

CENTRAL GOLDFIELDS
SHIRE COUNCIL

ANNUAL REPORT

2016/2017



CENTRAL
GOLDFIELDS
SHIRE
COUNCIL

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CENTRAL GOLDFIELDS SHIRE COUNCIL

COUNCIL'S VISION

To be a community with choice.

VALUES

Three behaviours that support our vision are being:

- **Accountable**
Responsible for our actions and results,
and do what we say we will.

Act with integrity – deal with all people honestly,
ethically and transparently.
- **Progressive**
Strive for consistent improvement.

Find new and creative ways; focus on the future.
- **Respectful**
Listen actively and consider other viewpoints.

Embrace and respect diversity and inclusion.

This report outlines how the Central Goldfields Shire Council vision for the future has been achieved through the delivery of strategies, projects and services in the period starting July 2016 to June 2017.

CENTRAL GOLDFIELDS SHIRE COUNCIL

ABOUT THE SHIRE

Located at the geographical centre of Victoria, Central Goldfields Shire covers 1,532 square kilometres and has an estimated residential population of just over 12,500 people.

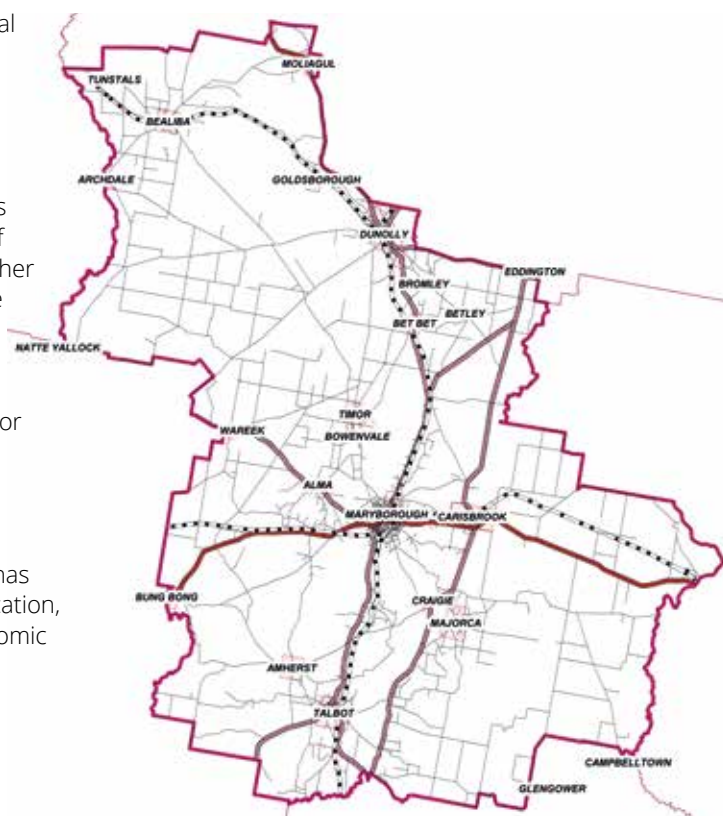
Maryborough is the shire's major business centre with a population of around 7,500. Maryborough has gained recognition in recent years as having some of the finest sporting facilities in regional Victoria, together with significant historical buildings dating back to the goldmining era of the 1850s.

Other towns in the municipality include Bealiba, Carisbrook, Dunolly, Majorca, Talbot, Bowenvale-Timor and the rural districts surrounding these centres. All are famous for their heritage architecture and significant agricultural industries.

The State Government's commitment to the region has seen recent investments in the areas of health, education, and law and order, together with assistance to economic development activities initiated by Council.

It is located within one hour's drive from the main provincial centres of Ballarat and Bendigo and just two hours from Melbourne.

The shire has seven councillors representing four wards. The last election was 22 October 2016.



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COUNCILLORS



Cr Geoff Lovett (Mayor)
Maryborough Ward

Geoff has been a Councillor for Central Goldfields Shire since amalgamation in 1997, most recently elected on 22 October 2016. He has held the role of Mayor in 2004, 2005, 2007, 2015 and 2016.



Cr Chris Meddows-Taylor
Paddy's Ranges Ward

Chris was a Councillor from 2005 to 2012 and was the Mayor from 2007 to 2011. Chris was re-elected on 22 October 2016.



Cr Helen Broad
Tullaroop Ward

Helen became a Councillor in March 2015 in a by-election. It is her first time in the role. She was re-elected on 22 October 2016.



Cr Gerard Murphy
Maryborough Ward

Gerard was elected on 22 October 2016 and it is his first time in the role.



Cr Bob Henderson
Flynn Ward

Bob was elected in a by-election in August 2013, and re-elected on 22 October 2016. He was a councillor for the Shire of Bet Bet for three years until amalgamation in 1997.



Cr Paula Nixon
Maryborough Ward

Paula was first elected to Council in a by-election in early 2008, and re-elected on 22 October 2016. She was the Mayor in 2012.



Cr Wendy McIvor
Maryborough Ward

Wendy was first elected to Council in November 2012, and then re-elected on 22 October 2016. She was the Mayor in 2014.

CENTRAL GOLDFIELDS SHIRE COUNCIL

MESSAGE FROM THE MAYOR

It is a pleasure to reflect on the past year of meeting challenges, and achievements, of Council.

Council elections

In October 2016 we had the Council elections, which brought two changes to the table. We welcomed back Councillor Chris Meddows-Taylor, returning to represent Daisy Hill Ward and we welcomed Councillor Gerard Murphy, a first time Councillor representing the Maryborough Ward.

Goldfields Family Centre opens for business

After years of planning and development, the new integrated early years facility, Goldfields Family Centre, was officially opened on 15 March 2017. A capital grant from the State Government, together with Council funding, enabled the redevelopment, bringing together a range of early years' services and programs in one place.

Community Grants Scheme

Council's annual Community Grants Scheme attracted much attention and 17 applications for funding were received. Pleasingly, Council was able to support projects to the value of more than \$23,000.

Addressing Family Violence

Under the Go Goldfields banner, significant work has been undertaken to address the critical issue of family violence. Many community members and services were present on November 25, 2016 to celebrate our Family Violence Call to Action Launch.

Our work in the area was endorsed internationally when Go Goldfields Family Violence Action Group convener, Margaret Augerinos, gave a presentation to the United Nations in New York on the work our community is doing to collectively address this crucial matter.

RACV Energy Breakthrough

The RACV Energy Breakthrough was once again an enormous success attracting record crowds to enjoy the excitement of Maryborough's signature event.

The event doubles Maryborough's population for four days in November, providing considerable financial benefits to the community. It generated an impressive \$4.87 million for the local economy in 2016.

Hometown hero returns

In August 2016 the community was fortunate to have hometown hero, Matthew Dellavedova, return with one of the most prestigious trophies in world sport. Matthew gave Maryborough locals an opportunity to get their hands on the NBA championship trophy he won with the Cleveland Cavaliers earlier in 2016. It was a proud moment for everyone in the community.

World Heritage listing

Council continues to work with its partners to have the Victorian Goldfields recognised as a World Heritage site. The Goldfields Heritage Development and Opportunity Summit was held on 8 May 2017, from which a communique was produced. This has been forwarded to the Premier and other key Ministers, seeking a deputation of key representatives of Goldfields municipalities to progress the World Heritage Listing and associated matters.

Investigation and review

Unfortunately, the past year has also been one of the most challenging for the organisation. In September 2016, following receipt of various allegations, the Local Government Investigations and Compliance Inspectorate commenced a formal investigation into Council matters. In October, the Minister for Local Government appointed a Municipal Monitor to review Council's processes and practices.

The investigation by the Inspectorate, and review by the Municipal Monitor, proved to be taxing for everyone, however business continued as usual, and Council was still able to deliver on the Council Plan and achieve the many highlights outlined in this report.

Full credit must be given to those who assisted with the investigation and review as required, and still managed to continue with their hefty workload to ensure the community received the services Council provides.

At the time of this Annual Report, the Inspectorate has not yet released its findings. No matter what lies ahead for the Central Goldfields Shire community and Council, it is important to remember, that as we have proven in the past, we respond to challenges by creating new opportunities.

I am proud to present this year's Annual Report and look forward to our future with renewed optimism.



Geoff C. Lovett

Cr Geoff Lovett
Mayor

The following information is provided in the interests of public accountability and transparent reporting.

Special context note 2016/17

In September 2016 the Local Government Investigation and Compliance Inspectorate (the Inspectorate) commenced an investigation into allegations relating to certain activities at Central Goldfields Shire Council (the Council) and specifically in relation to the Chief Executive Officer (CEO).

Having regard to the Inspectorates investigation, in October 2016 the Minister for Local Government (the Minister) appointed Mr Bill Jaboor as a Municipal Monitor (the Monitor) to monitor and report on the Council during the 2016 local government election period.

The Monitor reported to the Minister on 31 December 2016. The report highlighted serious organisational skill deficiencies and an outmoded organisation structure as major concerns.

In May 2017 the Council following a public process, appointed three new Independent Members to the Committee. The new Committee met for the first time on 21 June 2017.

On 17 July 2017 the Local Government Investigations and Compliance Inspectorate (LGICI) announced that Central Goldfields Shire Chief Executive Officer (CEO) Mark Johnston was served with 41 charges under the Local Government Act and the Crimes Act.

On 18 July 2017 the Council decided at an emergency meeting to stand down the CEO from his position immediately. The Council appointed Mr Vince Haining as Interim Chief Executive Officer (the Interim CEO), effective from 31 July 2017.

The Inspectorates Report (Protecting integrity - Central Goldfields Shire Council Investigation) (the Report) was tabled in the Victorian Parliament on 18 August 2017.

The Report identified serious instances of Asset mismanagement, Financial mismanagement, Human Resource mismanagement, Governance failure and Ineffective policy framework.

Key findings by the Inspectorate and the Monitor included:

1. Significant concern with regard to land sales
2. The acquittal of some grants was improper
3. Some consultancy contracts entered into improperly
4. Credit card approval process controls were weak
5. Audit Committee was not effective
6. No effective Internal Audit function
7. Little action on previous Auditor General reports
8. Some HR processes poor or absent
9. Culture of the organisation requires reform
10. Organisational Structure requires review
11. Compliance with statutory requirements of the LGA (and other Acts) is very poor
12. Corporate records system does not include key compliance information
13. Governance practices are weak
14. Section 86 committees do not comply with legal requirements

In summary the Inspectorate concluded, "the broad investigation revealed clear evidence of failings within the organisation and oversight arrangements. Important front line defences against poor governance, fraud or corruption are management oversight, robust policies and strong internal and external controls. Central Goldfields Shire Council failed its community in many of these areas."

On 23 August 2017 the Councillors were dismissed pursuant to an Act of the Victorian Parliament.

On 25 August 2017 Mr Johnston resigned from the position of CEO effective immediately.

On 26 August 2017 Mr Mark Davies was appointed by the Governor in Council as the Interim Administrator of the Council.

CENTRAL GOLDFIELDS SHIRE COUNCIL

EXECUTIVE STAFF



Mr. Mark Johnston
Chief Executive Officer

As Chief Executive Officer, Mark Johnston leads an organisation focussed on customer service; community participation; financial and strategic management; and value for money services. Strategic leadership is the keynote.

Mark has held the role of CEO since 1995 - initially overseeing the amalgamation process. Prior to that, Mark was the CEO of the former Shire of East Loddon, Mark has a Bachelor of Business (Local Government) qualification.

Heavily involved in local community organisations and activities; a previous Chair of the Bendigo Football League Board of Management, Mark currently serves on the inaugural AFL Central Victoria Commission, and in 2015 completed the maximum nine year term as a director on the board of Bendigo Kangan TAFE.

In 2009, Mark was appointed to the Loddon Mallee Committee of Regional Development Australia - an Australian Government initiative that aims to bring together all levels of government to enhance the growth and development of regional Australia. Mark has led and facilitated several major economic and community development initiatives including the ground breaking Go Goldfields - a community driven approach to tackle entrenched disadvantage and improve social, education and health outcomes for children, youth and families.

Areas of responsibility:

- Governance
- Civic Services
- Legal Services
- Policy Development
- Economic Development
- Corporate Planning
- Best Value/ Continuous Improvement
- Public Relations
- Organisational Development
- Human Resources
- Occupational Health and Safety
- Customer Services
- Records Management



Mr. David Sutcliffe
General Manager
Technical Services

David Sutcliffe commenced in the General Manager role at Central Goldfields Shire in April 2009.

David has a Degree in Engineering from Ballarat University, and has worked

as a professional engineer with the Ministry of Housing, City of Bayside and the City of Casey. David ran his own business for several years before taking on a consulting engineer role with HDS Australia. He then moved to Baw Baw Shire, going on from there to join Central Goldfields Shire.

Areas of responsibility:

- Planning
- Subdivision
- Building Control
- Heritage Advice
- Infrastructure Design
- Traffic Management
- Roads
- Construction & Maintenance
- Waste Management
- Emergency Management
- Stores
- Plant & Equipment
- Environment Education
- Parks & Gardens
- Property Maintenance



Mr. Venkat Peteti
General Manager Corporate and Community Services

Venkata Phanindra Peteti (Venkat) joined Central Goldfields Shire in April 2017. Prior to that Venkat worked in Local Government and large multinational corporations in the United States, India and Australia. Venkat has a strong

professional background in Finance, Information Systems, Community Services, Governance, Infrastructure Asset Management and Process re-engineering.

Alongside his professional career, Venkat is passionate about volunteering, community strengthening, youth services, education and social inclusion. Venkat held the position of Chairman of the Board of Volunteering Western Victoria for three years and was Director at Worawa Aboriginal College for six years. Venkat also volunteered as youth mentor, governance mentor and support person for young people in police interviews.

Areas of responsibility:

- Financial Management
- Environmental Health Services
- Local Laws Enforcement
- Committees of Management
- Aged & Disabled Services
- Pre-schools
- Marketing & Promotions
- Youth Services
- Recreation & Leisure Services
- Sports & Leisure Centres
- Tourism
- Arts and Culture
- Preventive Health
- Risk Management



Ms. Sharon Fraser
General Manager Go Goldfields

Sharon Fraser commenced at Central Goldfields Shire in November 2011. Sharon was appointed to oversee the State Government funded Go Goldfields project – a landmark community initiative that targets the needs of children,

young people and families throughout the Shire and tackles social disadvantage.

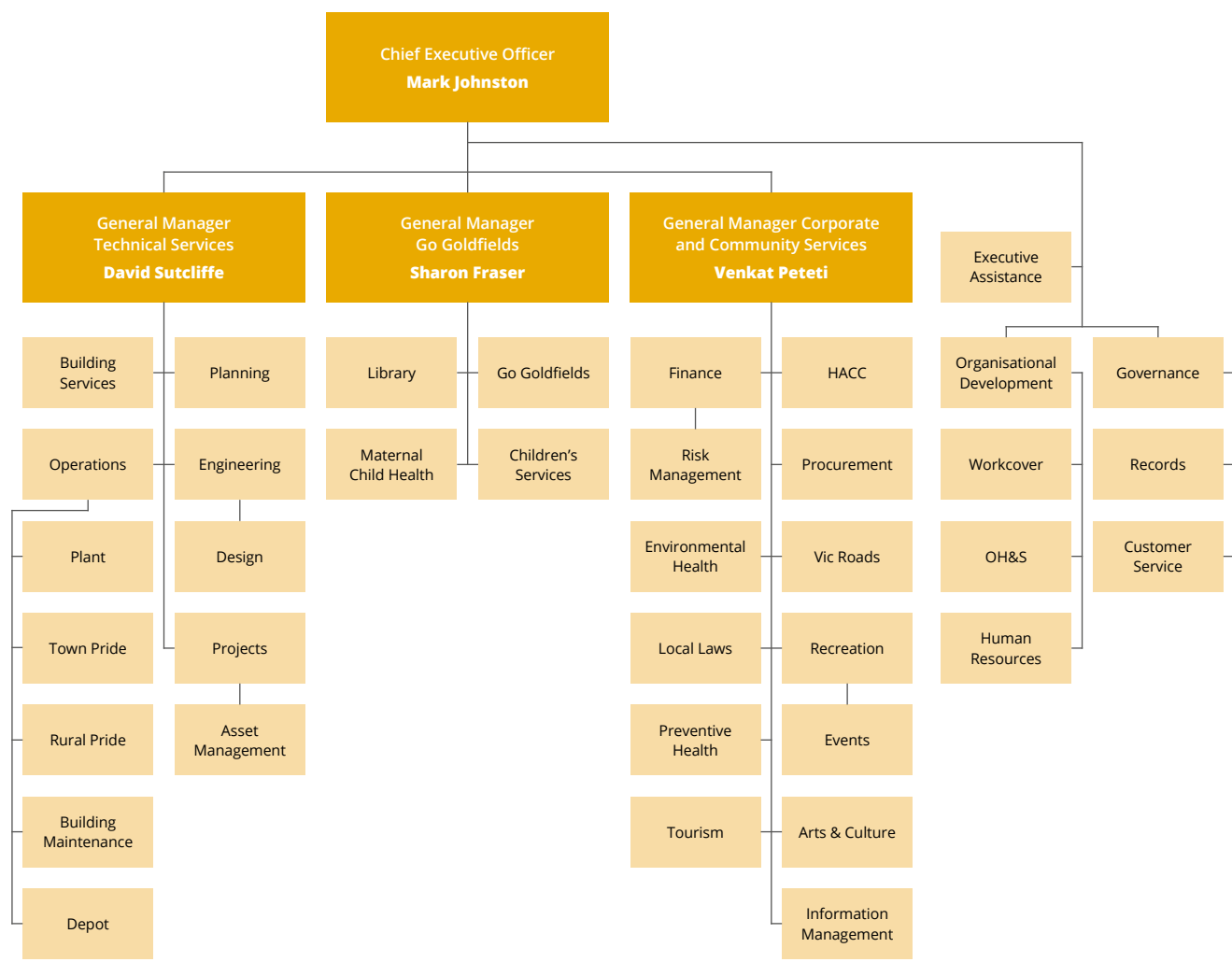
Prior to joining Central Goldfields Shire, Sharon held executive and management roles in health and community health in state, regional and rural services.

Areas of responsibility:

- Go Goldfields
- Maternal & Child Health
- Children's Services
- Library Services

CENTRAL GOLDFIELDS SHIRE COUNCIL

ORGANISATIONAL STRUCTURE



COMMUNITY SATISFACTION SURVEY RESULTS FOR 2017

With a drop in scores from last year Council has some areas for attention and scope for improvement.

Results show that Council's performance on core measures has decreased compared to 2016. With the overall performance index score representing a significant decline, specific areas for attention include customer service, making community decisions, and overall Council direction.

According to the survey Council is performing relatively well in the areas of community consultation, lobbying and sealed local roads.

Survey respondents also indicated that the preferred way for Council to inform residents about news, information and upcoming events is newsletters sent via mail.

The recent extensive community consultation process to help develop the new Council Plan, and taking the Draft Budget to the community for information sessions, was well received.

Performance Measure	Central Goldfields	Small Rural Group	Statewide
Overall Performance	52	58	59
Community Consultation	54	55	55
Advocacy	53	55	54
Making Community Decisions	51	55	54
Sealed Local Roads	51	50	53
Customer Service	67	69	69
Overall Council Direction	46	52	53



COMMUNITY AND CULTURE

Purpose: foster community connectedness and social capital, and services which improve people's health and wellbeing.

Focus area: Community development / connectedness

Foster community resilience, connectedness and social capital.

Projects/services implemented:

1. Go Goldfields
2. Australia Day celebrations
3. Community Grants Scheme

Focus area: Health and wellbeing

Improve people's health and wellbeing throughout all life stages.

Projects/services implemented:

1. Central Goldfields Health and Wellbeing Plan
2. Positive aging
3. Maternal and Child Health services
4. Youth services
5. Goldfields Family Centre

Focus area: Community safety

Foster a whole of community approach.

Projects/services implemented:

1. Municipal Emergency Management Committee
2. Addressing Family Violence
3. White Ribbon campaign

Focus area: Arts, culture and heritage

Increase community awareness/appreciation of and participation in arts, culture and heritage.

Project/services implemented:

1. Central Goldfields Art Gallery
2. Maryborough Regional Library services

Focus area: Recreation and sport

Increase participation in physical activity.

Project/services implemented:

1. Recreation services

COMMUNITY AND CULTURE

Focus area: Community development / connectedness

Foster community resilience, connectedness and social capital.

GO GOLDFIELDS

Community led change

In November 2016, the Go Goldfields Collaborative Table conducted strategic conversations about the direction of change and the importance of “our community working together towards a positive future”.

As Go Goldfields’ backbone organisation, Council holds the vision and seeks to manage resources, while also facilitating community engagement and the behind the scenes work to keep the collaborative processes moving.

Building strong and safe families

There has been a focus on supporting parents to nurture the development of their children. Parents from across the community have come together for Bringing Up Great Kids - a resource for all parents with information that can help to raise happy and confident children.

The Early Years Forum takes place each term, and we continue to build partnerships to ensure children can reach their full potential.

Literacy development

The Australian Literacy and Numeracy Foundation (ALNF) was introduced to the Shire in 2013 and has already seen 60 local early years educators and carers trained in new techniques. ALNF has shown an unwavering commitment to our community and has secured additional funding to continue the program in the Central Goldfields Shire.

Building strong families - community led initiative

Building on the success of the Youth and Children's Services Directory launched last year, the Child Aware Local Initiative group, comprising of passionate parents, launched the ‘Build your village here’ website and campaign. The website encourages families to see the amazing variety of activities and opportunities for involvement.

The Child Aware Local Initiatives group has been nominated for the National Association for the Prevention of Child Abuse and Neglect (NAPCAN) Award for their work in the community. Our work in this area aims to build a community where all children are loved and safe.

Work Readiness – improving employment prospects

New, dynamic groups have been coming together to improve the employment prospects of local people. Education Working Groups and Employment Services Working Groups have continued to meet regularly and are having conversations with local employers to align what is required to increase employability and work ready skills.

Youth

Digital Story Telling for hope and aspiration

Young Filmmakers Digital Storytelling Premier and Awards Night was held at the Station Domain Amphitheatre in December. The videos were the culmination of a series of free weekend video production workshops for local youth.

Participants were involved in developing skills in all aspects of film production to the final product. The theme was “hope and aspiration”.

Youth Services Development

Over the past 12 months Go Goldfields has supported the development of youth services. The focus has been to build the capacity of local agencies and the community to better respond to the needs of highly vulnerable young people.

As a result, the Central Goldfields Youth Services Alliance was formed, comprising organisations from education, health, community services and Council. Initiatives of the Alliance include:

- The formation of a youth services team, that works together to provide support to the most vulnerable young people.
- The development of youth services intake through the Maryborough District Health Service, which is providing the platform for a one stop approach to youth support access.
- Initiating work on a Youth Services Plan.
- The development of a discussion paper on building youth participation.

Communications

Communications are designed to mobilise our community to contribute and participate in their own positive social change. It seeks to engage local community members through established Go Goldfields communications channels. More importantly, it increasingly looks to how we can inspire community leaders and influencers to engage community through their own networks and in places where they already gather.

Go Goldfields communications has continued to develop and maintain key platforms and assets including the Go Goldfields website, Facebook and Twitter platforms and e-newsletters. Our community has also been engaged through street level promotions, along with paid advertising and editorial coverage in external media, including print, radio and television.

AUSTRALIA DAY CELEBRATIONS

The 2017 Central Goldfields Shire Australia Day celebrations included the traditional ceremony and presentation of local awards.

Returned veterans and Maryborough RSL members Charles Williams, Raymond O'Keeffe and Leslie Mortlock were recognised as joint winners of the 2017 Australia Day Citizen of the Year award. Each of the three recipients have dedicated up to 70 years to community work.

Tegan Dixon was awarded Young Citizen of the Year for her valuable efforts for the monthly Talbot Farmers' Market. The 15 year old has been a market committee member for the last five years and demonstrates a great level of maturity, dedication and personal development of skills to fulfil her volunteer role.

Casablanca Movie Club was named as the winner of Central Goldfields Shire's Outstanding Community Contribution Award at the ceremony.

Celebrating its tenth anniversary this year, the Movie Club provides local community members the opportunity to attend movie screenings without having to travel to other regional centres.

The organisation also performs valuable community work in raising funds for other groups and organisations.

As part of the Australia Day celebrations all babies born in 2016 were invited and presented with a customised Central Goldfields Shire Baby Medallion. All children beginning four year old kindergarten were also invited and presented with a book.

COMMUNITY GRANTS SCHEME

The Community Grants Scheme is a valuable source of funding for community groups that don't have access to funding from other sources. In 2017, all groups applying for the funding were asked to show how their project fitted with the themes of the 2013-2017 Council Plan.

A total of 17 applications were received this year. The total funding sought across all applications was \$29,288. The applications were assessed in accordance with the grant scheme guidelines, and 13 projects were successful. A total of \$23,888 was allocated.

COMMUNITY AND CULTURE

Focus area: Health and wellbeing

Improve people's health and wellbeing throughout all life stages.

CENTRAL GOLDFIELDS HEALTH AND WELLBEING PLAN

Council adopted a Health and Wellbeing Plan impact statement to ensure Council policies, plans and strategies are considered against an agreed health and wellbeing lens. This has added a valuable dimension to all aspects of Council's operations.

POSITIVE AGING

The Aged Care Department has faced many challenges this year, with a shift from State to Commonwealth Funding (CHSP) for people aged over 65 years.

The Commonwealth has introduced a new Regional Assessment Service (RAS), resulting in many changes to how Council operates.

The State Government is currently funding services for people under 65 years old who have a disability. However, with the introduction of the National Disability Insurance Scheme (NDIS), funding will slowly be withdrawn as our current clients are assessed and placed on the NDIS Individual Plan.

Council has provided services to over 500 Commonwealth clients this year and 70 clients under the age of 65. The provision of services assisted clients to remain in their own homes.

Our Social Support Program provides activities five days a week, for older persons and younger people with disabilities to keep them active and connected to their community. The aim of the program is to reduce isolation and promote connectedness to the community.

This year we also celebrated Volunteer Week with an afternoon tea. Certificates were awarded to volunteers, to show Council's ongoing appreciation for their effort and commitment to our community.

MATERNAL AND CHILD HEALTH SERVICES

Council's Maternal and Child Health (MCH) Service provides a universal platform for all children aged 0 to 6 years. The service aims to see all children between 0 to 4 years to provide assessment of growth and development, anticipatory guidance, immunisations, early intervention and referral to services, especially for families who are experiencing some difficulties.

MCH is well utilised by families in the community as shown below:

- Total key age and stage consultations: 1059 in the universal service
- Referrals to other agencies: 166 for children and 46 for mothers
- Total number of birth notices: 115
- Total number of enrolments at MCH: 879
- Number of active infant / child records: 531
- Number of Opportunistic Immunisations: 522

There have been 354 additional consultations and 192 documented phone consultations. MCH also continues to offer group work, including 17 new parent groups through the year.

In addition to Universal MCH, the Enhanced MCH service offers extra hours of care and support to the more vulnerable families.

Highlights for the year include:

- MCH, in partnership with the Maryborough District Health Services, has been offering the final antenatal education sessions.
- The renovation and redevelopment of Maternal and Child Health Centre at Goldfields Family Centre has also been an important milestone.

YOUTH SERVICES

Engage! Youth Program and FreeZa Events

The Central Goldfields Shire Youth Engage Program and FreeZa Events are facilitated by Council in close collaboration with local youth committees.

Major achievements for these programs in 2016/2017 included the staging of the Open Air Cinema at the Maryborough RACV Energy Breakthrough; the National Youth Week Youth Sundown Market; and a performance by Indigenous Performers "Coloured Stone" at the Central Goldfields Shire NAIDOC Week Celebrations.

The young members of the various youth committees also had the exciting opportunity to meet with the Minister for Youth Jenny Mikakos MP in March.

Central Goldfields Youth Advisory Council

The Central Goldfields Youth Advisory Council has a current membership of eight young people aged 12 to 25 years. Members come from a cross-section of the community, representing Maryborough Education Centre, Highview College, Federation University, and employed young people.

They have participated in a number of initiatives including:

- Central Goldfields Youth Awards (a biennial event, scheduled for July 2017)
- Writing and developing stories for the Youth Focus Page in the Maryborough Advertiser
- Community consultation through the 2016/2017 Youth Survey process
- Developing strategies to incorporate the findings of the survey into programs directed at local young people
- Developing the Soap Box Series that seeks input from young people on local issues and planning
- Engaging in a number of leadership development programs representing the shire.

Central Goldfields Shire Youth Survey

A substantial survey was conducted across young people in the Central Goldfields Shire to assess their participation and thoughts about activities in the area. It also provided an in depth analysis of the movement of young people between sporting clubs, both away and towards participation.

Using the data collected, strategy development is underway to address the issues identified.

Central Goldfields Shire L2P Program

The Central Goldfields L2P Program is an initiative by VicRoads and the TAC to assist young learner drivers to access a suitable mentor and vehicle in order to achieve the regulatory 120 hours of supervised driving before getting their Probationary licence.

This year the Central Goldfields L2P Program achieved the following:

- Six volunteer mentor drivers completed 543 driving hours.
- 29 active learners participated in the program.
- Nine learner drivers successfully obtained their Probationary licence.
- Over 30,000 kilometres were travelled.

GOLDFIELDS FAMILY CENTRE

The new integrated early years centre, Goldfields Family Centre, was officially opened on 15 March 2017. A capital grant from the State Government, together with Council funding, enabled the redevelopment, bringing together a range of early years services and programs in the one centre.

The centre provides Long Day Care (Children's Centre), Family Day Care, 3 and 4 year old Kindergarten, Maternal Child Health, Supported Playgroup, Toy Library and also offers range of other visiting services/programs including Speech Pathology, Audiology and Early Intervention Services.

COMMUNITY AND CULTURE

Focus area: Health and wellbeing

Improve people's health and wellbeing throughout all life stages.

The Goldfields Family Centre aims to be:

- Family Centred – We will build positive, respectful relationships that involve families in decision making, planning and feedback.
- Evidence based – We will utilise best available evidence and recognise others' practice skills and expertise; we will use this knowledge to make appropriate referrals.
- Empowering – We recognise a need to strengthen the empowerment of women and children in our community so we will enhance community capacity to support effective decision making and safety.
- Accessible – We will promote community awareness of services for children and families and deliver respectful, timely, appropriate information, resources and services.
- Inclusive – We will respond to children's and families' needs while recognising individual circumstances including interests, ability and culture.

Children's Centre

The Children's Centre continues to offer high quality educational programs and care to children between the ages of 0 and 6 years. All educators have qualifications in early childhood as well as a range of skills and experience. The centre has over 30 educators and over 225 children enrolled.

Family Day Care

Family Day Care provides a valuable and much needed service to families and children in the Shire. Despite a decrease in the numbers of educators, the program continues to support over 20 families and over 30 children each week.

Supported Playgroup

Supported Playgroup delivers the Small Talk program across the Shire. Small Talk is a parent/child program and focusses on: listening and talking more; tuning in; following children's lead; teachable moments; and being warm and gentle. This year the program has supported an average of 40 families per term. The program also has an in-home component, where the facilitator can visit families in their own home.

Kindergarten Program

In 2017 the centre offered two, 3 year old programs and two, 4 year old programs in the new Kindergarten Room. There are 63 children enrolled across both programs.

Outside School Hours/ Vacation Care

Vacation Care continues to be a well valued program in the community. The program is now being offered from the Goldfields Family Centre each school holidays rather than from Maryborough Education Centre.

Outside Hours School Care closed at the end of June 2017 due to declining enrolments and issues with financial viability. This program is now being offered by other services in the community.

Focus area: Community safety

Foster a whole of community approach.

MUNICIPAL EMERGENCY MANAGEMENT COMMITTEE

The Municipal Emergency Management Committee comprises of Central Goldfields Shire staff and all emergency response and support agencies. The aim of the committee is to support the community's ability to manage and be prepared for emergencies.

To support the emergency management planning process across the community, a number of sub-committees have been formed. These sub-committees develop emergency management plans, processes and procedures for specific hazards such as fire, flood, heat wave, pandemic, animal welfare and recovery.

During September and October 2016, there were two significant flood events which impacted the whole Shire. The Municipal Emergency Management Plan was invoked and many roads were temporarily closed.

In addition to managing the flood events, the Municipal Emergency Management Planning Committee achieved the following:

- Actively participated in the ongoing development and implementation of the Northern Victorian Regional Cluster Group.
- Supported cross border emergency management arrangements in response and planning for emergencies.
- Reviewed and updated the Neighbourhood Safer Places plans for Maryborough, Carisbrook, Dunolly and Talbot.
- Reviewed and updated the Central Goldfields Municipal Fire Management Emergency Plan.
- Reviewed the Municipal Emergency Management Plan and contributed to development of the Northern Victorian Regional Cluster Emergency Management Plan.
- Reviewed Relief and Recovery Centres.
- Continued participation in the Northern Regional Water Monitoring Partnership in relation to the management of river and creek rainfall/flood monitoring and early warning systems.

ADDRESSING FAMILY VIOLENCE

Many community members and services were present on November 25, 2016 to celebrate our Family Violence Call to Action Launch, to recognise the collaboration and work of the Central Goldfields community to address family violence.

Among the many highlights of the day, the community celebrated the erection of new signage to promote the #sayno2familyviolence campaign within Central Goldfields Shire.

Go Goldfields also launched its Family Violence Action Plan and the event coincided with the first day of Victoria Against Violence 16 days of activism. The Family Violence Action Plan has a focus on raising awareness and changing behaviour in service response, justice responses, the role of women in the community and community ownership.

Talking about addressing Family Violence at the United Nations

In her roles as CEO at the Centre for Non-Violence and Go Goldfields Family Violence Action Group convener, Margaret Augerinos gave a presentation to the United Nations in New York on the work the Central Goldfields community is doing to collectively address family violence.

Margaret spoke of the valuable insights provided by local women with lived experience of family violence and ways in which we are learning to make sure the voices of women are heard and amplified.

The Centre for Non-Violence is playing a significant role in the service system reform work. Women with lived experience have been involved in promoting messages of hope through craft workshops. This will continue to gain momentum in 2017.

WHITE RIBBON CAMPAIGN

The White Ribbon Ambassador campaign has continued to be supported by Council as part of its approach to community safety. Council maintains at least two organisation representatives as White Ribbon Ambassadors and facilitates functions to recognise the role.

COMMUNITY AND CULTURE

Focus area: Arts, culture and heritage

Increase community awareness/appreciation of and participation in arts, culture and heritage.

CENTRAL GOLDFIELDS ART GALLERY

The Central Goldfields Art Gallery offers an exciting program of changing exhibitions and has a commitment to supporting and promoting artists of the Goldfields region.

Participation in the arts is strengthened by the annual Community Arts and Crafts exhibition, which continues to enjoy the support of local business sponsorship, plus the annual VCE Art and Design exhibition. Both of these exhibitions were held at the end of 2016.

In addition a new community initiative was launched to engage Year 8 students from local schools. Through portraiture and written wall labels the students acknowledged community members that are significant in their lives.

Casey Room Exhibition

A selection from the Gallery's permanent collection is exhibited in the Casey Room. This growing collection includes works by artists of regional and national significance, such as Arthur Boyd, Dean Bowen, Pro Hart and Ray Crooke.

The Casey Room also hosted the Gallery's inaugural Pop-Up exhibition. Featuring diverse content, these short exhibitions allow our regular audience and visitors to discover unexpected displays.

School holiday art workshops

Tutored by artists and teachers from the Shire, these workshops continue to engage children in the practice of art making, with a focus on the exhibition in the Gallery at the time of the workshops.

Shrine of Remembrance Exhibition – Australia Will Be There

The exhibition featured over 100 First World War photographs drawn from major collections, including the Australian War Memorial and the State Library of Victoria. Audio visual displays and touch screens, plus artefacts from our local soldiers were part of the exhibition, giving visitors a tangible link to the soldiers of our district.

The Shrine of Remembrance Education Outreach Program was also conducted, giving hundreds of local primary and secondary students a hands on and educative experience within the exhibition.

Complementing the exhibition The Shrine of Remembrance Regional Lecture Series travelled to Maryborough. Dr Joan Beaumont presented a special lecture on the conscription debate that divided the nation during the First World War.

Art Gallery Window – Noel Tunks oversized painting

An oversized reproduction of Noel Tunks' local landscape painting was installed in the gallery's front window. This vibrant new addition to the gallery improves street visibility of the art gallery for visitors to the town. It also passively enhances community awareness of the gallery's outstanding collection, and showcases the significant artistic heritage of the region.

Creative Goldfields

Originating from the three year Australia Council for the Arts funded Art Central project, a grass-roots community arts group has commenced. Consisting of local artisans from all art forms and community members interested in the arts, this group will pave the way for our emerging arts scene.

MARYBOROUGH REGIONAL LIBRARY SERVICES

The Maryborough Regional Library aspires to increase community connection with its services by providing access to library resources throughout the Shire by way of the Maryborough Library, Outreach services, and the library van.

The library service has expanded in the last 12 months to include a small library service to Dunolly. This takes place twice a week.

Children & Youth

The Maryborough Regional Library brings learning, literacy and leisure to the forefront by providing Story Time for children 2 to 4 years of age twice weekly; Rhyme Time for newborns to 2 years weekly; and visits to kindergartens, playgroups and supported playgroups. The Library is also providing a venue for various groups around Maryborough to meet on a regular basis such as the New Mothers' Group, Maternal and Child Health Lap Time, and Baby Wearers.

The library is supporting the Child Aware Local Initiative, and actively encourages parents and carers to read to their child through the '1000 books before school' program from the State Library of Victoria. The Library took part in the Simultaneous Story Time in May 2017 to coincide with National Library Week.

In collaboration with the Central Goldfields Art Gallery, the library presented, *The Great Garden Mystery* by Renee Trembl. Primary school children from all schools in the shire attended the library for a story time based on the book.

The Library ran a successful pen pal program with a library in Ontario, Canada. This program ran for three months and is being repeated, this time with the Fraser Coast Library in Maryborough, Queensland.

Adults

The library hosted an author visit for the annual Words in Winter Festival. Barbara Hughes launched her family history book, *Riverslea on the Avoca*.

In summer and winter, the Down and Dirty "three books in six weeks" book club was very well attended and much enjoyed by those attending. The club aims to give people a taste of a book club without the long term commitment.

Outreach

The Library Van visits three venues on a fortnightly basis, and eight venues on a weekly basis. Staff also visit and conduct sessions with supported playgroups.

Dunolly Library Service

The library service from North Central Goldfields Library Corporation (Bendigo) ceased in December 2016, and the service from Maryborough commenced in February 2017. At present we are offering the service out of St. John's Anglican Hall twice a week. These sessions are well attended and we hope to offer a more permanent library in the near future.

COMMUNITY AND CULTURE

Focus area: Recreation and sport

Increase participation in physical activity.

RECREATION SERVICES

This year was significant for Recreation Services in terms of strategic planning and capital works developments.

2017 – 2026 Central Goldfields

Walking & Cycling Strategy

Council recognised the need to develop a walking and cycling strategy to meet the community's continued growth and interest in these forms of sport and active recreation and in April 2017, adopted the 2017-2026 Central Goldfields Walking and Cycling Strategy.

Cycling and walking paths or trails provide linkages in the community between important community infrastructure such as residences, businesses, open space, hospitals, and schools. With growth, development, and in some cases decline, these linkages must be planned to ensure they assist the effective function of our active transport network.

Cycling Capital

Continued planning, infrastructure development, and hosting of major cycling events, coupled with our impressive network of gentle undulating and flat rural roads, enables Central Goldfields Shire to continually build upon its already strong position as a cycle friendly community.

The newly created Central Goldfields Shire Bicycle and Walking Advisory Group provides the community with a representative and advisory function for Council, and was instrumental in several major cycling developments in the current year.

Ballarat – Maryborough Heritage Cycling Trail

The Ballarat – Maryborough Heritage Cycling Trail, a joint initiative of Central Goldfields Shire, Hepburn Shire, City of Ballarat, Parks Victoria, and Transport Victoria, was officially opened in April 2017.

This trail incorporates quiet sealed and gravel roads between Ballarat and Maryborough, travelling through the smaller townships of Creswick, Clunes, and Talbot, and passing by the railway stations in each community.

It is anticipated that the trail will provide outstanding opportunities for cycle tourism in the region.

Maryborough Princes Park Enhancement Project

The Maryborough Princes Park Enhancement Project official opening was conducted to coincide with the 2017 Australian Veteran Cycling Championships, which were held over the Easter 2017 period. The project involved the upgrade of the existing parklands to include roadways for special cycling events, improved car parking, additional playground equipment, barbeque shelters, pathways, and open grassed areas.

Central Goldfields Shire Physical Activity Group

The Central Goldfields Shire Physical Activity Group continued to provide opportunities for the entire community to become involved in sport and active recreation.

The successful 2016 Get Up & Go Family Fun Day at Princes Park and Lake Victoria was the culmination of several initiatives to get the community active. The project involved local schools in the VicHealth Walk To School Program and Hunt For The Golden Shoe, the Spring Into Summer Stroll, and the Physical Activity Expo. All initiatives were highly successful and built on the objective of increased participation in sport and active recreation.

Central Goldfields Shire VicHealth H3O Challenge

Council in conjunction with the Maryborough District Health Service, Central Highlands Water Maryborough Office, and Parks Victoria conducted the VicHealth H3O Challenge throughout March and April 2017.

Over 90 people participated in the challenge to increase their water intake and reduce their sugary drink intake for a 30 day period. Through the challenge it is estimated the participants saved:

- Over 727million kilojoules
- \$778,244
- Over 10 million teaspoons of sugar.

Central Goldfields In2Sport Cricket Program

Cricket Victoria continued to support the Central Goldfields In2Sport Cricket Program in the 2016/2017 season, by providing more cost effective memberships for families that need it the most.

Sport and Active Recreation Infrastructure Developments

With a focus on sport and active recreation, Council continues to partner with local organisations to improve the community's built environment with the objective of increasing participation in physical activity.

Where applicable these developments have occurred with strategic consideration of the Major Recreation Reserve Master Plans.

The following capital works projects were initiated or completed this year:

- Hedges Oval Cricket Training Facilities Upgrade
- Central Goldfields Show-jumping Arena Development

- Maryborough Sports and Leisure Centre Rainwater Harvesting Project
- Maryborough Tennis Centre – Synthetic Grass Court Project
- Princes Park Electronic Scoreboard Project.

The following facility planning projects were initiated this year:

- Maryborough Sports and Leisure Centre - Universal Accessibility Audit
- Maryborough Outdoor Pool – Conservation Management Plan.



The Ballarat-Mayborough Heritage Cycling Trail was opened in April 2017.



ECONOMY AND GROWTH

Purpose: encourage and support economic activity, particularly that which facilitates employment in the community.

Focus area: Tourism and events

Maintain and grow local events stock.

Projects/services implemented:

1. Tourism initiatives
2. Major events
3. First National Heritage Region
4. Involvement in the Bendigo Regional Tourism Board

ECONOMY AND GROWTH

Focus area: Tourism and events

Maintain and grow local events stock.

TOURISM INITIATIVES

Central Goldfields Tourism and Visitor Services Membership Program

This year the Tourism and Visitor Services department engaged in initiatives on behalf of its members such as industry audits, marketing campaigns, family programs, public relations opportunities, industry development training programs, and digital and social media campaigns.

Maryborough and Surrounds Official Visitor Guide

A new Maryborough and Surrounds Official Visitors Guide (OVG) was produced during the year. Production included new layout, content, images and design. This is the Shire's major piece of printed tourism collateral that is distributed state-wide.

On Track: Place and Memory Event

Central Goldfields Shire Council, Bendigo Writers Festival and The Capital Theatre combined to host *On Track: Place and Memory* in Maryborough. Held at the Maryborough Railway Station, a series of lively conversations with writers took place to a sold out crowd.

Australian Financial Review PR

Fairfax journalist Andrew Taylor visited the Central Goldfields Shire in March 2017. Andrew toured Maryborough, Talbot, Dunolly, and Moliagul and published his article in the Australian Financial Review. The article was well received and targeted sophisticated professionals with information about the many offerings of the Central Goldfields Shire.

Closure of Community Information Centre

The Maryborough Community Information Centre closed its doors after decades of service to the Maryborough community. The volunteer run centre closed due to a decline in enquiries and a lack of volunteer help. The room vacated by them at the Resource Centre is now used as a community meeting space.

MAJOR EVENTS

2016 RACV Energy Breakthrough

Central Goldfields Shire's major sport and recreation tourism event, the RACV Energy Breakthrough was once again an enormous success attracting record crowds to enjoy the energy and excitement of Maryborough's signature event.

The event doubles Maryborough's population for four days in November, providing considerable financial benefits to the local community. It generated an impressive \$4.87million for the local economy in 2016.

After 25 years, 2016 saw the relaunch of the event's branding, signalling a bright new chapter in the event's continuous development.

2017 Australian Veteran Cycling Championships

The 2017 Australian Veteran Cycling Championships were conducted over the 2017 Easter period. The event registered over 200 cyclists from across Australia.

Spring Fling

The 2016 Spring Fling was a celebration of all things great in the Central Goldfields Shire during the month of October. The event ideally brings about positive change for individuals, our communities, and the spaces in which we live.

The fifth annual festival was supported by 48 events in Maryborough, Dunolly, Talbot, Bealiba and Carisbrook. Locals and visitors were entertained with theatre, history, children's activities, art, exhibitions, tours, markets and music.

Summer in the Domain

Station Domain continues to host a collection of events during the summer months. This year's program featured seven events including the Digital Storytelling Premiere and Awards Event.

Relay for Life

The eighth annual Relay For Life was held on Friday, 31 March to Saturday, 1 April 2017 and attracted 23 teams and 381 participants. The 18 hour event raised \$30,331

and brought the community together to celebrate life, remembering those who have passed and to share life changing experiences.

The Shire's overall fundraising total for Cancer Council is a remarkable \$489,210.

Visit from Matthew Dellavedova

In August 2016 the Central Goldfields Shire community was fortunate to have hometown hero, Matthew Dellavedova, return with the one of the most prestigious trophies in world sport – the NBA championship trophy he won with the Cleveland Cavaliers earlier in 2016.

Dellavedova spent the day connecting with the community at the Maryborough Education Centre, in an interview and photo opportunity at Station Domain, and chatted to hundreds of local children at the Maryborough Sports and Leisure Centre.

FIRST NATIONAL HERITAGE REGION

At its December 2016 meeting Council resolved to hold a Goldfields Heritage Development and Opportunity Summit to advance initiatives within the Victorian Goldfields – Australia's Premier Heritage Region project, including progressing World Heritage Listing of the Victorian Goldfields.

The Goldfields Heritage Development and Opportunity Summit was held on 8 May, with 12 municipalities and other Goldfields stakeholders attending. It was opened by Danielle Green MP, the Parliamentary Secretary for Regional Victoria, Tourism and Major Events.

A communique was produced following the Summit recording the support for progressing World Heritage Listing for the Victorian Goldfields. At its June 2017 meeting Council noted the communiqué and forwarded it to the Premier and other key Ministers.

INVOLVEMENT IN THE BENDIGO REGIONAL TOURISM BOARD

Council continues to be active on the Bendigo Regional Tourism (BRT) Board. BRT has completed some highly valued projects that have made a big difference for the Central Goldfields Shire.

New Regional Tourism Website

Initial steps in the creation of a world class website for Bendigo Regional Tourism has begun. The website will cover Central Goldfields Shire, along with City of Greater Bendigo (Tourism, Art Gallery and Theatre), and the surrounding areas of Mt Alexander, Loddon, and Heathcote.

The purpose is to develop a site that will deliver marketing, including digital and social media, accommodation booking, ticketing services and the option of an online retail shop for the region.

Themed Regional Itineraries

BRT received State Government funding to boost visitation throughout the Bendigo Region through the development of regional itineraries. The region is aligning with a "hub and spoke" tourism model, where visitors travel to the hub (Bendigo) and are then further motivated to venture out into the surrounding regions on day and overnight trips, based on regional itineraries. This will increase intrastate tourism and boost the local economies.

The regional itineraries are based on key themes, clusters and niches to experience throughout the Bendigo Region and the Loddon, Mount Alexander and Central Goldfields shires.

These regional itineraries are available to the consumer and visitor in both digital and hard copy formats. Themes and itineraries covered as part of the project include:

- Antiques/Collectables/Opportunity shops
- Vintage fashion/Fashion boutiques
- Bookshops
- Art Galleries and Artisans.

Goldfields Visitor Servicing Review

The overarching objective for the review is to recommend a tailored, region specific, integrated visitor servicing model that is internationally innovative. It must align with each destination's brand strategy, Bendigo and Ballarat Regional Tourism Board Destination Management Plans and VGTE strategies.



BUILT AND NATURAL ENVIRONMENT

Purpose: value, conserve and enhance the rich built and natural environment.

Focus area: Infrastructure assets and facilities

Protect and enhance our existing amenities.

Projects/services implemented:

1. Asset maintenance
2. Flood management planning

Focus area: Natural environment and sustainability

Value, add and value-add to our natural environment and sustainability.

Projects/services implemented:

1. Waste Management Plan review

Focus area: Strategic land use

Achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.

Projects/services implemented:

1. Central Goldfields Planning Scheme

BUILT AND NATURAL ENVIRONMENT

Focus area: Infrastructure assets and facilities

Protect and enhance our existing amenities.

ASSET MAINTENANCE

Council considers asset maintenance as a fundamental part of strategic planning, for the maintaining and replacement of all assets throughout the Shire.

Assets are wide ranging and Council must take into consideration their current condition, what is required to maintain them, when is the optimum time to conduct maintenance, budget allocations and expected life.

Tree Assets

In mid-2016 an alliance was formed between the municipalities of Buloke, Gannawarra, Loddon, Central Goldfields, Mount Alexander and Macedon Ranges and a Victorian Government grant to conduct a street tree inventory within these municipalities was approved.

From January to March 2017, 31,852 tree assets were recorded across the six areas. Data was collected by a team of qualified arborists, recording information relating to tree species, dimensions, condition, recommended works and risk.

The information provided in the report will assist greatly in the future planning of tree management.

Road Asset Management Plan

Council's Road Asset Management Plan was reviewed and updated in June 2016.

Unsealed Roads Treatment Trial

Over 700 kilometres of roads within the shire are unsealed. Council conducted an unsealed roads trial of several treatments of gravels on a typical rural road. Costs have been monitored, along with periodic measurements of wear, loss of profile, dust, roughness, condition, and appearance, all of which will be monitored over a two-year period.

The trial is being conducted in accordance with current accepted standards and is being watched closely by a several peak road bodies.

Sealed Road Re-seals

A total of 33 kilometres of roads were re-sealed during the year. The re-sealing program includes substantial seal preparation works, which improve the overall travel quality of the effected roadways.

Unsealed Road Re-sheeting

A total of 14.6 kilometres of unsealed roads were re-sheeted in rural areas during the year.

FLOOD MANAGEMENT PLANNING

Carisbrook Flood Mitigation Project

In accordance with the completed flood mitigation design for Carisbrook, works commenced on the project in 2016. The project has been staged because of the need to plan through several structural and functional requirements including planning approvals and provisions for land easements and acquisition.

Dunolly Flood Mitigation Project

In accordance with the Dunolly Flood Study, flood mitigation works for Dunolly have been designed and will involve reinstatement and rehabilitation of the north-eastern levee and retention structure.

Development approvals have been provided for the works and a funding application to the State Government has been made. Works will be undertaken in 2017/18 if funds become available.

Focus area: Natural environment and sustainability

Value, add and value-add to our natural environment and sustainability.

WASTE MANAGEMENT PLAN REVIEW

The waste management function includes provision of waste services to the community including waste, recycling, green and organic waste and hard waste kerb side collection, street and park litter and public place recycling collection and operation of the Shires four Transfer Stations. It also covers the provision of public awareness and community education, materials recovery and targets, litter and illegal dumping and the management of closed landfills amongst the context of National, State and Regional strategies and regulations.

Key achievements in the past 12 months include:

- Materials recovered (recyclables and organics) from the waste stream have increased to 42%.
- Green waste and kitchen organics collection voluntary service participation has increased to 1,108 properties.
- The compost facility at the Carisbrook Transfer Station has operated successfully over the past 12 months processing 400 tonnes of green waste and kitchen food waste. The compost process continues to provide free bags of compost to participants in the service ensuring the recovery of the green waste and organic waste component of the waste stream.
- Ongoing aftercare management and monitoring of the closed Carisbrook landfill has continued, with developments towards the appointment of an Environmental Auditor; the preparations for additional leachate and gas monitoring bores; and the expansion of the monitoring program to satisfy the Post Closure Licence and EPA requirements.
- The Dunolly Transfer Station access road has been sealed to improve the facility for the users.
- Several new Public Place Recycling bins were installed throughout the Shire, which is an addition to the original 32 installed last year. Council will embark on an education and awareness campaign next year to reinforce and improve the use of the public place recycling in shopping centres, parks and at community events.

BUILT AND NATURAL ENVIRONMENT

Focus area: Strategic land use

Achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.

CENTRAL GOLDFIELDS PLANNING SCHEME

Council is working towards the introduction of an updated Municipal Strategic Statement and local policies to ensure the planning scheme reflects the current vision of Council.

Development Activity

Council's planning office received 161 planning permit applications in the 2016/2017 year with some notable applications including:

- A 377,000 bird, seven shed broiler farm in Strathlea
- Eight applications for native vegetation removal
- Four applications for mining or resource extraction
- Residential developments, including the development of 62 new dwellings
- 18 applications relating to commercial or industrial development, including a composting facility and manufacturing pilot project
- 22 applications for subdivision.

In keeping with the recent trend of infill developments in existing urban areas, over 80% of these applications were two lot subdivisions.

Victorian Civil and Administrative Tribunal (VCAT) Activity

Council has several matters before VCAT including:

- An application for the keeping of up to 500 birds in Alma. This application was refused by Council, but a conditional planning permit has been issued as directed by VCAT.
- Preparatory hearing for a planning permit application for a (325,000 bird) six shed broiler farm proposal in Clarkes Road, Strathlea. The planning application was determined to be refused by Council in February 2017. The applicant has elected to appeal the decision to VCAT so the matter will proceed to VCAT for a determination in August 2017.
- Preparatory hearing for a hay processing facility planning permit application in Madman's Lane, Flagstaff. The planning application was determined to be refused by Council in November 2016. The applicant has elected to appeal the decision to VCAT so the matter will proceed to VCAT for a determination in December 2017.





PROCESSES AND GOVERNANCE

Purpose: implement strong, clear and transparent corporate governance, strategies and actions.

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Projects/services implemented:

1. Communications strategy
2. Information technology and management
3. Occupational Health and Safety
4. Human resources
5. Governance processes

Focus area: Leadership and governance

Provide strong leadership in representing the community.

Projects/services implemented:

1. Work showcased internationally
2. Central Goldfields Shire communications channels

Focus area: Financial sustainability

Deliver responsible financial management and business planning to ensure long term sustainability.

Projects/services implemented:

1. Finance and risk management
2. Budget compliance

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

COMMUNICATIONS STRATEGY

Implementation of the strategy has continued in the 2016/17 financial year. It forms the foundation of communications for Central Goldfields Shire, ensuring the same key messages are used across all channels, with the aim of giving the target audience a clear understanding of Council's goals.

Council elections were held in October 2016 and a new Council Plan adopted in June 2017. Subsequently, the development of a correlating communications strategy is underway.

INFORMATION TECHNOLOGY AND MANAGEMENT

The last 12 months have seen a major leap forward in the area of Records Management Information Management.

The new system, *Magiq*, was introduced in June 2016 and the movement and processing of documents is now more efficient. It has already reduced the amount of paper circulating the office, minimised duplication, and increased accountability and transparency in our operations.

Central Goldfields Shire also adopted four related Records Management Policies that set the framework for continuing improvement in this area, and as Business Units become more familiar with the system, even more efficiencies will be made as everyday workflows become automated.

Information Technology

To support the ever increasing dependency on technology Central Goldfields Shire's servers were upgraded. The Information Technology department now supports and maintains 120 desktop and mobile devices, a 70 handset office phone system and around 75 mobile phones.

OCCUPATIONAL HEALTH AND SAFETY

Central Goldfields Shire aims to maintain a safety culture that supports an incident and injury free workplace for all employees, Councillors, contractors, visitors and the public. Over the past 12 months the Shire has maintained its safety management system. This has involved undertaking six monthly safety audits of the worksites.

A review of all hazardous substances was undertaken and alternative non-hazardous chemicals sought.

Central Goldfields Shire remains involved in the Collaborative WorkCover Project with four other rural councils to improve the return to work processes by implementing early intervention initiatives. The project has seen improvements in return to work timeframes, training opportunities and insurance premium rates.

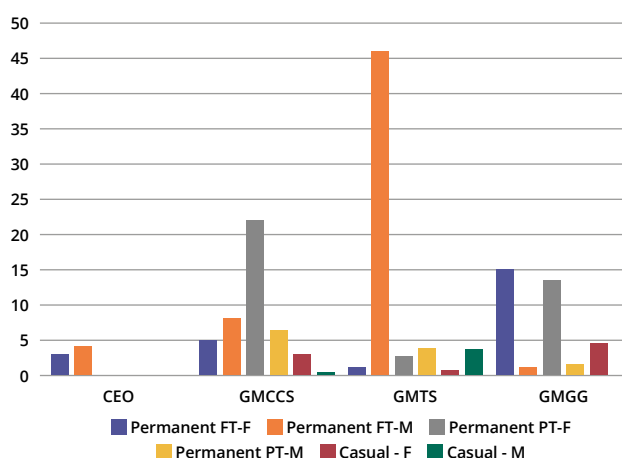
As part of the return to work process the Shire, conducts Occupational Rehabilitation Assessments as part of its return to work process. This ensures appropriate plans are agreed on to facilitate a safe return to work for injured staff.

HUMAN RESOURCES

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. The CEO and three General Managers form the Executive Management Team and lead the organisation.

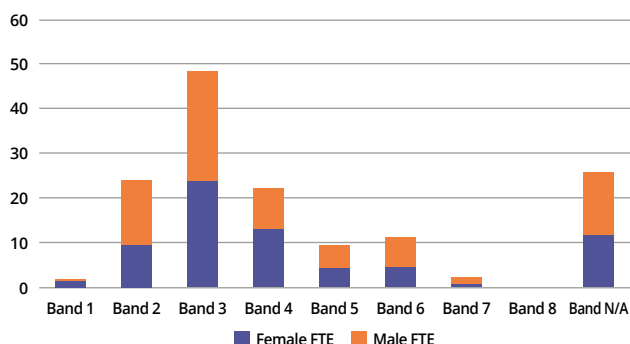
Council Staff

A summary of the number of full time equivalent (FTE) Council staff by organisational structure, employment type and gender is set out below.



CEO: Chief Executive Officer **GMCCS:** General Manager Corporate and Community Services **GMTS:** General Manager Technical Services **GMGG:** General Manager Go Goldfields

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.



Equal Opportunity

The objective of Council's Equal Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010*, such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. Further objectives include ensuring the workplace is free from bullying and harassment.

The indicators that measure the effectiveness of the Program and the results for the year are:

Indicator: Percentage of new staff receiving the equal opportunity information in the induction package before commencement. 100%. Result: 99%

Council prides itself on the achievement that there were no breaches of the Act.

Council has undertaken the commitment to supply online training for staff.

To ensure staff have access to these and other Human Resource policies, the suite of policies was loaded onto Council's record management program.

Enterprise Bargaining Agreement

Council entered its last year of the Central Goldfields Shire Council No 6 2014 Enterprise Agreement with negotiations commencing in February 2017 on the new 2017 agreement. An enterprise Bargaining Agreement Committee was established to negotiate a new agreement for Council with employees and consisted of Unions delegates, union representatives, executive staff and nominated employees.

Professional Development

Training is provided to all employees to raise awareness of Council's legislative and industrial obligations. During the year, staff have undertaken eLearning training modules, informal and formal face to face training and accredited qualifications.

With the implementation of the new records management system all staff with administrative roles have undertaken training in records management and PROV standards.

First Aid training was provided for various staff as a requirement of their position and to ensure Council meets its regulatory obligations.

Employees were also supported to complete formal study through the Study Assistance Program.

GOVERNANCE PROCESSES

Council Meetings

Council Meetings are held on the fourth Tuesday of every month in the Community Hub, 48 Burns Street Maryborough at 5.30 pm.

Special meetings are called as required and are advertised in the local newspapers and on Council's website.

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Advisory Committees

Committee	Councillors	Officers	Other	Purpose
Plant Committee	2	3	0	To advise Council on matters relating to replacement, purchase and disposal of plant and equipment.
Heritage Advisory Committee	2	2	5	To advise Council on heritage matters within the shire.
Community Water Task Group	2	1	4	Convened during drought. Comprises of Council, Central Highlands Water and community members. Meets annually.

Section 86 Committees

Committee	Councillors	Officers	Other	Purpose
Adelaide Lead Hall Committee of Management	0	0	10	To foster, encourage, promote and implement programs directed towards meeting the recreation, cultural and social needs of the local community. To develop, establish and maintain the Hall and its immediate surrounds. To advise Council in relation to the general development and preservation of the Hall.
Daisy Hill Community Hall Committee of Management	0	0	13	To foster, encourage, promote and implement programs directed towards meeting the recreation, cultural and social needs of the local community. To develop, establish and maintain the Centre and its immediate surrounds. To advise Council in relation to the general development and preservation of the Centre.
Dunolly Historic Precinct Committee of Management	0	0	6	To develop, establish and maintain the Court House & Town Hall for the overall benefit of the community. To preserve the historical integrity and significance of the Court House & Town Hall. To advise Council in relation to the general development and preservation of the Court House & Town Hall. To promote and attract visitors to the Court House & Town Hall for their historical value.
Energy Breakthrough Management Committee	1	4	10	To plan, prepare, organize, manage and promote an event called Energy Breakthrough.
Go Goldfields Collaborative	1	1	18	Overseeing the design, implementation and evaluation of the Go Goldfields work within a collective impact approach.
Internal Audit Advisory Committee	2	3	3	To improve the credibility and objectivity of the accountability process including financial reporting. To provide an additional and independent forum for communication between the Council and senior financial management. To improve the effectiveness of the internal and external audit functions.
Public Places Tree Advisory Committee - Maryborough	2	2	3	To consider and resolve on requests for tree removal, lopping, root trimming, pruning, foaming etc. To consider and resolve on tree replacements. To make recommendations to Council on strategies for major tree plantings such as town entrances, business area beautification, park development. Designated area – Maryborough.

Committee	Councillors	Officers	Other	Purpose
Public Places Tree Advisory Committee – Bealiba (not active)	0	0	0	To consider and resolve on requests for tree removal, lopping, root trimming, pruning, foaming etc. To consider and resolve on tree replacements. To make recommendations to Council on strategies for major tree plantings such as town entrances, business area beautification, park development. Designated area – Bealiba.
Public Places Tree Advisory Committee – Carisbrook	1	2	3	To consider and resolve on requests for tree removal, lopping, root trimming, pruning, foaming etc. To consider and resolve on tree replacements. To make recommendations to Council on strategies for major tree plantings such as town entrances, business area beautification, park development. Designated area – Carisbrook.
Public Places Tree Advisory Committee – Dunolly	1	3	4	To consider and resolve on requests for tree removal, lopping, root trimming, pruning, foaming etc. To consider and resolve on tree replacements. To make recommendations to Council on strategies for major tree plantings such as town entrances, business area beautification, park development. Designated area – Dunolly.
Public Places Tree Advisory Committee – Talbot	1	2	3	To consider and resolve on requests for tree removal, lopping, root trimming, pruning, foaming etc. To consider and resolve on tree replacements. To make recommendations to Council on strategies for major tree plantings such as town entrances, business area beautification, park development. Designated area – Talbot.
Talbot Community Homes	0	0	4	To oversee the occupancy and tenancy of the development, including the selection of occupants, setting of tenancy conditions and to arrange general maintenance of the development. To advise Council in relation to the general improvement and preservation of the development. To manage funds generated by the development with the goal of providing local funds for future housing development within the Shire.
Talbot Town Hall Committee of Management	0	0	5	To develop, establish and maintain the hall for the overall benefit of the community. To advise Council in relation to the general development and preservation of the hall.
Tullaroop Leisure Centre Committee of Management	0	1	8	To foster, encourage, promote and implement programs directed towards meeting the recreation, cultural and sporting needs of the Central Goldfields Shire and adjacent municipalities. To develop, establish and maintain the Centre and its immediate surrounds. To advise Council in relation to the general development and preservation of the Centre.
Maryborough Wings and Wheels Committee of Management	0	1	10	To plan, prepare, organize, manage and promote an event called Maryborough Wings and Wheels. To preserve the integrity and significance of the event. To promote and attract visitors to the event.
Preserve Planet Earth – Carisbrook Park Reserve Committee (not active)	0	0	0	To develop, establish and maintain the park for the overall benefit of the community. To advise Council in relation to the general development and preservation of the park. To redevelop the park as an outstanding example of conservation and environmental planning.

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Councillor allowances

In accordance with Section 74 of the Local Government Act 1989, Councillors are entitled to receive an allowance while performing their duty as a councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to councillors and Mayors. Councils are divided into three categories based on the income and population of each council. In this instance Central Goldfields Shire Council is recognised as a category one council.

For the period 1 July 2016 to 30 November 2016, the Councillor allowance for a category one council (as defined by the Act) was fixed at \$19,350 per annum and the allowance for the Mayor was \$57,812 per annum. The Minister for Local Government approved an annual adjustment of 2.5% to take effect from 1 December 2016. The annual allowances were adjusted for the period 1 December 2016 to 30 June 2017 at \$19,834 per annum for the councillor allowance and \$59,257 per annum for the mayoral allowance.

The following table contains details of current allowances fixed for the mayor and councillors during the year;

Councillors	Allowance \$
Cr Geoff Lovett (Mayor)	\$58,466
Cr Helen Broad	\$19,569
Cr Bob Henderson	\$19,569
Cr Wendy McIvor	\$19,569
Cr Chris Meddows-Taylor	\$13,588
Cr Gerard Murphy	\$13,588
Cr Paula Nixon	\$19,569
Cr Barry Rinaldi (retired)	\$5,982
Cr John Van Beveren (retired)	\$5,982

Councillor expenses

The details of the expenses including reimbursement for each Councillor and member of a council committee paid by the council for the 2016-2017 year are set out in the following table;

Councillors	Travel expenses	Car mileage expenses	Childcare expenses	Information/ Communication expenses	Conference/ Training expenses	Total
Cr Geoff Lovett (Mayor)	\$84	\$0	\$0	\$436	\$882	\$1,403
Cr Helen Broad	\$0	\$0	\$0	\$490	\$214	\$705
Cr Bob Henderson	\$0	\$0	\$0	\$770	\$214	\$984
Cr Wendy McIvor	\$0	\$0	\$0	\$859	\$214	\$1,074
Cr Chris Meddows-Taylor	\$0	\$0	\$0	\$87	\$214	\$301
Cr Gerard Murphy	\$0	\$0	\$0	\$425	\$214	\$639
Cr Paula Nixon	\$0	\$0	\$0	\$0	\$214	\$214
Cr Barry Rinaldi (retired)	\$0	\$0	\$0	\$145	\$0	\$145
Cr John Van Beveren (retired)	\$0	\$0	\$0	\$182	\$0	\$182

Code of conduct

Section 76C of the Local Government Act 1989 requires each Council to adopt a Code of Conduct for Councillors. The Code commits Councillors to work effectively together and provides for effective participation and accountability to the community.

Council adopted an amended Code of Conduct on 14 February 2017. Review of the code is carried out, as is required under the Act within four months of a Council election.

Council Plan

Section 125 of the Local Government Act 1989 requires Council to prepare and approve a Council Plan within the period of six months after each general election or by the next 30 June, whichever is later. A Council Plan must include:

1. The strategic objective of Council
2. Strategies for achieving the objectives for at least the next four years
3. Strategic indicators for monitoring the achievement of the objectives
4. A Strategic Resource Plan containing the matters specified in Section 126
5. Any other matter prescribed by the regulator.

Council developed and adopted the Council Plan for the period 2017 – 2021 at the Ordinary Meeting on 27 June 2017, with annual reviews thereafter.

Citizenship Ceremonies

Council conducts Citizenship Ceremonies on behalf of the Department of Immigration and Multicultural and Indigenous Affairs. The Mayor conducts these ceremonies at a private ceremony or a formal ceremony prior to an Ordinary Council Meeting.

Carer's Recognition Act 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles on the Act, to people in care relationships who receive Council services; to people in care relationships, and to the wider community by:

- Distributing printed materials through relevant Council services
- Displaying posters at Council community venues
- Providing links to State Government resource materials on Council's website
- Providing information to organisations represented in Council/community networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in HACC and disability services
- Council induction and training programs for staff working in front line positions in the general community
- Induction and training programs for volunteers working directly in the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship:

- Providing access to carer's leave
- Supporting staff through family friendly initiatives
- Information provided in induction programs
- Information link on website.

Various Disclosures

Protected Disclosure Act 2012

Council's Procedure

The Protected Disclosure Act 2012 requires a public body, other than an investigating entity, that is required under another Act to provide an Annual Report for a financial year must include in that report;

- a) Information about how to access the procedures established by the public body under Part 9; and
- b) In the case of a public body that can receive disclosures made in accordance with Part 2 – the number of disclosures notified to the IBAC under section 21(2) during the financial year.

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Council has adopted guidelines and appointed an officer to the Protected Disclosure Coordinator role. The guidelines are available for viewing by members of the public by contacting Council's Protected Disclosure Coordinator (Manager Governance).

During the 2016/17 year Council received no protected disclosures.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, council duly reports the following actions have been implemented in line with its Disability Action Plan;

- The roll out of the National Disability Insurance Scheme (NDIS) commenced in our Shire this year, and council has provided and assisted the community in accessing information regarding the NDIS. Information about the NDIS has been a regular feature in the Home Support Services Newsletter.
- The Annual Expo and Scooter Safety Day held with great success.
- The mobile accessible toilet continues to ensure that access is available to all, at major events within the shire.
- The recharge outlet for scooters is well utilised at the resource centre.
- Readspeak is available on our Shire's Home page for vision impaired community members.

Domestic Animal Management Plan

In accordance with the Domestic Animal Management Act, 1994, Council is required to prepare a Domestic Animal Management Plan at four yearly intervals.

The current plan expired in November 2016 however the deadline for review was extended, due to 2016 Council elections, until November 2017.

As required by the Act annual reviews have been conducted to assess the plan against performance indicators. The new Domestic Animal Management plan is currently being drafted in preparation for submission to council for consideration.

Food Act Ministerial directions

In accordance with section 7E of the *Food Act 1984* council is required to publish a summary of any Ministerial Directions received during the financial year in its annual report.

No such Ministerial Directions were received by council during the financial year.

Road Management Act Ministerial direction

In accordance with section 22 of the *Road Management Act 2004*, council must publish a copy or summary of any Ministerial direction in its annual report.

No such Ministerial Directions were received by council during the financial year.

Infrastructure and development contributions

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

Council does not have any infrastructure contribution schemes.

Documents held by Council

Council maintains a variety of documents as part of its day-to-day operations. Both property and subject based files are held to assist in the coordination of documents and correspondence relating to its areas of responsibility. Property files relate to the location, street name and number. Subject files cater for matters of a more general nature and cover a range of areas such as Council administration and community services.

Other technical material held includes: road construction; infrastructure plans; planning and building records; and statutory information Council is required to keep such as food premises registrations and dog and cat registrations.

Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of section 222 of the Act at 22 Nolan Street Maryborough:

1. Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
2. 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.
3. 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.
4. 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 section 86(6) and 98(6) respectively, of the Act.
5. 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.
6. A register maintained under section 224(1A) of the Act of authorised officers appointed under that section.
7. 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.

Freedom of Information Act 1982

The Freedom of Information Act (FOI) 1982 requires Council to make available information and documentation where such information is not exempted by legislation.

The FOI Act embodies the following basic principles:

1. That members of the public have a legally enforceable right of access to government information;
2. That government departments and agencies are required to publish information concerning the documents they hold;
3. That people may ask for inaccurate, incomplete, out of date or misleading information to their personal records to be amended; and
4. That people may appeal against a decision by a government body not to give access to the information or not to amend a personal record.

The FOI Act provides the opportunity for public access to certain Council documents and Council fully supports these principles and makes a wide range of information available to the public.

The initial point of contact relating to FOI is the Manager Governance, who is Council's FOI Officer. Advice will be provided on the documents that may be accessed without the need to make a formal FOI request. For example, many of Council's documents are open for public inspection.

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Contracts Entered into by Council

The table below shows the contracts entered into by Council valued at \$150,000 or more for goods and services and \$200,000 or more for works.

CONTRACT NUMBER	CONTRACT NAME	CONTRACTOR (Prime & Panel Contractors are to be included)	CONTRACT PERIOD	EXTENSION PERIOD	TOTAL CONTRACT AMOUNT (inc gst)
G1109-2016	Powlett St Carisbrook & Tweeddale St, Dunolly - Road Reconst	Doran Earthmoving Pty Ltd	N/A	N/A	\$329,151.90
G1125-2016	Majorca Road Reconstruction	Akingstones Pty Ltd	N/A	N/A	\$323,313.10
G1130-2016	Annual Supply Concrete Products	Allstone Quarries Pty Ltd	1 year	2 x 1 year	Schedule of Rates estimated value \$180,000.00
G1131-2016	Annual Supply of Crushed Rock	Allstone, Hampstead & Hanson (panel x 3)	1 year	1 x 1 year	Schedule of Rates estimated value \$400,000.00
G1135-2016	Insurance Review	Jardine Lloyd Thompson	1 year	N/A	\$164,077.00
G1139-2016	Various Road Construction Works - Central Goldfields Shire	Ableworks Pty Ltd / Fulton Hogan Industries Pty Ltd	N/A	N/A	\$1,259,461.50
G1140-2016	Palmerston St - Nightingale St, Maryborough Intersection Upgrade & Moondara Court, Maryborough Kerb & Channel Works	Enoch Civil Pty Ltd	N/A	N/A	\$212,913.36
G1153-2017	Gladstone Street Maryborough Flood Mitigation Stage 3	Doran Earthmoving Pty Ltd	N/A	N/A	\$241,451.10
G1157-2017	Flood Restoration - Major Works	Panel x 7	N/A	N/A	Schedule of Rates estimated value \$6,800,000.00

CONTRACT NUMBER	CONTRACT NAME	CONTRACTOR (Prime & Panel Contractors are to be included)	CONTRACT PERIOD	EXTENSION PERIOD	TOTAL CONTRACT AMOUNT (inc gst)
G1163-2017	Supply and Delivery Truck	Poyser Trucks/ Bendigo Truck Repairs & Spares	N/A	N/A	\$324,722.50
G1169-2017	Annual Supply of Plant and Equipment	Panel x 22 Contractors	N/A	N/A	Schedule of Rates estimated value \$600,000
G1172-2017	Civil Engineering Consultancy Services	Panel x 21 Contractors	N/A	N/A	Schedule of Rates estimated value \$300,000
G1182-2017	Carisbrook Closed Landfill Environmental Monitoring Program	Kleinfelder Australia Pty Ltd	3 years	4 x 1 year	Schedule of Rates estimated value \$381,000

Council did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

PROCESSES AND GOVERNANCE

Focus area: Organisational processes and systems

Demonstrate good governance and provide quality customer service.

Governance and Management Checklist

	Governance and Management Item	Assessment
GC1	Community engagement policy	Policy. Date of operation of current policy: 23/06/2015.
GC2	Community engagement guidelines	Guidelines. Date of operation of current guidelines: 23/06/2015.
GC3	Strategic Resource Plan	Adopted in accordance with section 126 of the Act. Date of adoption: 23/05/2017.
GC4	Annual budget	Adopted in accordance with section 130 of the Act. Date of adoption: 23/05/2017.
GC5	Asset management plans	Plans. Date of operation of current plans: <ul style="list-style-type: none"> • Road Management Plan V5 22/09/2015, • Road Asset Management Plan V2 01/06/2006, • Operational Road Management Plan V4.01 19/12/2014, • Buildings Asset Management Plan 03/05/2006, • Operational Buildings Asset Management Plan 03/07/2014, • Stormwater & Drainage Asset Management Plan 03/05/2006, • Operational Stormwater & Drainage Asset Management Plan 13/07/2014, • Parks & Recreation Asset Management Plan 03/05/2006, • Operational Parks & Recreational Asset Management Plan 29/07/2014.
GC6	Rating strategy	Strategy. Date of operation of current strategy: 24/06/2014.
GC7	Risk policy	Policy. Date of operation of current policy: 23/06/2015.
GC8	Fraud policy	Policy. Date of operation of current policy: 23/06/2015.
GC9	Municipal emergency management plan	Plan. Date current plan adopted: 23/06/2015.
GC10	Procurement policy	Prepared and approved in accordance with section 186A of the Act. Date of operation of current policy: 26/04/2017.
GC11	Business continuity plan	Plan. Date of operation of current plan: 1/04/2014.
GC12	Disaster recovery plan	No plan. Current reliance is on Business Continuity Plan and Statement Government direction. Disaster Recovery Plan is currently being developed.
GC13	Risk management framework	Framework. Date of operation of current framework: 23/06/2015.

	Governance and Management Item	Assessment
GC14	Audit Committee	Committee revised during 2016-17. Three new independent members appointed in May, 2017. Noted that during 2016/17 this Committee was incorrectly constituted as a Section 86 Committee (as distinct from a Section 139 Advisory Committee).
GC15	Internal audit	Current Audit Advisory Committee has recommended a more robust internal audit program. Council resolved to adopt this recommendation 27/06/2017, and the tender process is underway to engage an Internal auditor.
GC16	Performance reporting framework	Framework. Date of operation of current framework: 01/07/2015.
GC17	Council Plan reporting	Report. Date of report: 23/08/2016.
GC18	Financial reporting	Statements presented to council in accordance with section 138(1) of the Act. Statements presented to council on the following dates: 26/07/2016, 23/08/2016, 27/09/2016, 22/11/2016, 20/12/2016, 24/01/2017, 28/02/2017, 28/03/2017, 26/04/2017, 23/05/2017 & 27/06/2017.
GC19	Risk reporting	Reports. Only one meeting of the Risk Committee was held during the financial year therefore one report was presented to council on 09/11/2016.
GC20	Performance reporting	Reports. Financial performance reported to council on the following dates: 26/07/2016, 23/08/2016, 27/09/2016, 22/11/2016, 20/12/2016, 24/01/2017, 28/02/2017, 28/03/2017, 26/04/2017, 23/05/2017 & 27/06/2017. Non-financial performance reported to council 11/10/2016.
GC21	Annual report	Considered at a meeting of council in accordance with section 134 of the Act. Date presented to council: 11/10/2016.
GC22	Councillor Code of Conduct	Reviewed in accordance with section 76C of the Act. Date reviewed: 14/02/2017.
GC23	Delegations	Reviewed in accordance with section 98(6) of the Act. Date reviewed: 22/10/2013.
GC24	Meeting procedures	Meeting procedures local law made in accordance with section 91(1) of the Act. Date local law made: 27/10/2015.

PROCESSES AND GOVERNANCE

Focus area: Leadership and governance

Provide strong leadership in representing the community.

WORK SHOWCASED INTERNATIONALLY

Talking about addressing Family Violence at the United Nations

In her roles as CEO at the Centre for Non-Violence and Go Goldfields Family Violence Action Group convener, Margaret Augerinos gave a presentation to the United Nations in New York on the work the Central Goldfields community is doing to collectively address family violence.

Margaret spoke of the valuable insights provided by local women with lived experience of family violence and ways in which we are learning how to make sure the voices of women are heard and amplified.

CENTRAL GOLDFIELDS SHIRE COMMUNICATIONS CHANNELS

The Central Goldfields Shire Facebook page continues to gain followers, growing from 900 to over 1400 in the last 12 months. Engagement with page items has also been positive. Among the most successful posts are the employment opportunities. These posts reach up to 2000 people and link directly to Council's careers website, thereby increasing the website's traffic.

Facebook communications are supported by the Council website. Updates are made regularly to ensure user friendliness and ease of access to information.

Council maintains its traditional media communications, such as a weekly page in the local newspaper, which includes advertisements, news and items of interest. Readers can now find all Council matters in one consistent location in the publication.

Focus area: Financial sustainability

Deliver responsible financial management and business planning to ensure long term sustainability.

FINANCE AND RISK MANAGEMENT

The Finance Department continued to provide a high quality, professional service to the public and Council. These services include annual reporting, preparation of annual budgets, statutory reporting, management reporting, cash management, rates management, accounts receivable, accounts payable and payroll.

Highlights for the year included:

- Continued implementation of direct debit as a payment option for rates and general debtors.
- Continued transition to electronic payment methods (electronic funds transfer) wherever available to increase processing efficiencies.
- Increased utilisation of email communications to increase efficiencies including emailed payment remittances, payslips, and invoices.
- Completion of the 2017/2018 Annual Budget, and Strategic Resource Plan for 2017/2018 to 2021/2022 (adopted by Council on 23 May 2017).
- Completion of Business Impact Analysis workshops, resulting in the development of sub-plans for identified "Critical Functions" to assist with the review of Council's Business Continuity Plan (July – October 2016).
- Review of the Audit Committee Charter and subsequent recruitment of three new independent Audit Advisory Committee members (February to June 2017).

BUDGET COMPLIANCE

In addition to internal monitoring, a budget process report is presented monthly to Council, checking actual against estimated income and expenditure. Diligent controls have seen a favourable financial result produced again this year, while a five year financial projection shows Council in an increasingly strong, sustainable financial position.



OUR PERFORMANCE

Planning and Accountability Framework

Strategic Theme 1: Community and Culture

Foster community connectedness and social capital, and services which improve people's health and wellbeing.

Strategic Theme 2: Economy and Growth

Encourage and support economic activity, particularly that which facilitates employment in the community.

Strategic Theme 3: Built and Natural Environment

Value, conserve and enhance the rich built and natural heritage and environment.

Strategic Theme 4: Processes and Governance

Implement strong, clear and transparent corporate governance, strategies and actions.

Performance Statement

OUR PERFORMANCE

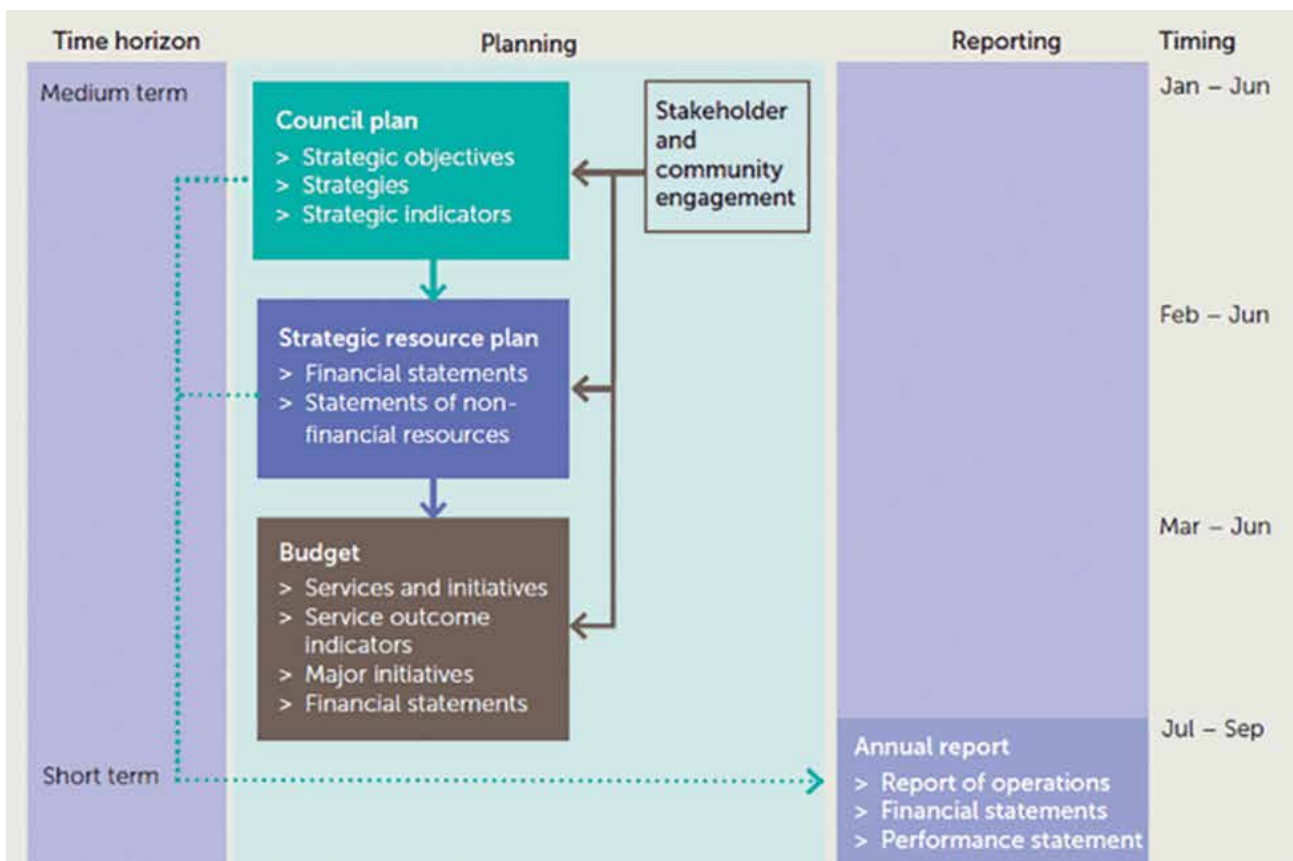
PLANNING AND ACCOUNTABILITY FRAMEWORK

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989* (the Act). The Act requires council to prepare the following planning and reporting documents:

- A council plan within the six months after each general election or by 30 June, whichever is the later
- A strategic resource plan for a period of at least four years and include this in the council plan
- A budget for each financial year
- An annual report in respect of each financial year.

The timing of each component of the planning framework is critical to the successful achievement of the planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June following a general election and is reviewed each year in advance of the commencement of the Annual Budget process.

The diagram below depicts the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.



Source: Department of Environment, Land, Water and Planning.

Our Purpose

Our vision - 'To be a community with choice'

Central Goldfields Shire Council adheres to Section 3C(1) of the Local Government Act 1989, which states that "The primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions".

Our Values

Three behaviours that support our Vision; are being Accountable, Progressive and Respectful.

Accountable:

- Responsible for our actions and results and do what we say we will
- Act with integrity – deal with all people honestly, ethically and transparently

Progressive:

- Strive for constant improvement
- Find new and creative ways; focus on the future

Respectful:

- Listen actively and consider other viewpoints
- Embrace and respect diversity and inclusion

Strategic Objectives

Council delivers services and initiatives that contribute to the achievement of one of the four strategic themes set out in the Council Plan for the years 2013-17. The following table lists the four Strategic themes as described in the Council Plan.

Strategic Objective	Description
1. Community and Culture	Foster community connectedness and social capital, and services which improve people's health and wellbeing.
2. Economy and Growth	Encourage and support economic activity, particularly that which facilitates employment in the community.
3. Built and Natural Environment	Value, conserve and enhance the rich built and natural heritage and environment.
4. Processes and Governance	Implement strong, clear and transparent corporate governance, strategies and actions.

Services, Initiatives and Service Performance Indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2016/17 year and how these will contribute to achieving the strategic objectives specified in the Council Plan as set out in Section 1. It also includes a number of initiatives, major initiatives and service performance outcome indicators. The Strategic Resource Plan (SRP) is part of and prepared in conjunction with the Council Plan.

OUR PERFORMANCE

Strategic Theme 1: Community and Culture

Foster community connectedness and social capital, and services which improve people's health and wellbeing.

Major Initiatives	Progress
Goldfields Family Centre redevelopment including integration of Maternal & Child Health Centre, 3yo and 4yo kindergarten and child care centre. (Actual \$579,498 Budget \$600,000)	Project completed and the Goldfields Family Centre was officially opened on 15 March 2017.

Services	Budgeted Net Cost \$	Actual Net Cost \$	Difference \$
Community	25,567	(17,648)	(43,215)
Neighbourhood Renewal	0	977	977
Go Goldfields	187,393	(141,135)	(328,528)
Art Central	0	6,071	6,071
Law Order	222,628	230,052	7,424
Education/Housing	18,529	32	(18,497)
Emergency Management	38,559	(747,790)	(786,349)
Fire	27,000	31,068	4,068
Environmental Health	89,990	227,543	137,553
Child Care	(166,097)	390,101	556,198
Maternal & Child Health	119,695	160,971	41,276
Aged & Disabled	(395,721)	(306,171)	89,550
Youth	0	45,761	45,761
Civic Halls	106,381	109,170	2,789
Libraries	347,703	341,244	(6,459)
Arts	154,304	183,882	29,578
Shire History	3,073	3,262	189
Administration	64,300	65,686	1,386
Indoor Sports Centres	720,489	717,684	(2,805)
Recreation Programs	178,500	(13,358)	(191,858)

Services	Budgeted Net Cost \$	Actual Net Cost \$	Difference \$
Swimming Pools	142,998	128,954	(14,044)
Parks & Recreation	1,228,715	1,000,432	(228,283)
Parks Buildings	102,740	93,280	(9,460)

Strategy	Description of strategy	Actions implemented
Community development/ Connectedness	Foster community resilience, connectedness and social capital.	<ul style="list-style-type: none"> • Go Goldfields Collaborative Table continued its work in the areas of children and families, youth and work readiness, prevention of family violence, and, literacy and arts. • Grants totalling \$24,888 allocated to community groups during the year, and \$20,990 allocated to local halls and band committees to assist them in continuing to provide vital community services.
Health and Wellbeing	Improve people's health and wellbeing throughout all life stages.	<ul style="list-style-type: none"> • Health and wellbeing plan impact statement adopted. • Maternal & Child Health partnered with Maryborough District Health Service to provide antenatal education services. • Renovation and redevelopment of Goldfields Family Centre. • Social Support Program provided 5 days per week.
Community Safety	Foster a 'whole of community' approach to community safety.	<ul style="list-style-type: none"> • Municipal Emergency Management Committee actively participated in the development of the Northern Victorian Regional Cluster Group. • Family Violence Call to Action Launch November 2016. • Supporters of the White Ribbon campaign.
Arts, Culture and Heritage	Increase community awareness/appreciation of arts, culture and heritage.	<ul style="list-style-type: none"> • Shrine of Remembrance Exhibition – 'Australia Will Be There' featured over 100 First World War photographs. • Creative Goldfields community arts group commenced. • Youth survey undertaken. • Central Goldfields Youth Awards held in July 2017. • Words in Winter festival and Baby Rhyme Time held at the Library.

OUR PERFORMANCE

Strategic Theme 1: Community and Culture

Foster community connectedness and social capital, and services which improve people's health and wellbeing.

Strategy	Description of strategy	Actions implemented
Recreation and Sport	Increase participation in physical activity.	<ul style="list-style-type: none"> • Walking and Cycling Strategy adopted by Council. • Ballarat-Maryborough Heritage Cycling Trail opened in April 2017. • Princes Park Enhancement Project completed early 2017. • Conducted the VicHealth H30 Challenge in March-April 2017 – participants swapped sugary drinks for water reducing their kilojoule intake by approximately 727 million. • Capital works programs this year included an upgrade of cricket training facilities at Hedges Oval, show jumping arena development, rainwater harvesting at the sports and leisure centre, synthetic grass courts installed at the tennis centre and the installation of an electronic scoreboard at Princes Park.
Education and Learning	Increase education and learning participation and opportunities across the Shire.	<ul style="list-style-type: none"> • L2P program clocked up 543 driving hours. • Art workshops, tutored by artists and teachers, were held each school term break at the Art Gallery. • Two, 3 year old and two, 4 year old kindergarten programs offered in the new Kindergarten Room at the Goldfields Family Centre.

Strategic Theme 2: Economy and Growth

Encourage and support economic activity, particularly that which facilitates employment in the community.

Services	Budgeted Net Cost \$	Actual Net Cost \$	Difference \$
Tourism	422,688	236,667	(186,021)
Council Enterprises	(28,200)	(17,750)	10,450
Caravan Park	(48,134)	(51,404)	(3,270)
Development Agencies	35,000	35,153	153
Building	148,600	222,986	74,386
Planning	380,700	211,482	(169,218)

Strategy	Description of strategy	Actions implemented
Economic Activity	Support and facilitate activities which contribute to the municipality's economic prosperity.	<ul style="list-style-type: none"> The Tourism and Visitor Services Membership Program was introduced. The Program engages in initiatives such as industry audits, marketing campaigns, public relations opportunities, industry development programs and digital and social media campaigns. Council supported the reinvigoration of the Goldfields Business Group.
Tourism and Events	Maintain and grow visitations and the local events stock.	<ul style="list-style-type: none"> Official Visitors' Guide produced. On Track: Place and Memory – a series of lively conversations with writers was held at the historic Maryborough Railway Station. Central Goldfields Shire's major sport and recreation tourism event, RACV Energy Breakthrough, was once again an enormous success. 2017 Australian Veteran Cycling Championships were conducted in the shire over the 2017 Easter period. 48 events participated in the 5th Annual Spring Fling festival. The inaugural Digital Storytelling and Awards Event formed part of the Shire's Summer in the Domain series of events. Council lead the Goldfields Heritage Development and Opportunity Summit, which involves 12 municipalities and other Goldfields stakeholders. A communique was developed at the Summit and has been forwarded to the Premier and other key Ministers.

OUR PERFORMANCE

Strategic Theme 3: Built and Natural Environment

Value, conserve and enhance the rich built and natural heritage and environment.

Major Initiatives	Progress
Bet Bet Creek Road Bridge replacement. (Actual \$144,824 Budget \$395,000)	Project 75% completed at 30 June 2017. Weather delay on deliver of pre-cast items from supplier.
Avoca Road major culvert widening. (Actual \$0 Budget \$375,000)	Project not completed. Preliminary survey works commenced.
Crameri Road upgrade. (Actual \$139,791 Budget \$270,000)	Project delayed to due to bad weather.
Gladstone Street outfall drain. (Actual \$4,108 Budget \$250,000)	Project not completed due to unavailability of contractor.
Smeaton Road rehabilitation. (Actual \$257,595 Budget \$250,000)	Project completed.
Majorca Road renewal stage 1. (Actual \$286,243 Budget \$270,000)	Project completed.
Talbot Road Majorca bridge replacement. (Actual \$237,359 Budget \$180,000)	Project completed.
Carisbrook drainage mitigation project. (Actual \$596,269 Budget \$2,585,000)	Project not completed.

Services	Budgeted Net Cost \$	Actual Net Cost \$	Difference \$
Administration	900,162	764,153	(136,009)
Local Roads	1,929,012	3,525,133	1,596,121
Depot	84,066	120,816	36,750
Plant	(303,614)	(271,651)	31,963
Drainage	(704,300)	330,545	1,034,845
Admin & Environmental Management	73,000	71,294	(1,706)
Waste Disposal	(494,255)	(766,284)	(272,029)
Waste Water Recycling	29,320	30,644	1,324
Public Conveniences	489,548	507,891	18,343

Strategy	Description of strategy	Actions implemented
Infrastructure, Assets and Facilities	Protect and enhance our existing amenities	<ul style="list-style-type: none"> • Council reviewed its Road Asset Management Plan to ensure that it remains up to date and relevant. • Carisbrook flood mitigation works have commenced. • Dunolly flood mitigation works have been designed and an application to fund the works has been made to the State Government.
Natural Environment	Value, and, value-add to our natural environment	<ul style="list-style-type: none"> • Council formed an alliance with Buloke, Gannawarra, Loddon, Mount Alexander and Macedon Ranges Shires to conduct a street tree inventory. The information provided in the inventory will assist greatly in the future planning of tree management. • Recyclable and organics material recovered from the waste stream has increased to 42%. • 400 tonnes of green waste and kitchen food waste converted to compost, which is bagged and available to participants of the service for free. • Several new public place recycling bins have been installed throughout the shire.
Strategic Land Use	Achieve outcomes in planning and policy activities to create environments that support public wellbeing and economic success.	<ul style="list-style-type: none"> • Municipal Strategic Statement is currently under review. • 161 planning permit applications received during 2016-17. • Over 80% of the 22 applications for subdivision received during the 2016-17 year were for two lot subdivisions.

OUR PERFORMANCE

Strategic Theme 4: Processes and Governance

Implement strong, clear and transparent corporate governance, strategies and actions.

Major Initiatives	Progress
Computer network and server upgrades. (Actual \$27,720 Budget \$45,000)	Project complete.

Services	Budgeted Net Cost \$	Actual Net Cost \$	Difference \$
Rates & Charges, Grants Commission	(13,549,413)	(14,854,450)	(1,305,037)
Shire Management	995,000	928,256	(66,744)
Personnel	221,200	235,654	14,454
Corporate Services	1,973,693	2,605,055	631,362
Finance	649,421	560,279	(89,142)
Asset Sales	0	(73,984)	(73,984)

Strategy	Description of strategy	Actions implemented
Organisational processes and systems	Demonstrate good governance and provide quality customer services.	<ul style="list-style-type: none"> • Introduction of new records management system has resulted in increased efficiency in the movement and processing of documents throughout the organisation. • Information Management policies adopted to underpin the records management system and associated processes. • Computer servers upgraded to support the requirements of the organisation.
Leadership and Governance	Provide strong leadership in representing the community.	<ul style="list-style-type: none"> • Central Goldfields Shire's work through Go Goldfields Family Violence Action Group was presented at the United Nations in New York. • Use of both traditional media communications, such as a weekly page in the local newspaper, Councillor columns and media releases, as well as Council's website, and an increased presence on social media, ensures that Council's messages are accessible to the whole community.

PERFORMANCE STATEMENT

Located at the geographical centre of Victoria, Central Goldfields Shire covers 1,532 square kilometres and has an approximate population of 12,500 people.

Maryborough is the shire's major business centre with a population of around 7,500. Maryborough has gained recognition in recent years as having some of the finest sporting facilities in regional Victoria, together with significant historical buildings dating back to the goldmining era of the 1850's.

Other towns in the shire include Bealiba, Carisbrook, Dunolly, Majorca, Talbot, Timor-Bowenvale and the rural districts surrounding these centres. All are famous for their heritage architecture and significant agricultural industries.

The shire is currently experiencing significant growth with key infrastructure projects and residential developments reaching fruition.

The State Government's commitment to the shire has seen recent investments in the areas of health, education, and law and order, together with assistance to economic development activities initiated by Council.

The shire is located within one hour's drive from main provincial centres of Ballarat and Bendigo and just two hours from Melbourne.

The first democratically elected council for Central Goldfields Shire was elected on 15 March, 1997. In 2005, the Minister for Local Government determined that the number of Councillors to represent the shire be increased from five to seven.

The next election will be held in October 2020 with Councillors being elected for a four year term.

OUR PERFORMANCE

PERFORMANCE STATEMENT

Sustainable Capacity Indicators					
Indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments	
Population					
C1 <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,062.67	\$2,066.32	\$2,239.01	No material variation	
C2 <i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$20,655.48	\$21,759.13	\$22,877.53	No material variation	
C3 <i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	9.56	9.54	9.60	No material variation	
Own-source revenue					
C4 <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$999.68	\$1,289.38	\$1,326.14	No material variation	
Recurrent grants					
C5 <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$888.55	\$604.93	\$863.85	Primarily due to the early payment of 17/18 Commonwealth Financial Assistance Grant funding \$1,872k which has improved this result	
Disadvantage					
C6 <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	1.00	1.00	1.00		

Definitions

“adjusted underlying revenue” means total income other than:

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

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

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

“current assets” has the same meaning as in the AAS

“current liabilities” has the same meaning as in the AAS

“non-current assets” means all assets other than current assets

“non-current liabilities” means all liabilities other than current liabilities

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

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

“population” means the resident population estimated by council

“rate revenue” means revenue from general rates, municipal charges, service rates and service charges

OUR PERFORMANCE

PERFORMANCE STATEMENT

Service Performance Indicators					
	Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
AF6	Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	7.00	6.82	7.29	
AM4	Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	1.00	0.00	0.00	No animal management prosecutions were required during the reporting period.
FS4	Food Safety Health and safety <i>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	0.00%	80.00%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year
G5	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]	64.00	58.00	51.00	Several controversial matters considered by Council during the reporting period, including broiler farms and hay processing planning permit applications
HC6	Home and Community Care (HACC) Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	25.00%	23.14%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
HC7	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	25.00%	12.50%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

Service Performance Indicators					
Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments	
LB4 Libraries Participation <i>Active library members</i> [Number of successful animal [Number of active library members / Municipal population] x100]	32.00%	30.80%	15.22%	Definition of active user in Library Management System changed. Active user now defined as a borrower who has used their card within the last 12 months whereas it used to be 3 years	
MC4 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	83.00%	83.28%	79.26%		
MC5 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	79.00%	75.00%	69.23%		
R5 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]	55.00	54.00	51.00	Shire experienced damage to a significant portion of the road network due to flooding in September/October 2016. Funding requirements have delayed restoration works	
SP4 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^	0.00%	0.00%	Results indicate the number of Council decisions not set aside by VCAT during the reporting period.	
WC5 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	40.00%	41.36%	42.87%		

OUR PERFORMANCE

PERFORMANCE STATEMENT

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

“critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

“food premises” has the same meaning as in the *Food Act 1984*

“HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

“HACC service” means home help, personal care or community respite provided under the HACC program

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

“major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

Financial Performance Indicators									
Dimension/indicator/measure		Results			Forecasts				Material Variations and Comments
		2015	2016	2017	2018	2019	2020	2021	
E1	Efficiency <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,048.14	\$1,122.14	\$1,160.71	\$1,196.86	\$1,237.14	\$1,278.86	\$1,322.00	No material variation
E2	Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,250.25	\$3,130.25	\$3,539.88	\$3,627.00	\$3,202.25	\$3,258.50	\$3,332.00	Partly due to \$1,363k expenditure in relation to the written down value of infrastructure assets replaced and an additional \$1,189k in depreciation as a result of the asset revaluation
E3	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	10.07%	5.37%	7.91%	0.00%	0.00%	0.00%	0.00%	A number of staff retirements occurred during the year consistent with the age profile of the organisation
L1	Liquidity Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	130.75%	151.68%	145.77%	111.53%	119.39%	120.84%	116.66%	No material variation
L2	Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	61.69%	97.57%	57.90%	59.69%	65.41%	66.67%	62.20%	Due to the allocation of \$3,520k in term deposits to Other Financial Assets. With this included the result improves to 96.96%

OUR PERFORMANCE

PERFORMANCE STATEMENT

Financial Performance Indicators								
Dimension/indicator/measure		Results			Forecasts			
		2015	2016	2017	2018	2019	2020	2021
O1	Obligations Asset renewal Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100	64.32%	40.62%	43.93%	83.75%	27.78%	31.46%	27.24%
								Increased expenditure on renewal of existing assets compared to new, in accordance with road asset plan
O2	Loans and borrowings Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	65.09%	57.25%	45.65%	39.36%	26.51%	16.86%	8.01%
								Due to the repayment of \$1,064k in borrowings during the year
O3	Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	8.23%	5.87%	11.63%	6.56%	12.95%	9.74%	8.85%
								Due to the repayment of \$1,064k in borrowings during the year
O4	Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	15.24%	28.65%	12.08%	18.42%	12.06%	6.59%	1.68%
								Due to the repayment of \$1,064k in borrowings during the year
OP1	Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	-7.10%	-6.99%	-1.01%	-10.00%	6.11%	7.25%	5.73%
								Primarily due to the early payment of 17/18 Commonwealth Financial Assistance Grant funding \$1,872k which has improved this result

Financial Performance Indicators									
Dimension/indicator/measure		Results			Forecasts				Material Variations and Comments
		2015	2016	2017	2018	2019	2020	2021	
S1	Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	41.08%	45.49%	39.30%	42.96%	42.89%	43.01%	44.16%	Primarily due to the early payment of 17/18 Commonwealth Financial Assistance Grant funding \$1,872k which has reduced the rates compared to underlying revenue percentage
S2	Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.61%	0.65%	0.63%	0.64%	0.67%	0.69%	0.71%	No material variation

OUR PERFORMANCE

PERFORMANCE STATEMENT

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 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 23 May 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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.



Anna Bartlett CPA

Principal Accounting Officer

Dated: 08/11/2017

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

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

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

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



Mark Davies

Administrator

Dated: 8/11/2017



Vince Haining

Chief Executive Officer

Dated: 8/11/17

OUR PERFORMANCE



Independent Auditor's Report

To the Administrator of Central Goldfields Shire Council

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

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

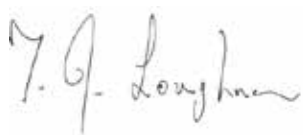
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or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

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

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

I communicate with the Administrator 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
9 November 2017


Tim Loughnan
as delegate for the Auditor-General of Victoria



FINANCIAL PERFORMANCE

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Statement of Cash Flows

Statement of Capital Works

Notes to the Financial Report

FINANCIAL PERFORMANCE

COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2017

Income	Note	2017 \$	2016 \$
Rates and charges	3	13,579,805	13,081,008
Statutory fees and fines	4	451,978	360,661
User fees	5	2,224,933	2,314,313
Contributions - monetary	7 (a)	334,545	526,943
Contributions - non-monetary	7 (b)	6,960	1,500
Found assets	8	2,765,896	1,757,089
Grants - operating	6	9,686,777	6,057,134
Grants - capital	6	3,305,736	1,921,324
Reimbursements	9	111,333	107,366
Other income	10	406,251	350,206
Total income		32,874,214	26,477,544
Expenses	Note	2017 \$	2016 \$
Employee costs	11	(11,793,833)	(11,221,795)
Materials and services	12	(7,903,337)	(7,750,156)
Bad and doubtful debts	13	(15,530)	(12,472)
Depreciation and amortisation	14	(6,787,942)	(5,598,497)
Borrowing costs	15	(215,960)	(202,507)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	17	35,228	(145,940)
Other expenses	16	(1,637,034)	(1,053,275)
Total expenses		(28,318,408)	(25,984,642)
Surplus for the year		4,555,806	492,902
Other comprehensive income	Note	2017 \$	2016 \$
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation (decrement)	24	14,026,220	12,185,328
Total comprehensive result		18,582,026	12,678,230

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

BALANCE SHEET

As at 30 June 2017

Assets	Note	2017 \$	2016 \$
Current assets			
Cash and cash equivalents	18	5,572,023	7,753,724
Trade and other receivables	20	1,935,571	1,639,259
Other financial assets	19	3,520,455	1,010,078
Inventories	21	70,943	102,693
Non-current assets classified as held for sale	22	245,223	1,073,939
Other assets	23	1,793,133	394,848
Total current assets		13,137,348	11,974,541
Non-current assets			
Property, infrastructure, plant and equipment	24	298,631,562	282,443,844
Total non-current assets		298,631,562	282,443,844
Total assets		311,768,910	294,418,385
Liabilities			
Current liabilities			
Trade and other payables	25	2,479,994	2,692,760
Trust funds and deposits	26	354,221	412,802
Provisions	27	2,746,903	2,646,744
Interest-bearing loans and borrowings	28	3,352,220	2,064,659
Total current liabilities		8,933,338	7,816,965
Non-current liabilities			
Provisions	27	427,520	423,181
Interest-bearing loans and borrowings	28	1,677,359	4,029,572
Total non-current liabilities		2,104,879	4,452,753
Total liabilities		11,038,217	12,269,718
Net Assets		300,730,693	282,148,667
Equity			
Accumulated surplus		118,942,753	114,486,947
Reserves	29	181,787,940	167,661,720
Total Equity		300,730,693	282,148,667

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

FINANCIAL PERFORMANCE

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2017

2017	Note	Total 2017 \$	Accumulated Surplus 2017 \$	Revaluation Reserve 2017 \$	Other Reserves 2017 \$
Balance at beginning of the financial year		282,148,667	114,486,947	167,411,720	250,000
Surplus for the year		4,555,806	4,555,806	-	-
Net asset revaluation (decrement)	29 (a)	14,026,220	-	14,026,220	-
Transfers to other reserves	29 (b)	-	(100,000)	-	100,000
Transfers from other reserves	29 (b)	-	-	-	-
Balance at end of the financial year		<u>300,730,693</u>	<u>118,942,753</u>	<u>181,437,940</u>	<u>350,000</u>

2016	Note	Total 2016 \$	Accumulated Surplus 2016 \$	Revaluation Reserve 2016 \$	Other Reserves 2016 \$
Balance at beginning of the financial year		269,470,437	113,728,171	155,226,392	515,874
Surplus for the year		492,902	492,902	-	-
Net asset revaluation (decrement)	29 (a)	12,185,328	-	12,185,328	-
Transfers to other reserves	29 (b)	-	(50,000)	-	50,000
Transfers from other reserves	29 (b)	-	315,874	-	(315,874)
Balance at end of the financial year		<u>282,148,667</u>	<u>114,486,947</u>	<u>167,411,720</u>	<u>250,000</u>

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

STATEMENT OF CASH FLOWS

For the Year Ended 30 June 2017

Cash flows from operating activities	Note	2017 Inflows/ (Outflows) \$	2016 Inflows/ (Outflows) \$
Rates and charges		13,524,821	13,056,316
User fees, statutory fees and fines		2,755,864	2,721,911
Grants - operating		9,626,684	7,607,134
Grants - capital		1,805,736	1,704,345
Contributions - monetary		334,545	526,943
Reimbursements		111,333	107,366
Interest received		211,401	208,695
Net movement in trust funds and deposits		(58,580)	142,134
Other receipts		194,926	134,151
Net GST refund		1,139,631	999,696
Employee costs		(11,637,700)	(11,234,275)
Materials and services		(9,139,373)	(8,925,552)
Other payments		(272,757)	(256,814)
Net cash provided by/(used in) operating activities	30	8,596,531	6,792,050
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(7,624,531)	(5,537,580)
Proceeds from sale of property, infrastructure, plant and equipment		637,555	117,575
Net cash provided by/(used in) investing activities		(6,986,976)	(5,420,005)
Cash flows from financing activities			
Borrowing costs		(216,227)	(227,522)
Repayment of borrowings		(1,064,652)	(397,350)
Net cash provided by/(used in) financing activities		(1,280,879)	(624,872)
Net increase/ (decrease) in cash and cash equivalents		328,676	747,173
Cash and cash equivalents at the beginning of the financial year		8,763,802	8,016,629
Cash and cash equivalents at the end of the financial year		9,092,478	8,763,802
Financing arrangements	31		
Restrictions on cash assets	18		

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

FINANCIAL PERFORMANCE

STATEMENT OF CAPITAL WORKS

For the Year Ended 30 June 2017

Property	Note	2017 \$	2016 \$
Land		102,059	104,164
Buildings		1,225,928	972,096
Total property		1,327,987	1,076,260
Plant and equipment	Note	2017 \$	2016 \$
Plant, machinery and equipment		554,517	551,187
Fixtures, fittings and furniture		47,272	152,601
Total plant and equipment		601,789	703,788
Infrastructure	Note	2017 \$	2016 \$
Roads		4,049,242	3,237,490
Kerb and channel		17,663	64,854
Pathways		239,461	408,065
Bridges and major culverts		412,771	85,596
Drainage		621,647	333,291
Minor culverts		27,410	30,264
Waste water assets		15,072	12,376
Total infrastructure		5,383,266	4,171,936
Total capital works expenditure		7,313,043	5,951,984
Represented by:			
New asset expenditure		1,908,030	1,312,008
Asset renewal expenditure		2,981,897	2,273,862
Asset upgrade expenditure		2,423,116	2,366,114
Total capital works expenditure		7,313,043	5,951,984

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Introduction

The Central Goldfields Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate. Council's main office is located at 22 Nolan Street Maryborough Victoria 3465.

Special context note

This special context note is included to outline the unique and serious circumstances existing at the Central Goldfields Shire Council which weighed heavily in the considerations by each of the Audit Advisory Committee (the Committee), the Interim Chief Executive Officer and the Interim Administrator (acting as the Council) in finalising the Financial Statements and accompanying Notes for the year ended 30 June 2017.

In September 2016 the Local Government Investigation and Compliance Inspectorate (the Inspectorate) commenced an investigation into allegations relating to certain activities at Central Goldfields Shire Council (the Council) and specifically in relation to the Chief Executive Officer (CEO).

Having regard to the Inspectorates investigation, in October 2016 the Minister for Local Government (the Minister) appointed Mr Bill Jaboor as a Municipal Monitor (the Monitor) to monitor and report on the Council during the 2016 local government election period.

The Monitor reported to the Minister on 31 December 2016. The report highlighted serious organisational skill deficiencies and an outmoded organisation structure as major concerns.

In May 2017 the Council following a public process, appointed three new Independent Members to the Committee. The new Committee met for the first time on 21 June 2017.

On 17 July 2017 the Local Government Investigations and Compliance Inspectorate (LGICI) announced that Central Goldfields Shire Chief Executive Officer (CEO) Mark Johnston was served with 41 charges under the Local Government Act and the Crimes Act.

On 18 July 2017 the Council decided at an emergency meeting to stand down the CEO from his position immediately. The Council appointed Mr Vince Haining as Interim Chief Executive Officer (the Interim CEO), effective from 31 July 2017.

The Inspectorates Report (Protecting integrity - Central Goldfields Shire Council Investigation) (the Report) was tabled in the Victorian Parliament on 18 August 2017.

The Report identified serious instances of Asset mismanagement, Financial mismanagement, Human Resource mismanagement, Governance failure and Ineffective policy framework.

Key findings by the Inspectorate and the Monitor included:

1. Significant concern with regard to land sales
2. The acquittal of some grants was improper
3. Some consultancy contracts entered into improperly
4. Credit card approval process controls were weak
5. Audit Committee was not effective
6. No effective Internal Audit function
7. Little action on previous Auditor General reports
8. Some HR processes poor or absent
9. Culture of the organisation requires reform
10. Organisational Structure requires review
11. Compliance with statutory requirements of the LGA (and other Acts) is very poor
12. Corporate records system does not include key compliance information
13. Governance practices are weak
14. Section 86 committees do not comply with legal requirements

In summary the Inspectorate concluded, "the broad investigation revealed clear evidence of failings within the organisation and oversight arrangements. Important front line defences against poor governance, fraud or corruption are management oversight, robust policies and strong internal and external controls. Central Goldfields Shire Council failed its community in many of these areas."

On 23 August 2017 the Councillors were dismissed pursuant to an Act of the Victorian Parliament.

On 25 August 2017 Mr Johnston resigned from the position of CEO effective immediately.

On 26 August 2017 Mr Mark Davies was appointed by the Governor in Council as the Interim Administrator of the Council.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Statement of compliance

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

Note 1: Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

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

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

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

In the process of preparing consolidated financial statements all material transactions and balances between consolidated entities are eliminated.

(d) Committees of management

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

Committees of management consolidated into Council include:

- RACV Energy Breakthrough
- Tullaroop Leisure Centre

(e) Revenue recognition

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

Rates and Charges

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary

rates are recognised when a valuation and reassessment is completed and a supplementary rates notice is issued.

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, plant and equipment, infrastructure

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

Interest

Interest is recognised as it is earned.

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

Other Income

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

(f) Fair value measurement

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

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. 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.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

(g) Cash and cash equivalents

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

(h) Trade and other receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(i) Other financial assets

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

(j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Other inventories are measured at the lower of cost and net realisable value.

All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(k) Non-current assets held for sale

A non-current asset held for sale (including disposal groups) is measured at the lower of its carrying amount and fair value less costs to sell, and are not subject to depreciation. Non current assets, disposal groups and related liabilities 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.

(l) Recognition and measurement of property, plant and equipment and infrastructure

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arm's length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 24 Property, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation surplus 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 surplus for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Council recognises land under roads it controls at fair value.

(m) Depreciation and amortisation of property, plant and equipment, and infrastructure

Buildings, 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.

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

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.

Artworks 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 on the following page and are consistent with the prior year unless otherwise stated.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

	Depreciation Period	Threshold Limit \$
Property		
Land		
land	-	1
land under roads	-	1
land improvements	5-100 years	2,000
Buildings		
buildings	2-70 years	5,000
building improvements	5-100 years	2,000
Plant and Equipment		
plant and equipment	2-40 years	2,000
fixtures, fittings and furniture	2-20 years	2,000
computers and telecommunications	2-10 years	1,000
artworks	-	1
Infrastructure		
road pavements and seals	15-60 years	10,000
kerb and channel	20-50 years	1,000
pathways	30-50 years	1,000
bridges and major culverts	70-100 years	10,000
drainage	40-100 years	3,000
minor culverts	80 years	600
monuments	200 years	2,000
waste water assets	20-60 years	10,000
traffic control facilities	50 years	5,000

(n) Repairs and maintenance

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

(o) Impairment of assets

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

(p) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt or forfeited (refer to note 26).

(q) Borrowings

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

Borrowing costs

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

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

(r) Employee costs and benefits

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

The components of this current liability are measured at:

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

Classification of employee costs

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

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

(s) Landfill restoration provision

Council was obligated to restore the Carisbrook Landfill site to a particular standard. This rehabilitation was completed and approved in February 2016. A bank guarantee is provided for any remedial works if they are required in the future.

(t) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is shorter. Leased assets are currently being amortised over a 10 year period.

Operating leases

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

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.

(u) Goods and Services Tax (GST)

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

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

(v) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 35 contingent liabilities and contingent assets.

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending accounting standards

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has a significant number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$223,715 recognised.

(y) Rounding

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

Note 2: Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$200,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 28 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for 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*.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

a) Income and Expenditure

Income	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Rates and charges	11,015,714	11,018,901	3,187	
Statutory fees and fines	484,450	451,978	(32,472)	1
User fees	6,907,462	4,785,837	(2,121,625)	2
Grants - operating	6,310,963	9,686,777	3,375,814	3
Grants - capital	4,203,369	3,305,736	(897,633)	4
Contributions - monetary	54,000	334,545	280,545	5
Contributions - non monetary	-	6,960	6,960	
Found assets	-	2,765,896	2,765,896	6
Other income	197,000	517,584	320,584	7
Total income	29,172,958	32,874,214	3,701,256	
Expenses	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Employee costs	11,776,533	11,793,833	(17,300)	
Materials and services	8,983,384	7,903,337	1,080,047	8
Bad and doubtful debts	25,300	15,530	9,770	9
Depreciation and amortisation	4,571,431	6,787,942	(2,216,511)	10
Borrowing costs	237,221	215,960	21,261	11
Net (gain)/loss on disposal of property, infrastructure, plant and equipment	(670)	(35,228)	34,558	12
Other expenses	-	1,637,034	(1,637,034)	13
Total expenses	25,593,199	28,318,408	(2,725,209)	
Surplus/(deficit) for the year	3,579,759	4,555,806	976,047	

Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Building permit income of \$200,000, had been originally budgeted, however only \$97,974 received offset by Planning Permit Income which was \$49,168 over budget.
2	User Fees	Due to the elimination of "internal" plant hire income included in the budget (\$1,757,606) in addition Childcare Fees were \$186,637 under budget and FDC Fees were \$43,203 under budget.
3	Grants - operating	Council received 50% of it's 17/18 Commonwealth Financial Assistance Grants funding during June (\$1,872,878), in addition \$999,000 in Go Goldfields funding was received but only \$666,000 budgeted for. \$88,480 in Recreation related grants were received which were not budgeted for, and Kindergarten Grant income was \$64,604 more than budgeted.
4	Grants - capital	Due to \$992,500 in Carisbrook Drainage Mitigation funding budgeted for, which did not occur.
5	Contributions - monetary	Includes \$37,969 in LSL Contributions, \$27,799 for Netball Complex Works, \$16,990 for Kindergarten Toilet Renovations, and \$15,250 for Princes Park Electronic Scoreboard works. All of which were not budgeted for. In addition open space contributions were \$25,605 greater than budget.
6	Found assets	Due to the recognition of \$2,762,896 in infrastructure found during the asset valuation process.
7	Other income	Interest income was \$86,325 higher than budget due to higher cash levels during the year and \$73,756 in Special Charge income not budgeted for.
8	Materials and services	Due to the elimination of "internal" plant hire expense included in the budget (16/17 budget \$1,757,606), offset by \$444,516 in flood recovery works which were not budgeted for.
9	Bad and doubtful debts	Council had budgeted \$19,300 in rate abandonments, only \$10,587 was written off.
10	Depreciation	The revaluation of infrastructure assets impacted depreciation, the effects were not known when completing the budget, resulting in an additional \$1,695,397 in depreciation.
11	Borrowing costs	A number of Council loans are interest only (variable). The drop in interest rates during the year resulted in a reduction in interest payable on these loans.
12	Net gain/(loss)	Due to a net gain on sale of industrial land.
13	Other expenses	Consists of audit fees, and councillor allowances, budgeted as materials and services and disposal of \$1,362,848 in infrastructure assets, which was not budgeted.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

b) Capital Works

Property	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Land	126,000	102,059	(23,941)	
Buildings	964,000	1,225,928	261,928	1
Total Property	1,090,000	1,327,987	237,987	

Plant and Equipment	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Plant, machinery and equipment	1,020,000	554,517	(465,483)	2
Fixtures, fittings and furniture	53,800	47,272	(6,528)	
Total Plant and Equipment	1,073,800	601,789	(472,011)	

Infrastructure	Budget 2017 \$	Actual 2017 \$	Variance 2017 \$	Ref
Roads	3,326,000	4,049,242	723,242	3
Kerb and channel	77,000	17,663	(59,337)	
Pathways	275,000	239,461	(35,539)	
Bridges and major culverts	950,000	412,771	(537,229)	4
Drainage	3,045,000	621,647	(2,423,353)	5
Minor culverts	42,000	27,410	(14,590)	
Waste water assets	15,000	15,072	72	
Total Infrastructure	7,730,000	5,383,266	(2,346,734)	
Total Capital Works Expenditure	9,893,800	7,313,043	(2,580,757)	

Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Due to \$125,287 expenditure on Maryborough Community House which was budgeted for in 15/16, and \$152,404 on Hedges Oval works which were not budgeted for.
2	Plant, machinery and equipment	Primarily due to 3 large purchases which did not occur as budgeted totalling \$344,000 (including purchase of a Tractor, Tipper Truck and a Hino Truck).
3	Roads	Due to \$545,872 on Princes Park works EBT Track Extension (partially funded by grant monies), and \$215,108 on Unsealed Roads Trial both of which were not budgeted for.
4	Bridges and major culverts	Due to \$375,000 on Avoca Rd Major Culvert Widenings which did not occur as budgeted, and Bet Bet Creek Rd Bridge Replacement, budget \$395,000, actual only \$144,824.
5	Drainage	Primarily due to \$2,625,000 in Carisbrook Drainage Mitigation works budgeted for, actual \$596,269 for 2016/17.

Note 3: Rates and charges

Council uses the total Capital Improved Value (CIV) of all properties within the municipal district for the purpose of calculating rates.

The valuation base used to calculate general rates for 2016/2017 was \$1,736million (2015/2016 \$1,629 million).

	2017 \$	2016 \$
Residential	7,507,036	7,224,801
Commercial	1,121,280	1,082,596
Industrial	200,784	192,392
Farm	1,556,551	1,516,123
Vacant Land	632,998	630,704
Recreational	252	491
Garbage Charge	2,560,904	2,433,901
Total rates and charges	13,579,805	13,081,008

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

Note 4: Statutory fees and fines

	2017 \$	2016 \$
Infringements and costs	53,912	29,048
Town planning fees	112,676	58,265
Land information certificates	12,546	10,463
Permits	129,070	130,505
Registrations	136,841	125,582
Other	6,933	6,798
Total statutory fees and fines	451,978	360,661

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 5: User fees

	2017 \$	2016 \$
Rent	45,102	58,123
Vic Roads agency fees	238,241	219,509
Contract care fees	355,177	400,675
Greenwaste fees	71,360	60,663
Hire fees	71,823	70,538
User charges - RACV Energy Breakthrough	156,791	143,614
Community service charges	740,095	732,511
Caravan park fees	62,156	61,096
Other user fees	484,189	567,584
Total user fees	2,224,933	2,314,313

Note 6: Grants

Grants were received in respect of the following:

	2017 \$	2016 \$
Operating		
Recurrent		
Commonwealth Financial Assistance Grants - unallocated	3,793,612	1,197,329
Commonwealth Financial Assistance Grants - local roads	1,698,020	541,743
Community	1,227,572	931,385
Health & Human Services	2,691,976	2,767,312
Economic Development	-	301,500
Heritage & Culture	146,248	152,175
Recreation	88,480	84,671
Transport	10,000	-
Waste & Environment	30,869	81,019
Total recurrent operating grants	9,686,777	6,057,134

	2017 \$	2016 \$
Capital Grants		
Recurrent		
Commonwealth Government - roads to recovery	1,239,782	1,550,000
Total recurrent capital grants	<u>1,239,782</u>	<u>1,550,000</u>
Non-recurrent		
Community	-	126,000
Community - Flood Works	1,500,000	-
Heritage and Culture	220,000	-
Economic Development	-	151,666
Recreation	193,454	91,208
Transport	152,500	2,450
Total non-recurrent capital grants	<u>2,065,954</u>	<u>371,324</u>
Total capital grants	<u>3,305,736</u>	<u>1,921,324</u>

Conditions on grants

Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2017 \$	2016 \$
Community	895,300	196,383
Health & Human Services	-	164,085
Economic Development	-	195,589
Recreation	191,560	92,121
Commonwealth Government - roads to recovery	99,441	-
Transport	130,000	-
Total	<u>1,316,301</u>	<u>648,178</u>

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:

	2017 \$	2016 \$
Community	196,383	25,324
Health & Human Services	244,995	96,433
Heritage and Culture	4,239	13,943
Economic Development	755,534	283,237
Recreation	92,121	142,603
Waste & Environment	603,783	420,847
	1,897,055	982,387
Net (decrease) in restricted assets resulting from grant revenues for the year:	(580,754)	(334,209)

Note 7: Contributions

	2017 \$	2016 \$
Monetary	334,545	526,943
Non-monetary	6,960	1,500
Total contributions	341,505	528,443
(a) Monetary		
Parks, open space and streetscapes	30,605	6,100
Contributions from community groups	303,940	520,843
Total monetary contributions	334,545	526,943
(b) Non-monetary contributions		
Artwork assets	6,960	1,500
Total non-monetary contributions	6,960	1,500

Note 8: Found assets

	2017 \$	2016 \$
Infrastructure assets	2,765,896	1,757,089
Total found assets	2,765,896	1,757,089

Found assets arise as a result of Council's continuous inspection regime/asset management processes. Where an asset is identified as not being currently recorded in Council's asset management system, it is brought to account in accordance with Council's asset valuation methodology as per Note 24.

Note 9: Reimbursements

	2017 \$	2016 \$
Other	111,333	107,366
Total reimbursements	111,333	107,366

Note 10: Other income

	2017 \$	2016 \$
Interest	211,325	216,055
Interest on rates	56,527	63,697
Rent	44,728	41,225
Donations/sponsorships	2,392	14,624
Special charge scheme	73,756	-
Other	17,522	14,605
Total other income	406,251	350,206

Note 11: Employee costs

	2017 \$	2016 \$
Wages and salaries	10,028,946	9,517,380
Long service leave	350,800	318,217
Superannuation	964,275	957,416
FBT & WorkCover	306,689	291,127
Other employee related expenses	143,122	137,655
Total employee costs	11,793,833	11,221,795

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

	2017 \$	2016 \$
Superannuation		
Council made contributions to the following funds:		
Defined benefits funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	123,907	128,995
	123,907	128,995
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	486,863	465,760
Employer contributions to other employee nominated funds	287,147	270,987
	774,010	736,747
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	40,876	57,039
Employer contributions payable to other employee nominated funds	25,482	34,635
	66,358	91,674
	964,275	957,416

Refer to note 34 for further information relating to Council's superannuation obligations.

Note 12: Materials and services

	2017 \$	2016 \$
Contractors/service providers	5,895,891	5,810,661
Operating lease payments	107,141	98,634
Grants and contributions	189,832	300,176
Event support - RACV Energy Breakthrough	320,120	321,957
Section 86 committees of management	103,139	76,205
Other materials and services	1,287,214	1,142,523
Total materials and services	7,903,337	7,750,156

Note 13: Bad and doubtful debts

	2017 \$	2016 \$
Other debtors	15,530	12,472
Total bad and doubtful debts	15,530	12,472

Note 14: Depreciation and amortisation

	2017 \$	2016 \$
Property		
Buildings	1,260,891	1,246,221
Plant and Equipment		
Plant, machinery and equipment	327,587	398,378
Fixtures, fittings and furniture	211,779	251,155
Infrastructure		
Infrastructure	4,987,685	3,702,743
Total depreciation and amortisation	6,787,942	5,598,497

Note 15: Borrowing costs

	2017 \$	2016 \$
Interest - Borrowings	215,960	202,507
Total borrowing costs	215,960	202,507

Note 16: Other expenses

	2017 \$	2016 \$
Auditors' remuneration	44,800	37,500
Councillors' allowances	229,386	219,314
Written down value of infrastructure assets written off (refer note 24)	1,362,848	796,461
Total other expenses	1,637,034	1,053,275

Note 17: Net gain/(loss) on disposal of property, infrastructure, plant and equipment

	2017 \$	2016 \$
Property, infrastructure, plant and equipment		
Proceeds of sale	637,555	117,575
Written down value of assets sold	(602,328)	(263,515)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	35,228	(145,940)

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 18: Cash and cash equivalents

	2017 \$	2016 \$
Cash on hand	1,450	1,450
Cash at bank	1,067,309	1,742,274
Term deposits	4,503,264	6,010,000
Total cash and cash equivalents	<u>5,572,023</u>	<u>7,753,724</u>

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

	2017 \$	2016 \$
Unexpended grants (note 6)	1,316,301	648,178
Trust and deposit funds (note 26)	354,221	412,802
Total restricted assets	<u>1,670,522</u>	<u>1,060,980</u>
Total unrestricted cash and cash equivalents	<u>3,901,500</u>	<u>6,692,744</u>

Note 19: Other financial assets

	2017 \$	2016 \$
Term deposits	3,520,455	1,010,078
Total other financial assets	<u>3,520,455</u>	<u>1,010,078</u>

Note 20: Trade and other receivables

	2017 \$	2016 \$
Current		
Rates debtors	1,103,529	1,059,132
Other debtors		
Employee related debtors	14,418	2,119
Families and child care	67,657	64,846
Infringements	13,642	12,361
Private works	9,128	2,652
Aged Care	46,621	43,741
Victorian Government grant debtors	282,547	202,523
Sundry debtors	135,601	51,955
Special charge scheme	5,625	-
Net GST receivable	282,437	227,614
Total other debtors	857,677	607,811
Provision for doubtful debts - other debtors	(25,635)	(27,684)
Total trade and other receivables	1,935,571	1,639,258

a) Ageing of Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

	2017 \$	2016 \$
Current (not yet due)	689,276	418,786
Past due by up to 30 days	70,236	59,081
Past due between 31 and 180 days	71,452	128,012
Past due by more than 1 year	2,389	1,932.00
Total trade & other receivables	857,677	607,811

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

b) Movement in provisions for doubtful debts

	2017 \$	2016 \$
Balance at the beginning of the year	(27,684)	(18,128)
New provisions recognised during the year	785	(12,506)
Amounts already provided for and written off as uncollectible	1,264	2,950
Balance at end of year	<u>(25,635)</u>	<u>(27,684)</u>

Note 21: Inventories

	2017 \$	2016 \$
Inventories held for distribution	70,943	102,693
Total inventories	<u>70,943</u>	<u>102,693</u>

Note 22: Non-current assets classified as held for sale

	2017 \$	2016 \$
Opening balance	1,073,939	1,073,939
Plus additions/transfers	(453,237)	-
Less written down value of disposals	(375,479)	-
Total non-current assets classified as held for sale	<u>245,223</u>	<u>1,073,939</u>

Note 23: Other assets

	2017 \$	2016 \$
Current		
Prepayments	265,602	361,985
Accrued income	1,527,532	32,863
Total other assets	<u>1,793,133</u>	<u>394,848</u>

Note 24: Property, plant and equipment and infrastructure

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisition of assets	Revaluation increments/ (decrements)	Depreciation and amortisation	Written down value of disposals	Gifted/found assets	Transfers	At Fair Value 30 June 2017
Land	9,046,850	-	-	-	-	-	453,237	9,500,087
Buildings	37,343,490	-	-	(1,260,891)	-	-	1,674,542	37,757,141
Plant and equipment	5,013,043	-	29,729	(539,366)	226,849	6,960	591,808	4,875,326
Infrastructure	229,485,285	-	13,996,491	(4,987,685)	1,362,848	2,765,896	5,669,668	245,566,807
Works in progress	1,555,176	7,313,043	-	-	-	-	(7,936,018)	932,201
	<u>282,443,844</u>	<u>7,313,043</u>	<u>14,026,220</u>	<u>6,787,942</u>	<u>1,589,697</u>	<u>2,772,856</u>	<u>453,237</u>	<u>298,631,562</u>

Summary of work in progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	349,219	1,327,987	(1,674,542)	-	2,664
Plant and equipment	-	601,789	(591,808)	-	9,981
Infrastructure	1,205,957	5,383,267	(5,669,668)	-	919,556
	<u>1,555,176</u>	<u>7,313,043</u>	<u>(7,936,018)</u>	<u>-</u>	<u>932,201</u>

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments/ (decrements) (note 29 (a))	Depreciation and amortisation (note 14)	Written down value of disposals	Gifted/found assets	Transfers	Balance at end of financial year
Property								
land	8,823,000	-	-	-	-	-	453,237	9,276,237
land under roads	223,850	-	-	-	-	-	-	223,850
Total land	<u>9,046,850</u>	-	-	-	-	-	<u>453,237</u>	<u>9,500,087</u>
buildings	37,343,490	-	-	(1,260,891)	-	-	1,674,542	37,757,141
Total buildings	<u>37,343,490</u>	-	-	<u>(1,260,891)</u>	-	-	<u>1,674,542</u>	<u>37,757,141</u>
Total property	<u>46,390,340</u>	-	-	<u>(1,260,891)</u>	-	-	<u>2,127,779</u>	<u>47,257,228</u>
Plant and Equipment								
plant, machinery and equipment	4,009,617	-	-	(327,587)	(226,849)	-	554,517	4,009,699
fixtures, fittings and furniture	499,378	-	-	(211,779)	-	-	37,291	324,890
artwork collection	204,030	-	-	-	-	6,960	-	210,990
library book stock	300,018	-	29,729	-	-	-	-	329,747
Total plant and equipment	<u>5,013,043</u>	-	<u>29,729</u>	<u>(539,366)</u>	<u>(226,849)</u>	<u>6,960</u>	<u>591,808</u>	<u>4,875,326</u>

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments/ (decrements) (note 29 (a))	Depreciation and amortisation (note 14)	Written down value of disposals	Gifted/found assets	Transfers	Balance at end of financial year
Infrastructure								
Roads	165,611,056	-	13,883,616	(3,760,750)	(1,095,823)	1,760,934	4,267,713	180,666,746
Kerb and channel	12,451,890	-	(425,077)	(356,647)	(168,131)	-	279,976	11,782,011
Pathways	5,067,822	-	990,319	(173,898)	(44,024)	255,122	398,422	6,493,763
Bridges and major culverts	27,222,987	-	(1,159,093)	(406,336)	(49,392)	744,922	270,477	26,623,565
Drainage	14,056,910	-	305,451	(192,495)	-	-	316,073	14,485,939
Minor culverts	3,924,062	-	273,423	(54,693)	-	-	87,097	4,229,889
Traffic control facilities	506,921	-	126,665	(14,761)	(5,478)	-	34,837	648,184
Monuments	428,840	-	4,162	(3,357)	-	4,918	-	434,563
Waste water assets	214,797	-	(2,975)	(24,748)	-	-	15,072	202,146
Total infrastructure	229,485,285	-	13,996,491	(4,987,685)	(1,362,848)	2,765,896	5,669,668	245,566,807

2017	Balance at beginning of financial year	Acquisition of assets	Revaluation increments/ (decrements) (note 28 (a))	Depreciation and amortisation (note 14)	Written down value of disposals	Gifted/found assets	Transfers	Balance at end of financial year
Works in progress								
works in progress	1,555,176	7,313,043	-	-	-	-	(7,936,018)	932,201
Total works in progress	1,555,176	7,313,043	-	-	-	-	(7,936,018)	932,201
Total property, plant and equipment, infrastructure	282,443,844	7,313,043	14,026,220	(6,787,942)	(1,589,697)	2,772,856	453,237	298,631,562

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, VRC Property Service (Michael Marsiglio Certified Practising Valuer API Member No. 63349), as at 30 June 2014. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced)

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

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

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

	Level 1	Level 2	Level 3
Land – non specialised	-	9,276,237	-
Land under roads	-	-	223,850
Buildings – non specialised	-	37,757,141	-
Total	-	47,033,378	223,850

Valuation of infrastructure

The valuation of infrastructure assets has been determined as at 30 June 2017 in accordance with work undertaken by Council's Asset Coordinator William Scott (B Eng/Bus).

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

Those asset groups recorded at Council valuation are subject to an annual indexation process based on the consumer price index movement.

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

	Level 1	Level 2	Level 3
Roads	-	-	180,666,746
Bridges	-	-	26,623,565
Pathways	-	-	6,493,763
Drainage	-	-	14,485,939
Minor culverts	-	-	4,229,889
Kerb and channel	-	-	11,782,011
Traffic control facilities	-	-	648,184
Monuments	-	-	434,563
Waste water assets	-	-	202,146
Total	-	-	245,566,807

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 5% 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 \$72 and \$97 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 costs is calculated on a square metre basis and ranges from \$150 to \$2,910 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 2 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 2 years to 200 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.

	2017 \$	2016 \$
Reconciliation of specialised land		
Land under roads	223,850	223,850
Total specialised land	<u>223,850</u>	<u>223,850</u>

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 25: Trade and other payables

	2017 \$	2016 \$
Trade payables	2,247,622	2,513,203
Accrued salaries and wages	212,885	159,821
Unearned revenue	5,843	5,825
Accrued interest	13,644	13,911
Total trade and other payables	2,479,994	2,692,760

Note 26: Trust funds and deposits

	2017 \$	2016 \$
Refundable deposits	87,700	98,300
Retention amounts	248,280	296,947
Fire services property levy	18,242	17,555
Total trust funds and deposits	354,221	412,802

Purpose and nature of items

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

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.

Fire services property levy - Council is the collection agent for the fire services property 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.

Note 27: Provisions

2017	Annual leave \$	Long service leave \$	Gravel Pit rehabilitation \$	Total \$
Balance at beginning of the financial year	889,648	2,102,515	77,761	3,069,924
Additional provisions	821,672	249,071	-	1,070,743
Amounts used	(776,048)	(191,625)	-	(967,673)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	1,429	1,429
Balance at the end of the financial year	935,271	2,159,962	79,190	3,174,423

2016	Annual leave \$	Long service leave \$	Gravel Pit rehabilitation \$	Total \$
Balance at beginning of the financial year	929,990	2,045,652	70,503	3,046,145
Additional provisions	818,947	245,618	-	1,064,565
Amounts used	(859,289)	(188,755)	-	(1,048,044)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	7,258	7,258
Balance at the end of the financial year	889,648	2,102,515	77,761	3,069,924

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

(a) Employee provisions

	2017 \$	2016 \$
Current provisions expected to be settled within 12 months		
Annual leave	741,560	732,705
Long service leave	1,811,631	1,757,095
	<u>2,553,191</u>	<u>2,489,800</u>
Current provisions expected to be settled after 12 months		
Annual leave	193,712	156,944
	<u>193,712</u>	<u>156,944</u>
Total current employee provisions	<u>2,746,903</u>	<u>2,646,744</u>
Non-current		
Long service leave	348,330	345,420
Total non-current employee provisions	<u>348,330</u>	<u>345,420</u>
Aggregate carrying amount of employee benefits:		
Current	2,746,903	2,646,744
Non-current	348,330	345,420
Total aggregate carrying amount of employee provisions	<u>3,095,233</u>	<u>2,992,164</u>

(b) Gravel pit rehabilitation

Council is obligated to restore the Dunolly and Daisy Hill Gravel Pit sites to a particular standard once all gravel has been exhausted. The provision for Gravel pit restoration is based on liability calculations performed by the Manager Engineering Services, approved by DELWP. The liability is based on discounted values as the works are expected to be undertaken beyond the next 12 months.

Council does not expect to receive reimbursement from a third party.

Summary	2017 \$	2016 \$
Current		
Employee provisions	2,746,903	2,646,744
Total	<u>2,746,903</u>	<u>2,646,744</u>
Non-current		
Gravel pit rehabilitation	79,190	77,761
Employee provisions	348,330	345,420
Total	<u>427,520</u>	<u>423,181</u>

Note 28: Interest-bearing loans and borrowings

	2017 \$	2016 \$
Current		
Borrowings - secured (1)	3,340,953	2,053,392
Finance lease	11,267	11,267
	<u>3,352,220</u>	<u>2,064,659</u>
Non-current		
Borrowings - secured (1)	1,660,476	4,001,430
Finance lease	16,883	28,142
	<u>1,677,359</u>	<u>4,029,572</u>
Total	<u>5,029,579</u>	<u>6,094,231</u>
(1) Borrowings are secured by a charge over the general rates of the Council.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	3,340,953	2,064,659
Later than one year and not later than five years	1,660,476	4,029,572
Total	<u>5,001,429</u>	<u>6,094,231</u>
(b) The maturity profile for Council's finance lease liability is:		
Not later than one year	11,267	11,267
Later than one year and not later than five years	16,883	28,142
Total	<u>28,150</u>	<u>39,409</u>

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 29: Reserves

(a) Asset revaluation reserves

2017	Balance at beginning of reporting period \$	Revaluation increment/ (decrement) \$	Balance at end of reporting period \$
Plant and equipment			
Library book stock	-	29,729	29,729
	<u>-</u>	<u>29,729</u>	<u>29,729</u>
Property			
Land	4,015,354	-	4,015,354
Buildings	16,605,590	-	16,605,590
	<u>20,620,944</u>	<u>-</u>	<u>20,620,944</u>
Infrastructure			
Roads	106,061,454	13,883,616	119,945,070
Kerb and channel	10,553,361	(425,077)	10,128,284
Pathways	3,223,272	990,319	4,213,591
Bridges and major culverts	19,857,629	(1,159,093)	18,698,536
Drainage	5,019,571	305,451	5,325,022
Minor culverts	1,592,701	273,423	1,866,124
Monuments	194,706	126,665	321,371
Waste water assets	251,516	4,162	255,678
Traffic control facilities	36,566	(2,975)	33,591
	<u>146,790,776</u>	<u>13,996,491</u>	<u>160,787,267</u>
Total asset revaluation reserves	<u>167,411,720</u>	<u>14,026,220</u>	<u>181,437,940</u>

2016	Balance at beginning of reporting period \$	Revaluation increment/ (decrement) \$	Balance at end of reporting period \$
Property			
Land	4,015,354	-	4,015,354
Buildings	16,605,590	-	16,605,590
	<u>20,620,944</u>	<u>-</u>	<u>20,620,944</u>
Infrastructure			
Roads	94,146,618	11,914,836	106,061,454
Kerb and channel	10,413,643	139,718	10,553,361
Pathways	3,673,763	(450,491)	3,223,272
Bridges and major culverts	19,513,407	344,222	19,857,629
Drainage	4,879,311	140,260	5,019,571
Minor culverts	1,553,874	38,827	1,592,701
Monuments	175,566	19,140	194,706
Waste water assets	249,266	2,250	251,516
Traffic control facilities	-	36,566	36,566
	<u>134,605,448</u>	<u>12,185,328</u>	<u>146,790,776</u>
Total asset revaluation reserves	<u>155,226,392</u>	<u>12,185,328</u>	<u>167,411,720</u>

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

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

(b) Other reserves

2017	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Transfer to accumulated surplus \$	Balance at end of reporting period \$
Unfunded superannuation	250,000	100,000	-	350,000
Total other reserves	250,000	100,000	-	350,000

2016				
Gravel pit	3,902	-	(3,902)	-
Waste management	311,972	-	(311,972)	-
Unfunded superannuation	200,000	50,000	-	250,000
Total other reserves	515,874	50,000	(315,874)	250,000

The nature and purpose of each reserve is listed below:

Gravel Pit

This reserve was established to fund future renewal works for Council's gravel pits located at Daisy Hill and Dunolly. Transfers to the reserve are based on an estimated restoration cost of \$5.10 per cubic metre of gravel used, and transfers from the reserve are in relation to actual expenditure on the gravel pits. During the 2016 year, this reserve was closed based on the provision already recorded in Council's accounts (note 27).

Waste Management

This reserve was established to meet EPA's landfill financial assurance requirements in relation to the Carisbrook Landfill, transfers to and from the reserve were based on the budgeted reserve position at the end of the reporting period. The rehabilitation of the Carisbrook landfill was completed in February 2016, and the reserve funds were fully used to fund the rehabilitation, and as such the reserve is no longer required.

Unfunded Superannuation

This reserve is used to assist in funding future liabilities related to Defined Benefits Superannuation. Transfers to and from the reserve are based on the budgeted reserve position at the end of the reporting period.

Note 30: Reconciliation of cash flows from operating activities to surplus/(deficit)

	2017 \$	2016 \$
Surplus for the year	4,555,806	492,902
Depreciation	6,787,942	5,598,497
Net (profit)/loss on disposal of property, plant and equipment, infrastructure	(35,228)	145,940
Written down value of infrastructure assets written off	1,362,848	796,461
Finance costs	215,960	202,507
Contributions - non monetary assets	(6,960)	(1,500)
Gifted/Found assets	(2,765,896)	(1,757,089)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(296,313)	1,260,428
(Increase)/decrease in other assets	(1,398,286)	(185,578)
Increase/(decrease) in trade and other payables	98,988	200,208
(Decrease)/increase in other liabilities	1,429	7,258
(Decrease)/increase in trust funds and deposits	(58,580)	17,541
Increase/(decrease) in provisions	103,069	16,522
(Increase) / decrease in inventories	31,752	(2,047)
Net cash provided by/(used in) operating activities	8,596,531	6,792,050

Note 31: Financing arrangements

	2017 \$	2016 \$
Bank overdraft	500,000	500,000
Credit card facility	50,000	50,000
Used facilities	(14,472)	(8,038)
Unused facilities	535,528	541,962

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 32: Commitments

Council has entered into the following commitments

2017	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 \$	Total \$
Operating				
Management of Council facilities	659,000	1,346,000	687,000	2,692,000
Waste services	1,866,000	3,999,000	4,316,000	10,181,000
Meal preparation services	45,000	-	-	45,000
Total	2,570,000	5,345,000	5,003,000	12,918,000
2016				
Operating				
Management of Council facilities	659,000	659,000	2,033,000	3,351,000
Waste services	1,815,000	1,886,000	6,119,000	9,820,000
Meal preparation services	45,000	45,000	45,000	135,000
Total	2,519,000	2,590,000	8,197,000	13,306,000

Note 33: Operating leases

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2017 \$	2016 \$
Not later than one year	76,344	70,753
Later than one year and not later than five years	188,198	198,861
Later than five years	156,178	180,452
	420,720	450,066

Note 34: Superannuation

Council makes the majority of its employers 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 My Super/ Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee (SG) 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 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's Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the defined benefit category of which Council is a contributing

employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

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

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

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.

The 2016 interim actuarial investigation surplus amounts

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

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

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

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

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

The 2017 full triennial actuarial investigation

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

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$130,000.

Note 35: Contingent liabilities and contingent assets

Contingent liabilities

Guarantees

(a) Reinstatement of quarries

	2017 \$	2016 \$
Council has provided a bank guarantee to DELWP for the reinstatement of quarries.		
At balance date the Council's exposure as a result of these guarantees is:		
Bank guarantee - Department of Environment, Land, Water and Planning	60,500	60,500

(b) Waste disposal site rehabilitation

	2017 \$	2016 \$
The Council operated a waste disposal site at the Carisbrook landfill. This has now been rehabilitated in accordance with EPA requirements. A separate bank guarantee is provided for any remedial works if they are required in the future.	<u>460,000</u>	<u>460,000</u>

The Council is not aware of any other contingent liabilities as at the date of this report.

Contingent assets

Developer contributions are to be received in respect of land currently under development. At this point in time their timing and potential amount can not be reliably assessed.

Note 36: Financial Instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market

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

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- 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.

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

(c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 35.

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

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements or Council will not have sufficient funds to settle a transaction when required, or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;

- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 35, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 28.

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

(e) Fair value

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the 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.

Note 37: Related party disclosures

(a) Related Parties

Central Goldfields Shire Council is the parent entity

(b) Key Management Personnel

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

Councillors

Councillor Geoff Lovett (Mayor)

Councillor Bob Henderson

Councillor Chris Meddows-Taylor (elected 22/10/2016)

Councillor Paula Nixon

Councillor John Van Beveren (retired 21/10/2016)

Councillor Helen Broad

Councillor Wendy McIvor

Councillor Gerard Murphy (elected 22/10/2016)

Councillor Barry Rinaldi (retired 21/10/2016)

	2017 No.	2016 No.
Total Number of Councillors	9	7
Chief Executive Officer and other Key Management Personnel	9	6
Total Key Management Personnel	18	13

(c) Remuneration of Key Management Personnel

	2017 \$	2016 \$
Total remuneration of key management personnel was as follows:		
Short-term benefits	1,242,591	1,197,530
Long-term benefits	142,645	181,620
Termination benefits	-	-
Total	1,385,236	1,379,150

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

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

	2017 No.	2016 No.
\$1 - \$ 9,999	2	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	4	5
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	1
\$50,000 - \$59,999	-	1
\$80,000 - \$89,999	1	-
\$90,000 - \$99,999	1	-
\$100,000 - \$109,999	1	1
\$130,000 - \$139,999	1	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$180,000 - \$189,999	1	1
\$260,000 - \$269,999	1	1
	<u>18</u>	<u>13</u>

(d) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Payments of \$6,773 were made to Asteria Services Inc during the year, of which Cr Meddows Taylor is a Director. Payments of \$13,700 were also made to Bendigo Tourism Board which is associated with Victorian Goldfields Tourism Executive Inc of which Cr Meddows Taylor is Chairman. All transactions were conducted at arm's length within normal trading terms.

Contract payments of \$659,000 were made to Unified Community Sports & Leisure Pty Ltd during the year, of which Cr Murphy is a Director. All transactions were conducted at arm's length within normal trading terms.

Purchases of flowers totalling \$1,608 were made during the financial year from Bent Stems - which is associated with Cr Nixon, all transactions were conducted at arm's length within normal trading terms.

Uniform purchases totalling \$2,261 were made during the financial year from Rinaldis Fashion - which is associated with Cr Rinaldi, all transactions were conducted at

arm's length within normal trading terms. Payments of \$14,850 were also made to Central Victorian Greenhouse Alliance during the year, of which Cr Rinaldi is Chair. All transactions were conducted at arm's length within normal trading terms.

(e) Outstanding balances with related parties

At the end of the reporting period in relation to transactions with related parties, \$200 in rates and charges remained outstanding from Cr Nixon.

(f) Loans to/from related parties

There were no loans in existence at balance date that have been made, guaranteed or secured by the council to a related party.

(g) Commitments to/from related parties

There were no commitments in existence at balance date that have been made, guaranteed or secured by the council to a related party.

Note 38: Senior Officer Remuneration

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

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

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

Income Range	2017	2016
\$142,000 - \$149,999	1	1
	<u>1</u>	<u>1</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	<u>\$145,874</u>	<u>\$145,871</u>

FINANCIAL PERFORMANCE

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2017

Note 39: Events occurring after balance date

On July 17 2017 the Local Government Investigations and Compliance Inspectorate (LGICI) announced that Central Goldfields Shire Chief Executive Officer (CEO) Mark Johnston was served with 41 charges under the Local Government Act and the Crimes Act.

On 18 July 2017 the Council decided at an emergency meeting to stand down the CEO from his position immediately. The Council appointed Mr Vince Haining as Interim Chief Executive Officer (the Interim CEO), effective from 31 July 2017.

The Inspectorates Report (Protecting integrity - Central Goldfields Shire Council Investigation) (the Report) was tabled in the Victorian Parliament on 18 August 2017. Following the release of the report, on 23 August 2017 the Councillors were dismissed pursuant to an Act of the Victorian Parliament.

On 25 August 2017, the CEO Mark Johnston resigned from his position, effective immediately.

On 26 August 2017 Mr Mark Davies was appointed by the Governor in Council as the Interim Administrator of the Council.

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.



Anna Bartlett CPA
Principal Accounting Officer

Date: 08/11/2017

Maryborough Victoria

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

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

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



Mark Davies
Administrator

Date: 8/11/2017

Maryborough Victoria



Vince Haining
Interim CEO

Date: 8/11/17

Maryborough Victoria

FINANCIAL PERFORMANCE



Independent Auditor's Report

To the Administrator of Central Goldfields Shire Council

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

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

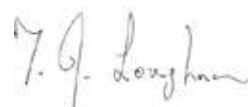
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Administrator
- conclude on the appropriateness of the Administrators' 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 Administrator 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
9 November 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria



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