation.
Zoning:	Low Density Residential Zone (LDRZ)
Overlays:	Bushfire Management Overlay (BMO)
Restrictive covenants on the title?	Yes, building envelope on the plan of subdivision and a Section 173 Agreement for BMO exemption purposes.
Date received:	17 May 2018
Statutory days:	75 Days
Planner:	Sam Porter

Cr Keeble

Cr Roper

That a Notice of Refusal be issued for the 6 Lot Subdivision and Removal of Native Vegetation on the following grounds:

- 1. The application has not satisfactorily addressed either Planning Policy Framework (Formally known as State Planning Policy Framework) or the Bushfire Management Overlay objectives, specifically the application fails to:*
 - Prioritise the protection of human life over other policy considerations in planning and decision-making in areas at risk from bushfire.*
 - Direct population growth and development to low risk locations and ensuring the availability of, and safe access to areas where human life can be better protected from the effects of bushfire.*



- *Ensure development of land prioritises the protection of human life and to ensure development is only permitted where the risk to life and property from bushfire can be reduced to an acceptable level.*
2. *The proposal is not consistent with the purpose of the Clause 52.17 - Native Vegetation (Guidelines for the removal, destruction or lopping of native vegetation – Department of Environment, Land, Water and Planning 2017) requiring the avoidance, minimisation and appropriate offset to compensate for the biodiversity impact of the native vegetation removal.*

Carried

Cr Pearce called for a division.

For: Cr Knappstein, Cr Janas, Cr Keeble and Cr Roper

Against: Cr Pearce and Cr Forsyth

The motion was carried.

PROPOSAL

The proposal seeks to subdivide the 2.879ha property into six lots. Lots 1 to 5 range from 2,000m² to 3,200m² in order to comply with the minimum lots size of the LDRZ which is 2,000m². Lot 6 is proposed to be 1.036ha in size and is located over the steeper area of the site and will also include the majority of the existing vegetated area. Figure 1 below shows the roadway location partially along the eastern and southern boundary proposed to service all lots. Figure 1 also outlines the location of the building envelopes proposed on each lot and the surrounding defensible space required.

In addition to subdivision of the land the application is also applying to remove 1.382ha of native vegetation, see figure 2 below and the yellow hatched areas. Planning must consider all native vegetation impacts at a subdivisional stage. In this instance vegetation removal is needed to construct the development, however, as five of the proposed lots are to be under 4,000m² in size when created they would then qualify for a removal exemption. The assessment provided for native vegetation assessment correctly outlines the assumed loss area of vegetation due to the proposed lot sizes, however, in reality some of this vegetation within the defensible space is likely to remain.



Figure 1: Shows the development layout on site and defensible space area.

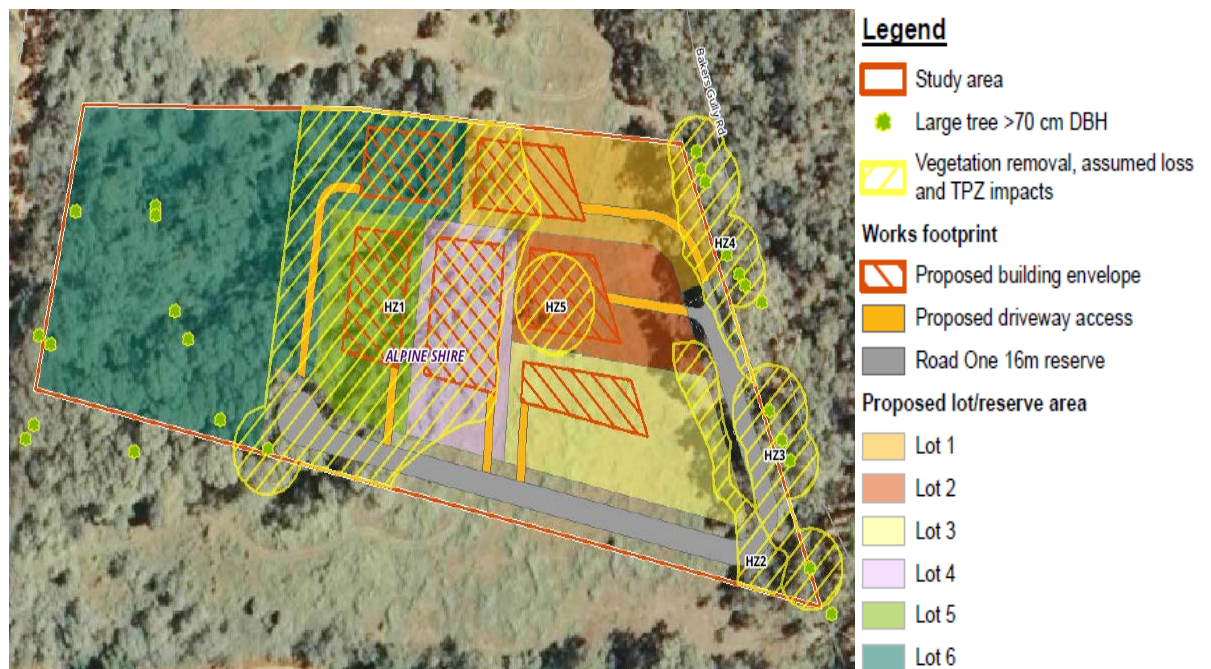


Figure 2: Shows the development layout and the native vegetation removal impacts.



SUBJECT LAND AND SURROUNDS

The subject land is 2.879ha in size and sits within the Bakers Gully Catchment on the southern edge of Bright. The subject land is the residual lot of a recently constructed subdivision that saw the creation of Faulkner Rise immediately to the north. The sites western half is covered with a remnant stand of native vegetation and the site itself has an easterly aspect. The surrounding land consists of residential land to the north, crown land to the east located along Bakers Gully Creek and is covered in native forest whilst south and west of the site is Hancock Victoria Plantations (HVP) managed land covered in softwood plantation.

The surrounding land area sees the subject land located centrally within the narrow Bakers Gully valley that runs in a north south direction. The subject land is approximately 400m above sea level whilst the hillside to the east rises sharply to a height of 580m and to the west 700m above sea level. The only legal and practical access to the subject land is via the sealed Bakers Gully Road from the north. The subject land and the immediate surroundings are shown below in Figure 2.



Figure 3: Subject land.



PUBLIC NOTIFICATION

The application was advertised in accordance with Section 52 of the *Planning and Environment Act 1987*. Notice of the application was sent to 8 surrounding landholders and occupiers. A sign was displayed on the subject land. Three (3) objections were received; the reasons for objecting are as follows:

- Lot density;
- Increased traffic and associated traffic safety; and
- Inadequate services to the residential area, footpath, street lighting and the like.
- Land use conflict with surrounding plantation activities
- Inappropriate urban expansion
- Fire risk and traffic access and egress concerns

It should be noted that the application originally took the form of a ten lot subdivision. This initial notification saw the receipt of the three objections; however, the application was amended to a six lot proposal which when notified for a second time saw the withdrawal of one existing submission and the addition of the third objections from Hancock Victoria Plantation (HVP).

REFERRALS

Referrals / Notice	Advice / Response / Conditions
Section 55 referrals:	Goulburn-Murray Water, North East Water, Ausnet Services have all granted conditional consent. Country Fire Authority (CFA) as a recommending referral authority has objected to proposal. Department of Environment Land Water and Planning is outside their prescribed timeframe and have not responded.
Internal / external referrals:	Development Engineer has no objection subject to conditions.

PLANNING ASSESSMENT AND RESPONSE TO GROUNDS OF OBJECTION

All applicable policy and decision guidelines can be found in Appendix A.

Planning Policy Framework and Local Planning Policy Framework

Bushfire Risk

In considering and application to subdivide land within the BMO Council and the Country Fire Authority must:



Protection of human life

Give priority to the protection of human life by:

- *Prioritising the protection of human life over all other policy considerations.*
- *Directing population growth and development to low risk locations and ensuring the availability of, and safe access to, areas where human life can be better protected from the effects of bushfire.*
- *Reducing the vulnerability of communities to bushfire through the consideration of bushfire risk in decision making at all stages of the planning process.*

Bushfire hazard identification and assessment

- *Identify bushfire hazard and undertake appropriate risk assessment by:*
- *Applying the best available science to identify vegetation, topographic and climatic conditions that create a bushfire hazard.*
- *Considering and assessing the bushfire hazard on the basis of:*
 - *Landscape conditions - meaning conditions in the landscape within 20 kilometres (and potentially up to 75 kilometres) of a site;*
 - *Local conditions - meaning conditions in the area within approximately 1 kilometre of a site;*
 - *Neighbourhood conditions - meaning conditions in the area within 400 metres of a site; and*
 - *The site for the development.*

Council legislatively has a requirement to refer the permit application to the CFA who are the experts in considering the bushfire provisions of the planning system. The CFA is also best placed to assess the broader landscape risk to the subject land in understanding the likely fire behaviour in the event of a bushfire. The CFA was initially invited by the applicant to provide comment on the proposal of further subdividing the subject land. The conclusion of this pre-application site meeting was that the CFA were not willing to support additional development within this Bakers Gully area.

The CFA's letter of response to the formal application outlines the following significant concerns with the proposal:

- Given the amount and extent of the surrounding vegetation, bushfires in the broader landscape are likely to be of a large scale, difficult to extinguish and spread rapidly and likely to impact the site with significant intensity.
- The site is likely to be subjected to mass ignition from embers (leading to firestorm conditions) that will create an area of fire that potentially exposes the development to high levels of radiant heat and direct flame contact.



- The application for an additional six (6) lots will add a significant number of additional people into a landscape that gives rise to a very high bushfire risk. Access to an area of relative safety (Bright Township) is also poor.

There is no disagreement with any of the above statements, therefore, it must be concluded that the development is clearly inconsistent with the relevant Planning Policy Framework.

The Local Planning Policy Framework (LPPF) contains additional context to the proposal. Clause 21.04-4 - Environmental risk aligns itself with the bushfire planning risk that is State Policy. Clause 21.07-1 also contains township of Bright objectives and strategies, the following are relevant to the proposal:

- *Bushfire risks in both urban and rural areas are largely due to dense vegetation cover, difficulty of access for emergency vehicles, and exposure of development at the rural/urban interface.*
- *Conflict between vegetation retention and clearing to reduce the risk from bushfire.*
- *Ensure that decisions on strategic and settlement planning prioritise the protection of human life over other policy considerations and apply the precautionary principle when assessing the risk to life, property and community infrastructure from bushfire.*
- *Strengthen community resilience to bushfire by ensuring that bushfire protection measures are considered and given effect to in decision making.*
- *Implement bushfire risk assessment and mitigation measures to:*
 - *Reduce the overall bushfire risk to communities;*
 - *Minimise risk to life and property from bushfire through the appropriate location, design and management of uses and developments;*
 - *Ensure that bushfire protection measures are implemented for land uses and developments to ensure an acceptable bushfire risk level to life and property;*
 - *Integrate bushfire risk management and protection of human life in the consideration of land use and development.*
- *Work with relevant authorities to ensure future development mitigates bushfire risk.*

The above policy gives clear direction to ensure appropriate risk based assessments are taken into account when considering new residential development. Given the CFA's position and advice put forward on the broader landscape risk to the subject land it is concluded that the development is inconsistent with Council's locally specific direction for development within the shire and the township of Bright.



Performance Standards for Bushfire Planning

The BMO requires the performance standards of Clause 53.02 to be addressed as a part of a subdivision. The standards known as Approved Measures look at the developments ability to address emergency vehicle access, water supply, defendable space and the management of vegetation with this area and the Bushfire Attack Level Rating (BAL). The BAL level assign to a construction determines the level of construction standards that must be adhered to with the issuing of building permit in future to ensure the build is acceptably resistant to bushfire events.

The applicable Approved Measures for this development have all been satisfactorily addressed; some of this is visually evident with the shown building envelopes and hatched defendable space in Figure 1. However, compliance with just the Approved Measures in isolation isn't sufficient reasoning to approve the application. As previously outlined State and Local Policy direction which requires broader landscape risk to be considered must be taken into account. The purpose of Clause 52.03 further reinforces these objectives, (see relevant links within attachment A).

Zoning

The subject land is zone LDRZ. The development is considered to be consistent with the decision guidelines of the zone. The lots are able to be:

- Adequately services by emergency vehicles via a sealed roadway within a gazetted road reserve,
- Adequately drained to an approved point of discharge;
- Meet the minimum lot size of 2,000m² as al lots will be serviced with reticulated sewerage; and
- Reticulated water, power and telecommunications are all readily available.



CONCLUSION

The application is considered to be inconsistent with the Alpine Planning Scheme and should not be approved for the following reasons:

It is inconsistent with Bushfire planning policy that:

- Directs that priority be given to the protection of human life;
- Directs population growth to occur in low risk locations; and
- Requires risk to human life to be reduced to an acceptable level.

Both the Country Fire Authority and Council consider that:

- Given the amount and extent of the surrounding vegetation, bushfires in the broader landscape are likely to be of a large scale, difficult to extinguish and spread rapidly and likely to impact the site with significant intensity;
- The site is likely to be subjected to mass ignition from embers (leading to firestorm conditions) that will create an area of fire that potentially exposes the development to high levels of radiant heat and direct flame contact, and;
- The application creating an additional six lots will add a significant number of additional people into a landscape that gives rise to a very high bushfire risk, which is further compounded as access to an area of relative safety (Bright Township) is also poor; and
- The application has also been unable to satisfactorily demonstrate the ability to secure acceptable vegetation offsets that would be required for the proposed vegetation impacts as directed by Planning Policy and the Native Vegetation provisions of the Alpine Planning Scheme.

Having considered the relevant provisions of the Alpine Planning Scheme it is recommend that a Notice of Refusal be issued for the proposed six lot subdivision and removal of native vegetation.

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.

- Director Corporate
- Manager Planning
- Senior Planning Officer

APPENDIX

- A – Planning Policy Framework and Local Planning Policy Provisions



APPENDIX A: Planning Policy Framework and Local Planning Policy Provisions

Planning Policy Framework Clause 13.02-1S Bushfire Planning can be found at the following link: http://planning-schemes.delwp.vic.gov.au/schemes/vpps/13_02G.pdf

Local Planning Policy Framework Clause 21.04-4 Environmental risk gives local context to Clause 13.02-1S and can be found at the following link: http://planning-schemes.delwp.vic.gov.au/schemes/alpine/ordinance/21_mss04_alpi.pdf

Low Density Residential Zone planning provisions can be found at the following link: http://planning-schemes.delwp.vic.gov.au/schemes/vpps/32_03-Low-Density-Residential-Zone.pdf

Bushfire Management Overlay provision can be found in the following two locations: http://planning-schemes.delwp.vic.gov.au/schemes/vpps/44_06-Bushfire-Management-Overlay.pdf and http://planning-schemes.delwp.vic.gov.au/schemes/vpps/53_02-Bushfire-Planning.pdf

Particular Provision Clause 52.17 Native Vegetation can be found at the following link: http://planning-schemes.delwp.vic.gov.au/schemes/vpps/52_17-Native-Vegetation.pdf



8.3.5 Audit Committee Meeting No. 2018/19-1, 27 July 2018

File Number: 0900.06

INTRODUCTION

The purpose of this report is to present the minutes and recommendations of the Audit Committee meeting held on 27 July 2018.

The focus of the meeting was to review a) the Audit Committee action items due for completion by 30 June 2018; and b) the recommendations of VAGO Interim Management Letter, Year Ending 30 June 2018.

Cr Roper

Cr Pearce

That Council receive and note the minutes of the 27 July 2018 Audit Committee Meeting No. 2018/19-1.

Carried

BACKGROUND

Council must establish an Audit Committee under Section 139 of the *Local Government Act 1989*. The Committee's charter requires it to report to Council its activities, issues and related recommendations. This report relates to the Audit Committee meeting held on 27 July 2018.

ISSUES

Fraud control review

Council has been progressing a fraud control review project. The first stage of the project, a fraud risk assessment, is complete. The second stage, a review of Council's fraud and corruption control policy, has commenced and is due for completion by August 2018. The Committee was updated on the timeframe for future stages including a fraud control audit and employee fraud awareness training.

Internal audit plan

Section 5.5 of the Alpine Shire Council Audit Committee Charter 2017 requires the Committee to review and recommend the annual audit plan for approval.

The Committee was provided with an overview of the draft Internal Audit Plan 2018/19 - 2020/21. The plan outlines the areas of focus of internal audits, including high level scopes for 2018/19 and indicative internal audit topics for 2019/20 and 2020/21.

Long service leave model

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council consider investigating the Department of Treasury and Finance (DTF) 2008 long service leave (LSL) model. Council has proposed a methodology to the external auditor involving a combination of the DTF 2008 LSL model and a Council specific approach intended to improve accuracy. The Committee was advised that Council will



await the 2018 findings of the external auditor and implement their final recommendation.

Investment properties

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council undertake formal reassessment of the classification of lease properties to ensure correct classification under AASB 140. The Committee was advised that Council's rental properties have been assessed and determinations made as to which properties are classified as investment properties and the data submitted to the external auditor with the view to this item being closed.

Other infrastructure valuation

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council review waste management, recreational, leisure and community facilities, and parks, open spaces and streetscapes assets as part of the revaluation processes for FY18. The Committee was advised that review of these asset classes is closely aligned with the development of a new asset management system and a valuation report reflecting 'forward progress' has been submitted to the external auditors.

Supplier audit trail report

The VAGO Final Management Letter Year Ending 30/06/2017 recommended that Council, as part of migration to XERO, ensure audit trail reports for changes to supplier masterfile are generated. The Committee was advised that the proposed process for auditing supplier masterfile changes has been documented for consideration by the external auditors.

Asset register review

The VAGO Final Management Letter Year Ending 30/06/2016 recommended that Council undertake a detailed review of asset registers for completeness and address potential changes to the useful life of asset classes where fully depreciated but still in use. The Committee was provided with an overview of the current status of this item and advised that Council had submitted an asset register review to the external auditors with the view to this item being closed.

Policy and procedure review

The VAGO Final Management Letter Year Ending 30/06/2015 and Interim Management Letter Recommendations Year Ending 30/06/2018 recommended that Council undertake to review and update all policies and procedures by specified dates. The Committee was advised that in order to progress this matter, Council had engaged an external contractor who has:

- undertaken extensive consultation with managers and selected key staff;
- drafted a policy framework;
- documented a log of existing policies and procedures including potential gaps and target review dates.

The Committee was also advised of the review status of key policies which were identified by the auditor for review by 30 June 2018, including the employee code of



conduct, fraud and corruption control, digital information security, revenue and debtor management, and protected disclosures.

POLICY IMPLICATIONS

Council complies with the following sections of the *Local Government Act 1989*:

- Section 139: requires Council to have an audit committee and act within the guidelines made by the Minister for Audit Committees.
- Section 136: requires Council to implement the principles of sound financial management.

This report is consistent with the following strategic objective in the Council Plan 2017-2021:

- A responsible and sustainable organisation.

CONCLUSION

The Audit Committee, being satisfied with the detail provided in the agenda, submits the minutes of its Meeting No. 2018/19-1 held on 27 July 2018 to Council.

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.

- Director Corporate
- Manager Corporate
- Health, Safety and Risk Officer

ATTACHMENT(S)

- 8.3.5 Audit Committee Meeting No. 2018/19-1 Minutes, 27 July 2018



8.3.6 Financial Statements and Performance Statement - Approval in Principle

File Number: 900.01

INTRODUCTION

The purpose of this report is to present the draft Financial Statements and Performance Statement for the year ended 30 June 2018 for review and approval in principle.

Cr Pearce

Cr Roper

That Council:

- 1. Approve in principle the Financial Statements and the Performance Statement for the year ended 30 June 2018; and*
- 2. Authorise Cr Knappstein and Cr Nicholas to certify the Financial Statements and Performance Statement for the year ended 30 June 2018 on behalf of Council, once any amendments or changes are made as requested by the Victorian Auditor General.*

Carried

BACKGROUND

Section 131 of the *Local Government Act 1989* requires Council to prepare an Annual Report in respect of each financial year containing a report on the operations of the Council, and audited performance statement, and audited financial statements.

Section 132 of the *Local Government Act* requires Council to pass a resolution giving its approval in principle to the performance statement and the financial statements prior to submitting the statements to the auditor so that they may prepare their reports.

This report provides an overview of the results in Council's draft Financial Statements and draft Performance Statement which are provided in full in the attachments.

Once approval in principle has been provided, and Council has incorporated any changes recommended or agreed by the auditor, the Financial Statements and Performance Statement must be certified by two Councillors authorised by the Council, prior to the auditors signing their reports.

FINANCIAL STATEMENTS

The Financial Statements show Council's financial performance, financial position and cash flows against the previous year.



In summary, Council ended the 2017/18 year with a surplus of \$6.6m, which was \$3.9m in excess of the \$2.7m surplus projected in the 2017/18 Annual Budget (the Budget).

1. Income

The favourable surplus is largely attributed to Council receiving more income than expected in 2017/18. Altogether Council received \$31.5m in income which was \$4.7m favourable to the Budget projection of \$26.8m. This income can be broken down into the following categories:

1.1 Additional rates and charges

Council received total rates and charges of \$17.8m which was \$0.3m favourable to Budget due to unbudgeted supplementary development in the Alpine Shire.

1.2 Additional grant income

Council received total grant income (both operating and capital) of \$9.0m which was \$2.8m favourable to Budget. Major contributors to the favourable result included:

- Early receipt of half of the 2018/19 Victorian Grants Commission grant, being an unbudgeted payment of \$1.9m;
- A Roads to Recovery grant that was \$0.6m higher than expected;
- Unbudgeted grants, including:
 - \$0.8m for roads resealing in the Upper Ovens;
 - \$0.5m for the upgrade of the Myrtleford Library;
 - \$0.2m for the Mount Buffalo Business Case Assessment and Activation;
 - \$0.1m for the Eurobin Flood Bypass.

These gains were partially offset by grants which had been budgeted for 2017/18 but which were received in late 2016/17, which included:

- \$0.2m for the Alpine Better Places Mafeking Square project;
- \$0.2m for the Mount Beauty Pool Upgrade.

In addition, \$0.4m of grants expected for the Alpine Events Park project were delayed from 2017/18 to 2018/19.

1.3 User fees

Council received \$1.6m in user fees which was \$0.6m favourable to Budget, primarily due to higher than expected user fees for Myrtleford Holiday Park as Council planned to lease the park earlier in the year, and this plan was delayed.

1.4 Statutory fees and fines

Council received \$0.7m in statutory fees and fines which was \$0.2m favourable to Budget, due to higher than anticipated property development activity resulting in an increase in statutory planning fees.



1.5 Contributions non-monetary

Council received \$0.6m in non-monetary contributions which was \$0.4m favourable to Budget due to higher than expected development activity in the Alpine Shire.

1.6 Other Income

Other Income was \$1.2m which was \$0.4m favourable to Budget due to increases in valuations of investment properties, including the Myrtleford Holiday Park and the Bright Holiday Park.

2. Expenses

Overall expenses were \$24.9m which was \$0.7m higher than Budget. This was primarily due to asset write-downs of \$1.2m offset by savings in employee costs and materials and services. In further detail:

2.1 Assets written-off / impaired

\$1.2m in assets were written-off / impaired compared to a Budget projecting nil write-offs / impairments. \$0.9m was written off in relation to parks, open spaces and streetscapes following a detailed review of valuations and accompanying valuation methodology. \$0.4m was written down in relation to buildings, due to revaluation of properties held for sale, including Lyndhurst and assets expected to be sold as part of the lease of the Myrtleford Holiday Park.

2.2 Employee Costs

Employee costs were lower than budgeted by \$0.6m due to the ongoing impact of vacant positions, the majority of which are now filled.

2.3 Materials and services

Materials and services were \$0.2m less than budgeted. Significant areas which were favourable to budget included:

- Lower than expected asset maintenance costs (\$0.2m lower than the budget of \$2.7m);
- Carry forwards of selected planning projects due to vacancies (\$0.2m);
- Negotiated savings in the technology budget (\$0.1m).

These were partially offset by:

- Spend on contractors to support workforce vacancies (\$0.2m);
- Higher than expected operating costs for the Myrtleford Holiday Park due to a delay in plans to lease the park (\$0.2m).

2.4 Depreciation

Depreciation was \$4.6m which was \$0.3m higher than expected primarily due to a revaluation adjustment error in the Budget.



2.5 Landfill rehabilitation expense

An adjustment was made to future landfill rehabilitation assumptions regarding the future impacts of inflation, resulting in an outcome \$0.2m favourable to Budget.

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

Council made an overall loss of \$0.4m which was \$0.3m higher than Budget, primarily due to a review of recreation and open spaces assets leading to selected assets being reclassified as non-capital expenses. In particular some work-in-progress assets relating to the Hero Trail and the Myrtleford roundabout were written-down due to an assessment that a portion of the work did not pertain to Council assets.

PERFORMANCE STATEMENT

The Performance Statement provides an overview of Council progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis for these indicators to enable a uniform Performance Statement across all Victorian councils.

The majority of indicators were consistent with last year with only minor movements.

Satisfaction with Council Decisions and Satisfaction with Sealed Local Roads both increased from 57 to 60, reflecting an overall positive result for Council across Community Satisfaction Survey results.

There was a reduction in follow-ups on critical and major non-compliance notifications in relation to Food Safety, from 45% to 33%. This was due to a vacancy within Council's Environmental Health unit which is now filled.

Generally the financial indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

Council's Working Capital Ratio increased from 2.85 to 4.23 due to receiving income in excess of Budget by \$4.7m. This Working Capital Ratio is expected to reduce over the course of FY18/19, particularly in the light of this year's substantial major capital works program totalling \$11.3m.

Workforce turnover reduced from 31% in 2017 to 7% in 2018. The 2017 result was abnormally high due to Council's Home and Community Care service being recommissioned to another provider with the majority of staff transitioned on 1 July 2016.

ISSUES

The Financial Statements and Performance Statement are still being audited at the time of writing this report. Whilst the Victorian Auditor General can still make changes, any changes would be expected to be minor in nature.

POLICY IMPLICATIONS

Council has prepared draft Financial Statements and a draft Performance Statement for Council approval in principle, in line with the requirements Section 131 and



Section 132 of the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

The authorised Councillors are required to certify the final Financial Statements and Performance Statement after any amendments or changes requested by the Victorian Auditor General have been made, and prior to adoption by Council.

The Annual Report must be submitted to the Minister by 30 September each year as required by Section 133 of the *Local Government Act 1989*. Public notice must then be given that the Report has been prepared and can be inspected at the Council office and on the Council's website. The Report must then be considered at a meeting of the Council as soon as practicable after the Council has sent the Annual Report to the Minister as required by Section 134 of the *Local Government Act 1989*.

FINANCIAL AND RESOURCE IMPLICATIONS

The draft Financial Statements and Performance Statement for the year ended 30 June 2018 show that Council is financially sustainable and that Council services are being delivered within expected parameters.

CONSULTATION

The Audit Committee Charter states that the Committee is required to review the Annual Financial Report, and consider whether it is complete, consistent with information known to audit committee members, and reflects appropriate accounting principles. At the time of submitting this paper the key contents of the Annual Financial Report, comprising the Financial Statements and Performance Statement, have been submitted to the Audit Committee for review.

CONCLUSION

Council ended the 2017/18 year with a surplus of \$6.6 million, which is in excess of that predicted in the 2017/18 Annual Budget. The favourable surplus is largely attributed to Council receiving additional income in 2017/18 of \$4.7m.

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.

- Director Corporate
- Manager Corporate
- Accountant
- Governance Officer

ATTACHMENT(S)

- 8.3.6(a) 2017/18 Financial Statements (Draft)
- 8.3.6(b) 2017/18 Performance Statement (Draft)



9 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 Knappstein

That the summary of the Assemblies of Councillor for July / August 2018 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 9.0 to this report.

Date	Meeting
24 July	Briefing Session
7 August	Briefing Session
21 August	Briefing Session

ATTACHMENT(S)

- 9.0 Assemblies of Councillors – July / August 2018



10 GENERAL BUSINESS

Refer to Alpine Shire Council's website www.alpineshire.vic.gov.au for its YouTube live-streaming recording for responses to questions.

11 MOTIONS FOR WHICH NOTICE HAS PREVIOUSLY BEEN GIVEN

Nil

12 RECEPTION AND READING OF PETITIONS

Nil



13 DOCUMENTS FOR SEALING

Cr Forsyth
Cr Knappstein

That the following documents be signed and sealed.

- 1. Short term lease of Cobungra Court Reserve to John O'Sullivan.*
- 2. Long term lease (21 years) for the Management and Operation of the Myrtleford Holiday Park to Myrtleford Creekside Caravan Park Pty Ltd (a wholly owned subsidiary of Sustainable Park Solutions Pty Ltd).*

Carried

14 CONFIDENTIAL REPORT

The following item was deemed by the Chief Executive Officer to be suitable for consideration in closed session in accordance with section 89(2)(e) of the *Local Government Act 1989*.

In accordance with the Act, Council may resolve to consider these issues in open or closed session.

Cr Pearce
Cr Knappstein

That, in accordance with the provision of section 89(2)(e) of the Local Government Act 1989, the meeting be closed to members of the public for consideration of a confidential item.

Carried

The meeting be closed to the public at 8.08pm to consider the confidential item.

Cr Pearce
Cr Forsyth

That the meeting be re-opened at 8.18pm.

Carried

There being no further business the Chairperson declared the meeting closed at 8.18p.m

.....
Chairperson



ALPINE
SHIRE COUNCIL

Annual Report

2017/18

About this annual report

Welcome to the Alpine Shire Council Annual Report 2017/18. This report provides an account of Council's performance against the Alpine Shire Council Plan 2017-2021 and Budget for 2017/18.

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

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

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

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

Council Vision

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

Council Values

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

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

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

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

Year in review

Alpine Shire Council (Council) has made good progress in its first year of delivery against its 2017-2021 Council Plan. Highlights included:

1. A high performing organisation

Council continued to advocate for the Alpine Shire community at all levels of government and was successful in obtaining funding from the Victorian Government in December 2017 to determine the feasibility of seven tourism concepts identified in the "Vision for Mount Buffalo".

2. A responsible and sustainable organisation

The Dinner Plain Special Rate was reviewed so that it aligns to the rest of the Shire – in that going forward, only commercial and industrial properties within Dinner Plain will pay the Special Rate (of 43%) which aligns to the Commercial Differential Rate. There will be a significant cost saving to Dinner Plain residential ratepayers who have paid the Special Rate in prior years.

3. Incredible places for our community and visitors

Council delivered 99% of the budgeted capital works expenditure – which included some additionally funded projects through the year, balancing some projects that were delivered under budget, or a reduction in scope versus plan.

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

The development of a new Asset Management system will provide efficiencies in the management of asset management, asset valuations and asset renewals, and has the potential to support both facilities and customer request management functions.

5. Highly utilised and well managed community facilities

Council secured grant funding of \$467,400 in December 2017 to upgrade the Myrtleford Library, providing the opportunity to deliver a modern and welcoming space that better meets the needs of library user groups. The refurbishment will commence in 2019.

6. A well planned and safe community

Council reviewed the Domestic Animal Management Plan during 2017/18. During the year, 60 missing pets were returned to their owners, with a further 20 rehomed from Council's pound.

7. A thriving and connected community

A total of 144 events were delivered across the Shire throughout 2017/18 financial year. This included tourism and community events where Council provides support to events, as well as civic events organised by Council including Australia Day Awards, Anzac Day and Remembrance Day ceremonies. The economic impact to the Shire of the tourism and community events is estimated to be \$42million.

Challenges in 2017/18

Council worked hard to ensure projects and services were delivered in 2017/18 despite a number of staff positions remaining vacant during the year. While Council's permanent staff turnover was reported at 7%, other temporary and casual positions also remained unfilled, creating challenges in the Asset Development and Planning and Amenities departments in particular. Looking forward, Council will be recruiting for these positions during 2018/19.

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Mayor's message

I am pleased to present the Alpine Shire Council Annual Report for 2017/18.

The second year of this Council's term has been a busy one, focusing on providing positive outcomes for our ratepayers and the Alpine Shire community. Our 2017/18 budget committed to reduce operational spending in order to keep costs to ratepayers as low as possible, and to redirect funds to important capital projects.

We can all see the results of those capital projects this year across many of our major townships. Major projects include the continuation of the Alpine Events Park, and commencement of the Alpine Better Places project in Myrtleford, with the long-awaited Standish Street / Great Alpine Road roundabout improving traffic flow and safety. The commencement of the Mount Beauty pool upgrade was also welcomed, with shade sails and refurbishment of the main and intermediate pools the first stage of the process. We look forward to the completion of the Myrtleford streetscape and Mount Beauty pool works in 2018/19.

Councillors spent time with senior management during June to reflect on achievements mid-term and review strategic priorities for the remainder of their term and beyond. Council will continue to deliver capital works and community building projects across the entire Shire, with a particular focus on smaller townships.

Our Council continues to advocate to the various levels of government on issues relevant to our region. A recent example of successful advocacy was the Victorian Government announcement of \$200,000 funding for the Mount Buffalo activation project. This project is led by the multi-agency Mount Buffalo Activation Taskforce – with the aim of making the mountain a year-round alpine destination.

Council again ended the year in a strong financial position – giving us the ability to budget for another large capital works program into 2018/19. The review of the Dinner Plain Special Rate will now mean that only commercial and industrial properties will pay the Special Rate in 2018/19, bringing it into line with commercial and industrial properties in the remainder of the Shire. This will represent a significant cost saving for Dinner Plain residential property owners.

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

I would also like to thank and acknowledge Charlie Bird, CEO, who was officially appointed in August 2017, for his commitment to ensuring the Alpine Shire Council continues to be a sustainable and progressive organisation.



Ron Janas

Mayor

CEO's message

2017/18 has proven to be a busy and rewarding year, my first as Chief Executive Officer here at Alpine Shire Council.

Our budget for this year promised to deliver projects and services that were valued by our community, with the lowest employee expenditure since 2011, while delivering a high level of service provision.

We ended the year with a significant surplus – due in part to receiving government grants early, and for unbudgeted projects, but also due to a decrease in employee spending due to some positions remaining vacant through the year. We continue to be prudent with spending within the organisation, which also contributes to our position at year end.

Our Asset Development team delivered over 99% of budgeted capital works expenditure during 2017/18 – a fantastic effort, resulting in some very positive outcomes for the community. From the completion of smaller works such as kerb and channel to improve road drainage or the installation of a BBQ shelter in a popular picnic area, through to the larger and more prominent capital works, such as the first stage of the Alpine Better Places Myrtleford (Standish Street roundabout), our dedicated team has delivered projects on time, and in many cases, under budget.

Our Project Pipeline continues to be an important means of Council prioritising and scheduling projects in both the short and long term. It is a key driver of our capital works budget each year, and the Project Dashboard associated with it tracks the progress of each project under way in the current year. Significant work has been undertaken in 2017/18 to make the dashboard available to our community via Council's website. The official release scheduled in early July 2018 will give transparency and accountability for the progress of each project to our community.

In accordance with Council's direction, we continue to work towards improving customer service for our community. Our staff are committed to ensuring that we deliver the best customer service not only to our external customers, but internally as well. We conducted a staff survey in May / June 2018 to gauge the areas where we do well, and where we can make improvements. One of the areas we are looking at is improving customer request management, and integrating a new software solution to ensure that our customer requests are responded to in a timely and accurate manner. We continue to work on improving our customer service across the organisation. I have been extremely pleased to receive some heartfelt notes of thanks from the community during the year, thanking our employees for the work they do.

Our Community Satisfaction Survey results in 2018 showed that the community's view of Council's performance in general has improved since 2017, which is a great result. We will be working hard to ensure that these improved results continue in future years.

Our staff provided prompt response to severe weather events during December, assisting with a community relief centre, and helping with road drainage and road tree clearing to allow residents to regain access to their properties. We also proactively managed threat from natural disasters, by undertaking annual fire prevention activities across the Shire.

I would like to thank councillors and staff for their support in my first year as CEO. I look forward to 2018/19 being another exciting and productive year.



Charlie Bird
Chief Executive Officer

Financial summary

Financial overview 2017/18

Council ended the 2017/18 year with a surplus of \$7.1m, which was \$4.4m more than projected in the 2017/18 Budget. This was due to a number of favourable factors, including:

- Early receipt of half of the 2018/19 Victorian Grants Commission grant, being an unbudgeted payment of \$1.9m;
- A Roads to Recovery grant that was \$0.6m higher than expected;
- Unbudgeted grants for several projects, including \$0.5m for Alpine Better Places Myrtle Street; \$0.5m for the upgrade of Myrtleford Library; \$0.2m for the Mount Buffalo Business Case Assessment and Activation; and \$0.1m for the Eurobin Flood Bypass;
- Lower than expected employee costs by \$0.6m due to the ongoing impact of vacant positions, the majority of which will be recruited for in 2018/19 (noting this was partially offset by \$0.2m of spend on contractors to support these vacant positions).

These favourable factors were partially offset by the timing of several grants. Two grants were budgeted for 2017/18 but received in 2016/17, including \$0.2m for Alpine Better Places Mafeking Square, and \$0.2m for the Mount Beauty Pool Upgrade. In addition \$0.4m of grants for the Alpine Events Park project was delayed from 2017/18 to 2018/19.

In addition \$0.4m of assets was written-off following a revaluation of properties held for sale, including the Lyndhurst building in Bright, and assets expected to be sold as part of the lease of the Myrtleford Holiday Park. Council also made a loss of \$0.8m on disposal of property, infrastructure, plant and equipment, following a detailed review of selected asset valuations. This included valuations of some work-in-progress assets which were reclassified as non-capital expenses.

Council's income

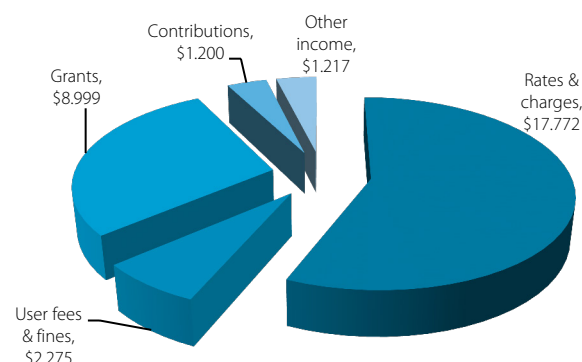


Figure 1: Alpine Shire Council revenue 2017/18 (\$millions)

Rates and charges are Council's most significant source of revenue comprising \$17.8m or over half of Council's income. Grants are the second largest income source, comprising \$9.0m. Other income includes interest on investments, rent for leased Council assets, and fair value adjustments for Council's investment property.

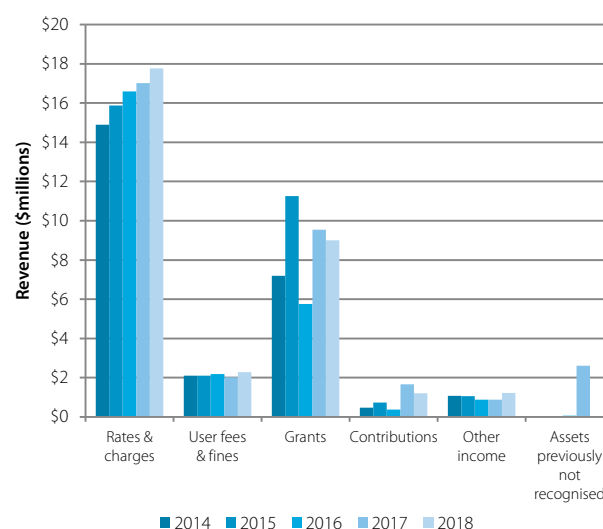


Figure 2: Alpine Shire Council revenue 2013/14 to 2017/18 (\$millions)

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

Council's expenditure

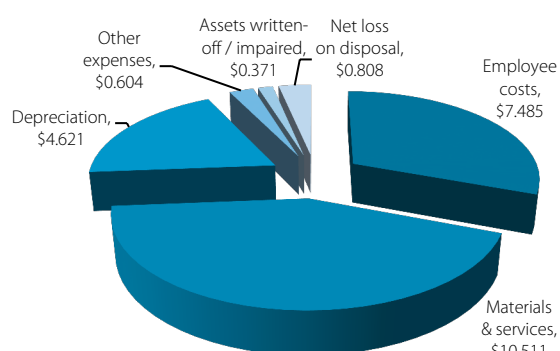


Figure 3: Alpine Shire Council expenditure 2017/18 (\$millions)

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

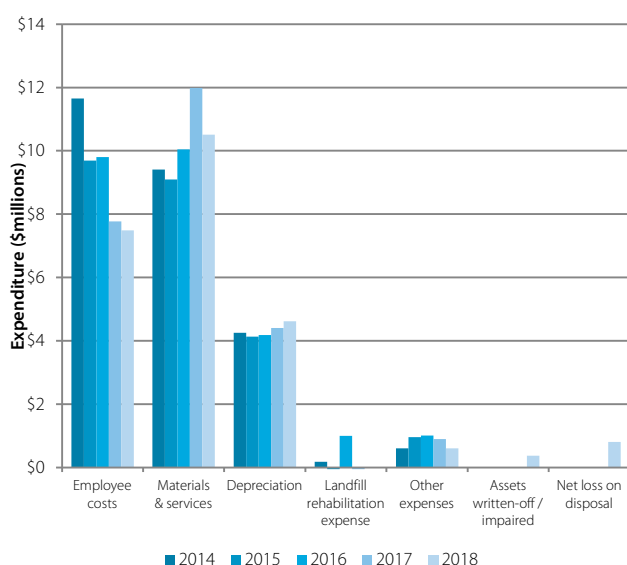


Figure 4: Alpine Shire Council expenditure 2013/14 to 2017/18 (\$millions)

Figure 4 highlights Council's expenditure over the last five years. Employee costs continue to remain low following a substantial cost cutting initiative in prior years; and the number of roles remains steady compared 2016/17. In addition to a wage freeze, there were a number of position vacancies over the last year which kept employee costs low in 2017/18. There was a reduction in materials and services

as there was a substantial requirement for non-recurrent operational expenditure in 2016/17, \$0.8m of which was for the restoration of storm damaged infrastructure assets. There was a jump in assets written-off and losses on disposal following revaluations of various assets which included buildings held for sale, recreational assets, and some work-in-progress assets which have been reclassified as non-capital expenses.

Cash balance

Following the surplus result Council is in a strong cash position of \$16.1m as at 30 June 2018. This is expected to reduce somewhat during the course of 2018/19 as funds are expended on Council's strong capital works program which is budgeted at \$11.3m.

Looking forward

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

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

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

Funding

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

Councils Annual Financial Statements commence on page 71 of this report.

Capital works summary

Council delivered a strong capital works program in 2017/18, achieving 99% of its \$8.35million capital works budgeted expenditure.

Alpine Events Park

Significant progress was made in the ongoing Alpine Events Park project, with the completion of the pavilion lower level change rooms on schedule and ahead of the start of the football season. The upper level was well progressed at the end of the year, with completion anticipated in September 2018.

Transfer Stations

A \$1.0 million upgrade of the transfer stations at Myrtleford and Mount Beauty was completed, delivering operational efficiencies and a better customer experience at both of these facilities.

Alpine Better Places Myrtleford Standish Street Roundabout

The new Standish Street Roundabout was completed in March 2018. A very tight program minimised disruption to local businesses and ensured the intersection was open in time for the very busy Easter holiday period. In addition to funding received under the National Stronger Regions Fund, Council was successful in securing \$200,000 funding from VicRoads for this project, substantially reducing Council's financial contribution.

The roundabout functions extremely well, and provides improved safety and enhanced landscaped entry into the Myrtleford town centre.

Dinner Plain Mountain Bike Trails

Stage one of the Dinner Plain Mountain Bike Trail project included construction of three new trails with a combined length of 3.1 kilometres. The trails provide a number of short loops utilising existing trails, as well as a single track return from the bottom end of Moby's Trail.

The trails were designed in accordance with best practice trail construction methodology to ensure the high environmental value of the site is maintained and to provide riders with a high quality experience.

Council will seek funding next year to enable construction of stage two, which will include two new downhill trails and realignment of some sections of Moby's Trail. New and upgraded signage will be installed as part of the next stage.

Mount Beauty Pool Upgrade

The first stage of the Mount Beauty Pool upgrade works was completed in readiness for the 2017/18 summer season. New shade sails were installed over the intermediate pool, and existing shade sails near the deep end of the main pool have been extended. Other works completed in stage one include repair works and repainting of the main and intermediate pools. The stage two works will be complete ahead of the 2018/19 summer season.

The Mount Beauty Pool Upgrade is a \$310,000 project which will improve the sustainability, useability and attractiveness of the Mount Beauty Pool through a targeted program of upgrades identified through community feedback and specialist technical input. The State Government has committed \$200,000 of funding towards the project through the Community Sports Infrastructure Fund 2017/18, with the balance of the funding being provided by Council.

Other capital works delivered during 2017/18 included:

- Bright Gold Battery
- Tawonga barbeque shelter
- Myrtleford-Stanley Road shoulder
- Rural road drainage
- New kerb and channel work in Tawonga
- Mount Beauty Scout Hall renewal works
- Bright Community Centre air-conditioning renewal
- Harris Lane Bridge (Buckland Valley)
- Playground renewal, Rotary Park, Myrtleford
- Improved lighting at McNamara Reserve, Myrtleford
- Alpine Events Park, Bright – commenced and due for completion in 2018/19

Funding announcements during 2017/18 included:*(funding indicated is GST exclusive)*

Bridge Upgrades – announced September 2017:

Victoria Bridge upgrade (Happy Valley Creek, Myrtleford)

Australian Government Bridges Renewal	\$88,750
Council contribution	\$88,750
Total project cost	\$177,500

Roberts Creek Bridge network upgrade (Porepunkah)

Australian Government Bridges Renewal	\$109,563
Council contribution	\$109,563
Total project cost	\$219,126

Eurobin Flood Bypass – announced July 2017

Victorian Government 2016/17 Natural Disaster Resilience Grants Scheme	\$182,500
Council contribution	\$182,500
Total project cost	\$365,000

Bright Gold Battery – announced July 2017

DELWP – Public Safety on Public Land	\$11,000
Council contribution	\$0
Total project cost	\$11,000

Myrtleford Library upgrade – announced December 2017:

DELWP	\$467,400
Council contribution	\$32,600
Total project cost	\$500,000

Tawonga Barbeque Shelter – announced December 2017:

DIRD	\$18,125
Council contribution	\$18,125
Total project cost	\$37,850

Our Council

Alpine Shire profile



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

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

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

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

The population of the Alpine Shire is estimated to be 12,450² - a number which significantly increases with the seasonal influx of visitors. Population demographics from the 2016 Census show a much lower population of 20-39 year olds, but a much higher population of persons aged 55 and over compared to the Victorian State-wide average.

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

² Estimated Residential Population, Local Government Areas, Victoria (released 24 April 2018) – Australian Bureau of Statistics (catalogue 3218.0)

Council offices

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

Bright Council Office

2 Churchill Avenue

(PO Box 139)

Bright VIC 3741

Phone: 03 5755 0555

Fax: 03 5755 1811

Email: info@alpineshire.vic.gov.au

Internet: www.alpineshire.vic.gov.au

Facebook: www.facebook.com/alpineshircouncil

Mount Beauty Library and Customer Service Centre

Lakeside Avenue

Mount Beauty VIC 3699

Phone: 03 5754 4542

Myrtleford Library and Customer Service Centre

Cnr Standish Street and O'Donnell Avenue

Myrtleford VIC 3737

Phone: 03 5752 2038

Alpine Shire Councillors

Elected October 2016

Cr Ron Janas (Mayor)	First elected:	October 2012
	Re-elected:	October 2016
	Deputy Mayor:	November 2014 – November 2015
	Mayor:	November 2015 – current
Cr Sarah Nicholas (Deputy Mayor)	First elected	October 2016
	Deputy Mayor	November 2017 - current
Cr John Forsyth	First elected:	October 2012
	Re-elected	October 2016
Cr Tony Keeble	First elected:	November 2008
	Re-elected:	October 2012 October 2016
	Deputy Mayor:	November 2015 – November 2017
Cr Kitty Knapstein	First elected:	October 2016
Cr Daryl Pearce	First elected:	November 2005
	Re-elected:	November 2008 October 2012 October 2016
	Mayor:	December 2006 – December 2007
	Deputy Mayor:	December 2007 – December 2008 December 2009 – December 2011
Cr Peter Roper	First elected:	November 2008
	Re-elected:	October 2012 October 2016
	Mayor:	December 2011 – November 2014

More information regarding Councillors can be found on page 51.

The organisation

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

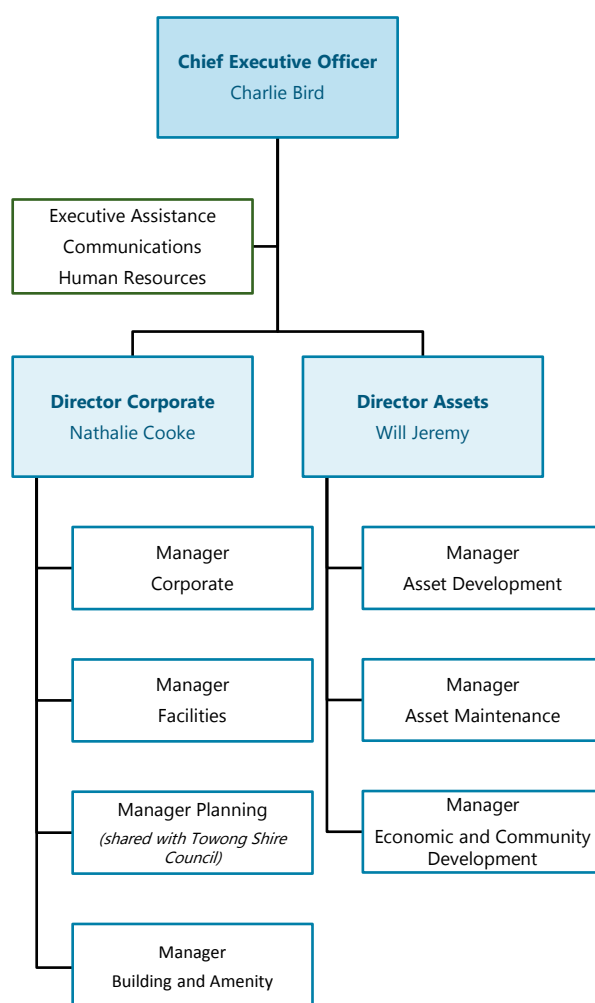
The organisation has a two directorate model: Corporate and Assets. Each director reports to the CEO and is responsible for the delivery of services and projects within program areas. Within each directorate, department managers are responsible for: Asset Development; Asset Maintenance; Corporate; Economic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

The Planning and Amenity department was split into the Building and Amenity department and the Planning department on 14 June 2018. Council is conducting a six-month trial sharing a Manager Planning with Towong Shire Council to better support the demands of the planning department as property growth continues within the Alpine Shire.

Charlie Bird was formally appointed as CEO at the August 2017 Council meeting.

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

Organisational structure at 30 June 2018



Charlie Bird

CHIEF EXECUTIVE OFFICER

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

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

Senior Officers reporting directly to the Chief Executive Officer:

Nathalie Cooke

DIRECTOR CORPORATE

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

Will Jeremy

DIRECTOR ASSETS

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

Council staff

The workforce

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

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

Employee numbers are best measured by the number of full time equivalent (FTE). At 30 June 2018 there were 103.5 FTE positions across the organisation, including permanent, temporary and casual positions. Eighteen FTE were vacant at the time of reporting, due to a mix of seasonal positions not filled in June, and a series of recruitment underway in this period for both permanent and temporary positions. A more detailed summary of the workforce can be found in tables 1 and 2 on page 19.

Recruitment and selection

Council recruited for 48 positions during 2017/18, which included internal expressions of interest (for backfill), permanent, temporary and casual positions.

Council's workforce turnover for permanent staff (not including casual and temporary staff) was just over 7% in 2017/18. This is a return to a more expected pattern, following a peak in 2016/17 relating to the transfer of Home and Community Care services to another provider on 1 July 2016.

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

Trainees and work experience students

As part of supporting our youth in the community, Council offers traineeships and provides opportunities for students to undertake work experience with Council. School-based work experience and university work placement is offered in a variety of roles across the organisation. In 2017/18, Council worked in conjunction with a local secondary school to support a local student with a school-based traineeship.

Training and development

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

During the year, 76 separate learning opportunities were attended by staff. These sessions included individual and group training, with a mix of in-house and external training occurring.

Council continues to hold 'learn from within' lunchtime sessions, where staff provide a half hour information session on recent learning, workshops, conferences, or simply updating colleagues on relevant projects or news. Sessions were well attended, with 117 attendees at the six sessions on offer during 2017/18.

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

Equal Employment Opportunity

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

Council's Equal Employment Opportunity (EEO) policy ensures that EEO principles are integral in Council's processes. The policy will be reviewed and updated in 2018/19.

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

Mandatory induction sessions include equal opportunity guidance for new staff. Training for existing staff took place in 2015, with a refresher now scheduled for 2018/19.

Employee Code of Conduct

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

Enterprise Agreement 2016

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

Employee Health and Safety

Employee Health and Safety Training

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

Emergency Preparedness

- First aid and CPR refresher
- Emergency management

Policy and Procedure

- Induction to Local Government
- New employee health and safety inductions

Employee wellbeing

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

Plant and equipment

- Truck and heavy combination truck licences
- Elevated Work Platform

Safety

- Chemical use
- Manual handling
- Traffic management
- White card
- Chainsaw use
- Asbestos awareness
- Snake handling
- Dog handling
- Animal handling
- School crossing safety

Health and Safety Initiatives

Other occupational health and safety related initiatives undertaken by Council during 2017/18 included:

- Electrical test and tag program
- Audiometric testing
- Health and safety committee

Incident, hazard and near-miss reporting and investigation remained a key focus throughout the year. The level of reporting was consistent with 2016/17.

In 2017/18 Council introduced a health and wellbeing initiative for employees to proactively visit their health practitioner for an annual health check.

Council offers an employee assistance program for all staff and their families.

Table 1: Total staff FTE by department (30 June 2018)

Directorate		Corporate			Assets			
Department	Executive (incl CEO, Directors & staff)	Corporate	Facilities	Planning & Amenity**	Economic & Community Dvpt	Asset Dvpt	Asset Mtc	Total
Permanent – FT – F	3.0	6.0	1.0	2.0	2.0	1.0	2.0	17.0
Permanent – FT – M	2.0	1.0	1.0	3.0			28.0	35.0
Permanent – FT – vacant		1.0		1.0			4.0	6.0
Permanent – PT – F	0.6	5.0	4.5	1.8	4.7		0.2	16.8
Permanent – PT – M		0.9	0.1	1.5		2.2	0.8	5.5
Permanent – PT – vacant			0.5	1.4	0.2	0.9	0.2	3.2
Temporary* – F		3.8				0.8	0.6	5.2
Temporary – M								0.0
Temporary – vacant	0.3		2.2		0.8	0.7	1.6	5.6
Casual – F		1.1	1.9	0.1		0.2		3.3
Casual – M			2.4				0.2	2.6
Casual – vacant		0.3	0.7	0.2	0.2		1.9	3.3
Totals by Department	5.9	19.1	14.3	11.0	7.9	5.8	39.5	103.5
Totals by Directorate	5.9		44.4			53.2		103.5

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

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

** Data for "Planning and Amenity" includes staff from the Building and Amenity department and the Planning department, which was formed on 14 June 2018.

*** In Council's 2016/17 Annual Report, staff FTE data was presented for permanent and casual positions, but did not include temporary or vacant positions.

Table 2: Summary of FTE categorised by employment classification and gender (at 30 June 2018)

	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	Other**	Totals
Female	0.4	0.9	7.9	8.8	9.1	8.6	1.1	0.0	5.6	42.4
Male	0.4	0.8	16.3	6.8	5.8	3.6	4.5	0.6	4.2	43.0
Vacant	0.1	2.0	4.4	2.4	2.6	2.8	2.6	0.0	1.2	18.1
Total	0.9	3.7	28.6	18.0	17.5	15.0	8.2	0.6	11.0	103.5

* Includes all permanent, temporary and casual positions at 30 June 2018.

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

Volunteers

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

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

L2P program

The L2P Learner Driver Mentor program is funded by the Victorian Transport Accident Commission (TAC) and delivered by Council as part of VicRoads Community Programs. It offers learner drivers between 16 and 21 years old driving experience with fully licensed volunteer mentors. During the year there were 20 active mentors within the Alpine Shire, volunteering more than 1,500 hours for the learner drivers, assisting them in gaining the driving skills and 120 hours required to undertake their driver's licence test.

In 2017/18 the L2P program and its volunteers assisted 22 young people to successfully gain their driver's licence, with a further 40 young people actively involved and supported throughout the year.

Alpine Ambassadors

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

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

Awards and recognition

Awards presented to the community

The awards presented each year recognise residents that are making a valuable contribution to their community. Nominations are made by persons that wish to recognise the good work being done in their local neighbourhood. Awards are presented to individuals and organisations. Business and tourism awards are presented every second year.

Australia Day

Australia Day is a well-known way to celebrate community members that are making a difference. The Citizen of the Year is selected from among the winners of the Young Achievers and Achievers of the Year in each of the three districts. Winners in January 2018 were:

Alpine Shire Citizen of the Year: Marnie Broz

Local Achiever of the Year:

Bright and District – Catherine Tucker

Myrtleford and District – Marnie Broz

Kiewa Valley – Margaret Brereton

Local Young Achiever of the Year:

Bright and District – Dylan Sgambelloni

Myrtleford – Louise Saric

Kiewa Valley – Tyra Hunt

Community Event of the Year:

Upper Kiewa Valley Lions Club Bogong
Conquestathon

Community Organisation of the Year:

Alpine Cycling Club

Youth Awards

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

Youth award winners in September 2017 were:

Academic: Harrison Neville

Performing Arts: Jordyn Parmesan

Visual Arts & Media: Lily-Rose Burgess

Community: Deakin Hunter

Endurance & Persistence: Dylan Sgambelloni

Rural: Harris Doodewaard

Sport: Flynn Eriksson

Workplace: Rhiannon Symons

Alpine Shire Award:

12 - 16 years: Ashley Farmer

17 - 21 years: Dylan Sgambelloni

Performance report

Corporate Planning and Reporting Framework

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

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

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

This annual report is the first report against the 2017-2021 Council Plan.

Council Plan

The 2017-2021 Council Plan has seven strategic objectives:

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

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

Performance

Council's performance for the 2017/18 year has been reported against each strategic objective to demonstrate how council is performing in achieving the Council Plan. Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan.
- Progress in relation to the major initiatives identified in the Budget.
- Highlights from projects and services funded in the Budget and the persons or sections of the community who are provided those services.
- Results against the prescribed service performance indicators and measures.
 - Several of Council's strategic indicators in the Council Plan are sourced from the service performance indicators and measures. These have been identified to reduce duplicate reporting.

Local Government Planning and Reporting

2017/18 is the fourth year that all councils across Victoria will report against the prescribed Service Performance, Financial Performance, Sustainable Capacity indicators, and Governance and Management checklist contained within the *Local Government (Planning and Reporting) Regulations 2014*.

Results for these measures are found throughout the following sections under the headings "Service Performance Indicators". Further reporting is found in the "Governance and Management checklist" on page 56 and in the Performance Statement on page 122.

Strategic Objective:

1. A high performing organisation

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Strategy / Initiative	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Advocate for the community on key issues</i>		
Build strong relationships with our community, other stakeholders, and all levels of government	Yes	Council continued to advocate on behalf of the community to all levels of government. A key advocacy outcome in 2017/18 was securing funding for the Mount Buffalo Business Case Assessment and Activation Project and establishment of the Mount Buffalo Task Force.
<i>Strategy: Build a skilled organisation with a positive culture</i>		
Develop and support our workforce	No	Council continues to provide training to staff to support learning and development. During the year 76 separate learning opportunities were attended by staff, and a further six 'learn from within' sessions attracted 117 attendees. New employee inductions are presented by existing staff. Activity-based working will be extended throughout the organisation following further office refurbishment being delivered next financial year.
Position Alpine Shire Council as a great place to work	No	
<i>Strategy: Communicate and engage with stakeholders</i>		
Improve communication with all sectors of the community	Yes	Council utilises a modern approach to communication to ensure all sectors of the community are able to access information. Social media is used alongside traditional media releases, newspaper advertisements and website content. Community engagement and consultation is a key part of any new project undertaken by Council, ensuring that the community is kept up to date. Significant progress has been made on the capital works dashboard which will provide the community with direct access to the progress and planned delivery timeframe for each project early next financial year.
<i>Strategy: Lead and govern with integrity</i>		
No activities in 2017/18		

Services provided to the community

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

Mount Buffalo

Funding was announced in December 2017 to determine the feasibility of seven tourism concepts identified in the 'Vision for Mount Buffalo' - a community driven 'whole of mountain' concept plan developed by the Mount Buffalo Destination Advisory Group. This was identified as a priority by the Ovens Murray Regional Partnership. Council received \$200,000 of funding from the Victorian Government and \$70,000 from Parks Victoria.

The project was driven by the Mount Buffalo Activation Taskforce, led by Parliamentary Secretary for Tourism, Major Events and Regional Victoria, MP Danielle Green, and included representatives from Regional Development Victoria, Department of Environment Land Water and

Planning, Parks Victoria, Tourism North East, Mount Buffalo Destination Advisory Group, Community Action for Mount Buffalo Chalet, Taungurung Clans Aboriginal Corporation and Alpine Shire Council. Council acts as the lead agency on behalf of the Taskforce.

Consultants PricewaterhouseCoopers were engaged to establish the feasibility of each concept through determining demand drivers, challenges and policy constraints, and the costs and benefits of each option. The project will continue into the 2018/19 financial year.

Community Satisfaction Survey 2018

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

Council continues to perform better than the State-wide average and other small rural councils. Council's performance in the annual survey increased on almost all measures in 2018. Despite a small drop in the Customer Service index score, it remains as Council's best-performing area, which is comparable to the State-wide and small rural council averages. "Making Community Decisions" and "Community Consultation" were two areas where Council had a significant improvement in results from the previous year. Council will continue to focus on Customer Service in the coming years to ensure that the community consistently receives timely and accurate information in response to their requests.

Community Satisfaction Survey Results 2018

Performance Measures – Index Scores	Alpine 2017	Alpine 2018	Small Rural 2018	State-wide 2018
Overall Performance	61	62 ⁺ *	56	59
Community Consultation <i>(Community Consultation And Engagement)</i>	56	62 ⁺ #	54	55
Advocacy <i>(Lobbying On Behalf Of The Community)</i>	56	57 ⁺ *	53	54
Making Community Decisions <i>(Decisions Made In The Interest Of The Community)</i>	57	60 ⁺ *	52	54
Sealed Local Roads <i>(Condition Of Sealed Local Roads)</i>	57	60 ⁺ *	49	53
Customer Service	71	70	69	70
Overall Council Direction	58	59 ⁺ *	50	52

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

^{*} Alpine's result is significantly higher than small rural average

[#] Alpine's 2018 result is significantly higher than Alpine's 2017 result

Councillor strategic planning

Councillors, CEO and Directors held a day-long workshop in late June to focus on strategically planning for the remainder of the Council's term. Council will continue to deliver capital works and community building projects across the entire Shire, with a particular focus on smaller townships.

Service Performance Indicators

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

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Governance					
Transparency					
Council decisions made at meetings closed to the public*	8.6%	4.4%	0.4%	0.0%	There were no confidential items considered by Council during 2017/18.
<i>[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</i>					
Consultation and engagement					
Satisfaction with community consultation and engagement	56	60	56	62	Community consultation and engagement has been a focus for Council during 2017/18, particularly in relation to the Capital Works projects occurring across the Shire, including Alpine Better Places projects.
<i>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</i>					
Attendance					
Councillor attendance at council meetings*	83.7%	85.7%	90.8%	90.1%	
<i>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100</i>					
Service cost					
Cost of governance	\$34,393	\$35,681	\$34,805	\$34,348	Cost of governance has reduced slightly in 2017/18, as the previous year included costs associated with recruitment of the CEO.
<i>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</i>					
Satisfaction					
Satisfaction with council decisions	58	60	57	60	Satisfaction with "Council Decisions" has increased compared to the previous year, reflecting an overall positive result for Council across all Community Satisfaction Survey results in 2018.
<i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>					

* Also identified as Council Plan Strategic Indicators

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

Strategic Indicators

Indicator*	Comparative result 2016/17 ⁺	Result 2017/18
Staff turnover as a percentage of permanent staff numbers [°]	31.1% turnover of permanent staff in 2016/17 due to the Home and Community Care service being transferred to another provider on 1 July 2016.	7.1% turnover of permanent staff in 2017/18.
Community satisfaction with community consultation and engagement	Index score of 56 in 2017.	Index score of 62 in 2018.

⁺ While 2017/18 is the first year of the Alpine Shire Council Plan 2017-2021, previous year data is presented where available to demonstrate trends in results.

[°] Indicates that these are also Financial Performance Indicators within the Local Government Performance Reporting Framework. See 'Financial Performance Indicators' tables in the Performance Statement on page 131 for further explanation of results.

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

Strategic Objective:

2. A responsible and sustainable organisation

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Balance financial, economic and community outcomes</i>		
Review the Dinner Plain Village Rate	Yes	The Dinner Plain Special Rate was reviewed and its application is now aligned to the rest of the Shire - in that commercial properties are charged a Special Rate of 43%, which is aligned to the Commercial Differential Rate. This will mean a significant saving for residential ratepayers who are currently also paying the Special Rate. The Dinner Plain Special rate was released for public submissions on 3 April, and was adopted on 19 June 2018.
<i>Strategy: Identify and manage Council's risk</i>		
Review the risk management framework, including the policy system and financial governance processes	No	The Risk Management policy was adopted in November 2017, and the subsequent Governance and Risk framework will be presented to Council for adoption pending progress of the <i>Local Government Bill 2018</i> in parliament. The Risk Register has been finalised and steps are being put in place to ensure that it is a 'living document'. A review of critical functions is continuing.
<i>Strategy: Manage our financial resources sustainably</i>		
Drive value through a focus on efficient management of our internal functions	No	Accounting and procurement software was embedded for accounts payable, with implementation of a new payroll solution commencing on 1 July 2018 to provide further efficiencies. The procurement policy was reviewed in June 2018, ensuring that Council is obtaining best value while managing procurement processes efficiently.
<i>Strategy: Provide an excellent customer experience</i>		
Develop and implement activities that promote a customer centric centre	No	High level requirements were completed for a new customer request management system and budget has been provisioned to procure and implement this system in 2018/19.

Services provided to the community

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

Risk Register

In December Council finalised a review of its Risk Register, aligned with the Council Plan 2017-2021. The Risk Register is a critical tool to ensure that Council has quality controls in place to mitigate the risks that Council faces in the course of its dealings. The Register is a 'living' document and will be subject to continual update as new and changing risks are identified, and controls are continually improved.

Changes to the Local Government Act

There are changes afoot for Local Governments as the Local Government Act has been redrafted in full for the first time since 1989. The new Act will better enable community participation in Council planning, and enable Councils to be more autonomous and outcome-oriented. The Act is expected to pass through parliament in the 2018/19 financial year and will be implemented in stages leading up to general council elections in 2020. The Council is working closely with peers and government agencies to understand the changes and ensure that it is well planned to implement the new Act.

Dinner Plain Special Rate

As part of the 2018/19 budget the Council adopted changes which will see a reduction in rates paid by residential ratepayers in Dinner Plain. The Dinner Plain Special Rate has up until now been paid by both residential and commercial ratepayers in the area; this was aligned to the approach for the rest of the Shire, so that the Special Rate is only paid by Dinner Plain commercial and industrial ratepayers.

Mobile and Printing Cost Savings

Significant savings were made through renegotiation of key technology budgets. In particular, mobile data and voice plans were reconfigured to better match usage patterns, resulting in annual savings of \$66,000; and the Council's printer fleet was purchased outright, saving on costly financing associated with fleet rental.

Customer Request Management System

The initial scope for a Customer Request Management System for Council was completed, with the intent to improve tracking and follow-up of customer requests. Funds have been provisioned in the 2018/19 budget to develop detailed requirements, identify and implement an appropriate technology solution, and put in place the processes and articulate behaviours that best support excellent customer service.

Strategic Indicators

Indicator*	Comparative result 2016/17 ⁺	Result 2017/18
Lost time injury frequency rate <i>(as defined by Australian Standard 1885.1 – 1990)</i>	Not applicable	Lost time injury frequency rate was 11.54 hours lost per million hours worked in 2017/18.
Overall financial sustainability risk rating <i>(based on Net Result as reported in Victorian Auditor General annual Local Government Audits)</i>	Not applicable	Net result forecast for 2016/17 reported as 26.72% - "Green" according to <i>Results of 2016-17 Audits: Local Government</i> published by VAGO in November 2017. Green for net result is defined as: "More than 0% - generating surpluses consistently." 2017/18 will be published November 2018.
Percentage of planned hazard inspections undertaken	Not applicable	No planned hazard inspections were undertaken in 2017/18.
Ability to pay debts ^o : Non-current liabilities as a percentage of own source revenue	19% in 2016/17.	16% in 2017/18.
Available revenue ^o : Adjusted underlying surplus (or deficit) as a percentage of underlying revenue	12% in 2017/18.	13% in 2017/18.
Working capital ^o : Current assets as a percentage of current liabilities	285% in 2016/17.	423% in 2017/18.
Community satisfaction with customer service provided	71 in 2017.	70 in 2018.

⁺ While 2017/18 is the first year of the Alpine Shire Council Plan 2017-2021, previous year data is presented where available to demonstrate trends in results.

^o Indicates that these are also Financial Performance Indicators within the Local Government Performance Reporting Framework. See 'Financial Performance Indicators' tables in the Performance Statement on page 131 for further explanation of results.

Strategic Objective:

3. Incredible places for our community and visitors

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Deliver Council's capital works program on time, to budget, and to the satisfaction of stakeholders</i>		
Alpine Better Places - Mafeking Square Precinct, Bright	Yes	The majority of the Alpine Better Places - Mafeking Square project was delivered in 2016/17, with gateways and minor works completed by the end of March 2018. The final project was completed by June 2018.
Alpine Better Places - Myrtleford	Yes	Construction of Stage 1 of the Alpine Better Places - Myrtleford project was initiated, with the Standish Street roundabout successfully completed just before the end of March 2018. Stage 2, which includes upgrades to Myrtle Street and Jubilee Park, will commence construction in Spring 2018 and be completed prior to Easter 2019.
Alpine Better Places - Porepunkah	Yes	The majority of the Alpine Better Places - Porepunkah project was delivered in 2016/17, with only minor works requiring completion in 2017/18. The final project was completed by June 2018.
Alpine Events Park	Yes	The Alpine Events Park pavillion construction was well under way by June 2018, with completion scheduled for September 2018. The Coronation Avenue crossing, bike hub and associated infrastructure were under development for implementation in late 2018 and early 2019.
Myrtleford Indoor Sports Stadium expansion	Yes	The construction works for the Myrtleford Indoor Sports Stadium expansion will be tendered in early 2018/19 in preparation for construction to commence following the Myrtleford Show in late October 2018.
McNamara Reserve netball and tennis facility	No	The construction works for the McNamara Reserve netball and tennis facility (Myrtleford) were out to tender in June 2018 - this will enable construction to commence following the netball season in early November 2018.
<i>Strategy: Identify our community's infrastructure expectations</i>		
No activities in 2017/18 – see strategic indicators.		

Services provided to the community

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

Project Delivery

The Asset Development team were kept busy in 2017/18, with an \$8.35 million capital works budget to deliver. By 30 June, Council had delivered 99% of the budgeted capital works expenditure – which included some additionally funded projects through the year, balancing some projects that were delivered under budget, or a reduction in scope versus plan.

Road Resealing Program

Council's 2017/18 Reseals Program was delivered in the Kiewa Valley and included significant areas of spray seal, as well as some asphaltting. Some intersections were asphalted, such as the Bay Creek Lane intersection with Redbank Mongans Road and the Lakeside Avenue intersection with Nelse Street. Tawonga Crescent was also asphalted between Park Street and the Bogong High Plains Road.

Challenges

Ensuring that there were enough project managers to successfully deliver the 2017/18 year's large capital works program continued to be a challenge throughout the year, particularly as new projects were funded and added to the pipeline to commence during the year. Council secured external consultant project managers to supplement project management staff, meaning that delivery of 99% of the budgeted capital works budget was delivered by year end.

Strategic Indicators

Indicator	Comparative result 2016/17 ⁺	Result 2017/18
Ratio of capital works program actually delivered compared to budgeted	99% in 2016/17.	99% in 2017/18.
Community access to our project pipeline	Not applicable	The Project Dashboard is scheduled for release to the public in early July 2018, enabling the community to view and track the progress of the current year's capital works progress across the Alpine Shire. The Project Pipeline is scheduled for release in 2018/19, which will show the community where their project is positioned into the future, with the indicative timing for delivery of projects between 2019/20 and 2033. Both tools will be available on Council's website.

⁺ While 2017/18 is the first year of the Alpine Shire Council Plan 2017-2021, previous year data is presented where available to demonstrate trends in results.

Strategic Objective:

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

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Maintain Council's parks, trees and reserves</i>		
No specific activities in 2017/18		
<i>Strategy: Manage and maintain Council infrastructure</i>		
Deliver maintenance programs for our civil infrastructure (roads, bridges, footpaths and kerb)	Yes	Delivery of the annual maintenance program for civil infrastructure was ongoing throughout the year.
Deliver maintenance programs for our buildings and facilities	No	Delivery of the annual maintenance program for buildings and facilities was ongoing throughout the year.
<i>Strategy: Prepare for and assist in the response to emergency events</i>		
Maintain the Municipal Emergency Management Plan and respond to emergency events in line with the Plan	No	The Municipal Emergency Management Plan (MEMP) has been reviewed and Council has implemented learnings from the joint agency "Smokey" exercise. Council responded to one event in December 2017 in accordance with the MEMP.
<i>Strategy: Understand and plan for Council's asset renewal requirements</i>		
Maintain our Road Management Plan	No	Council's Road Management Plan 2017 (Version 4) was adopted at the Ordinary Council Meeting on 4 July 2017.

Services provided to the community

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

Re-opening of roads following snow season

The re-opening of Dargo High Plains and Bogong High Plains Roads after the snow season represents an annual challenge for Council to match community expectations with the abilities of the roads and Council's maintenance teams. The 2017 year was more of a challenge due to the late snow season and good snow depths. Regular communications to the public were released with the progress of inspections and maintenance on these roads over several months.

Asset Management System

In December 2017, a contract was awarded to supply Council with a new Asset Management system. The contract was awarded with a \$0 capital outlay as the company offered co-develop the product with Council, as they had experience in asset maintenance systems and asset management systems for large corporate organisations, but no exposure to the Local Government sector. The software package provides software to improve the efficiency of asset management, asset valuations and asset renewals, as well as the potential to support both facilities and customer request management functions.

Storm Event Response and Clean Up

Council operated a community relief centre in Myrtleford, following more than 100mm of rainfall in one day in early December 2017. The relief centre provided a central point for community members that may have been affected by the storm or flooding. Council's outdoor crews spent a significant amount of time responding to drainage issues, street and road closures, and tree removals following the event.

A severe weather system also caused widespread damage across the Hume Region in mid-December. While the majority of the Alpine Shire was largely spared from the brunt of winds, Buffalo River Road was subjected to severe winds which caused more than 100 trees to fall across the road between Lake Buffalo and Abbeyards. Council crews responded first thing the following morning and spent two full days clearing the road to allow residents to gain access to and from their properties.

Fire Season Preparations

Council's Municipal Fire Prevention Officers worked actively across the Shire to educate land owners about the need to make their properties fire ready for the fire season. In 2017, over 350 Fire Prevention Notices were issued to ratepayers during December, with more notices issued in January 2018. Many ratepayers exercised the option to have Council organise contractors to undertake fire prevention works on their property during the 2017/18 season.

Trees within Alpine Shire

The Arboriculture team manages an estimated 80,000 trees within the Alpine Shire, and receives more customer requests than any other area within Council.

Some innovative changes were put into place to assist the team in prioritising work based on an arboricultural assessment of trees within high risk areas. Improvements included the use of an iPad app for tree inspections, and the development of a Tree Management Plan.

Parks and Open Space

Council's Parks and Open Spaces team focus on maintenance of not only the vegetation within Council's many parks and gardens, but also maintenance of assets such as playground equipment, irrigation maintenance, and tracks and trails maintenance.

Service Performance Indicators

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

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Roads					
Satisfaction of use					
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	14.9	34.8	42.2	44.8	More than 50% of sealed road requests were related to drainage in 2017/18. This was particularly evident following a heavy rain storm in December 2017.
Condition					
Sealed local roads maintained to condition standards (previously "Sealed local roads below the intervention level") <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	99.4%	99.4%	99.4%	99.1%	
Service cost					
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$44.90	\$104.74	\$170.80	\$66.25	Cost of road reconstruction is less than the previous year, mostly due to the previous year including major reconstruction activities associated with town centre revitalisation works, and bridge works.
Service Cost					
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$7.74	\$8.54	\$5.40	\$6.18	Cost of local road resealing is slightly higher this year due to the inclusion of a larger proportion of higher quality and higher cost seals, such as asphalt and SAM seal (Strain Alleviating Membrane) in particular.
Satisfaction					
Satisfaction with sealed local roads* <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	59	60	57	60	Satisfaction with "Sealed Local Roads" has increased compared to the previous year, reflecting an overall positive result for Council across all Community Satisfaction Survey results in 2018.

* Also identified as Council Plan Strategic Indicators

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

Strategic Indicators

Indicator*	Comparative result 2016/17 ⁺	Result 2017/18
Audit of the Municipal Emergency Management Plan (MEMP)	Not applicable	All the required updates have been made to the MEMP, including a review of the Sub Plans. The review has been conducted with the assistance of the MEMP Committee. The MEMP is audited every three years - the next audit is scheduled for September 2018.

⁺ While 2017/18 is the first year of the Alpine Shire Council Plan 2017-2021, previous year data is presented where available to demonstrate trends in results.

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

Strategic Objective:

5. Highly utilised and well managed community facilities

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Align services with community expectations</i>		
Cease landfill operations at Myrtleford	Yes	Cessation of landfill operations at Myrtleford is complete. All landfill waste is now being diverted out of the Shire.
<i>Strategy: Deliver quality services for our community</i>		
Review both our kerbside collection services and the transport of bulk waste and recycling materials	Yes	The review of kerbside collection services and transport was completed, with new contracts for kerbside services operational since 1 July 2017. Landfill waste is now being transported out of the Shire.
Deliver municipal waste and recycling services	No	Municipal waste and recycling services were delivered throughout the Alpine Shire in 2017/18.
<i>Strategy: Soundly operate and manage community facilities</i>		
Review the operation and management of Myrtleford Holiday Park	Yes	A review of the operation of the Myrtleford Holiday Park was undertaken, with a call for tender for operations of the park being issued in September / October 2017, and again in January / February 2018. In April 2018, Council recommended to enter into a long term lease for the management and operation of the park. Public notice of the proposed lease was advertised, with awarding of the lease anticipated in the first half of 2018/19.
Deliver library services	No	Council continued to deliver Library services across its three branches in Bright, Mount Beauty and Myrtleford. Alpine Shire Council also continued to deliver Library Hub services for Wangaratta, Benalla and Mansfield Shire Councils. High demand for eBooks and audio books continued and the Hub reviewed allocation of funds across genres and mediums in preparation for the beginning of the new financial year. Alpine Shire libraries experienced high demand for their school holiday programs including the Mad Scientist show. A small additional budget is provisioned for next year to enable additional programs including STEM focused educational programs.
Operate visitor information centres, seasonal pools and sport centres	No	Outdoor (seasonal) pools were operated through to early April 2018 - overall attendance was slightly higher than the previous year. Operation of Visitor Information Centres and the Bright Sports Centre continued within their normal hours of operation and service provision.

Services provided to the community

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

Living Libraries Infrastructure Grant

Council secured grant funding of \$467,400 in December 2017 to upgrade the Myrtleford Library providing the opportunity to develop a modern and welcoming space that better meets the needs of library user groups. The refurbishment will commence in 2019.

Library Programming

Council's three library branches in Myrtleford, Mount Beauty and Bright hosted a busy schedule of programs including author visits and school holiday activities, including a magic show; a ukulele workshop; mah-jong classes; craft classes and a 'mad scientist' show.

New Kerbside Waste and Recycling Collection Contractor

The new contractor for waste and recycling kerbside collection commenced in July 2017 with minimal disruption to services across the Shire. This smooth transition was in large part a result of the work officers undertook with the new contractor on route mapping and service request management prior to and after the commencement of the service. The new contracts also provide for a reduced overall kerbside collection cost to Council.

Meeting waste challenges

Increased visitor, building and event activity placed greater demands on the waste management systems Council has in place. In response Council implemented a number of measures including: undertaking some site modifications at Porepunkah transfer station to enable a third hard waste bin to be put in place; increased public place bin inspection and collection frequency at peak times in areas such as Porepunkah River Reserve and Porepunkah Oval; and additional temporary waste bin placement in high activity areas. Council continues to review service levels to meet this increasing demand.

Myrtleford Holiday Park

A review of the operation of the Myrtleford Holiday Park was undertaken, with a call for tender for operations of the park being issued in September / October 2017, and again in January / February 2018. In April 2018, Council recommended to enter into a long term lease for the management and operation of the park. Public notice of the proposed lease was advertised, with awarding of the lease anticipated in the first half of 2018/19.

Facility maintenance

The Facilities team worked with the Asset Maintenance team on a joint project regarding the management of leased Council building facilities and their maintenance. Council officers worked with building tenants to review and update leases where possible to provide clarity around ongoing maintenance.

Service Performance Indicators

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

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Aquatic Facilities					
Service standard					
Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	0.7	3.0	1.0	0.3	There were less inspections in 2017/18, due to a vacancy in Council's Environmental Health unit, which has now been filled.
Health and Safety					
Reportable safety incidents at aquatic facilities <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	0	0	0	0	There were no reportable safety incidents at aquatic facilities during 2017/18.
Service cost					
Cost of indoor aquatic facilities* <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$6.38	\$4.84	\$7.65	\$9.46	An increase in maintenance costs coupled with a reduction in visitation impacted on the 'cost per visit' for indoor aquatic facilities. The reduction in visitation is mostly associated with the dry gymnasium area - a result of competition in the marketplace with new private fitness facilities opening in town. Learn to Swim groups continue to be key users of the indoor facility.
Service Cost					
Cost of outdoor aquatic facilities* <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$8.76	\$6.04	\$7.13	\$7.96	An increase in maintenance costs was slightly offset by an increase in visitation to outdoor pools in 2017/18. Council extended the pool season and opening hours at one of the outdoor pools in response to demand, and experienced some unscheduled maintenance issues for the year.
Utilisation					
Utilisation of aquatic facilities* <i>[Number of visits to aquatic facilities / Municipal population]</i>	3.4	3.6	3.2	3.1	Overall utilisation of aquatic facilities is slightly less than the previous year, driven mostly by a reduction in visits to the gymnasium at the indoor facility - a result of competition from new private fitness facilities opening in town.

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Libraries					
Utilisation					
Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	3.1	2.9	2.6	2.6	Usage of the library collection does not include eBooks, as these are not assigned to individual library branches. However, it is noted that eBooks and eAudio are increasing in popularity. Alpine libraries have a relatively large collection, including historical and older non-English language titles, which are specifically relevant to our region.
Resource standard					
Standard of library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	62.0%	60.7%	58.8%	59.4%	Council undertook training on dealing with old titles in its collection during 2017/18, resulting in a small improvement in the standard of the collection.
Service cost					
Cost of library service* <i>[Direct cost of the library service / Number of visits]</i>	\$3.02	\$3.13	\$3.03	\$3.25	
Participation					
Active library members* <i>[Number of active library members / Municipal population] x100</i>	24.1%	23.2%	20.7%	20.0%	
Waste Collection					
Satisfaction					
Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</i>	39.7	81.1	87.6	85.1	
Service standard					
Kerbside collection bins missed* <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	0.9	0.7	1.5	1.6	

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Service cost					
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$153.77	\$142.74	\$136.85	\$101.69	Council awarded a joint contract for the waste and recycling service resulting in a decrease in kerbside waste (garbage) charges during 2017/18. Changes in location of kerbside disposal to landfill slightly increased cost, but was offset by a reduction in operational landfill costs for kerbside waste.
Service cost					
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$43.75	\$43.43	\$44.30	\$60.42	Council awarded a joint contract for the waste and recycling service for 2017/18. The overall cost to Council for waste and recycling combined has reduced, however a large reduction in waste charges is offset by a smaller increase in recycling costs.
Waste diversion					
Kerbside collection waste diverted from landfill* <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	48.9%	49.2%	49.6%	45.9%	A change in contractors means a slight change in reporting methodology, resulting in a small reduction from the previous year. An increase in contamination in recycling collections (ie garbage being removed from the recycling kerbside collection) has been noted, and impacts slightly on Council's final result.

* Also identified as Council Plan Strategic Indicators

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

Strategic Objective:

6. A well planned and safe community

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Enforce local laws, regulations and codes</i>		
Deliver the immunisation program	No	Council's immunisation program resulted in a very high rate of flu vaccinations across the Shire despite shortages of the vaccine in Victoria. This follows on from a record flu season last year and a higher awareness of the benefits of the vaccine. In addition, all high school vaccination programs were up to date.
Enforce compliance with environmental and food safety regulations, statutory planning regulations and local laws	No	Council continued to ensure compliance with regulatory programs, including undertaking prosecutions relating to planning and building issues.
Issue and monitor permits relevant to statutory planning, building, wastewater, and local laws	No	Council received an increase in value of planning permit fees, associated with a large increase in the value of works subject to a planning permit in 2017/18. Building fees decreased slightly compared with the previous year, however the number of permits issued increased slightly.
Undertake domestic animal management across the Shire	No	Council's Domestic Animal Management Plan (DAMP) 2017-2021 was adopted in October 2017, with implementation planned and agreements in place, including an agreement with RSPCA in accordance with s84Y of the <i>Domestic Animals Act 1994</i> . There is ongoing liaison with RSPCA on implementation of the DAMP.
<i>Strategy: Plan for and manage development to enhance liveability</i>		
Progress amendments to the Planning Scheme including Dinner Plain Design Guidelines, Upper Ovens and Kiewa Valley land subject to inundation and bulk water extraction	Yes	Council commenced work on the Dinner Plain design guidelines and the bulk water extraction amendment in 2017/18. Both were presented to Council to request authorisation to prepare the amendments. Bulk water extraction was exhibited in November 2017, however a report to abandon the amendment is scheduled for presentation at the August 2018 Council meeting. Dinner Plain design guidelines have not progressed, due to vacancy in Council's Strategic Planning role. Further work on amendments will recommence following recruitment for the role.
<i>Strategy: Raise awareness and educate community about laws, regulations and codes</i>		
Review Local Laws: No.2 Municipal Places; No.4 Livestock; No.5 Amenity; No.6 Streets and Roads; and No.7 Murray to the Mountains Rail Trail.	Yes	Preparatory work was completed - project deferred to 2018/19 to determine the way forward with Local Law reviews.

Services provided to the community

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

Planning

Council conducted extensive planning and building compliance checks over the second half of 2017/18 which resulted in a number of warning letters, enforcement orders and prosecutions in the most serious cases.

These included:

- Ongoing prosecution of an accommodation business for numerous breaches of planning permit conditions over a long period of time;
- Successful prosecution in the Magistrates Court for a serious case of removal of native vegetation without a permit; and
- Support to prosecutions by the Victorian Building Authority for works conducted by unlicensed building practitioners.

Council's enforcement actions are needed to ensure the integrity of the planning and building systems, through random compliance checks as well as responding to complaints and information received from the public.

Local Laws

Council undertook a review of the Domestic Animal Management Plan (DAMP) during 2017/18. As part of this review, Council reached agreement with both veterinarian businesses in the Alpine Shire to support national 'Desex your pet month' for July 2018. This initiative will place Alpine Shire as one of only seventeen councils nationally to support this important initiative, which aims to increase registration and achieve better health outcomes for pets, as well as decreasing the number of unwanted puppies and kittens in the community.

Council has also been successful in reuniting 60 pets with their owners and rehoming over 20 unregistered pets that were not claimed from Council's pound. Usually, if pets are handed in to Council with current registration and a microchip they can be quickly reunited with their owners, and Council's rangers will always try to re-home animals that are not able to be identified or reclaimed. Council's partnership with the RSPCA has also helped it to have a high success rate for rehoming pets.

Environmental Health

Council maintained a program of testing river pools over the summer months, including the Ovens River pools in Bright and Porepunkah. With the large numbers of tourists and locals taking advantage of the river over summer to cool off, it is important that the public is aware of any health risks and can have confidence in the quality of water for swimming. The testing was undertaken at regular intervals over summer and did not identify any instances of the river pools being unfit for swimming.

Staff turnover and resourcing

A significant amount of staff turnover and structure changes within the Planning and Amenity department occurred during 2017/18. This included a six month trial which commenced in mid-June 2018, splitting the department into a separately managed planning team and a building and amenity team. In addition, the departure of Council's strategic planner and a period without a permanent Environmental Health Officer (EHO) resulted in some projects being delayed. In particular, the implementation of new systems in planning, building and local laws has been delayed to 2018/19, which has impacted on the efficiency of work undertaken in the department, including:

- Council was not able to inspect all licensed food premises in the Shire during the 2017 calendar year, due to the lack of a permanent EHO. Over the year the environmental health team focused on system improvements and upgrades, however with significant staff turnover the target for food inspections was not achieved. A permanent EHO was appointed in January 2018, and Council engaged additional resources in mid-2018 to improve on the inspection target.
- Council's Local Laws Review was deferred to 2018/19 due to a lack of resources to implement it in 2017/18. Council is aware that a number of key aspects of the Local Laws require consultation and review, and this project will commence in early 2018/19.

Table 3: Planning Permits

	2013/14	2014/15	2015/16	2016/17	2017/18
Planning permit applications received / issued	225/237	245 / 228	241 / 259	242 / 211	276 / 284
Median processing time (days)	42	35	35	48	43
Value of works subject to planning permit	\$27m	\$27m	\$31m	\$26m	\$46m
Value of fees	\$82,748	\$80,789	\$77,666	\$176,848*	\$199,659

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

Table 4: Building Permits completed by Alpine Shire Council

	2013/14	2014/15	2015/16	2016/17	2017/18
Number of building permits issued	195	172	177	189	197
Value of building works approved	\$14.9m	\$14.6m	\$15.1m	\$24.7m	\$23.7m
Value of fees	\$174,590	\$201,668	\$188,164	\$277,286	\$251,498

Strategic Performance Indicators

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

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Animal Management					
Timeliness					
Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	1.3	1.1	1.1	1.0	Council continues to respond promptly to all animal management requests, responding to 95% of all requests within 24 hours.
Service standard					
Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	83.0%	94.1%	75.9%	60.6%	Council collected less animals than in the previous year, correlating with an increase in the community utilising social media as a means of finding owners of lost pets (in the first instance) prior to contacting Council. Council works with the RSPCA to ensure that animals not claimed by their owners are rehomed, so while less animals were returned to their owners (61%), the majority of animals collected were rehoused (84%).
Service cost					
Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$24.36	\$22.77	\$19.93	\$28.15	Council has 1.0 FTE Local Laws Officers responding to all requests. Costs appear to have increased in 2017/18, as there was a slight reduction in number of pets registered, and administrative support costs are now being taken into account.
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0	1	0	0	No animal management prosecutions were undertaken in 2017/18.
Food Safety					
Timeliness					
Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	0.0	1.0	1.0	3.5	Council received only two food-related complaints in 2017. Changes in Environmental Health unit resourcing (part-time backfill arrangements) extended response times in 2017.

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Service standard					
Food safety assessments* <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	67.6%	30.9%	85.6%	67.4%	A reduction in number of food safety assessments was due to a vacancy within Council's Environmental Health unit in 2017. The role was partially back-filled by contractors, with a full-time Environmental Health officer being appointed in January 2018.
Service cost					
Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$381	\$161	\$356	\$235	A vacancy within Council's Environmental Health unit was partially back-filled by contractors for the first half of 2017/18. Council engaged a full-time Environmental Health officer in January 2018.
Health and safety					
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	0.0%	45.6%	45.5%	33.3%	A reduction in follow up visits was due to a vacancy within Council's Environmental Health unit in 2017. The appointment of a full time Environmental Health Officer in January 2018 will assist in improving this measure in the 2018 calendar year.
Statutory Planning					
Timeliness					
Time taken to decide planning applications* <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	35	34	48	43	Council experienced a large increase in new planning applications during 2017/18, but was able to not only decrease the number of days taken to decide the planning applications, but increase the number decided within required timeframes.
Service standard					
Planning applications decided within required time frames* (previously "Planning applications decided within 60 days") <i>[Number of planning application decisions made within 60 days for regular permits and 10 days for VicSmart permits / Number of planning application decisions made] x100</i>	76.0%	82.0%	74.7%	81.0%	Council is pleased with the increase in decisions made within statutory timeframes, particularly given the increased number of new planning applications received during 2017/18.

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Service cost					
Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$1,173	\$1,297	\$1,596	\$1,388	Cost savings due to a staff vacancy were somewhat offset by the appointment of contractors to provide backfill. At the same time, the number of new planning applications was higher than in the previous year, resulting in an overall reduction in the cost per application. The vacancy has now been filled.
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0%	0%	0%	0%	No Council planning decisions were taken to VCAT in 2017/18.

* Also identified as Council Plan Strategic Indicators

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

Strategic Objective:

7. A thriving and connected community

Performance against the Council Plan

The following is a statement of progress in relation to the services and initiatives identified in the 2017/18 Budget which contribute to the 2017-2021 Council Plan:

Initiative / Indicator	Major Initiative?	Progress to 30 June 2018
<i>Strategy: Create socially connected and supported communities</i>		
Support events and community programs	Yes	The event funding program assisted 124 events to be delivered by event organisers across the Shire. A total of 144 events were delivered throughout 2017/18. This includes all community and tourism events where Council provides support, through the event funding program plus nine additional events occurring outside of the funding round as well as civic events coordinated by Council. The estimated economic impact of events delivered throughout the year is \$42 million.
Deliver the community grants program	No	The community grants program assisted 25 projects to be delivered by community groups across the Shire. One project was unable to be completed due to capacity of contractors and another project was completed utilising another source of funds.
Deliver the Learner to Probationary (L2P) driving program	No	The L2P program has assisted 40 learner drivers with driver instruction throughout 2017/18. Some of these learners will continue with instruction to achieve their probationary licence during 2018/19. 22 achieved their probationary licence in 2017/18.
<i>Strategies:</i> <i>Improve healthy eating and physical activity</i> <i>Stop family violence against women and children</i> <i>Reduce the incidence of alcohol and other drug related harm</i>		
Build strong relationships to implement the Municipal Public Health and Wellbeing Plan (MPHWP) Action Plan	Yes	The Primary Care Partnership group for Alpine Shire met quarterly with representation from all identified partners of the MPHWP Action Plan. A new initiative of these meetings was that they were used to monitor implementation of the MPHWP Action Plan to ensure that identified stakeholders committed to delivery of actions as identified. Actions identified for delivery in Year 1 were mostly completed. Items that were not delivered were reallocated for delivery in 2018/19, with some capital projects relying on commitment of external funding.
<i>Strategy: Strengthen visitor attraction and experience</i>		
Promote Alpine Shire as a destination of choice for visitors	No	Destination Marketing activity during 2017/18 was delivered as planned by Council's team and Tourism North East. Focus for activity varied with the seasons, and included "Ride the High Country", "Feast High Country", "Walk High Country" and "Snow". Major achievements of Council's destination marketing team for the year were the completion of video library projects, increased social media and regional digital website engagement and a high level of media families hosted.
<i>Strategy: Support and encourage investment and enterprise</i>		
Provide support and advice to encourage investment and strengthen our economy	No	Alpine Shire Council in collaboration with five other North East Victorian Councils delivered business workshops through the annual Small Business Festival. A total of 12 workshops were held during 2017/18, with enquiries from individuals and existing businesses to set up within Alpine Shire continuing.

Services provided to the community

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

L2P program

A total of 40 learner drivers participated in the L2P program across the 2017/18 year with 22 achieving their probationary licence during the period. VicRoads is the major funder of the L2P program with Bendigo Bank, Bright providing a long standing annual contribution to the program. The L2P program was successful in being granted funds toward the program in 2017/18 through the AGL Hydro Community Grant Program (\$3,636). Other new sponsorships of the program included the Magistrates Court (\$2,000) and RACV (\$1,909).

Events

A total of 144 events were delivered across the Shire throughout 2017/18 financial year. This included tourism and community events where Council provides support to events, as well as civic events organised by Council including Australia Day Awards, Anzac Day and Remembrance Day ceremonies. The economic impact to the Shire from tourism and community events is estimated to be \$42million.

Some of the larger scale events contributing significantly to the local economy during 2017/18 included: Bright's Iconic Rod Run - \$4.95 million, Brighter Days - \$6.06 million; Bright Autumn Festival - \$4.98 million; Spartan - \$2.3 million, Wild Deer Expo - \$1.68 million, La Fiera - \$1.65 million.

Tourism

Visitor Insights research was undertaken for the calendar year of 2017 to understand visitor trends of visitors to the Alpine Shire. With the same research being undertaken in 2016, these statistics provide useful trends in visitor numbers, what they are doing while they are in the Shire and how long they are staying in the Shire. Substantial growth was reported in 2017 across all visitor markets, including: domestic overnight (increased by 16%); international overnight (increased by 29.7%) and the most noticeable growth being in day trip visitation (increased by 50.7%). Total visitor numbers increased from 561,800 to 737,200. Total economic benefit to the Shire as a result of tourism for 2017 was estimated to have increased by 29% to \$261million.

Video library:

Across the year, 12 new videos were produced and launched, including videos for Myrtleford, Harrietville and Mount Beauty townships and hiking and day trip videos linked to Mount Feathertop and Mount Buffalo. Noticeably, documentary style videos gained the most engagement online, including the short video shot of a local trail running identity gaining 85,000 views on YouTube.

Social and Digital followers:

Facebook followers increased over the year by 16% to 18,096.

Instagram followers increased over the year by 41% to 8,935.

Website visitors (over the year):

Harrietville – decreased across the year by 2.3% to 15,000.

Mount Beauty – increased by 22% to 31,000.

Myrtleford – increased by 5.8% to 19,000.

Bright – increased by 29.9% to 113,000.

Collateral Development:

Development of the new "Bright and Surrounds" Cycle Guide was completed in 2017/18, with print and distribution of 15,000 copies including insertion into the cycle publication, Treadlie magazine (1,000 copies).

A review and re-print of the Walks and Trails Guide (20,000) was undertaken, with insertion into the Great Walks magazine plus Green Magazine (total 7,950).

Community Development

Throughout the year a number of initiatives, programs, events and projects were delivered by the Community Development team, including: Youth awards; Children's week events; Youth art paste-up project; Graffiti prevention project – Porepunkah; Alpine colour run - youth week event; delivery of the Maternal Child Health review project; development and delivery of the Municipal Health and Wellbeing Plan – action plan (year 1); completion of the Myrtleford Senior Citizen Centre activation project. In addition, delivery of the Community Grants program assisted community groups and organisations to complete 25 projects in their communities across the Shire.

Service Performance Indicators

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

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Home and Community Care (HACC)					
Timeliness					
Time taken to commence the HACC service <i>[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]</i>	- [^]	14	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service standard					
Compliance with Community Care Common Standards <i>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</i>	100%	100%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost					
Cost of domestic care service <i>[Cost of the domestic care service / Hours of domestic care service provided]</i>	- [^]	\$61.11	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost Cost of personal care service <i>[Cost of the personal care service / Hours of personal care service provided]</i>	- [^]	\$53.16	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Service cost Cost of respite care service <i>[Cost of the respite care service / Hours of respite care service provided]</i>	- [^]	\$54.74	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Participation					
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	29.75%	27.16%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Participation					
Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	36.39%	28.93%	Reporting ceased on 1 July 2016	Reporting ceased on 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Maternal and Child Health (MCH)					
Satisfaction					
Participation in first MCH home visit <i>[Number of first MCH home visits / Number of birth notifications received] x100</i>	102.1%	112.0%	104.0%	102.1%	In a small number of cases, Council also conducts home visits for newborns where the birth notification was received elsewhere, but Alpine MCH Nurses conduct the first home visit.
Service standard					
Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	100.0%	100.0%	100.0%	103.2%	<p>In a small number of cases, Council also provides the MCH service for children where the birth notification was received elsewhere.</p> <p>Council transitioned to a new record system for MCH in August 2016. The system provider advised that difficulties in transitioning to this system affected the reporting of enrolment data in a number of Local Government areas. As such, caution should be taken when comparing data for this indicator to previous year trends.</p>
Service cost					
Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$61.89	\$59.68	\$60.93	\$63.18	
Participation					
Participation in the MCH service* <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	84.7%	85.6%	88.7%	86.5%	Some staffing changes and challenges recruiting permanent MCH staff during 2017/18 impacted the participation in the MCH service.

Service/indicator/measure	2014/15	2015/16	2016/17	2017/18	Comments ⁺
Participation					
Participation in the MCH service by Aboriginal children	87.5%	88.2%	84.6%	95.7%	Council saw a slight increase in participation in the service by Aboriginal children in 2017/18 compared to previous years.
<i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>					

^{*} Also identified as Council Plan Strategic Indicators

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

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

Strategic Indicators

Indicator [*]	Comparative result 2016/17 ⁺	Result 2017/18
Percentage of people who volunteer in the community	Not applicable	At the 2016 Census, 30.5% of the Alpine Shire population reported that they had done volunteer work within the previous 12 months. This is much higher than the State average of 19.5%. Community grant projects delivered within the year were coordinated and most delivered by community group volunteers. Additionally, all 144 events delivered throughout the year were delivered by community organisations or commercial organisations both relying on small to large numbers of volunteer labour.
Number of permitted festivals and events in the Alpine Shire	Not applicable	Council provided assistance and permits for 133 events to occur throughout the Shire, throughout the 2017/18 year.
Visitor numbers	Not applicable	Visitor numbers to the Shire are measured by calendar year. 2017 calendar year visitation increased substantially compared to 2016. Domestic overnight visitors increased by 16%, international overnight visitors increased by 29.7% and domestic day trip visitors increased by 50.7%. Total visitor numbers increased from 561,800 to 737,200.
Increase small business and light industry in the Shire	Not applicable	The number of businesses operating in 2016 totalled 1452, while in 2017 total businesses operating totalled 1469 – an increase of 17 businesses. The notable increases sit within the "construction" and "retail" industries, however, these businesses are reported as being self-employers or employ 1-4 employees.

⁺ While 2017/18 is the first year of the Alpine Shire Council Plan 2017-2021, previous year data is presented where available to demonstrate trends in results.

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

Governance report

Council report

Council's role

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

Councillors

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

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

On 14 November 2017, Council resolved to appoint both the mayor and deputy mayor to a one year term, and to appoint the deputy mayor as acting mayor in accordance with section 73(3) of the Act. Councillor Ron Janas was re-elected as Council's Mayor, with Cr Sarah Nicholas elected as Deputy Mayor.

Councillor Code of Conduct

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

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

In accordance with the *Local Government Act 1989*, Council was required to review the Code within four months of the October 2016 general election. Council adopted the Code at a special council meeting held on 7 February 2017, and all councillors signed a declaration that they would abide by the code. No adjustments were made to the code during 2017/18.

Council decision making

Decisions by a council are made in one of two ways:

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

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

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

The majority of decisions, particularly those of an operational nature, are made under delegated authority from the council, either directly to officers or through the CEO. See 'delegated authority' on page 53 for more details.

Council meetings

During 2017/18, Council conducted ordinary council meetings on the first Tuesday of each month. The exceptions to this were in January when no meeting was scheduled due to the Christmas holiday period, and in November, when the meeting was held on the second Tuesday of the month, due to the Melbourne Cup Day public holiday.

Special meetings of Council were held in December 2017 and June 2018. The majority of both ordinary and special council meetings were held in the Council Chambers located in Bright. However, the March 2018 council meeting was held in Myrtleford, and the August 2017 and May 2018 ordinary council meetings were held in Mount Beauty.

Council agendas were published on Council's website on the Friday prior to the council meeting. During 2017/18 a public question time was held at the beginning of each council meeting. Question time is no longer recorded in the written minutes of the council meeting, however it is available as part of the audio-visual recording of the council meeting, livestreamed on Council's website and YouTube channel. File recordings are available on the website after the meeting.

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

Table 5: Council meeting attendance 2017/18

Councillor	Ordinary Council	Special Council
Cr Forsyth	9	2
Cr Janas	11	2
Cr Keeble	9	2
Cr Knappstein ⁺	11	1
Cr Nicholas ⁺	11	2
Cr Pearce	10	2
Cr Roper	9	1
Total meetings	11	2

Councillor allowances

In June 2017 Council had voted to effectively freeze councillor and mayoral allowances by adopting a decrease of 5% to the previously set allowances. This was to remove the effect of the mandatory annual adjustment factor for the remainder of the council term. This reduction was introduced to mirror the effect of the freeze in staff wages, as set out by the Enterprise Agreement 2016 (page 18).

The Minister for Local Government announced an adjustment factor of 2.0% applying to mayoral and councillor allowances, effective on 1 December 2017. The amount equivalent to the superannuation guarantee (9.5% during 2017/18) is payable in addition to the allowance.

Alpine Shire Council allowances to be paid to from 1 December 2017 were:

Mayor: \$57,564 per annum

Councillors: \$19,268 per annum

Councillor expenses

The Councillor Reimbursement of Expenses policy (no. 76) was reviewed and adopted in June 2018. The policy sets out the electronic equipment that will be provided to councillors, as well as the types of approved expenses that will be reimbursed under the policy. Expenses can only be reimbursed if the expense was incurred while performing duties as a councillor or committee member and fulfils the requirements as described in the policy.

Council revoked the previous Mayoral and Councillors Vehicle Policy (no. 75), and incorporated access to Council vehicles into the Councillor Reimbursement of Expenses policy (no. 76) during the June 2018 review. Council provides the Mayor with a fully maintained vehicle, and councillors are also able to utilise fleet vehicles to attend to council business in accordance with the policy.

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

Table 6: Councillor & committee member expenses 2017/18**

Councillor	TR ¹ \$	CM ⁺ \$	CC [@] \$	ICT [°] \$	C&T [#] \$	Total \$
Cr Forsyth				1,080		1,080
Cr Janas [^]	1,371	16,885		1,080		19,336
Cr Keeble				1,080		1,080
Cr Knappstein	570	1,447		1,080	3,265	6,362
Cr Nicholas	668	942		1,080	2,485	5,175
Cr Pearce	327	586		720	495	2,128
Cr Roper		807		720		1,527

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

⁺ CM is Car Mileage allocated using the cents per kilometre Australian Taxation Office rate for 2017/18 of \$0.66 / km.

[@] CC is Child-care expenses

[°] ICT is Information and Communication Technology

[#] C&T is Conferences and Training

[^] Cr Janas was Mayor for the entire 2017/18 year, with Mayoral vehicle available for full private use during the relevant term of the Mayor (in accordance with policy 76)

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

Councillor committees

Councillors were appointed to individual committees on 5 December 2017.

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

Committee	Delegate
Municipal Association of Victoria	Mayor (Deputy Mayor as substitute)
Hume Region Local Government Network	Mayor (Deputy Mayor as substitute)
Alpine Shire Council – Audit Committee	Cr Nicholas and Cr Knappstein
Alpine Shire Council – Finance Committee	Cr Nicholas and Cr Knappstein
Alpine Shire Council – Municipal Emergency Management Planning Committee	Cr Knappstein (Mayor undertook role during 2017/18)
Alpine Shire Council – Community Resilience Committee	Cr Knappstein
Alpine Children's Services Inc.	Cr Keeble
Alpine Alliance (between Council and Alpine Health)	Cr Knappstein

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

Committee	Delegate
North East Waste and Resource Recovery Group (Forum)	Cr Nicholas
Lake Buffalo Land on Water Management Plan Implementation Group	Cr Nicholas
National Timber Councils Association	Cr Pearce

The following Councillor appointments made by external organisations were noted:

Committee	Delegate
Municipal Association of Victoria – Board (Executive)	Cr Janas Elected by North East Victorian councils. Term expires March 2019
Mount Buffalo Destination Advisory Group (Non-Executive)	Cr Janas Appointed by Minister for Environment, Climate Change and Water
Municipal Association of Victoria Emergency Management Reference Group (Non-Executive)	Cr Janas Cr Knappstein
Municipal Association of Victoria Environment Committee (Non-Executive)	Cr Nicholas

Delegated authority

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

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

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

Audit committee

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

The key objective of the Audit Committee is to assist Council in the governance of and exercising of due care, diligence and skill in relation to:

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

The Audit Committee charter requires that the committee consist of a minimum of five members, comprising three or more independent members and two councillors nominated by Council. The Committee members for 2017/18 were:

Councillor Representatives

- Cr Kitty Knappstein – re-appointed December 2017
- Cr Sarah Nicholas – re-appointed December 2017

Independent Representatives

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

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

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

- Annual financial and performance reports
- Governance and risk review including review of risk management policy
- Risk register review
- Critical business functions framework
- Benchmarking against VAGO local government audits
- Quarterly finance reports
- Quarterly performance reports
- Quarterly health and safety reports
- Quarterly invoice audits

Internal audits commenced during 2017/18 and ongoing include: contractor classification; facility management; and a policy and procedure review.

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

Special and Advisory committees of Council

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

Instruments of Delegation for both s86 committees were reviewed and adopted in October 2017, in accordance with the *Local Government Act 1989*. The Instruments of Delegation will expire in October 2019, before which, Council will undertake a review of the best approach to the ongoing management of both facilities.

Council also works with advisory committees. Some of these are committees within the organisation. Others provide advice to Council regarding the operations and management of Council assets.

Organisational committees

Audit Committee - see previous page.

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

Citizenship Ceremonies

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

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

During 2017/18, citizenship ceremonies were held for six new citizens in the Alpine Shire.

Risk Management

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

- Continued its review of the governance and risk framework, including adopting an updated risk management policy and completing a risk register review;
- Implemented regular auditing of purchasing and payment processes;

Council's event's team undertook training in event risk management and public venue safety and a number of the open spaces team completed accreditation in playground safety. This training is aimed at managing and reducing public liability risk to Council.

Governance and Management Checklist

Governance and Management Items	Assessment
1 Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation <input checked="" type="checkbox"/> Communication and Consultation policy adopted: 04/04/2006 Release of Information to the Public Domain policy adopted: 11/02/2013
2 Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	No guidelines <input checked="" type="checkbox"/> Reason for no guidelines: Council utilises a range of tools to assist staff in determining when to engage with the community. A specific engagement plan is developed for each new capital project.
3 Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Adopted in accordance with section 126 of the Act <input checked="" type="checkbox"/> Date of adoption: 19/06/2018
4 Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Adopted in accordance with section 130 of the Act <input checked="" type="checkbox"/> Date of adoption: 19/06/2018
5 Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans <input checked="" type="checkbox"/> Date of operation of current plans: Asset Management Plans: Part A - General information (November 2010) Part B - Roads (December 2016) Part C - Bridges (December 2016) Part D - Buildings (December 2016) Part E - Pathways (draft) Part F - Drainage (June 2017) Part G - Recreation (draft) Part H - Open space (draft)
6 Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Strategy <input checked="" type="checkbox"/> Date of operation of current strategy: 19/06/2018
7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 14/11/2017
8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy <input checked="" type="checkbox"/> Date of operation of current policy: 6/08/2013 The Fraud Policy is currently being reviewed, and will be updated in the first half of 2018/19.

Governance and Management Items	Assessment
9 Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	<p>Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> <input checked="" type="checkbox"/></p> <p>Date of preparation:</p> <p>Council's Municipal Emergency Management Plan was endorsed by Council on 10/11/2015. A successful audit was completed on 27/11/2015. A reviewed plan will be presented to Council in August 2018, and audited in September 2018</p>
10 Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	<p>Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> <input checked="" type="checkbox"/></p> <p>Date of approval:</p> <p>05/06/2018</p>
11 Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	<p>Plan <input checked="" type="checkbox"/></p> <p>Date of operation of current plan:</p> <p>11/12/2009</p> <p>A review of the Business Continuity Plan has commenced. A Critical Functions Analysis was presented to the Audit Committee on 01/06/2018. The review will continue in 2018/19.</p>
12 Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	<p>Plan <input checked="" type="checkbox"/></p> <p>Date of operation of current plan:</p> <p>30/07/2015</p>
13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	<p>Framework <input checked="" type="checkbox"/></p> <p>Date of operation of current framework:</p> <p>6/02/2007</p> <p>Council's Governance and Risk Framework was presented to the Audit Committee on 05/09/2017. It will be presented to Council in 2018/19 for adoption.</p>
14 Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	<p>Established in accordance with section 139 of the Act <input checked="" type="checkbox"/></p> <p>Date of establishment:</p> <p>Council's audit committee was established by Instrument of Delegation on 26/10/2004.</p> <p>The audit committee's charter was last adopted on 02/05/2017.</p>
15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	<p>Engaged <input checked="" type="checkbox"/></p> <p>Date of engagement of current provider:</p> <p>At the Ordinary Council meeting on 5 April 2016, Council resolved to "not appoint an internal auditor for a three year period but rather source quotes on a per audit basis as required under Councils Procurement Policy".</p> <p>Internal audits conducted during 2017/18 focused on contractor classification, policy and procedure review, and facility management. These will continue into 2018/19.</p>

Governance and Management Items	Assessment	
16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Framework Date of operation of current framework: 01/07/2014	<input checked="" type="checkbox"/>
17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Date of report: Quarterly Council Plan reports were presented at the following Council meetings: Q4: 03/10/2017 (as part of annual report) Q1: 14/11/2017 Q2: 06/02/2018 Q3: 01/05/2018	<input checked="" type="checkbox"/>
18 Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Dates statements presented: Finance reports were presented at the following Council meetings: Q4: 05/09/2017 Q1: 05/12/2017 Q2: 03/04/2018 Q3: 05/06/2018	<input checked="" type="checkbox"/>
19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports Date of reports: Council's audit committee considered the governance and risk framework on 05/09/2017, and the risk register on 24/11/2017.	<input checked="" type="checkbox"/>
20 Performance reporting (six-monthly reports of indicators measuring results against financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Reports Date of reports: Quarterly progress reports against the indicators contained in the Council Plan were presented at the following Council meetings: Q4: 03/10/2017 (as part of annual report) Q1: 14/11/2017 Q2: 06/02/2018 Q3: 01/05/2018	<input checked="" type="checkbox"/>
21 Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at meeting of the Council in accordance with section 134 of the Act Date of consideration: 03/10/2017	<input checked="" type="checkbox"/>
22 Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Reviewed in accordance with section 76C of the Act Date reviewed: 07/02/2017	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment
23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Reviewed in accordance with section 98(6) of the Act <input checked="" type="checkbox"/> Date of review: A full review of delegations authorised by Council was adopted on 03/10/2017, with delegations authorised by the CEO approved on 04/10/2017.
24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act <input checked="" type="checkbox"/> Date local law made: 06/09/2016

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



Charlie Bird
Chief Executive Officer
Date: 21 September 2018



Cr Ron Janas
Mayor
Date: 21 September 2018

Statutory Information Report

Best Value Program

Council must give effect to the best value principles, as defined in the *Local Government Act 1989*. During 2017/18 Council has undertaken a number of projects and reviews seeking to apply the best value principles to its services, including:

Financial Systems Migration

During 2017/18, Council implemented a suite of new cost-effective finance systems to enhance the efficiency, accuracy and compliance of procurement and payment processes. In particular new software was implemented to automatically capture data from invoices, reducing the need for manual data entry; to implement electronic approval of purchase orders and bills, improving compliance to procurement rules; and to simplify payroll administration.

Technology Procurement Reviews

During 2017/18, substantial reviews of Council's telecommunications arrangements and printer fleet were undertaken for a saving of \$0.1m.

Projects Pipeline

Council maintains a Project Pipeline outlining all projects identified in Council's strategic documents or identified through other means such as community consultation. The Pipeline is prioritised annually by Council with consideration of the benefit to community, project cost, Council's capacity to deliver, and synergy with other projects. It is also used as the foundation for Council's Budget and grant applications.

The Project Pipeline is also the basis for the Project Dashboard which provides a live view of how work-in-progress projects are tracking against timelines. In 2017/18 work commenced to improve the visibility of the Project Pipeline on Council's website, ready for a July 2018 release.

Long Term Financial Plan

Council reviews its Long Term Financial Plan annually to ensure that it remains financially sustainable and delivers the optimal balance of best-value services and projects to the community. In 2017/18 the Long Term Financial Plan was enhanced through the incorporation of a scenario modelling tool. This was used to enhance Council's understanding of the impact of environmental factors on its financial outcomes (such as inflation, rate capping,

grants and ongoing development in the Shire) and to understand the available mitigations for worst-case financial scenarios.

Procurement Policy and Financial Delegations

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

Documents Available for Public Inspection

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

- a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months;
- b) the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- c) the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- d) a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;

- f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- g) a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Contracts

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

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

Council did not enter into any contracts during 2017/18 that were valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works that were of a kind specified in section 186(5)(a) and (c) of the Act.

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

Council did not enter into any contracts during 2017/18 that were valued at \$150,000 or more for goods or services or \$200,000 or more for the carrying out of works, without engaging in a competitive process.

Information privacy

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

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

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

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

Freedom of Information

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

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

How do I make a request?

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

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

Forward your request to:

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

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

For further information, contact Council's Freedom of Information officer on 03 5755 0555 or email info@alpineshire.vic.gov.au.

Protected Disclosures Act

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

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

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

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

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

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

There were no disclosures made directly to Council during the period of 1 July 2017 to 30 June 2018.

Road Management Act 2004

Council, as a road authority, is required under section 22 of the *Road Management Act 2004* to publish a copy of any direction received from the Minister in its annual report. No directions were received from the Minister in 2017/18.

Food Act 1984

Council is required under section 7E of the *Food Act 1984* to publish a copy of any direction received from the Minister in its annual report. No directions were received from the Minister in 2017/18.

Carers Recognition Act 2012

Council did not provide a Home and Community Care service during 2017/18 and therefore does not meet the definition of a care agency under the *Carers Recognition Act 2012*. Therefore the reporting obligations for care agencies under s12(2)(a) of the Act do not apply to Council for the 2017/18 year.

Disability Act 2006

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

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

Activity continued throughout 2017/18:

- Recharge Scheme point identification, implementation and promotion.
- 2017 Seniors Festival events held across the Shire were held at accessible venues.
- Participate in the regional Building Inclusive Communities network.
- Annual Directions Report and Outcomes reports prepared and submitted to DHHS as required under funding arrangement.

Domestic Animals Act 1994

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

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

Council's 2017-2021 DAMP was reviewed and formally adopted by Council on 3 October 2017. Key actions in the DAMP 2017-2021 were developed with input from staff and key stakeholders such as the RSPCA, customer request data, and service delivery statistics. They include:

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

New initiatives in the 2017-2021 DAMP include:

- Certificate IV in Local Government (Regulatory Services) 2018;
- Renew s84Y agreement with RSPCA (in accordance with the Domestic Animals Act 1994);
- Vet discounted de-sexing;
- Improve use of existing systems; and
- Further improve public awareness program.

All outcomes from the DAMP were met in 2017/18.

Infrastructure and development contributions

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

For the 2017/18 year, Council did not receive any infrastructure and development contributions.

Local laws

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

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

Council has previously gazetted a provision under section 224A of the *Local Government Act 1989* to allow Victorian Police to act as authorised officers to enforce 'Part 3: Consumption of alcoholic beverages', and 'Part 5: Enforcement' of the Alpine Shire Council Local Law No. 2 – Municipal Places (2012), where they relate to the use, possession or consumption of alcohol.

Grants and funding

Grants awarded by Council

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

Tourism festival and event funding:

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

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

Applications were assessed against the following criteria:

- Alignment with the Alpine Shire Council'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

Fifty-four applications were received through the 2017/18 Tourism Festival and Event funding program. Five submissions were ineligible for funding as they were either: withdrawn by the applicant; required additional stakeholder engagement; or were a fundraising event, not eligible for funding.

Table 10: Tourism festival and event grants awarded by Council in August 2017

Event	Applicant	Sponsorship	Logistics
15th Great Alpine Classic Golf Tournament 2018	Myrtleford Golf Club Incorporated.	\$1,200	Nil
Audax Alpine Classic	Audax Alpine Classic	\$4,500	\$5,000
Australian Adventure Travel Film Festival	Australian Adventure Travel Film Festival	Nil	\$700
Alpine Shire Relay for Life - Myrtleford	Cancer Council Victoria	\$1,000	\$500
Blackwood Alpine Ride	Blackwood Outdoor Specialist School	Nil	\$500
Bright Cabaret Festival	Jenny Packham T/A FAM Events & Productions	\$2,000	Nil
Bright Cross	Bright Alpine Sporting Events (BASE)	\$1,500	\$500
Bright Fun Run	Bright P-12 College	Nil	\$4,000
Bright Mountain Film Tour	Hand Cut Productions	\$3,200	\$150
Bright Oktoberfest	Bright Chalet	\$1,000	\$800
Bright Photography Festival	Bright ATFF	\$2,000	Nil
Bright Rotary Markets	Rotary Club of Bright	Nil	\$5,000
Bright Rotary Summer Concert Series	Rotary Club of Bright	\$1,500	\$500
Bright Spring Festival Grand Fireworks Spectacular and Entertainment	Bright Spring Festival Committee	\$1,000	\$500
Brighter Days Festival	Brighter Days Foundation	\$5,000	\$10,000
Bright's Iconic Rod Run	Bright Rod & Kustom Club Inc.	\$5,000	\$18,000

Event	Applicant	Sponsorship	Logistics
Buffalo Stampede	Mountain Sports Australia	\$4,500	\$1,000
Dederang Picnic Races 2018	Dederang Picnic Race Club	\$3,500	Nil
Four Peaks - Bright Alpine Climb	Mountain Sports Australia	\$1,500	\$500
Great Southern Endurance Run	Mountain Sports Australia	\$2,000	\$1,000
Harrietville Half Marathon	'Team Harrietville Half' and Harrietville Primary	\$3,000	\$2,000
High Country Charity Ride	BDA Racing	\$2,500	Nil
High Country Christmas for the Kids!	BELKY PTY LTD Trading as Cloud9 Cinema	\$1,000	Nil
High Country Woman's Cycling Celebration	Michelle Armstrong Communication WOR	\$2,500	\$200
Kangaroo Hoppet	Kangaroo Hoppet Inc.	\$3,000	\$350
Kiewa Valley Community Bonfire	Champagne Club Kiewa Valley Inc.	\$1,000	\$250
La Fiera	The Myrtleford Chamber of Commerce & Industry Inc.	\$4,000	\$5,000
Midwinter Snowball	Champagne Club Kiewa Valley Inc.	\$1,000	\$100
Mount Beauty Music Festival	Mount Beauty Music Festival Muster Inc.	\$3,000	\$500
Mountaingrass	ABOTMA Aust. Bluegrass & Old Time Music Association	\$2,000	\$250
Myrtleford Bush Market	The Myrtleford Chamber of Commerce & Industry Inc.	\$1,000	\$1,000
Myrtleford Farmers Market - Entertainment	The Myrtleford Farmers Market	\$1,500	\$1,000
Myrtleford Lawn Tennis Club Easter Tournament	Myrtleford Lawn Tennis Club	\$1,000	\$500
Myrtleford and District Agriculture Show 70th Anniversary	Myrtleford & District Agricultural & Pastoral Show	\$2,000	\$500
New Year's Eve Mount Beauty 2018	Mount Beauty United Cricket Club	\$1,500	\$500
Ovens Valley Canine Club Championship Shows	Ovens Valley Canine Club Inc.	Nil	\$1,000
Paragliding World Cup Bright 2018	North East Victoria Hang Gliding Club Inc.	\$5,000	\$2,000
Peaks Challenge Falls Creek	Bicycle Network	Nil	\$1,500
Show 'n Shine and Swap Meet	Rotary Club of Myrtleford	\$1,000	\$1,000
Swagger Music Festival	Swagger Music	\$4,000	\$5,000
The Barrowthon	Beechworth Barrowthon Incorporated	\$1,000	\$500
The Bright Brewery - Alfred 6 Hour	Alpine Cycling Club	\$1,000	\$1,000
THULE B24	Bright Alpine Sporting Events	Nil	\$1,000
Tour of Bright	Alpine Cycling Club	Nil	\$15,000
Wandiligong Nut Festival	Wandiligong Nut Festival - Committee	\$1,000	\$1,500
Wild Deer Hunting, Guiding and Fishing Expo	Wild Deer Hunting and Adventures	Nil	\$5,000
Spartan 2017 Event	Spartan Australia	\$40,000	Nil
Bright Autumn Festival	Bright and District Chamber of Commerce	\$2,000	\$7,500
The Myrtleford Festival	The Myrtleford Festival Association Incorporated	\$5,000	\$5,500
Total		\$130,400	\$108,300

Dinner Plain festival and event funding

Events at Dinner Plain are extremely important for the economy of Dinner Plain, and a key driver of tourism, particularly during the green season. A total of eight events were funded through the Dinner Plain event funding program for 2017/18. Funding applications were assessed in the same manner as the Tourism Festival and Event funding, with funding support available to

organisations staging events that have the potential to make demonstrable impact on the level of tourism in Dinner Plain and which complement and achieve the objectives of both of Council's tourism development strategies for "Bright and surrounds" and Dinner Plain, as well as the regional brand.

Table 11: Dinner Plain festival and event grants awarded by Council in September 2017

Event name	Applicant	Funding
Mile High Trail Run	Running Wild	\$1,000
Bright Mountain Film Tour	Handcut Productions	\$1,200
Dinner Plain Mountain Bike Enduro and Funduro	BASE	\$4,000
Sled Dog Challenge	Altitude 5000	\$6,000
Easter Festival	Alpine Shire	\$5,500
Flickerfest / Australia Day	Alpine Shire	\$5,000
New Year's Eve Fireworks and Entertainment	Alpine Shire	\$5,000
Snow Season Opening Weekend Fireworks	Alpine Shire	\$4,000
Total		\$31,700

Community grants funding

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

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

Thirty-two applications were received for 2017/18, with 27 being awarded a grant.

Table 9: Community Grants awarded by Council in August 2017

Applicant	Project	Sponsorship funds awarded by Council	Total project cost
Alpine Cycling Club	Mystic MTB Park Maintenance Equipment	\$2,200	\$4,100
Alpine Little Athletics Centre	Purchase Sporting Equipment (Hurdles)	\$4,350	\$5,800
Birkebeiner Nordic Ski Club	Ski de Femme (Signage)	\$700	\$1,419
Boomerang Bags Bright	Boomerang Bags (Start Up)	\$900	\$3,879
Bright Croquet Club	Stainless Steel Urn	\$229	\$305
Bright Senior Citizens Centre	New Blinds	\$2,520	\$3,350
Bright United Men's Shed	Air Conditioning	\$1,000	\$2,695
Champagne Club	Melbourne Cup Day event	\$1,000	\$3,060
Communities That Care Alpine	Resilient Families	\$5,756	\$17,495
Mount Beauty Men's Shed	Install Dust Extraction System	\$4,000	\$12,234
Mount Beauty Neighbourhood Centre	Kitchen Upgrade	\$2,600	\$14,606
Mount Beauty 1st Scout Group	Purchase Tables and Chairs	\$600	\$1,200
Mount Beauty Wildlife Rescue	Recovery aviaries for rescued birds and small mammals	\$1,500	\$2,672
Myrtleford & District Historical Society Inc.	Podium for Horse Trough Signage	\$781	\$1,106
Myrtleford 1st Scout Group	Camping Trailer	\$3,000	\$6,400
Myrtleford Playgroup	Replenish Toys, craft and activity materials	\$1,237	\$1,650
Myrtleford Theatre Troupe Inc.	Theatre Practice Masks	\$450	\$650
North East Canoe Club	Purchase Double Kayak	\$2,000	\$2,866
Porepunkah Public Hall & Porepunkah Public Reserve Committee of Management	Enhancement of Community Hall	\$8,000	\$37,446
Porepunkah Public Hall & Porepunkah Public Reserve Committee of Management	Improvements to Public Reserve Facilities	\$7,500	\$37,880
RC McNamara Reserve Recreation Committee of Management	Purchase Lawnmower	\$8,000	\$24,000
Team Mount Beauty	The Big Easy MTB Trail	\$10,000	\$29,090
Team Mount Beauty - Spoke Sisters	MTBA Coaching Course for women	\$3,000	\$4,940
Upper Kiewa Valley Lions	Laptop and Printer	\$672	\$897
Upper Ovens Valley Landcare Group	Environment Management Plan	\$2,000	\$6,600
Wandi Bright Food Swap	Autumn Harvest & Seed Sowing Festival	\$2,200	\$10,280
Myrtleford and District Landcare and Sustainability Group	War on Waste in Alpine Shire	\$3,340	\$11,300
Total		\$79,535	\$247,920

Glossary

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

Acronyms and abbreviations

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

Understanding the financial report

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

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

Annual Financial Report

For the year ended 30 June 2018

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Certification of the Financial Report

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards, and other mandatory professional reporting requirements.



Emma Woolaston

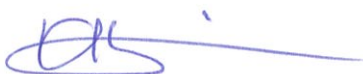
PRINCIPAL ACCOUNTING OFFICER

Date: 21 September 2018

In our opinion, the accompanying financial statements present fairly the financial transactions of Alpine Shire Council for the year ended 30 June 2018 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.

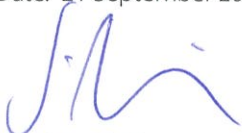
We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify the financial statements in their final form.



Kitty Knappstein

COUNCILLOR

Date: 21 September 2018



Sarah Nicholas

COUNCILLOR

Date: 21 September 2018



Charlie Bird

CHIEF EXECUTIVE OFFICER

Date: 21 September 2018

Independent Auditor's Report

To the Councillors of Alpine Shire Council

Opinion	<p>I have audited the financial report of Alpine Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial report. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

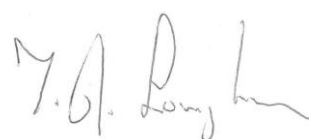
**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

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

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



MELBOURNE
24 September 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement

For the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	17,772	17,026
Statutory fees and fines	2.2	654	574
User fees	2.3	1,621	1,494
Grants - operating	2.4	5,114	6,345
Grants - capital	2.4	3,885	3,196
Contributions - monetary	2.5	647	726
Contributions - non monetary	2.5	553	926
Other income	2.6	1,217	831
Assets previously not recognised		-	2,602
Total income		31,463	33,720
Expenses			
Employee costs	3.1	(7,485)	(7,772)
Materials and services	3.2	(10,511)	(11,986)
Depreciation	3.3	(4,621)	(4,407)
Bad and doubtful debts	3.4	-	(1)
Other expenses	3.5	(667)	(701)
Landfill rehabilitation expense	4.4	41	355
Assets written-off / impaired	5.2	(371)	-
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(808)	(89)
Share of net profits/(losses) of associates	5.3	22	(110)
Total expenses		(24,400)	(24,711)
Surplus for the year		7,063	9,009
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation (decrement)/increment	8.1	(1,261)	2,429
Total comprehensive result		5,802	11,438

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

Balance Sheet

As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	1,585	2,528
Other financial assets	4.1	14,500	10,007
Trade and other receivables	4.1	2,011	1,372
Inventories	4.2	54	46
Other assets	4.2	282	275
Non current assets classified as held for sale	5.1	591	-
Total current assets		19,023	14,228
Non-current assets			
Inventories	4.2	117	139
Property, infrastructure, plant and equipment	5.2	211,939	214,825
Investments in associates	5.3	57	252
Investment property	5.4	3,260	-
Total non-current assets		215,373	215,216
Total assets		234,396	229,444
Liabilities			
Current liabilities			
Trade and other payables	4.3	1,839	2,303
Trust funds and deposits	4.3	366	537
Provisions	4.4	2,225	2,050
Income received in advance	4.4	70	94
Total current liabilities		4,500	4,984
Non-current liabilities			
Provisions	4.4	3,053	3,390
Income received in advance	4.4	388	417
Total non-current liabilities		3,441	3,807
Total liabilities		7,941	8,791
Net assets		226,455	220,653
Equity			
Accumulated surplus		107,255	99,585
Reserves	8.1	119,200	121,068
Total equity		226,455	220,653

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

Statement of Changes in Equity

For the year ended 30 June 2018

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at the beginning of the financial year		220,653	99,585	118,503	2,565
Surplus for the year		7,063	7,063	-	-
Net asset revaluation decrement	5.2	(1,261)	-	(1,261)	-
Transfers to other reserves	8.1	-	(17)	-	17
Transfers from other reserves	8.1	-	624	-	(624)
Balance at the end of the financial year		226,455	107,255	117,242	1,958

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at the beginning of the financial year		202,395	83,982	116,074	2,339
Prior period adjustments to fair value		6,820	6,820	-	-
Balance at the beginning of the financial year		209,215	90,802	116,074	2,339
Surplus for the year		9,009	9,009	-	-
Net asset revaluation increment	5.2	2,429	-	2,429	-
Transfers to other reserves	8.1	-	(226)	-	226
Balance at the end of the financial year		220,653	99,585	118,503	2,565

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

The prior period adjustment is as a result a change in accounting policy at the request of the Department of Environment, Land, Water and Planning of for all land under roads to be recognised at fair value.

Statement of Cash Flows

For the year ended 30 June 2018

	Notes	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		17,531	17,070
Statutory fees and fines		654	574
User fees		1,658	1,531
Grants - operating		5,134	6,315
Grants - capital		3,374	3,721
Contributions - monetary		609	800
Interest received		291	307
Rent received		519	536
Trust funds and deposits taken		2,910	3,078
Other receipts		-	81
Net GST refund		1,609	1,285
Materials and services		(12,589)	(12,748)
Employee costs		(7,530)	(8,940)
Trust funds and deposits repaid		(3,098)	(3,298)
Other payments		(667)	(1,602)
Net cash provided by operating activities		10,405	8,710
Cash flows from investing activities			
Payments for investments		(4,493)	(500)
Payments for property, infrastructure, plant and equipment		(6,958)	(8,461)
Proceeds from sale of property, infrastructure, plant and equipment	3.6	103	188
Net cash used in investing activities		(11,348)	(8,773)
Net decrease in cash and cash equivalents		(943)	(63)
Cash and cash equivalents at the beginning of the financial year		2,528	2,591
Cash and cash equivalents at the end of the financial year	4.1	1,585	2,528
Financing arrangements	4.5		
Restrictions on cash assets	4.1		

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 2018

	Note	2018 \$'000	2017 \$'000
Property			
Buildings		3,316	1,344
Total property		3,316	1,344
Plant and equipment			
Plant, machinery and equipment		531	1,080
Fixtures, fittings and furniture		23	75
Computers and telecommunications		77	124
Library books		88	73
Total plant and equipment		719	1,352
Infrastructure			
Roads		1,585	2,372
Bridges		185	554
Footpaths and cycleways		600	774
Drainage		149	410
Recreational, leisure and community facilities		18	837
Parks, open space and streetscapes		343	756
Waste		85	62
Total infrastructure		2,965	5,765
Total capital works expenditure		7,000	8,461
Represented by:			
New asset expenditure		272	613
Asset renewal expenditure		3,506	3,400
Asset upgrade expenditure		3,222	4,448
Total capital works expenditure		7,000	8,461

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

Notes to the Financial Statements

For the year ended 30 June 2018

Overview

Introduction

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

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Significant accounting policies

Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision.

Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2);
- the determination of employee provisions (refer to Note 4.5);
- the determination of landfill provisions (refer to Note 4.5).

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 1: Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* require explanation of any material variances. Council has adopted a materiality threshold of the 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 27 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council set guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
a) Income and Expenditure				
Income				
Rates and charges	17,490	17,772	282	1
Statutory fees and fines	460	654	194	2
User fees	991	1,621	630	3
Grants - Operating	3,113	5,114	2,001	4
Grants - Capital	3,042	3,885	843	5
Contributions - monetary	632	647	15	
Contributions - non monetary	200	553	353	6
Other income	847	1,217	370	7
Total income	26,775	31,463	4,688	
Expenses				
Employee costs	(8,081)	(7,485)	596	8
Materials and services	(10,685)	(10,511)	174	9
Depreciation	(4,303)	(4,621)	(318)	10
Landfill rehabilitation expense	(197)	41	238	11
Assets written-off / impaired	-	(371)	(371)	12
Other expenses	(758)	(667)	91	
Share of net profits of associates	-	22	22	
Net loss on disposal of property, infrastructure, plant and equipment	(100)	(808)	(708)	13
Total expenses	(24,124)	(24,400)	(276)	
Surplus for the year	2,651	7,063	4,412	

Notes to the Financial Statements

For the year ended 30 June 2018

1.1: Income and expenditure (continued)

Ref	Item	Explanation
1	Rates and charges	Rates and charges were \$0.3m favourable to budget due to supplementary development in the Shire.
2	Statutory fees and fines	Statutory fees and fines were \$0.2m favourable to budget due to higher than anticipated property development resulting in an increase in statutory planning fees.
3	User fees	User fees were \$0.6m favourable to budget due to: a) \$0.35m higher than expected user fees for Myrtleford Holiday Park, as Council's plans to lease the Park earlier in the year were delayed; and b) various other fee categories exceeding expectations, including transfer station income (\$110k), building permits (\$70k), and local laws permits (\$30k).
4	Grants – Operating	Operating grants were \$2m favourable to budget primarily due to early receipt of half (\$1.9m) of the 2018/19 Victorian Grants Commission grant.
5	Grants - Capital	Capital grants were \$0.8m favourable to budget due to: a) the Roads to Recovery grant being \$0.6m higher than expected; b) a number of unbudgeted grants, including: i) \$0.5m for Alpine Better Places Myrtle Street; ii) \$0.5m for the upgrade of the Myrtleford Library; iii) \$0.2m for the Mount Buffalo Business Case Assessment and Activation; and iv) \$0.1m for the Eurobin Flood Bypass. These gains were partially offset by grants which had been budgeted for 2017/18 but which were received late in 2016/17, which included \$0.2m for the Alpine Better Places Mafeking Square project, and \$0.2m for the Mount Beauty Pool Upgrade. In addition, \$0.4m of grants expected for the Alpine Events Park project were delayed from 2017/18 to 2018/19.
6	Contributions - non monetary	Non-monetary contributions were \$0.4m favourable to budget due to higher than expected development activity in the Alpine Shire.
7	Other Income	Other income was \$0.4m favourable to budget due to increases in valuations of investment properties, including the Myrtleford Holiday Park and the Bright Holiday Park.
8	Employee costs	Employee costs were lower than budgeted by \$0.6m due to the ongoing impact of vacant positions, the majority of which are now filled.

Notes to the Financial Statements

For the year ended 30 June 2018

1.1: Income and expenditure (continued)

Ref	Item	Explanation
9	Materials and services	<p>Materials and services were \$0.2m less than budgeted. Significant areas which were favourable to budget included:</p> <ul style="list-style-type: none"> a) lower than expected asset maintenance costs (\$0.2m); b) carry forward of selected planning projects due to vacancies (\$0.2m); and c) negotiated savings in the technology budget (\$0.1m). <p>These were partially offset by:</p> <ul style="list-style-type: none"> a) spend on contractors to support workforce vacancies (\$0.2m) and b) higher than expected operating costs for the Myrtleford Holiday Park due to a delay in plans to lease the Park (\$0.2m).
10	Depreciation	Depreciation was \$0.3m favourable to budget primarily due to revaluation adjustment error in the Budget.
11	Landfill rehabilitation expense	Landfill rehabilitation expense was \$0.2m favourable to budget due to changes to assumptions to inflation and discount factors.
12	Assets written-off / impaired	\$0.4m was written down in relation to buildings, due to a revaluation of properties held for sale, including Lyndhurst and assets expected to be sold as part of the lease of Myrtleford Holiday Park.
13	Net loss on disposal of property, infrastructure, plant and equipment	A loss on disposal of \$0.7 in assets was recognised following a detailed review of the valuation for recreational assets as well as some work in progress assets being reclassified as non-capital expenses.

Notes to the Financial Statements

For the year ended 30 June 2018

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
b) Capital Works				
Property				
Buildings	1,590	3,316	(1,726)	1
Total buildings	1,590	3,316	(1,726)	
Total property	1,590	3,316	(1,726)	
Plant and equipment				
Plant, machinery and equipment	603	531	72	
Fixtures, fittings and furniture	-	23	(23)	
Computers and telecommunications	150	77	73	
Library Books	76	88	(12)	
Total plant and equipment	829	719	122	
Infrastructure				
Roads	3,080	1,585	1,495	2
Bridges	140	185	(45)	
Footpaths and cycleways	315	600	(285)	3
Drainage	95	149	(54)	
Recreational, leisure and community facilities	1,858	18	1,840	4
Parks, open space and streetscapes	249	343	(94)	
Waste management	-	85	(85)	
Total infrastructure	5,737	2,965	2,772	
Total capital works expenditure	8,156	7,000	1,168	
Represented by:				
New asset expenditure	349	317	32	
Asset renewal expenditure	3,205	3,371	(166)	
Asset upgrade expenditure	4,602	3,312	1,290	
Total capital works expenditure	8,156	7,000	1,156	

Expenditure on uncompleted works has been included in their asset classification refer Note 5.2 Summary of work in progress - additions.

Notes to the Financial Statements

For the year ended 30 June 2018

1.2: Capital works (continued)

Ref	Item	Explanation
1	Buildings	<p>Capital works pertaining to buildings was \$1.7m higher than budgeted due to the Alpine Events Park project being reclassified from 'recreational, leisure and community facilities' in the budget to 'buildings' for the purpose of the Financial Statements. In addition the project was initially budgeted for of \$1.7m in FY17/18 and the actual result was \$2.5m.</p> <p>This was partially offset by:</p> <ul style="list-style-type: none"> a) a delay in stage two of the Bright Office Renewal project resulting in an underspend of \$0.3m compared to budget; b) \$0.1m saving on the Mount Beauty Transfer Station Upgrade due to the original budget being overestimated; and c) \$0.1m of works being reclassified from capital to operating expenditure.
2	Roads	<p>Capital works pertaining to roads were \$1.5m less than budgeted. This was primarily due to \$0.9m of works being reclassified from capital to operating expenditure due to the spend not relating to Council assets, including:</p> <ul style="list-style-type: none"> a) \$550,000 of the Alpine Better Places Myrtle Street budget; b) \$70,000 of the Alpine Better Places Porepunkah budget; c) \$50,000 of the Gavan Street Lane Modifications budget; d) \$40,000 of the Alpine Better Places Mafeking Square budget; and e) \$40,000 of the Kiewa Valley Highway Crossing Upgrade project. <p>In addition \$120,000 of the budget for Alpine Better Places Myrtle Street project was reclassified from 'roads' to 'footpaths and cycleways'.</p> <p>Finally, the initial budget for Roads included the \$0.7m budget for the capital component of the workforce. This budget was reallocated proportionately across capital works projects for the purpose of the Financial Statements, leading to the amount allocated to Roads reducing by approximately \$0.5m.</p>
3	Footpaths and cycleways	<p>Capital works pertaining to footpaths and cycleways was \$0.3m over budget due to:</p> <ul style="list-style-type: none"> a) \$120,000 of the budget for Alpine Better Places Myrtle Street being reclassified from 'roads' to 'footpaths and cycleways', and b) the Dinner Plain Mountain Bike Trail being \$150,000 over budget due to works being brought forward as the planning permit for stage one was received early.
4	Recreational, leisure and community facilities	<p>Capital works pertaining to recreational, leisure and community facilities was \$1.8m favourable to budget primarily due to \$1.7m budgeted for Alpine Events Park being reclassified as 'Buildings'.</p>

Notes to the Financial Statements

For the year ended 30 June 2018

Note 2: Funding for the delivery of our services

2.1 : Rates and charges

	2018	2017
	\$'000	\$'000
General rates	13,547	13,144
Garbage charges	3,203	3,181
Dinner Plain special rate	294	436
Supplementary rates and rate adjustments	120	85
Interest on rates and charges	84	70
Revenue in lieu of rates	524	110
Total rates and charges	17,772	17,026

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

The valuation base used to calculate general rates for 2017/2018 was \$2,726 million (\$2,703 million in 2016/2017). The 2017/2018 rate in the dollar was 0.004994 for residential, 0.003646 for farm and 0.007141 for commercial/industrial (2016/17 0.4901 for residential, 0.003578 for farm and 0.007008 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.

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.

2.2: Statutory fees and fines

	2018	2017
	\$'000	\$'000
Town planning fees	322	205
Health services	137	165
Permits	133	126
Infringements and costs	29	40
Land information certificates	19	19
Election Fines	14	19
Total statutory fees and fines	654	574

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.

Notes to the Financial Statements

For the year ended 30 June 2018

2.3: User fees

	2018 \$'000	2017 \$'000
Aged and health services	-	20
Building services	249	244
Waste management services	400	339
Engineering works	57	27
Leisure centre and recreation	211	217
Community centres	32	31
Legal costs recovered	19	23
Caravan park	439	362
Visitor information centres	202	184
Project management	-	30
Library income	10	13
Other fees and charges	2	4
Total user fees	1,621	1,494

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

Notes to the Financial Statements

For the year ended 30 June 2018

2.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants

Commonwealth funded grants

State funded grants

Total

	2018 \$'000	2017 \$'000
	4,789	6,439
	4,210	3,102
	8,999	9,541
(a) Operating recurrent grants		
<i>Commonwealth Government</i>		
Financial Assistance Grants	3,730	5,151
Fuel rebate	26	30
<i>State Government</i>		
School crossing supervisors	27	19
Maternal and child health	192	189
Rates administration	(89)	154
Youth services	74	60
Senior citizen centres	46	46
Library services	173	168
Immunisation funding	9	8
Weed management	20	20
Total recurrent operating grants	4,208	5,845
Operating non-recurrent grants		
<i>State Government</i>		
Learning and Development	10	-
Municipal emergency resourcing program	64	30
Economic development and tourism	120	-
Victorian adaptation and sustainability partnership	-	49
Flood/storm incident and recovery	535	190
Community development	153	142
Recycling services	18	-
Shared services solutions	-	75
Tobacco activity	6	14
Total non-recurrent operating grants	906	500
Total operating grants	5,114	6,345

Notes to the Financial Statements

For the year ended 30 June 2018

2.4 Funding from other levels of government (continued)

	2018 \$'000	2017 \$'000
(b) Capital grants		
Capital recurrent grants		
<i>Commonwealth Government</i>		
Roads to recovery	1,059	1,288
Total recurrent capital grants	1,059	1,288
Capital non-recurrent grants		
<i>State Government</i>		
Capital projects		
Roads	1,333	733
Recreational, leisure	16	1,005
Parks, open spaces and streetscapes	-	18
Buildings	1,477	152
Total non-recurrent capital grants	2,826	1,908
Total capital grants	3,885	3,196
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	871	90
Received during the financial year and remained unspent at balance date	85	871
Received in prior years and spent during the financial year	(501)	(90)
Balance at year end	455	871

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

2.5: Contributions

	2018 \$'000	2017 \$'000
Monetary	647	726
Non-monetary	553	926
Total contributions	1,200	1,652
Contributions of non-monetary assets were received in relation to the following services:		
Land	-	36
Roads	393	628
Other infrastructure	160	262
Total non-monetary contributions	553	926

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 2018

2.6: Other income

	2018 \$'000	2017 \$'000
Insurance claim reimbursement	-	26
Interest on investments	315	288
Rent	501	517
Fair value adjustments for investment property	401	-
Total other income	1,217	831

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 3: The cost of delivering services

3.1: Employee costs

	2018 \$'000	2017 \$'000
a) Employee costs		
Wages and salaries - permanent	5,421	5,583
Workcover	116	98
Wages and salaries - casual	661	836
Annual leave and long service leave	617	548
Superannuation	650	686
Fringe benefits tax	20	21
Total employee costs	7,485	7,772
b) Superannuation		
Council has made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	28	32
Accumulated funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	346	381
Employer contributions - other funds	276	273
Total accumulated funds	622	654
Employer contributions payable at reporting date	29	-

Refer to note 8.3 for further information relating to Council's superannuation obligations

3.2: Materials and services

	2018 \$'000	2017 \$'000
Administration	1,646	1,579
Operational	5,029	5,424
Asset maintenance	2,680	2,592
Non-recurrent projects	1,156	2,391
Total materials and services	10,511	11,986

Notes to the Financial Statements

For the year ended 30 June 2018

3.3: Depreciation

	2018 \$'000	2017 \$'000
Property	1,246	1,192
Plant and equipment	605	592
Infrastructure	2,770	2,623
Total Depreciation	4,621	4,407

Refer to note 5.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

3.4: Bad and doubtful debts

	2018 \$'000	2017 \$'000
Other debtors	-	1
Total bad and doubtful debts	-	1

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified

3.5: Other expenses

	2018 \$'000	2017 \$'000
Auditors remuneration - VAGO - audit of financial statements, performance statement and grant acquittals	37	41
Auditors remuneration - Internal	3	13
Councillors allowances	207	197
Council grants and contributions	415	445
Refund of rates	5	5
Total other expenses	667	701

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

	2018 \$'000	2017 \$'000
Proceeds of sale	(103)	(188)
Written down value of assets disposed	911	277
Total net loss on disposal of property, infrastructure, plant and equipment	808	89

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 4: Our financial position

4.1: Financial assets

	2018 \$'000	2017 \$'000
(a) Cash and cash equivalents		
Cash on hand	3	3
Cash at bank	1,582	2,525
Total cash and cash equivalents	1,585	2,528
(b) Other financial assets		
Term deposits	14,500	10,007
Total other financial assets	14,500	10,007
Council's cash and cash equivalents are subject to restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits Note 4.3(b)	366	537
	366	537
Total unrestricted cash, cash equivalents and other financial assets	15,719	11,998
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Cash held to fund carried forward capital works	660	996
Current Liabilities	4,500	4,984
Dinner Plain reserve	1,025	1,169
Landfill rehabilitation reserve	865	1,008
Other reserves	27	27
Total funds subject to intended allocations	7,077	8,184

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

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

	2018 \$'000	2017 \$'000
(c) Trade and other receivables		
Current		
Rates debtors (statutory)	915	674
Other debtors (non-statutory)	918	319
Provision for doubtful debts - other debtors	(12)	(17)
Net GST receivable	190	396
Total current trade and other receivables	2,011	1,372

Short term receivables are carried at invoice amount. 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.

Notes to the Financial Statements

For the year ended 30 June 2018

(d) Ageing of Receivables

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

	2018 \$'000	2017 \$'000
Current (not yet due)	719	230
Past due by up to 30 days	32	56
Past due between 31 and 180 days	146	19
Past due between 181 and 365 days	-	4
Past due more than 1 year	21	7
Total trade and other receivables	918	316

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$12,000 (2017: \$17,000) were impaired. The amount of the provision raised against these debtors was \$12,000 (2017: \$17,000). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

4.2: Non-financial assets

(a) Inventories

Current

Merchandise

	2018 \$'000	2017 \$'000
Merchandise	54	46
	54	46
Non-current		
Stores and materials	117	139
	117	139
Total inventories	171	185

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.

(b) Other assets

Prepayments

Accrued income

Total other assets

	2018 \$'000	2017 \$'000
Prepayments	197	181
Accrued income	85	94
Total other assets	282	275

Notes to the Financial Statements

For the year ended 30 June 2018

4.3: Payables

(a) Trade and other payables

Trade payables
Accrued expenses
Other creditors

Total trade and other payables

2018	2017
\$'000	\$'000
1,349	1,746
486	549
4	8
1,839	2,303

(b) Trust funds and deposits

Fire services levy
Retention amounts
Subdivision works
Other deposits

Total trust funds and deposits

98	241
146	183
107	98
15	15
366	537

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in Council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

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

Fire Services Levy - Council is the collection agent for the fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

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

Notes to the Financial Statements

For the year ended 30 June 2018

4.4: Provisions

	Employee provisions \$'000	Landfill restoration \$'000	Total \$'000
2018			
Balance at beginning of the financial year	2,012	3,428	5,440
Additional provisions	617	1	618
Amounts used	(667)	(76)	(743)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	5	(42)	(37)
Balance at the end of the financial year	1,967	3,311	5,278
2017			
Balance at beginning of the financial year	3,194	4,554	7,748
Additional provisions	722	(237)	485
Amounts used	(1,860)	(771)	(2,631)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(44)	(118)	(162)
Balance at the end of the financial year	2,012	3,428	5,440

a) Employee provisions

Current provisions expected to be wholly settled within 12 months

	2018 \$'000	2017 \$'000
Annual leave	509	640
Long service leave	160	159
Other leave	55	65
	724	864

Current provisions expected to be wholly settled after 12 months

Annual leave	233	96
Long service leave	803	790
	1,036	886

Total current provisions

	1,760	1,750
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Non-current

Long service leave	207	262
	207	262

Total aggregate carrying amount of employee provisions

	1,967	2,012
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The following assumptions were adopted in measuring the present value of employee benefits:

	2018	2017
Weighted average increase in employee costs	3.00%	2.80%
Weighted average discount rates	2.65%	2.61%
Weighted average settlement period	8 years	8 years

Notes to the Financial Statements

For the year ended 30 June 2018

4.4: Provisions (continued)

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

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised

in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

b) Landfill restoration

Current

Non-current

Total landfill restoration

2018 \$'000	2017 \$'000
465	300
2,846	3,128
3,311	3,428

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

Weighted average increase in restoration costs

Weighted average discount rates

Weighted average settlement period

2018	2017
2.50%	2.40%
2.65%	2.61%
4 years	4 years

Council is obligated to restore former landfill sites at Myrtleford and Porepunkah to a particular standard. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken, which has been estimated based on current understanding of work required to reinstate the sites to this standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

(c) Lease income received in advance

This represents income received on 1 July 2011 for the Bright Caravan Park lease to be recognised over the life of the lease (21 years)

Current

Non-current

Total lease income received in advance

2018 \$'000	2017 \$'000
30	30
388	417
418	447

Other income received in advance

Current

Total income received in advance

Current

Non-current

Total income received in advance

40	64
70	94
388	417
458	511

Notes to the Financial Statements

For the year ended 30 June 2018

4.5 : Finance arrangements

	2018 \$'000	2017 \$'000
Bank overdraft	250	250
Credit cards	50	50
Bank guarantees	15	15
Total facilities	315	315
Used facilities	65	65
Unused facilities	250	250

4.6: Commitments

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

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2018 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste management	1,553	1,332	3,334	777	6,996
Dinner Plain Bus	168	168	42	-	378
Cleaning	225	225	43	-	493
Consultancy	369	-	-	-	369
Other	754	680	680	-	2,114
Total	3,069	2,405	4,099	777	10,350
Capital					
Buildings	315	-	-	-	315
Roads	54	-	-	-	54
Recreational, leisure and community facilities	84	-	-	-	84
Other	60	-	-	-	60
Total	513	-	-	-	513

	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
2017 \$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Waste management	1,427	726	2,119	1,412	5,684
Dinner Plain Bus	80	-	-	-	80
Cleaning	136	22	-	-	158
Other	236	-	-	-	236
Total	1,879	748	2,119	1,412	6,158
Capital					
Buildings	72	-	-	-	72
Roads	164	-	-	-	164
Parks, open space and streetscapes	39	-	-	-	39
Total	275	-	-	-	275

Notes to the Financial Statements

For the year ended 30 June 2018

4.6: Commitments (continued)

a) Operating lease commitments

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

b) Operating lease receivables

The Council has entered into commercial property leases on some properties, consisting of a caravan park, a community centre, fitness centre, a cafe and an. These properties held under operating leases have remained non-cancellable lease terms between 1 and 17 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

	2018 \$'000	2017 \$'000
Not later than one year	410	407
Later than one year and not later than five years	1,284	1,258
Later than five years	2,815	2,839
Total operating lease receivables	4,509	4,504

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 5: Assets we manage

5.1: Non current assets classified as held for sale

	2018 \$'000	2017 \$'000
Cost of acquisition	591	-
Total non-current assets classified as held for sale	591	-

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

Notes to the Financial Statements

For the year ended 30 June 2018

5.2: Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment	Restated - at written down fair value 30 June 2017 \$'000	Acquisitions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Reclassification \$'000	Disposal \$'000	Impairment losses \$'000	Transfers \$'000	At written down fair value 30 June 2018 \$'000
Land	27,818	-	-	75	-	(259)	-	-	-	27,634
Buildings	31,171	537	-	-	(1,268)	(3,192)	-	(371)	1,158	28,035
Plant and equipment	2,927	696	-	-	(605)	176	(12)	-	(299)	2,883
Infrastructure	152,376	2,812	553	(1,336)	(2,748)	-	(715)	-	(614)	150,328
Work in progress	533	2,955	-	-	-	-	(184)	-	(245)	3,059
Total	214,825	7,000	553	(1,261)	(4,621)	(3,275)	(911)	(371)	-	211,939

Summary of work in progress	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	128	2,779	(62)	-	2,845
Plant and equipment	-	23	-	-	23
Infrastructure	405	153	(183)	(184)	191
Total	533	2,955	(245)	(184)	3,059

Notes to the Financial Statements

For the year ended 30 June 2018

5.2: Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods

Class of asset	Depreciation Period	Threshold Limit \$'000
Land	-	-
Land under roads	-	5
Buildings	15 to 100 years	5
Roads	5 to 100 years	5
Bridges	70 years	5
Drainage	50 to 100 years	5
Footpaths and cycleways	22 to 97 years	5
Recreational, leisure and community facilities	15 to 50 years	5
Parks, open space and streetscapes	7 to 100 years	5
Waste management	30 to 70 years	5
Plant, machinery and equipment	5 to 20 years	2
Fixtures, fittings and furniture	5 to 20 years	2
Computers and telecommunications	3 to 10 years	2

Notes to the Financial Statements

For the year ended 30 June 2018

5.2 Property infrastructure plant and equipment (continued)

a) Property	Land - specialised \$'000	Land under roads \$'000	Total land \$'000	Buildings - specialised \$'000	Total buildings \$'000	Work in progress \$'000	Total property \$'000
At fair value 1 July 2017	20,816	7,002	27,818	60,519	60,519	128	88,465
Accumulated depreciation at 30 June 2017	-	-	-	(29,348)	(29,348)	-	(29,348)
	20,816	7,002	27,818	31,171	31,171	128	59,117
Movements in fair value							
Acquisition of assets at fair value	-	-	-	537	537	2,779	3,316
Revaluation increments/(decrements)	75	-	75	-	-	-	75
Transfers	-	-	-	1,602	1,602	(62)	1,540
Assets reclassified as non current assets held for sale	(175)	-	(175)	(1,174)	(1,174)	-	(1,349)
Assets reclassified as Investment properties	(84)	-	(84)	(5,564)	(5,564)	-	(5,648)
	(184)	-	(184)	(4,599)	(4,599)	2,717	(2,066)
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	-	(1,268)	(1,268)	-	(1,268)
Impairment losses recognised in operating result	-	-	-	(371)	(371)	-	(371)
Transfers	-	-	-	(444)	(444)	-	(444)
Assets reclassified as non current assets held for sale	-	-	-	900	900	-	900
Assets reclassified as Investment properties	-	-	-	2,646	2,646	-	2,646
	-	-	-	1,463	1,463	-	1,463
At fair value 30 June 2018	20,632	7,002	27,634	55,920	55,920	2,845	86,399
Accumulated depreciation at 30 June 2018	-	-	-	(27,885)	(27,885)	-	(27,885)
	20,632	7,002	27,634	28,035	28,035	2,845	58,514

A prior period adjustment has been made as a result a change in accounting policy at the request of the Department of Environment, Land, Water and Planning of for all land under roads to be recognised at fair value.

Notes to the Financial Statements

For the year ended 30 June 2018

5.2 Property infrastructure plant and equipment (continued)

	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomms	Library Books	Work in progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
b) Plant and equipment						
At fair value 30 June 2017	6,580	476	1,277	72	-	8,405
Accumulated depreciation at 30 June 2017	(4,158)	(305)	(1,012)	(3)	-	(5,478)
	2,422	171	265	69	-	2,927
Movements in fair value						
Acquisition of assets at fair value	531	-	77	88	23	719
Fair value of assets disposed	(935)	(81)	(640)	-	-	(1,656)
Transfers	(1,039)	-	-	-	-	(1,039)
Assets reclassified from investments in associates	-	-	-	498	-	498
	(1,443)	(81)	(563)	586	23	(1,976)
Movements in accumulated depreciation						
Depreciation and amortisation	(371)	(31)	(137)	(66)	-	(605)
Accumulated depreciation of disposals	923	81	640	-	-	1,644
Transfers	740	-	-	-	-	740
Assets reclassified from investments in associates	-	-	-	(322)	-	(322)
	1,292	50	503	(388)	-	1,779
At fair value 30 June 2018	5,137	395	714	658	23	6,927
Accumulated depreciation at 30 June 2018	(2,866)	(255)	(509)	(391)	-	(4,021)
	2,271	140	205	267	23	2,906

For the year ended 30 June 2018

5.2: Property, infrastructure, plant and equipment (continued)

	Roads	Bridges	Footpaths and cycleways	Drainage	Waste	Recreational, leisure and community facilities	Parks, open spaces and streetscapes	Work in progress	Total infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
c) Infrastructure									
At fair value 30 June 2017	129,106	28,366	7,821	21,101	970	4,374	7,548	405	199,691
Accumulated depreciation at 30 June 2017	(27,150)	(6,506)	(2,985)	(6,662)	(416)	(594)	(2,597)	-	(46,910)
	101,956	21,860	4,836	14,439	554	3,780	4,951	405	152,781
Movements in fair value									
Acquisition of assets at fair value	1,585	185	585	126	85	-	246	153	2,965
Contributed assets	343	-	50	160	-	-	-	-	553
Revaluation increments/(decrements)	-	(764)	-	-	-	722	-	-	(42)
Fair value of assets disposed/written off	(702)	-	-	-	-	(841)	-	(184)	(1,727)
Transfers	428	(112)	604	164	1,081	281	(2,765)	(183)	(502)
	1,654	(691)	1,239	450	1,166	162	(2,519)	(214)	1,247
Movements in accumulated depreciation									
Depreciation and amortisation	(1,716)	(308)	(140)	(216)	(72)	(141)	(155)	-	(2,748)
Revaluation increments/(decrements)	-	(731)	-	-	-	(563)	-	-	(1,294)
Accumulated depreciation of disposals	576	-	-	-	-	252	-	-	828
Transfers	(111)	25	(103)	(3)	(646)	(402)	945	-	(295)
	(1,251)	(1,014)	(243)	(219)	(718)	(854)	790	-	(3,509)
At fair value 30 June 2018	130,760	27,675	9,060	21,551	2,136	4,536	5,029	191	200,938
Accumulated depreciation at 30 June 2018	(28,401)	(7,520)	(3,228)	(6,881)	(1,134)	(1,448)	(1,807)	-	(50,419)
	102,359	20,155	5,832	14,670	1,002	3,088	3,222	191	150,519

Notes to the Financial Statements

For the year ended 30 June 2018

5.2: Property, infrastructure, plant and equipment (continued)

Acquisition

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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.

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.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter.

Valuation of land

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 unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

The date of the current valuation is detailed in the following table. An indexed based revaluation was conducted in the current year; this valuation was based on the change in the capital improved value for properties in the Alpine Shire which is used by Council to calculate land rate charges. A full revaluation of these assets will be conducted in 2018/19.

Details of the Council's land and information about the fair value hierarchy as at 30 June 2018 are detailed on the following page.

Valuation of buildings

Valuation of Council's building assets was performed by Council's Engineering Coordinator. The date of the current valuation is detailed in the following table.

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

Notes to the Financial Statements

For the year ended 30 June 2018

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Land - specialised	-	-	27,634	Jun-2018
Buildings - specialised	-	-	28,035	Jun-2016
Total	-	-	55,669	

Valuation of infrastructure

Valuation of Council's infrastructure assets was performed by Council's Engineering Coordinator. The date of the current valuation is detailed in the following table.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of valuation
Roads	-	-	102,359	Jun-2017
Bridges	-	-	20,155	Jun-2018
Footpaths and cycleways	-	-	5,832	Jun-2017
Drainage	-	-	14,670	Jun-2017
Waste management	-	-	1,002	
Recreational, leisure and community facilities	-	-	3,088	Jun-2018
Parks, open space and streetscapes	-	-	3,222	
Total	-	-	150,328	

Valuation of waste and Parks and open spaces and streetscapes.

The revaluation of these assets will be undertaken in 2018/19 by Council's Engineering Coordinator once a suitable valuation methodology has been determined.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 40% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$1.25 and \$425 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from

\$200 to \$3,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 30 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

Land under roads
Parks and reserves
Facilities
Office/depots

Total specialised land

2018 \$'000	2017 \$'000
7,002	7,002
9,617	8,495
8,041	9,674
2,974	2,647
27,634	27,818

Notes to the Financial Statements

For the year ended 30 June 2018

5.3: Investments in associates, joint arrangements and subsidiaries

Investment in associates accounted for by the equity method are:

High Country Library Corporation

A 23% Interest was held in the High Country Library Corporation. (i)

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

2018 \$'000	2017 \$'000
-	217

MomentumOne Shared Services Pty Ltd

A 50% Interest is held in the MomentumOne Shared Services Pty Ltd.

Fair value of Council's investment in MomentumOne Shared Services Pty Ltd.

57	34

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Reported profit/(deficit) for year

35	145
22	(110)

Council's share of accumulated surplus at end of year

57	35
----	----

Movement in carrying value of investment in associates

Carrying value of investment at start of year

Distributions for the year

Share of profit/(deficit) for year

252	362
(217)	-
22	(110)

Carrying value of investment at end of year

57	252
----	-----

Council's share of expenditure commitments

Operating commitments

Capital commitments

-	-
-	-

Council's share of expenditure commitments

-	-
---	---

(i) High Country Library Corporate was wound up on the 9th November 2017 and the assets returned to its contributing members.

Associates are 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.

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

For joint operations, Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations.

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

Committees of management

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

Notes to the Financial Statements

For the year ended 30 June 2018

5.4: Investment property

	2018 \$'000	2017 \$'000
Balance at beginning of financial year	-	-
Transferred from property infrastructure plant and equipment	2,859	-
Fair value adjustments	401	-
Balance at end of financial year	3,260	-

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

Valuation of investment property

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 6: People and relationships

6.1: Council and key management remuneration

a) Related Parties

Parent entity

Alpine Shire Council is the parent entity.

Subsidiaries and associates

Interests in subsidiaries and associates are detailed in Note 5.3.

b) Key management personnel

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

Councillors

Ron Janas - Mayor

Sarah Nicholas – Deputy Mayor

Peter Roper

Daryl Pearce

Tony Keeble

John Forsyth

Kitty Knapstein

Chief executive officer and other key management personnel

Charlie Bird- Chief Executive Officer

Nathalie Cooke - Director

William Jeremy - Director

Total Number of Councillors

Chief Executive Officer and other Key Management Personnel

Total Key Management Personnel

2018	2017
No.	No.
7	9
3	6
10	15

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits

Long-term benefits

Termination benefits

Post-employment benefits

Total

2018	2017
\$'000	\$'000
704	762
12	114
-	99
47	73
763	1,048

Notes to the Financial Statements

For the year ended 30 June 2018

6.1: Council and key management remuneration (continued)

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

< \$10,000

\$10,000 - \$19,999

\$20,000 - \$29,999

\$50,000 - \$59,999

\$60,000 - \$69,999

\$160,000 - \$169,999

\$170,000 - \$179,999

\$210,000 - \$219,999

\$240,000 - \$249,999

2018	2017
No.	No.
-	2
-	3
6	4
-	1
1	1
-	1
2	2
1	-
-	1
10	15

Notes to the Financial Statements

For the year ended 30 June 2018

6.2: Related party disclosure

(a) Transactions with related parties

	2018 \$'000	2017 \$'000
MomentumOne provides a labour hire services mainly for the operating of Council's swimming pool facilities.		
Paid to MomentumOne Shared Services Pty Ltd	251	192
Received from MomentumOne Shared Services Pty Ltd	-	2
Transactions with Alpine Community Plantations have been predominately related to the maintenance of a mountain bike trails. Key management personnel for Council are also key management personnel for Alpine Community Plantations		
Paid to Alpine Community Plantations	13	200
Tourism North East provides marketing and advertising services for Council. Key management personnel for Council are also key management personnel for Tourism North East.		
Paid To Tourism North East	177	174
Transactions with Alpine Children's Services are for minor expenditure refunds and grants. Key management personnel for Council are also a key management personnel for Alpine Children's Services.		
Paid to Alpine Children's Services	3	3
Council employed partners of key management personnel. This is a normal Council employee/contractor relationship.	77	-
(b) Outstanding balances with related parties		
The outstanding balances owing with related parties is to		
MomentumOne Shared Services Pty Ltd	-	15

(c) Loans to/from related parties

There were no loans either to or from related parties.

(d) Commitments to/from related parties

Council has contracted with MomentumOne to provide labour hire services for 2017/18 and 2018/19. While there is no specific amount committed to by Council, it expects expenditure to be relatively stable year-on-year.

Notes to the Financial Statements

For the year ended 30 June 2018

Note 7: Managing uncertainties

7.1: Contingent assets and liabilities

(b) Contingent liabilities

Landfill

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

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

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

7.2: Change in accounting standards

The following new AASs have been issued that are not mandatory for the 30 June 2018 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.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate:

- (a) the significance of financial instruments for the entity's financial position and performance; and
- (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

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

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

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

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

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

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

Notes to the Financial Statements

For the year ended 30 June 2018

7.2: Change in accounting standards (Continued)

Leases (AASB 16) (applies 2019/20)

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

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

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

7.3: Financial instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest

rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

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

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

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

(c) Credit risk

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

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

Notes to the Financial Statements

For the year ended 30 June 2018

7.3: Financial instruments (continued)

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(e) Sensitivity disclosure analysis

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

A parallel shift of 1% and -1% in market interest rates (AUD) from year end rates of 2.6%.

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 2018

7.4: Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

7.5: Events occurring after the balance date

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

Notes to the Financial Statements

For the year ended 30 June 2018

Note 8: Other matters

8.1: Reserves

a) Asset revaluation reserve	\$'000	\$'000	\$'000
2018			
Property			
Land	17,118	75	17,193
Buildings	19,002	-	19,002
	36,120	75	36,195
Infrastructure			
Roads	55,214	-	55,214
Bridges	17,137	(1,495)	15,642
Footpaths and cycleways	1,239	-	1,239
Drainage	8,793	-	8,793
Recreational, leisure and community	-	159	159
	82,383	(1,336)	81,047
Total asset revaluation reserve	118,503	(1,261)	117,242
2017			
Property			
Land	17,118	-	17,118
Buildings	19,002	-	19,002
	36,120	-	36,120
Infrastructure			
Roads	54,368	846	55,214
Bridges	17,137	-	17,137
Footpaths and cycleways	1,153	86	1,239
Drainage	7,296	1,497	8,793
	79,954	2,429	82,383
Total asset revaluation reserve	116,074	2,429	118,503

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 2018

8.1: Reserves (continued)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
b) Other reserves				
2018				
Dinner Plain	1,169	-	(144)	1,025
Gravel pit restoration	27	-	-	27
Waste reserve	1,008	-	(143)	865
Subdivision recreation reserve	361	17	(337)	41
Total other reserves	2,565	17	(624)	1,958
2017				
Dinner Plain	1,077	92	-	1,169
Gravel pit restoration	27	-	-	27
Waste reserve	977	31	-	1,008
Subdivision recreation reserve	258	103	-	361
Total other reserves	2,339	226	-	2,565

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

The **gravel pit restoration reserve** is maintained to fund restoration of the Harrierville quarry.

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

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

Notes to the Financial Statements

For the year ended 30 June 2018

8.2: Reconciliation of cash flows from operating activities to surplus

	2018 \$'000	2017 \$'000
Surplus for the year	7,063	9,009
Depreciation	4,621	4,407
Net loss on disposal of property, infrastructure, plant and equipment	808	89
Contributions - non monetary assets	(553)	(926)
Fair value adjustments for investment property	(401)	-
Assets previously not recognised	-	(2,602)
Landfill rehabilitation expense	(41)	(355)
Assets written-off / impaired	371	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(639)	423
(Increase)/decrease in prepayments	(16)	(6)
(Increase)/decrease in accrued income	9	(24)
(Increase)/decrease in inventories	14	3
(Increase)/decrease in investment in associates	(22)	110
Increase/(decrease) in trade and other payables	(464)	701
Increase/(decrease) in trust funds and other deposits	(171)	(200)
Increase/(decrease) in employee provisions	(45)	(1,182)
Increase/(decrease) in income in advance	(53)	34
Increase/(decrease) in landfill restoration provision	(76)	(771)
Net cash provided by operating activities	10,405	8,710

Notes to the Financial Statements

For the year ended 30 June 2018

8.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper / Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

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

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

- Net investment returns 6.5% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the 2017 triennial 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 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Notes to the Financial Statements

For the year ended 30 June 2018

8.3 Superannuation (continued)

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million.
- A discounted accrued benefits surplus of \$228.8 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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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

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

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

Performance Statement

For the year ended 30 June 2018

Description of municipality

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

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

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

The estimated resident population of the Shire is 12,515, a number which significantly increases with the seasonal influx of tourists. Population demographics show a lower population of 20-39 year olds, but a much higher population of persons aged 55 and over than the Victorian averages.

Sustainable Capacity Indicators

For the year ended 30 June 2018

Indicator / measure	Results				Material Variations
	2015	2016	2017	2018	
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,954	\$2,211	\$1,969	\$1,951	A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$14,702	\$14,965	\$15,021	\$14,727	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	21	21	22	22	

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2018

Indicator / measure	Results				Material Variations
	2015	2016	2017	2018	
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,558	\$1,677	\$1,584	\$1,701	Own-source revenue increased in 2017/18 due to property development in the Shire leading to an increase in fees, rates and charges. A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$565	\$366	\$573	\$421	Victorian Grants Commission timing lead to an abnormally high result in 2016/17.
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	5	5	5	5	

Sustainable Capacity Indicators (continued)

For the year ended 30 June 2018

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 2018

Service / indicator / measure	Results				Material Variations
	2015	2016	2017	2018	
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.4	3.6	3.2	3.1	Overall utilisation of aquatic facilities is slightly less than the previous year, driven mostly by a reduction in visits to the gymnasium at the indoor facility - a result of competition from new private fitness facilities opening in town.
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	1	0	0	No animal management prosecutions were undertaken in 2017/18.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	0%	46%	45%	33%	A reduction in follow up visits was due to a vacancy within Council's Environmental Health unit in 2017. The appointment of a full time Environmental Health Officer in January 2018 will assist in improving this measure in the 2018 calendar year.

Service Performance Indicators (continued)

For the year ended 30 June 2018

Service/indicator / measure	Results				Material Variations
	2015	2016	2017	2018	
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	60	57	60	Satisfaction with "Council Decisions" has increased compared to the previous year, reflecting an overall positive result for Council across all Community Satisfaction Survey results in 2018.
Home and community care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	30%	27%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	36%	29%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Australian Government's NDIS and CHSP programs.

Service Performance Indicators (continued)

For the year ended 30 June 2018

Service/indicator / measure	Results				Material Variations
	0	0	0	0	
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	24%	23%	21%	20%	
Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	85%	86%	89%	87%	Some staffing changes and challenges recruiting permanent MCH staff during 2017/18 impacted the participation in the MCH service.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	88%	88%	85%	96%	Council saw a slight increase in participation in the service by Aboriginal children in 2017/18 compared to previous years.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	59	60	57	60	Satisfaction with "Sealed Local Roads" has increased compared to the previous year, reflecting an overall positive result for Council across all Community Satisfaction Survey results in 2018.

Service Performance Indicators (continued)

For the year ended 30 June 2018

Service/indicator / measure	Results				Material Variations
	2015	2016	2017	2018	
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	0%	0%	0%	No Council planning decisions were taken to VCAT in 2017/18.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	49%	49%	50%	46%	A change in contractors means a slight change in reporting methodology, resulting in a small reduction from the previous year. An increase in contamination in recycling collections (ie garbage being removed from the recycling kerbside collection) has been noted, and impacts slightly on Council's final result.

Service Performance Indicators (continued)

For the year ended 30 June 2018

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the *Aboriginal Heritage Act 2006*

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

"class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended 30 June 2018

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Efficiency									
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,623	\$1,696	\$1,710	\$1,717	\$1,760	\$1,795	\$1,843	\$1,893	Based on projections of the Victorian rate cap, growth in local residences and supplementary development.
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$2,812	\$3,026	\$2,875	\$2,803	\$2,789	\$2,883	\$2,945	\$3,022	A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results.
Workforce turnover									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	23%	6%	31%	7.1%	10%	10%	10%	10%	In 2016/17, Council's resignations and terminations was high due to the Home and Community Care service being recommissioned to another provider effective 1 July 2016. Council's result in 2017/18 is a return to a more expected pattern. Forecast turnover has been adjusted down from 15% to 10% to reflect recent experience outside of abnormal adjustments such as experienced in 2016/17.

Financial Performance Indicators (continued)

For the year ended 30 June 2018

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	289%	231%	285%	423%	291%	333%	311%	346%	The primary driver for the increase in current assets compared to current liabilities was income being \$4.7m favourable to budget in 2017/18. This ratio is expected to reduce to more closely align to recent historical results over the course of 2018/19 given the substantial planned capital works program of \$11.3 million.
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	177%	152%	33%	1%	17%	14%	25%	33%	During 2017/18, improved investment procedures has resulted in greater funds held in term deposits, and hence less apparent unrestricted cash. Future year projections do not include unspent grant funding and carried forward capital works, hence the apparent rise compared to 2017/18.

Financial Performance Indicators (continued)

For the year ended 30 June 2018

Dimension / indicator / measure	Results			Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Obligations									
Asset renewal									
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	71%	80%	77%	76%	106%	90%	89%	91%	Asset renewal compared to depreciation is expected to correct upwards in 2018/19 compared to recent results which have trended 70-80%.
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	6%	0%	0%	0%	0%	0%	0%	0%	Council paid out all borrowings in full in July 2015.
<i>Loans and borrowings repayments</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	2%	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 2018

Dimension / <i>indicator / measure</i>	Results			Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Obligations (continued) Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	26%	23%	19%	16%	14%	13%	11%	11%	A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results. Council ceased to borrow in 2015/16 reducing non-current liabilities. At the same time own source revenue was favourable to budget in 2017/18 primarily due to property development in the Shire boosting rates, charges, fees and fines.
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	12%	-5%	12%	13%	2%	6%	6%	6%	A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results. Recent surpluses have exceeded expectations due to factors such as higher than expected grants, and lower than expected employee costs.

Financial Performance Indicators (continued)

For the year ended 30 June 2018

Dimension / indicator / measure	Results				Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	58%	65%	59%	62%	72%	69%	69%	69%	A slight change in calculation from 2017/18 onwards has occurred, as requested by Local Government Victoria, creating a small but not significant movement in results.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	

Financial Performance Indicators (continued)

For the year ended 30 June 2018

Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2018

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 2017-18 - 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 (2016/17), 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 19 June 2018 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 2018

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*.



Emma Woolaston
Principal Accounting Officer

Date: 21 September 2018

In our opinion, the accompanying performance statement of the Alpine Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Cr Kitty Knappstein
Councillor

Date: 21 September 2018



Cr Sarah Nicholas
Councillor

Date: 21 September 2018



Charlie Bird
Chief Executive Officer

Date: 21 September 2018

Independent Auditor's Report

To the Councillors of Alpine Shire Council

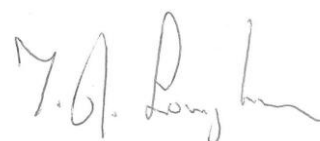
Opinion	<p>I have audited the accompanying performance statement of Alpine Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Alpine Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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



MELBOURNE
24 September 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

Produced by:

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Myrtleford Customer Service Centre

Corner Standish Street and O'Donnell Avenue, Myrtleford

Telephone: (03) 5752 2038

Mount Beauty Customer Service Centre

Lakeside Avenue, Mount Beauty

Telephone: (03) 5754 4542



MINUTES

MEETING: Audit Committee Meeting No: 2018/19-2
HELD: Wednesday 12 September 2018 at 9.15am
LOCATION: Committee Room, Bright Office

IN ATTENDANCE:

Members:

Sue Lebish, Chair
Mark Anderson
Cr Kitty Knappstein
Cr Sarah Nicholas

Officers:

Charlie Bird, Chief Executive Officer
Nathalie Cooke, Director Corporate
Will Jeremy, Director Corporate
Emma Woolaston, Manager Corporate
Kirsten McDonald, Health, Safety and Risk Officer
Warren Bennett, Accountant

Vision Statement:

*The Alpine Shire provides outstanding opportunities
for its residents and visitors through sustainable growth
in balance with the natural environment.*

AGENDA

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1. ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS AND RECOGNITION OF ALL PEOPLE

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.

2. APOLOGIES

Gerard Moore

Sinead Ryan

3. DECLARATION OF CONFLICT OF INTEREST

S Lebish informed the Committee of her role as a board member of Mount Hotham Resort Management Board and made a standing declaration of conflict of interest for all meetings in relation to any items relating to Dinner Plain.

4. MINUTES FROM PREVIOUS MEETING

4.1 Confirmation of previous Minutes

RECOMMENDATION

That the Minutes of Audit Committee Meeting No: 2018/19-1 held on 27 July 2018 be confirmed.

Moved: Cr K Knappstein

Second: Mark Anderson

Attachments

4.1 Minutes of Audit Committee Meeting No: 2018/19-1, 27 July 2018

4.2 Business arising from previous Minutes

Legal update – page 11

M Anderson asked whether the Committee would receive a verbal update on legal disputes and insurance claims.

Committee advised this will be addressed in item 8.1 on the agenda.

The Manager Corporate also advised that an overview of debt collection activities would be provided at a future meeting.

M Anderson requested that a verbal legal update (excluding VCAT matters) be included as a standing item at each meeting.

ACTION:

Include legal update as a standing item on Committee action sheet.

Policy and procedure review

S Lebish requested that a list of all current policies and procedures be circulated to the Committee.

ACTIONS:

- *Circulate list of current policies and procedures to Committee via email.*
- *Present updated policy log at October Committee meeting.*

5. TELECONFERENCE WITH EXTERNAL AUDITORS

INTRODUCTION

External Auditor, Kathie Teasdale, Audit Partner, Richmond Sinnott Delahunty Pty Ltd, Bendigo will join the meeting via teleconference at 9.30am. The teleconference will be held in two sessions as follows:

Session	Participants	Items for discussion
1	Committee members and management	<ul style="list-style-type: none"> • Year-end financial audit results • Performance statement • Closing report • Any other specific queries raised by the Committee or the External Auditor
2	Committee members only	<ul style="list-style-type: none"> • Matters raised by Committee or External Auditor under section 5.6 of Committee Charter

The External Auditor thanked Council management for the work put into the audit and indicated there was still some work to go. The Committee were advised that:

- *The management letter would confirm the closing of one outstanding item (relating to investment properties) and add one new item relating to accuracy of data relating to the indicator for kerbside collection waste diverted from landfill.*
- *The progress of outstanding items from previous management letters is noted however due to a lack of closure, the Auditor General may review low ratings upwards to medium to escalate finalisation.*
- *Infrastructure revaluations should be occurring throughout the year.*
- *Reconciliation is required between the engineer's register and finance's asset register.*
- *The life of plant assets needs to be reviewed and documented as required.*

The Committee sought clarification on a range of items including notes: 1.2 Capital Works – inclusion of work in progress; 4.1 Financial Assets – long service leave and annual leave not included in intended allocations and landfill rehabilitation reserve reduced; 5.1 Non-current Assets – relating to Lyndhurst Bright and Myrtleford Holiday Park; 5.3 Investments in Associates, Joint Arrangements and Subsidiaries – Momentum One still operating and High Country Library Corporation ceased.

ACTIONS:

- *Circulate closing report and final management letter to Committee.*
- *Inform Committee if there are any significant auditor findings prior to finalisation of the financial statements.*
- *Update financial statements to include:*
 - *A note to the statement of capital works that work in progress is included in the statement and further breakdown is provided at table 5.2;*
 - *Near term liabilities such as long service leave and annual provisions in the intended allocations for the purpose of calculating unrestricted cash;*
 - *A note that the High Country Library Corporation no longer exists.*
- *Prepare and present to October Committee meeting a written asset re-valuation plan for assets to be assessed in 2018/19.*
- *Prepare an in depth workplan for all outstanding audit findings.*

6. STANDING ITEMS

6.1 Progress of Action Sheet

INTRODUCTION

The Audit Committee action sheet is a register of all Audit Committee resolutions and requests that require a subsequent action to be implemented. This report provides an update on the progress and status of the actions.

The Manager Corporate provided a verbal update on the outstanding actions on the Committee's action sheet.

S Lebish noted that the Auditor advised that the Auditor General may escalate the priority of outstanding management letter actions in an endeavour to close these out.

RECOMMENDATION

That progress of the Action Sheet be noted.

Moved: Cr S Nicholas

Second: Cr K Knappstein

ACTIONS:

- *Add legal update and quarterly audit trail reports as standing items on Action Sheet.*
- *Present performance scorecard in October 2018.*
- *Update on IT general controls, fraud control, critical function recovery plans and economic development strategy in February 2019.*
- *Present work plan for IT general controls and policy and procedure review projects.*

Attachments

- 6.1 Audit Committee Action Sheet

7. OFFICER REPORTS

7.1 2017/2018 Annual Financial Report (Draft) – Endorsement in Principle

Directorate: Corporate

Department: Corporate

Manager: Director Corporate

Author: Manager Corporate

INTRODUCTION

The purpose of this report is to present the draft Financial Statements and Performance Statement for the year ended 30 June 2018 for review and endorsement in principle.

The Manager Corporate gave an overview of the financial and performance statements.

RECOMMENDATION

That the Audit Committee endorse in principle the Financial Statements and Performance Statement for the year ended 30 June 2018.

Moved: Cr K Knappstein

Second: M Anderson

ACTIONS:

- *Present 2018/19 plan for asset re-valuations in October 2018.*
- *Notify Committee of any findings from the Auditor.*

BACKGROUND

Section 131 of the *Local Government Act 1989* requires Council to prepare an Annual Report in respect of each financial year containing a report on the operations of the Council, an audited performance statement, and audited financial statements.

The Annual Report must be submitted to the Minister by 30 September each year as required by Section 133 of the *Local Government Act 1989*. Public notice must then be given that the Report has been prepared and can be inspected at the Council office and on the Council's website. The Report must then be considered at a meeting of the Council as soon as practicable after the Council has sent the Annual Report to the Minister as required by Section 134 of the *Local Government Act 1989*.

Council's Audit Committee Charter requires Audit Committee to review the annual financial report and consider whether it is complete, consistent with information known to Audit Committee members, and reflects appropriate accounting principles. The Committee is also to review with management and the external auditors the results of the audit, including any difficulties encountered.

This report provides an overview of the results in Council's draft Financial Statements and draft Performance Statement which are provided in full in the attachments.

REPORT

Financial Statements

The Financial Statements show Council's financial performance, financial position, and cash flows against the previous year.

In summary, Council ended the 2017/18 year with a surplus of \$6.6m, which was \$3.9m in excess of the \$2.7m surplus projected in the 2017/18 Annual Budget (the "Budget").

1. Income

The favourable surplus is largely attributed to Council receiving more income than expected in 2017/18. Altogether Council received \$31.5m in income which was \$4.7m favourable to the Budget projection of \$26.8m. This income can be broken down into the following categories:

1.1 Additional rates and charges

Council received total rates and charges of \$17.8m which was \$0.3m favourable to Budget due to unbudgeted supplementary development in the Alpine Shire.

1.2 Additional grant income

Council received total grant income (both operating and capital) of \$9.0m which was \$2.8m favourable to Budget. Major contributors to the favourable result included:

- Early receipt of half of the 2018/19 Victorian Grants Commission grant, being an unbudgeted payment of \$1.8m;
- A Roads to Recovery grant that was \$0.6m higher than expected;
- Unbudgeted grants, including:
 - \$0.8m for roads resealing in the Upper Ovens;
 - \$0.5m for the upgrade of the Myrtleford Library;
 - \$0.2m for the Mount Buffalo Business Case Assessment and Activation;
 - \$0.1m for the Eurobin Flood Bypass.

These gains were partially offset by grants which had been budgeted for 2017/18 but which were received in late 2016/17, which included:

- \$0.2m for the Alpine Better Places Mafeking Square project;
- \$0.2m for the Mount Beauty Pool Upgrade.

In addition, \$0.4m of grants expected for the Alpine Events Park project were delayed from 2017/18 to 2018/19.

1.3 User fees

Council received \$1.6m in user fees which was \$0.6m favourable to Budget, primarily due to higher than expected user fees for Myrtleford Holiday Park as Council planned to lease the park earlier in the year, and this plan was delayed.

1.4 Statutory fees and fines

Council received \$0.7m in statutory fees and fines which was \$0.2m favourable to Budget, due to higher than anticipated property development activity resulting in an increase in statutory planning fees.

1.5 Contributions non-monetary

Council received \$0.6m in non-monetary contributions which was \$0.4m favourable to Budget due to higher than expected development activity in the Alpine Shire.

1.6 Other Income

Other Income was \$1.2m which was \$0.4m favourable to Budget due to increases in valuations of investment properties, including the Myrtleford Holiday Park and the Bright Holiday Park.

2. Expenses

Overall expenses were \$24.9m which was \$0.7m higher than Budget. This was primarily due to asset write-downs of \$1.2m offset by savings in employee costs and materials and services. In further detail:

2.1 Assets written-off / impaired

\$1.2m in assets were written-off / impaired compared to a Budget projecting nil write-offs / impairments. \$0.9m was written off in relation to parks, open spaces and streetscapes following a detailed review of valuations and accompanying valuation methodology. \$0.4m was written down in relation to buildings, due to revaluation of properties held for sale, including Lyndhurst and assets expected to be sold as part of the lease of the Myrtleford Holiday Park.

2.2 Employee Costs

Employee costs were lower than budgeted by \$0.6m due to the ongoing impact of vacant positions, the majority of which are now filled.

2.3 Materials and services

Materials and services were \$0.2m less than budgeted. Significant areas which were favourable to budget included:

- Lower than expected asset maintenance costs (\$0.2m lower than the budget of \$2.7m);
- Carry forwards of selected planning projects due to vacancies (\$0.2m);
- Negotiated savings in the technology budget (\$0.1m).

These were partially offset by:

- Spend on contractors to support workforce vacancies (\$0.2m);
- Higher than expected operating costs for the Myrtleford Holiday Park due to a delay in plans to lease the park (\$0.2m).

2.4 Depreciation

Depreciation was \$4.6m which was \$0.3m higher than expected primarily due to a revaluation adjustment error in the Budget.

2.5 Landfill rehabilitation expense

An adjustment was made to future landfill rehabilitation assumptions regarding the future impacts of inflation, resulting in an outcome \$0.2m favourable to Budget.

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

Council made an overall loss of \$0.4m which was \$0.3m higher than Budget, primarily due to a review of recreation and open spaces assets leading to selected assets being reclassified as non-capital expenses. In particular some work-in-progress assets relating to the Hero Trail and the Myrtleford roundabout were written-down due to an assessment that a portion of the work did not pertain to Council assets.

Performance Statement

The Performance Statement provides an overview of Council progress against key performance indicators. The Local Government Performance Reporting Framework (LGPRF) provides the basis for these indicators to enable a uniform Performance Statement across all Victorian councils.

The majority of indicators were consistent with last year with only minor movements.

Satisfaction with Council Decisions and Satisfaction with Sealed Local Roads both increased from 57 to 60, reflecting an overall positive result for Council across Community Satisfaction Survey results.

There was a reduction in follow-ups on critical and major non-compliance notifications in relation to Food Safety, from 45% to 33%. This was due to a vacancy within Council's Environmental Health unit which is now filled.

Generally the financial indicators show that Council is financially sustainable and that services are being delivered within expected parameters.

Council's Working Capital Ratio increased from 285% to 423% due to receiving income in excess of Budget by \$4.7m. This Working Capital Ratio is expected to reduce over the course of FY18/19, particularly in the light of this year's substantial major capital works program totalling \$11.3m.

Workforce turnover reduced from 31% in 2017 to 7% in 2018. The 2017 result was abnormally high due to Council's Home and Community Care service being recommissioned to another provider with the majority of staff transitioned on 1 July 2016.

ISSUES**Financial Statement**

An initial review of the financial statements has been conducted by the auditors. Auditors were generally pleased with the work done to close prior year audit findings, which was as follows:

Prior Year Finding	Progress
Council should review its long service leave provision calculations in accordance with the standard Victorian model	Council and the auditors have verbally agreed to a hybrid model which combines some Council specific calculations
Council needs to review its lease properties as to whether they are investment properties	Review completed and submitted to auditors
Council needs to revalue selected asset classes which have not been formally revalued for several years (waste management, recreational, leisure and community facilities, parks, open spaces and streetscapes)	Revaluations for all asset classes submitted except for waste management
Council needs to review the value and useful life of a number of fully depreciated plant assets which are still in use	Review completed and submitted to the auditors

Council received some feedback on revaluation methodology as follows:

Feedback Item	Likely Impact on Surplus Result	Impact on Financial Statements
A number of items written/off impaired are to be reclassified as losses on disposal (for example assets which are no longer deemed part of Council's portfolio)	None	Movement between two expense line items
Income needs to be recognised for plant assets which have been fully depreciated but still have remaining value and useful life – 'found assets'	Circa \$0.5m to \$1m (TBD)	Higher income result
Plant assets that have not been fully depreciated but whose useful life has been extended should not be revalued; rather their depreciation schedule should be extended	None	Lower asset revaluation increment

Additional self-identified updates required to valuations include:

Feedback Item	Likely Impact on Surplus Result	Impact on Financial Statements
Some plant revaluations may need to be revised down to not exceed market valuation	\$0.1m to \$0.3m additional write-down	Higher write-down result
Final revisions to recreational asset revaluations have been made but not yet incorporated into the financial statements	\$1m-\$2m additional write-down	Higher write-down result

Finally, a number of other feedback points were provided by the auditors:

Feedback Item	Likely Impact on Surplus Result	Impact on Financial Statements
Questions and suggested corrections regarding long service leave and landfill provisions	< \$0.1m	Small impacts to expenses and balance sheet
Amendment to account for ASC's share of MomentumOne Pty Ltd	< \$0.1m	Small impact to balance sheet
A request for more transparency on valuation methods, with each valuation signed-off by the appropriate expert (eg. Engineering Coordinator)	None	None
Evidence of plans to utilise developer contributions	None	None
Finalisation of outstanding commitments	None	None
Finalisation of other outstanding documents for review such as bank confirmations	None	None

Given the number of adjustments required to the revaluation of plant assets, the relevant feedback items will be taken as actions for completion for next financial year's statements.

Adjustments regarding classification as write-off or loss on disposal are being finalised across asset classes, and the updates from this exercise, along with the updated recreational asset revaluations, will shortly be incorporated into the financial statements in order to enable final auditor review.

All other minor corrections were made and all information requested has been forwarded to the auditors; final sign-offs from the Engineering team are being sought.

Performance Statement

Auditors were generally satisfied with the Performance Statement. There was one question regarding calculation of the indicator 'Kerbside collection waste diverted from landfill', which has fallen from 50% to 46% due to an increase in contamination of recycling collections. The auditors questioned the calculation methodology as it appeared to be a combination of current year and prior year data. This was because there was a change in contractors during the year, and current year data was not deemed to be sufficiently accurate regarding the volumes of waste collected and diverted. Therefore some prior year averages were imported to the calculation to improve accuracy.

Following this feedback Council has been able to gather more reliable data directly from the waste contractors regarding the number of bins collected. This did not materially affect the indicator outcome however strengthened the methodology to a similar level as used in previous years. Further feedback will be sought from the auditors as to whether this addresses the issue.

KEY IMPLICATIONS

Legislative Compliance

Council has prepared draft Financial Statements and a draft Performance Statement as key inputs to its Annual Report, in line with the requirements Section 131 and Section 132 of the *Local Government Act 1989*, and the *Local Government (Planning and Reporting) Regulations 2014*.

Risk Management

Identified Risk	Risk Likelihood (H,M,L)	Impact of Risk (H,M,L)	Strategy to Manage Risk
Inability to accurately plan and manage finances due to inaccurate financial data	L	M	<ul style="list-style-type: none">• Asset management policy and plan• Regular reporting• Year-end controls and reconciliations• Audit processes
Failure to address changes in accounting standards and legislation	L	L	<ul style="list-style-type: none">• Continuous liaison with auditors• Industry updates• Staff attendance at professional development days

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

Council Plan 2017-2021	
<i>Strategic Objective 2. A responsible and sustainable organisation</i>	
Strategies	Manage our financial resources sustainably
Audit Committee Charter	
Clause 5.1	Financial Report
Clause 5.2	Internal Control
Clause 5.6	External Audit
Clause 5.7	Compliance
Clause 5.8	Reporting

CONCLUSION

Council ended the 2017/18 year with a surplus of \$6.6 million, which is in excess of that predicted in the 2017/18 Annual Budget. The favourable surplus is largely attributed to Council receiving additional income in 2017/18 of \$4.7m.

The auditor has provided initial feedback on the Financial Statements and the Performance Statement which is in the process of being incorporated, and both documents are on track for finalisation and final sign-off.

DECLARATION OF CONFLICT OF INTEREST

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

- Chief Executive Officer
- Director Corporate
- Manager Corporate
- Accountant

Attachments

7.1.1 2017/18 Financial Statements (Draft)

7.1.2 2017/18 Performance Statement (Draft)

7.1.3 Auditor's Closing Report 2018 ASC (Draft)

7.1.4 Auditor's Final Management Letter 2018 ASC (Draft)

7.2 Internal Audit Plan

Directorate: Corporate

Department: Corporate

Manager: Manager Corporate

Author: Health Safety Risk Officer

INTRODUCTION

The purpose of this report is to present the Audit Committee (Committee) with the proposed Internal Audit Plan for 2018/19 – 2020-21

M Anderson thanked Council for referencing VAGO audits in the proposed Internal Audit Plan.

RECOMMENDATION

That the Internal Audit Plan for 2018/19 – 2020-21 be endorsed for Council consideration.

NOTED

BACKGROUND

Development of an annual and longer term internal audit plan is identified in Council's governance action sheet and has been on the Committee's radar over the last twelve months.

REPORT

Internal Audit Plan

The Committee considered a draft Internal Audit Plan for 2018/19 – 2020-21 at its meeting in July 2018.

The Committee was generally satisfied with the draft plan and requested the plan be reviewed to consider:

- defining 'internal audit';
- using incident/risk failure data to inform the plan;
- using scoping templates to guide audit plans; and
- programming a waste management audit prior to the VAGO audit scheduled for 2020/21.

The draft plan has now been reviewed having regard to the Committee's feedback.

The Plan includes audit activities designed to improve Council's performance, including:

- Effectiveness of risk controls and internal processes.
- Financial management
- Legislative compliance.
- Management of data.
- Tender and contract reviews.
- Operational or value for money reviews

The Plan has been developed having regard to:

- Key risks to processes and functions.
- Failures in controls
- Incident trends.
- Implementation of past internal audit recommendations.
- A balance of audits across each department relative to risk exposures.
- Audit activities by external parties including VAGO, IBAC, insurers etc.

2018/19 Internal Audits

The proposed Audit Plan for 2018/19 – 2020-21 identifies the following new internal audits for 2018/19:

- Accounting software (Xero/Approval Max) migration.
- Fraud Control.
- Statutory Planning Services.

In addition to these audits, Council will complete the audits already underway in:

- Contractor classification.
- Policies and procedures.
- Facility management.

KEY IMPLICATIONS

Legislative Compliance

- Section 139 (5) of the Act details that the Minister may make guidelines for the purposes of this section.
- Audit Committees - A Guide to Good Practice for Local Government (January 2011) details a key responsibility of the Committee is internal audit, internal controls and risk management and that internal audit programs are a key expression of Council's attitude towards effective controls.

Risk Management

Identified Risk	Risk Likelihood (H,M,L)	Impact of Risk (H,M,L)	Strategy to Manage Risk
Internal audit program within budget	L	L	• Quotes will be sought and progress of audits monitored closely by Director Corporate.
Internal audit program inconsistent with identified risks.	L	M	• Internal audit plan link to risk and incident registers.
Internal audit not providing practical recommendations for improvement	H	M	• Director Corporate will manage and monitor internal audit closely.

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

Council Plan 2017-2021	
<i>Strategic Objective 2. A responsible and sustainable organisation</i>	
Strategies	Identify and manage Council's risk
Audit Committee Charter	
Clause 5.5	Internal Audit

CONCLUSION

The development of the Internal Audit Plan aligns with a key component of the Audit Committee's Charter and closes out one of Council's governance actions. The plan responds to Council's identified risks and the outcome of audits will assist in improving Council's performance. It is recommended that the Committee endorse the proposed Internal Audit Plan 2018/19 – 2020-21 for Council consideration.

DECLARATION OF CONFLICT OF INTEREST

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

- Director Corporate
- Manager Corporate
- Health, Safety Risk Officer

Attachments

7.2 Internal Audit Plan 2018/19 – 2020/21

7.3 Health and Safety Report

Directorate: Corporate**Department:** Corporate**Manager:** Manager Corporate**Author:** Health Safety Risk Officer

INTRODUCTION

The purpose of this report is to provide the Audit Committee with an overview of Council's performance in regards to health and safety matters. This report provides an update for Quarter 4 2017/18 being the period of 1 April to 30 June 2018. A detailed confidential report has been prepared and circulated separately to the agenda.

RECOMMENDATION

That the Confidential 2017/18 Quarter 4 Health and Safety Report be endorsed for Council adoption.

Moved: Cr S Nicholas

Second: Cr K Knappstein

BACKGROUND

Alpine Shire Council is committed, so far as is reasonably practical, to ensuring the health, safety and wellbeing of all employees, contractors, volunteers and community members while participating in business or undertakings on its behalf.

REPORT

Employee Health and Safety - Register of Events

A total of eight employee health and safety events were reported during Quarter 4 2017/18 as follows:

Hazards	=	2
Incident	=	1
Injuries	=	2
Near miss	=	3

Reporting for the quarter was lower than all previous 2017/18 quarters: Q1 – 15; Q2 – 12; and Q3 – 17 reports.

Health and Safety Representation

The Health and Safety Committee did not meet during Quarter 4 2017/18 and half the elected health and safety representatives three year term expired during the quarter.

Training, Education and Awareness

A broad range of health and safety training was undertaken during Quarter 4 2017/18 with a combination of mandatory and discretionary training offered

WorkCover Claims

There were no new claims lodged during Quarter 4 2017/18. Of the two ongoing active claims, both employees have capacity for suitable and/or modified duties at full hours.

Employee Health and Wellbeing

Council's employee assistance program was accessed three times during Quarter 4 2017/18.

KEY IMPLICATIONS

Legislative Issues

Compliance with:

- *Occupational Health and Safety Act 2004*
- *Occupational Health and Safety Regulations 2017*

Risk Management

Identified Risk	Risk Likelihood (H,M,L)	Impact of Risk (H,M,L)	Strategy to Manage Risk
WorkCover claims management	H	H	<ul style="list-style-type: none"> • Engage external consultant for claims advice, support and management. • Ensure return to work coordinators trained. • Regular reporting to Executive.
Health and safety management	H	H	<ul style="list-style-type: none"> • Further develop and enhance the safety system framework. • Increase attendance at HS Committee. • Provide health and safety training to staff.

COUNCIL PLAN AND KEY STRATEGIC PLAN LINKS

Council Plan 2017-2021	
<i>Strategic Objective: A responsible and sustainable organisation</i>	
Strategies	Identify and manage Council's risks
Audit Committee Charter	
Clause 5.3	Risk management
Clause 5.7	Compliance
Clause 5.8	Reporting Responsibilities

CONCLUSION

The 2017/18 Quarter 4 Health and Safety Report highlights that employee hazard, incident, injury and near-miss reporting was down on the first three quarters of the year. Neither of the two injuries during the quarter progressed to a WorkCover claim. A broad range of mandatory and discretionary health and safety training was undertaken during Quarter 4 2017/18.

DECLARATION OF CONFLICT OF INTEREST

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

- Manager Corporate
- Health, Safety and Risk Officer

Attachments

7.3 2017/18 Quarter 4 Health and Safety Report – **CONFIDENTIAL**

8. FOR INFORMATION ONLY

8.1 Insurance Claims - 2017/18 Summary

Update provided

Manager Corporate provided an update on insurance claims and legal disputes.

Noted

ACTION:

- *Include legal update as a standing item on Committee action sheet.*
- *Provide general overview of potential professional indemnity claim in October 2018.*

9. GENERAL BUSINESS

Nil

10. NEXT MEETING

Friday 26 October 2018 at 9.00am

11. ATTACHMENTS

- 4.1 Minutes of Audit Committee Meeting No: 2018/19-1, 27 July 2018
- 6.1 Audit Committee Action Sheet
- 7.1.1 2017/18 Financial Statements (Draft)
- 7.1.2 2017/18 Performance Statement (Draft)
- 7.1.3 Auditor's Closing Report 2018 ASC (Draft)
- 7.1.4 Auditor's Final Management Letter 2018 ASC (Draft)
- 7.2 Internal Audit Plan 2018/19 – 2020/21
- 7.3 2017/18 Quarter 4 Health and Safety Report – **CONFIDENTIAL**

12. MEETING CLOSE

RECORD OF ASSEMBLY OF COUNCILORS

Meeting Title: Briefing Session
Date: 28 August 2018
Location: Committee Room, Bright Office
Start Time: 3.00pm
Chairperson: Cr Ron Janas, Mayor

Councillor and staff attendees:

Name	Position	Name	Position
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr Sarah Nicholas	Deputy Mayor	Nathalie Cooke	Director Corporate
Cr Tony Keeble	Councillor		
Cr Peter Roper	Councillor		
Cr Kitty Knappstein	Councillor		

Councillor and staff apologies:

Name	Position		
Cr John Forsyth	Councillor	Will Jeremy	Director Assets
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 time
- Financial Statements and Performance Statement – Approval in Principle
- Myrtleford Holiday Park Lease
- 5.2017.149.1 Six lot subdivision (1 Bakers Gully Road)
- 5.2017.112 Five lot subdivision (5 Switchback Road)
- Agenda review – Ordinary Council Meeting
- Confidential item
- Rural Councils Transformation Program
- Strategic Planning workshop outcomes
- Town Entry signage

RECORD OF ASSEMBLY OF COUNCILORS

Meeting Title: Briefing Session
Date: 4 September 2018
Location: Committee Room, Bright Office
Start Time: 4.00pm
Chairperson: Cr Ron Janas, Mayor

Councillor and staff attendees:

Name	Position	Name	Position
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr Tony Keeble	Councillor	Will Jeremy	Director Assets
Cr John Forsyth	Councillor	Nathalie Cooke	Director Corporate
Cr Daryl Pearce	Councillor		
Cr Peter Roper	Councillor		
Cr Kitty Knappstein	Councillor		

Councillor and staff apologies:

Name	Position
Cr Sarah Nicholas	Deputy Mayor

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
- Ordinary Council meeting agenda review
- Town entry signage

RECORD OF ASSEMBLY OF COUNCILORS

Meeting Title: Briefing Session
Date: 18 September 2018
Location: Committee Room, Bright Office
Start Time: 3.00pm
Chairperson: Cr Ron Janas - Mayor

Councillor and staff attendees:

Name	Position	Name	Position
Cr Ron Janas	Mayor	Charlie Bird	Chief Executive Officer
Cr Sarah Nicholas	Deputy Mayor	Will Jeremy	Director Assets
Cr John Forsyth	Councillor	Nathalie Cooke	Director Corporate
Cr Kitty Knappstein	Councillor		
Cr Tony Keeble	Councillor		
Cr Daryl Pearce	Councillor		

Councillor and staff apologies:

Name	Position
Cr Peter Roper	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 time
- Annual Report
- VC148 reforms to the Victorian Planning Scheme
- Local Laws – Streets, Roads and Municipal Places
- Proposed purchase of Toro mowers
- Eurobin Flood bypass
- Lock Hardware Renewal Tender
- Myrtleford Indoor Sports Stadium Expansion
- End of Year Projects report