



Annual Report

2014/15



About our Annual Report

Swan Hill Rural City Council is pleased to present its 2014/15 Annual Report, which provides a detailed account of our performance from 1 July 2014 to 30 June 2015.

Documenting Council's performance against the 2014/15 Budget and the Council Plan, the Annual Report highlights achievements and challenges faced within key service areas and programs in the second year of the 2013-2017 Council Plan.

Council seeks to achieve community engagement and an understanding of Council's operations by conducting its affairs openly and with integrity.

Transparency in our decision-making and accountability are core values of Council, therefore reflecting high levels of good governance.

This report provides information to a variety of audiences including all community townships, businesses, ratepayers, visitors, investors, government agencies and other interested stakeholders.

Acknowledgement

Swan Hill Rural City Council acknowledges the traditional custodians of the land on which we meet, and pays its respects to their elders, past and present.

How to read our Annual Report

Part one – Introduction

Provides a snapshot of our region and highlights what we have accomplished.

Part two – The year in review

Messages from our Mayor and CEO, a financial summary and major projects highlights.

Part three – Our Council

Our region's history and profile and information on our Councillors.

Part four – Our people

Information on Council's employees, including our organisational structure, Occupational Health and Safety, Equal Opportunity and appreciating our staff.

Part five – Our performance

Results against our Council Plan Key Strategic Initiatives, Local Government Performance Reporting Indicators and Major Initiatives and Services identified in the 2014/15 budget.

Part six – Corporate Governance

Governance and statutory information including decision-making, elected members, risk management, benchmarking and accountability.

Part seven – Financial Performance

Council's general purpose financial statements.

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Part one

Introduction

Welcome to the report of operations

We are committed to transparent reporting and accountability to our community. The annual report is our primary means of advising residents within the Swan Hill Rural City Council region about our operations and performance during the 2014/15 financial year.

Snapshot of Council

Our demographic profile:

The municipality covers more than 6,100 square kilometres and is home to just under 20,600 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

Almost 8,000 of our residents are employed, with agriculture, health care and retail making up almost 50 per cent of employment by industry.

The Swan Hill Rural City economy is driven by agriculture and manufacturing. Almost 16 per cent of the total economic output from the region comes from agricultural production with traditional livestock and broad acre farming accounting for almost four per cent. Irrigated farming (including stone fruit, grapes, nuts, olives and vegetable production) accounts for over 11 per cent of the total economic output for the municipality and more than 18 per cent of all jobs in the city are directly related to agriculture. Additionally food manufacturing (processing) accounts for almost 10 per cent of the municipality's economic output.

Our Vision

A vibrant community that displays growth and sustainability with a strong identity and confidence in a prosperous future by working together.

Our Mission

Swan Hill Rural City Council will lead, work with, help and empower our communities to build our future together.

Our Values

Council values our residents and community and will be responsive to their needs. In pursuing our objectives, we believe in and are committed to, the following values:

Community Engagement

We will ensure our communities are engaged, informed and able to contribute to Council's decision-making process.

Leadership

We will lead and develop leadership within our community.

We will act with integrity, honesty and in ways that reflect our values.

Fairness

We will ensure that all members of the community are treated equitably, as well as accepting, valuing and embracing the diversity of our community.

Accountability

We will be transparent in our decision-making and value public opinion and community feedback.

20,580	Our population
6,116km²	Our area
4,492m	The length of our local roads
11,849	Our rateable properties
\$1.092 billion	Gross regional product
7,927	People working

Highlights of the year

Governance and Leadership

We will represent the interests of our community and will conduct our affairs openly and with integrity, reflecting high levels of good governance.

Achievements:

- Introduction of new web-based records management system
- Commenced review of SHRCC Communication Strategy
- Developed Customer Service Charter
- Early Years Award for Council's Children's Advocate

Community Health and Wellbeing

We will continue to provide a range of community services in partnership with other organisations and levels of government.

Achievements:

- Draft Early Years Plan actions completed
- Swan Hill Pound upgrades complete
- CCTV installed in Swan Hill and Robinvale central business districts
- Lake Boga - Swan Hill Bike Path study complete
- New operational structure for Town Hall and Performing Arts in place
- Participated in development of Early Learning Centre for Robinvale (estimated 2016 completion)
- Official opening of Nyah Children's Centre

Economic Growth

We will encourage new business development and will provide support to attract new business investment and expansion in the community.

Achievements:

- Continued advocacy for increased passenger rail services and rail freight upgrades
- Beveridge Street upgrade (Stage 2)
- Swan Hill Farmers' Market Committee established (first market scheduled for December 2015)
- Drainage upgrades in Swan Hill, Robinvale and Nyah
- Swan Hill Aerodrome runway upgrade
- Fruit fly eradication and bait campaign
- Natural gas - commitment to project and planning for implementation
- Continued development of Tower Hill housing estate (Stage 8)

Built and Natural Environment

We will advocate to ensure environmental issues that affect our region are considered on a triple bottom line basis, that other agencies fulfil their regulatory responsibilities and to inform and encourage our community to adopt sound environmental practices.

Achievements:

- Continued implementation of Swan Hill Riverfront Masterplan
- Construction of Heartbeat of the Murray Laser Light Show underway
- Construction underway for Chisholm Reserve quarter mile drag strip
- Construction of new Piangil Community Centre
- Completion of new Scouts building to enable to development of North Park
- Renewal of Dumosa Hall and conversion into Paragon Café

Challenges and the year ahead

- Aged care reforms and effects on Home and Community Care Services
- Expansion of Green Waste kerbside collection service to include Lake Boga and Robinvale
- The development of an overall governing body of Chisholm Reserve Motor Sports Complex
- Further product development associated with the Heartbeat of the Murray Experience
- Managing Stage 3 of the Beveridge Street upgrade adjacent to a major shopping centre and childcare facility
- Ensuring all Roads to Recovery projects are completed in a year with a double grant allocation
- Multiple Planning Scheme Amendments for the South West Development Precinct

Year at a glance

August

TWIG project

Swan Hill Regional Art Gallery, Regional Arts Victoria and the Victorian College of the Arts partnered to deliver artist on farms residencies. Fred Fowler stayed with the Chalmers family at Noorong and Ultima, and Carrie McGrath stayed with the Mullan family at Lalbert.



Lake Boga Swan Hill trail study

A study into the potential bike trail between Swan Hill and Lake Boga began.

Celebrating 100 years of rice in Australia

The Ricegrowers Association of Australia (RGA) hosted its conference at the Swan Hill Town Hall. Cr Gary Norton also unveiled a monument at Vinifera donated by Council and the RGA to mark the anniversary.

September

Natural gas for Swan Hill and Robinvale

Then Deputy Premier Peter Ryan visited Swan Hill to announce that the Victorian Government had signed contracts with Brookfield Infrastructure Group to deliver natural gas to 11 towns, including Swan Hill and Robinvale.

Chisholm drag strip begins

Earthworks for the new quarter mile drag strip at Swan Hill's Chisholm Reserve started. Works are expected to be completed in December 2015.

Business breakfasts

The first in a series of business breakfasts was held. More breakfasts were held throughout the year in both Swan Hill and Robinvale.

New bins to encourage recycling

New waste and recycling bins were installed to encourage people to recycle while they're out and about. Three new bin enclosures were installed in the Robinvale CBD, while seven were installed along the new pathway at Swan Hill's Riverside Park.

Gallery full of local art

Swan Hill Regional Art Gallery launched three local art exhibitions by Shirley Pinchen, local art teachers and Mallee Artists of Swan Hill. It was unique to have the entire gallery filled with local artwork, offering residents an ideal chance to get involved with their gallery.

New riverside pathway starts

Work started to build a three-metre wide concrete pathway along the river at Swan Hill's Riverside Park. The shared pathway was one of the first projects from the Swan Hill Riverfront Masterplan to be implemented. Over the course of next year the pathway will be extended all the way to the wetlands.



October

Bike fleet launched

Council launched its own bike fleet. Five bikes with helmets and carry bags are available for staff and Councillors to ride between Council offices and to meetings in the Swan Hill township.

Community groups share funding

Thirty-seven community groups will share in \$45,000 for local projects through Swan Hill Rural City Council's 2015 Community Grants Program.

Heartbeat gets go ahead

The Pioneer Settlement was approved with \$2.8 million in funding for it's Heartbeat of the Murray Experience. The State and Federal governments made a joint announcement, joining Council, the Friends of the Pioneer Settlement and Swan Hill Incorporated to support the \$3.85 million project.

Market Day to celebrate CBD

Council joined Swan Hill Incorporated to host the 2014 Swan Hill Market Day and to celebrate the three-year redevelopment of the Swan Hill CBD.

Fruit fly campaign starts

Council started its joint campaign with local commercial fruit growers and the Department of Environment and Primary Industries to fight fruit fly. Brochures were mailed to all Swan Hill township residents, followed by the distribution of bait kits and a dedicated monitoring program.

Improving drainage in Robinvale

Stage 1 of a project to improve drainage in Robinvale started. The project, which was completed in May 2015, aims to reduce the severity and frequency of flooding during heavy rainfall.

Award for Children's Advocate

Swan Hill Rural City Council's Children's Advocate Leah Farrow recently won an award at the 2014 Victorian Early Years Awards for her work with the Family Friendly Rooms Program.



Aerodrome upgraded

A \$1 million project to rebuild part of the Swan Hill Aerodrome runway started. A 10-metre wide, one-kilometre long section of the main sealed runway was rebuilt. It was completed December 2014 and was part of a staged aerodrome upgrade.



Headspace funding

Council was thrilled with the announcement that Swan Hill would be one of the next locations to have a headspace centre, with the centre expected to be open in 2016.

November

Aboriginal community planning for Robinvale

Aboriginal Community Planning Officer, Verna Eade starting basing herself in Robinvale two days each week, assisting the Local Indigenous Network to strengthen the area's Aboriginal Community Plan, as well as working on other initiatives.

Efficient lights installed across municipality

Through the Lighting the Regions project, about 1,500 style mercury street lights were replaced with new LED lights in Lake Boga, Chillingollah, Swan Hill, Nyah, Manangatang and Robinvale.

New CCTV to improve safety

Seven new CCTV security cameras were installed in the Swan Hill and Robinvale central business districts, thanks to funding from the State Government.

December

Welcome sessions for new residents

Council's Economic Development Unit started its free information sessions for new or prospective residents to the Swan Hill region.

Extra educators for Family Day Care

A new Family Day Care Educator started offering childcare at Lake Boga. Extra educators also joined Council's accredited scheme in the new year in Swan Hill and Tyntynder.

January

Willow trees removed from riverbank

Willow trees - which are registered as Weeds of National Significance - were removed from the river bank near the Swan Hill bridge and near the wetlands.

Dumosa transformation starts

Work started to transform the Pioneer Settlement's Dumosa Hall into a 100-seat café, as part of the Heartbeat of the Murray Experience.



Advocating for more trains

Over 550 community members completed surveys on the future of passenger rail in the Swan Hill region. The survey was part of the Railing Ahead Advocacy Strategy – a partnership between Swan Hill, Gannawarra, Loddon, Campaspe and Greater Bendigo councils.

Redeveloping Beveridge Street

Work to reconstruct part of Swan Hill's Beveridge Street started. The result was the road being widened by three metres, more trees, extra parking and a taxi bay. The project was completed in April.



February

Boost Your Business

From February to April, Council's Boost Your Business project included eight workshops, digital marketing mentoring sessions and other events to help local retailers and their staff build their skills.

Giving feedback on Council performance

About 400 residents gave their feedback on Council's performance through the 2015 Community Satisfaction Survey. Council will use the outcomes in its continuous improvement program.

Disability communication workshops

Council held the first of its iPad and iDevice sessions, with a focus on helping those with a disability or additional communication needs.

Farmers' Market two steps closer

The 11-member Swan Hill Region Farmers' Market Committee was incorporated. Councillors also agreed to adopt the Farmers' Market Feasibility Study and to seek external funding to help implement the market.

March

Out of School Hours excels

Swan Hill's Out Of School Hours program achieved the highest rating in the National Assessment and Rating process for children's education and care services, with an Exceeding National Quality Standards rating.



Celebrate Harmony Day 2015

An estimated 2,000 people enjoyed delicious food, colourful fashions, singing and dancing on 28 March when the community came together to help celebrate Harmony Day.

April

Paragon Café opens

The newly refurbished Dumosa Hall opened as the Paragon Café. Volunteers from the Friends of the Pioneer Settlement helped finance the makeover and will run the café as part of their ongoing commitment to support the Settlement.

Youth Skate Comp

Swan Hill Rural City Council teamed up with YMCA to host a free skate and BMX competition on 19 April as a part of the 2015 National Youth Week.

Growing Business Opportunities with China

Businesses in Swan Hill attended a free forum to help them take advantage of trade opportunities with China, thanks to a grant from the Victorian State Government and Regional Development Victoria.

May

Regional Living Expo success

More than 100 people expressed genuine interest in moving to Swan Hill during the Regional Living Expo in Melbourne from 1 to 3 May. Council and Swan Hill Incorporated hosted a stall to promote the region's career, lifestyle, education, health and housing opportunities to potential tree-changers.

Community Planning open house

Community members had the chance to provide feedback and ideas on a number of community planning projects including a new Japanese-themed community garden, upgrade to Jaycee Park and the Swan Hill Riverfront redevelopment.

June

Budget adopted

Swan Hill Rural City Council's 2015/16 budget was adopted on 23 June, with a low 2.38 per cent general rate in the dollar rise, one of the lowest in the state.

Netball courts funding

The Alan Garden Reserve netball courts in Swan Hill welcomed funding to upgrade their lighting. This funding will allow the city to run their competition to its full potential, have the option to start Netta again, introduce a night series and increase safety of training at night.



Permanent detox site at Swan Hill

Household paint, batteries and fluorescent light tubes and globes can now be dropped off at the Swan Hill Landfill for free, with the opening of a permanent Detox drop-off site at the landfill.



Part two

The year in review

Mayor's Message

On behalf of Swan Hill Rural City Council I am pleased to present the 2014/15 Annual Report.

This report highlights what continues to be a busy and progressive period for Council with a number of significant major projects in progress or complete. It also reflects Council's continued commitment to working with our community and all levels of government to enhance our municipality's liveability.

Works on the \$3.85 million Heartbeat of the Murray at the Pioneer Settlement are continuing. When complete, this exciting project will provide visitors with a unique state-of-the-art experience including a laser light show (the first of its kind in the world to use a natural river environment and setting), augmented reality, the new Paragon Café and upgraded facilities. Jointly funded by Council, State and Federal governments, this impressive project is expected to attract more than 30,000 visitors yearly.

The \$2.45 million development of Swan Hill's new quarter mile drag strip at Chisholm Reserve is also receiving great interest nationally and internationally. When complete, Swan Hill will become just the fourth location in Australia to have a nationally-accredited drag racing strip. At its peak, the facility is estimated to bring around 20,000 visitors annually.

In addition to funding from the State Government and Council, the project has been a whole-of-community approach, including the Swan Hill Drag Racing Club and other racing clubs, residents and businesses. Together they continue to provide voluntary work, in-kind support, donations and goods and services.

We have also seen some other great projects in our municipality, including the Nyah Recreation Reserve lighting upgrade, drainage improvements in Robinvale and Swan Hill and the continued implementation of the Swan Hill Riverfront Masterplan. Energy-efficient LED street lighting was also installed in Lake Boga, Chillingollah, Swan Hill, Nyah, Manangatang and Robinvale through the Lighting the Regions project.

Finally, I would like to thank my fellow Councillors and Council staff for their support and hard work during the past year. I would also like to thank our community for their vital input and continuing to work with Council to ensure our municipality is the place to live, work and invest.

CEO's Message

The 2014/15 Annual Report emphasises Council's strong financial position and provides an overview of Council's operations and performance during the past 12 months.

Council has continued its commitment to operational efficiencies and on the 1 July 2014, implemented an organisational restructure. This generated approximately \$1 million per annum in savings in the long term while maintaining service levels and delivering capital works.

By clarifying and strengthening the role of the organisation's leaders, this restructure better aligned the organisation to meet our community's needs and improved Council's capacity to work towards strategic and longer-term goals.

I am very pleased to report that Council's financial result and position remains strong – producing an operating surplus of \$345,000 better than the budget. Council's current assets increased by just under \$5 million, while a revaluation of assets saw non-current assets increase by \$37 million.

After adjusting for the advance payment of our Commonwealth Grants Commission grant of \$3 million, current assets exceeded current liabilities by almost two to one.

Council also participated in the historic first Local Government bond issue, co-ordinated by the Municipal Association of Victoria, providing a cheaper source of loan finance for councils. This resulted in a significant saving of around 0.5 per cent on the interest rate for Council's borrowings.

This strong operational performance also saw Swan Hill Rural City Council's 2015/16 rate rise to be one of the lowest in the state, without impacting on services. During the year Council completed more than \$14.5 million of capital works, including major projects such as the Heartbeat of the Murray Experience, Chisholm Reserve drag strip and drainage works in Swan Hill and Robinvale. Additionally we saw nearly \$7 million of works on our road network.

I would like to acknowledge and thank the Swan Hill Rural City Councillors and staff for their contributions over the last 12 months. I look forward to working with them and all levels of government to ensure our municipality, its people and our region continues to meet the challenges of the future head-on and prosper.

Financial Summary

Operating result

On a full accrual basis the surplus for the year was \$6,489,532. It is important to note that this is an accounting profit after recognising non-cash items such as depreciation of \$7.98 million and the receipt of infrastructure assets created by developers.

Major revenue and expenditure items included in the operating result can be identified from the following graphs.

For more information on the comprehensive income statement, balance sheet and cash flows for the year, please refer to the audited General Purpose Financial Report in part seven of this annual report.

Revenue

Council's total revenue for the 2014/15 year was \$54.8 million as per the Comprehensive Income Statement.

A breakdown of Council's revenue sources highlights that 84.7 per cent of Council's income comes from three income categories.

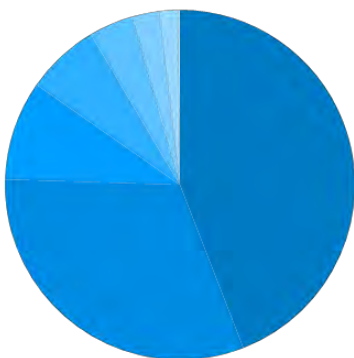
- Rates and garbage charges 44.1%
- Grants - operating 31.4%
- User fees 9.2%

Expenditure

Council's total expenses for the 2014/15 year were \$48.3 million as per the Comprehensive Income Statement. A breakdown of Council's expenses highlights that 95.9 per cent relates to three expenditure categories.

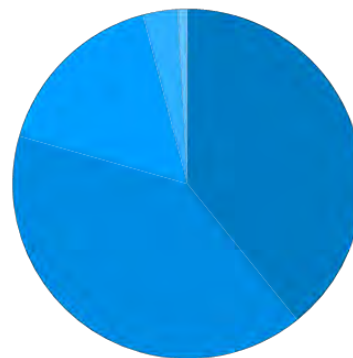
- Materials and services 40.2%
- Employee costs 39.2%
- Depreciation 16.5%

Total revenue (\$54.8 million)



- Rates and garbage charges 44.1%
- Grants - operating 31.4%
- User fees 9.2%
- Grants - capital 6.8%
- Other revenue 4.1%
- Contributions 2.5%
- Statutory fees and fines 1.7%
- Net gain on disposal of assets 0.2%

Total expenditure (\$48.3 million)

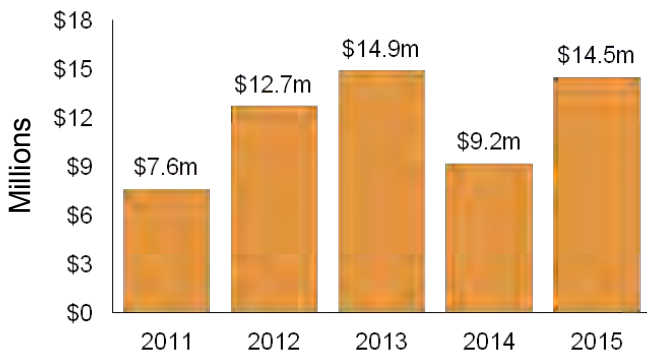


- Employee costs 39.2%
- Materials and services 40.2%
- Depreciation 16.5%
- Other expenses 3.2%
- Borrowing costs 0.8%
- Bad and doubtful debts 0.1%

Capital expenditure

During the financial year, Council spent \$14.5 million on capital works and asset purchases, bringing the five-year total of expenditure on fixed assets to over \$58.9 million. The graph shows the level of expenditure spent on new and redeveloped assets over the past five years. Major capital expenditure items were road networks, the Swan Hill CBD redevelopment and construction works at Tower Hill.

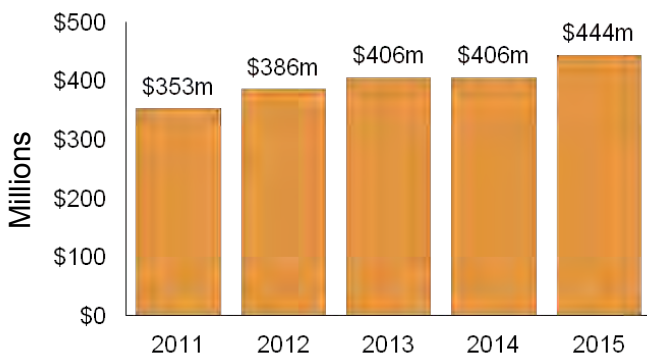
Purchase and creation of assets



Equity

The Balance Sheet shows total community equity of \$444 million, represented by accumulated surplus and asset revaluation reserve. The growth in equity is due to the identification and revaluation of assets. This graph shows the growth in equity over the past five years.

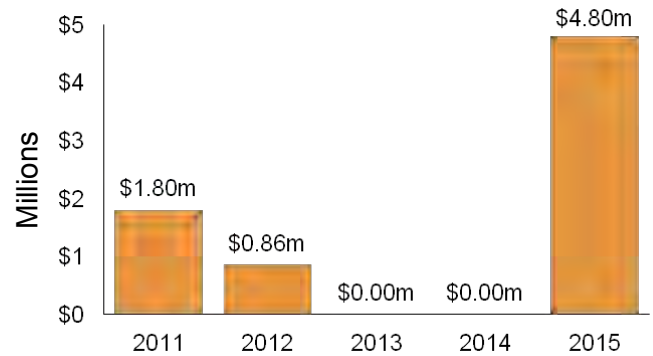
Total equity



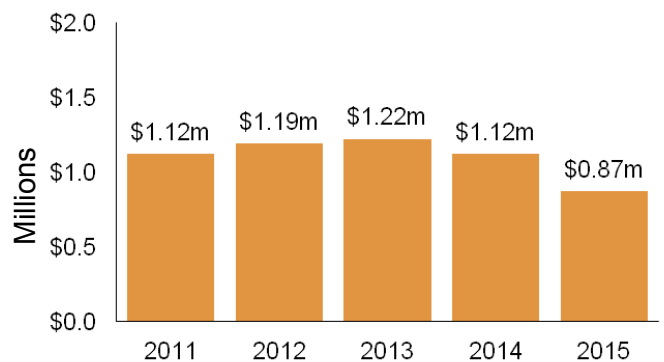
Borrowings (excluding financial leases)

Loans are used to fund major capital projects and asset purchases that are unable to be funded from other sources. Loan funding allows the community to pay for the asset (such as a leisure centre) over some of the time that it is being used. At 30 June 2015, Council had a loan liability of \$8.54 million. This is a planned and responsible level of debt, achieved in accordance with Council's borrowing strategy. Loan repayments are currently \$0.87 million per annum. The 2014/15 borrowings include loans deferred from 2013/14.

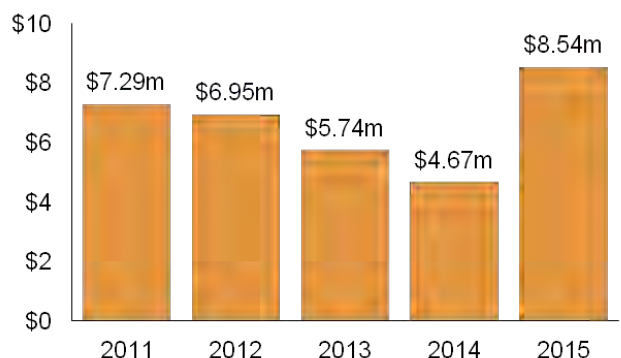
New borrowings



Loan repayments



Loan balance at 30 June each year

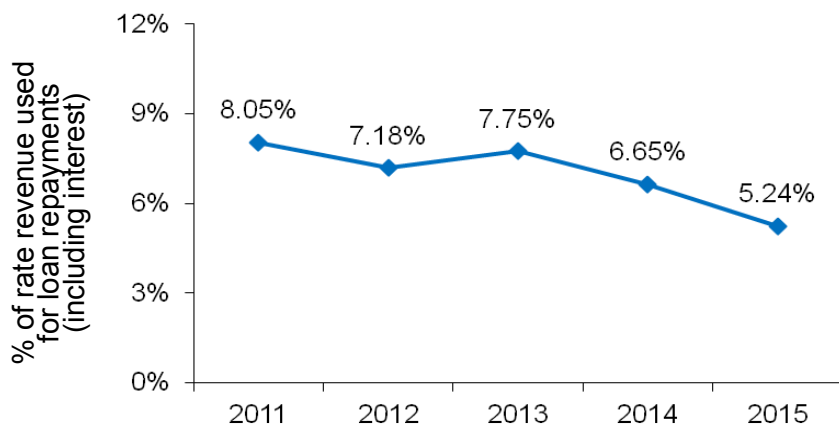


Financial indicators

Debt commitment ratio

The debt commitment ratio identifies the percentage of rate revenue required to pay interest and principal on Council's loans. Closely tied to the Borrowing Strategy, the ratio shows that Council is in a healthy position and continues to reduce.

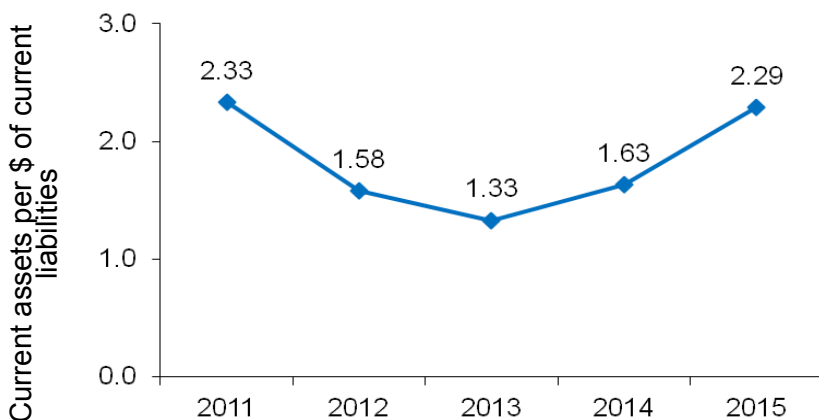
The ratio is expected to reduce further over the next few years in accordance with the Borrowing Strategy.



Working capital ratio

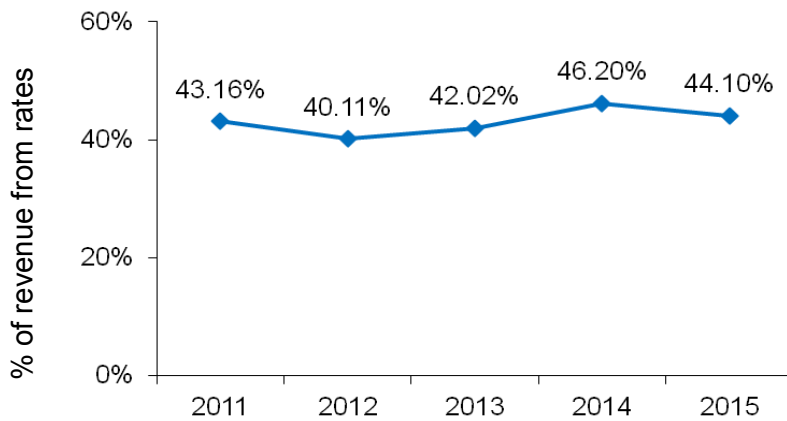
Working capital ratio shows the level of current assets Council has available to meet its current liabilities. The graph shows that the ratio is healthy and has remained reasonably stable over the past three years.

This year's ratio increased due to the advanced payment of 2015/16 Victoria Grants Commission received in June, and the continued capital works projects carried forward from past years. The ratio is expected to remain steady for future years.



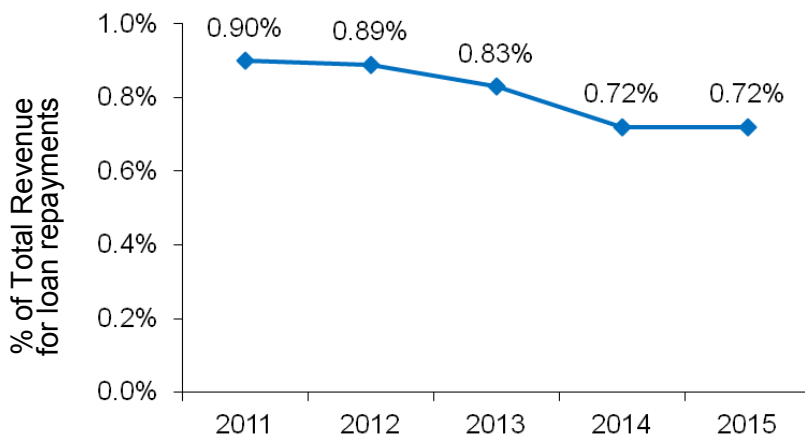
Revenue ratio

The revenue ratio shows rate revenue as a proportion of total revenue and seeks to measure Council's reliance on property rates. It is influenced by other revenue sources such as government grants, contributions, user fees and charges. This ratio remained steady for the past five years.



Debt servicing ratio

The debt servicing ratio shows the amount of rates required to pay the interest on Council's loan liability. This ratio documents that loan interest does not place a burden on finances. The ratio includes operating leases. This ratio closely follows the trend in the debt commitment ratio.



Major Capital Works

During 2014/15 the major capital works included the following:



Pioneer Settlement - Heartbeat of the Murray Experience

Budget: \$3,850,000

The Heartbeat of the Murray Experience includes the following projects:

Heartbeat of the Murray Laser Light Show – a new night-time experience on the banks of the Little Murray that will use laser lighting and special effects to project stories of the Murray River and our region onto a screen of water from the river.

Currently underway and expected to be completed in November 2015.

An augmented reality app, new website and wi-fi hotspots – visitors will use their smartphones and devices to visually interpret the lives and experiences of our pioneers as they tour the Settlement's buildings and machinery.

Currently underway and expected to be completed in November 2015.

Dumosa Hall Café redevelopment – Dumosa Hall will be redeveloped as a café, opening up the Settlement's main street as another function space. The café will serve visitors inside the Settlement as well as people passing by on Monash Drive. The development will include a large deck area and multi-stack doors to open the hall up to the main street.

Project complete and café opened in April 2015.

Further projects for 2016 include:

Horseshoe Bend Park – a section of the Settlement, including the Gem and the PS Pyap wharf, will be opened up to the public with the creation of this new park.

Lower Murray Inn pontoon – a floating pontoon, walkway and stage will be installed on the river at the Lower Murray Inn, further cementing the inn as a premier entertainment venue.

Swan Hill Riverfront Masterplan

Budget: \$500,000

The implementation of the 40-year Riverfront Masterplan continued in 2014/15 and included the following projects:

Rail Station Precinct Strategy

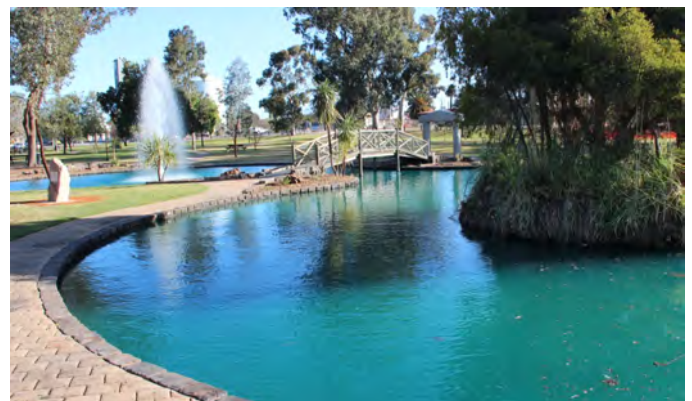
Lighting Strategy

Realignment of the footpath under the bridge. Riverside Park now has a three metre shared path from the caravan park to the bridge (path will continue from the bridge to the boat ramp in October 2015)

Fitness stations and new rubbish and recycling bins installed in Riverside Park

New water drinking fountains designed and purchased (to be installed July 2015)

Pond was cleaned and new lighting installed





Chisholm Reserve upgrade - drag strip

Budget: \$2,450,000

The development of a quarter mile drag strip at Chisholm Reserve is well underway. The project includes construction of a nationally-accredited quarter mile drag strip with braking areas, a return road, staging area, pit area, drainage and concrete safety barriers.

The strip will not only be the longest concrete racing surface in Australia, but also the first to have its own built-in temperature control system.

Contractors commenced work in September 2014, and as at 30 June works completed included:

- 50 per cent of in-kind contributions including all earthmoving works, spectator mound and landscaping
- 75 per cent pavement works
- 100 per cent of concrete works

The anticipated completion date for the project is December 2015.

Nyah Recreation Reserve Lighting upgrade

Budget: \$191,320

Lighting upgrades took place at the Nyah Recreation Reserve in September 2014. This project saw existing 18-metre light towers removed and replaced with six 25-metre light towers, significantly improving visibility at night. These upgrades have allowed increased usage of the reserve including training and night football and netball matches, as well as significantly improving safety.

Beveridge Street reconstruction - Stage 2

Budget: \$802,500

Stage 2 of the Beveridge Street reconstruction between Nyah Road and Pritchard Street, was completed in April 2015.

The four-month project resulted in the road being widened by three metres, an extra 16 trees being planted, one extra parking bay, two new disability access parking bays, a new taxi bay, tactile surfacing added to pedestrian crossings, drainage upgrades and the Pye and Pritchard streets intersections modified.

A shared off-road pathway between Pritchard Street and Nyah Road was also built to provide greater safety and accessibility for pedestrians and cyclists.





Part three

Our Council

Our history

For thousands of years, the traditional owners of the lands that now form the Swan Hill Rural City Council lived in the region, with the land providing abundant food sources and a permanent water supply.

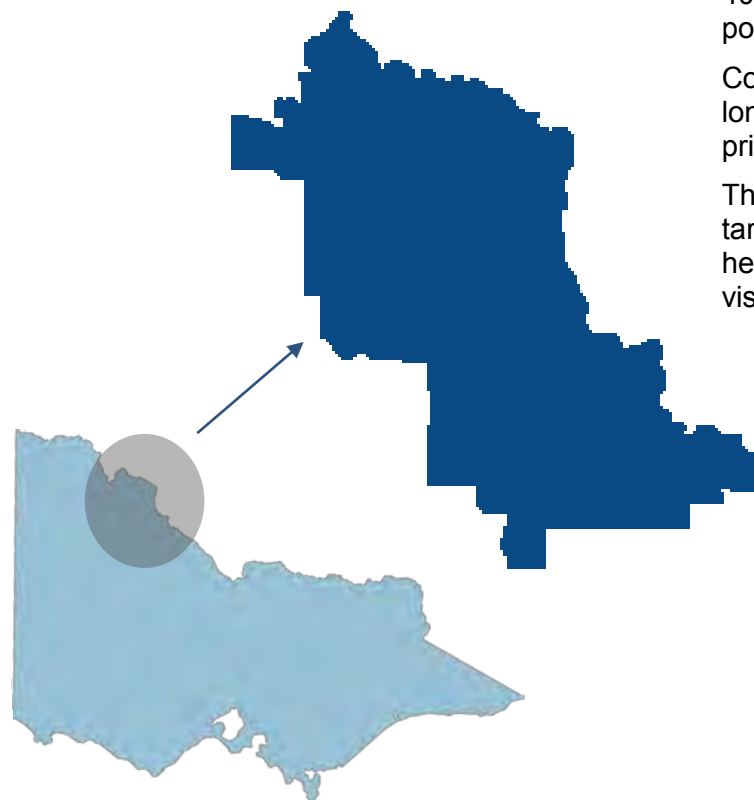
In 1836, led by explorer Major Thomas Mitchell, the first Europeans arrived. Settlers started to arrive soon after, establishing large sheep stations next to the Murray River.

In 1871 the Shire of Swan Hill was proclaimed and was located in Kerang (which now forms part of the Gannawarra Shire).

In 1893, the Shire of Castle Donnington was created and centered around the town of Swan Hill. By 1904 it had assumed the name Shire of Swan Hill.

The Borough of Swan Hill was formed in 1939 and in March 1965 became the City of Swan Hill.

Thirty years later, in January 1995, the Shire and the City were amalgamated to form Swan Hill Rural City Council.



Our municipality's profile

The municipality covers more than 6,100 square kilometres and is home to just under 20,600 people.

It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

Featuring a modern and thriving regional centre, the Swan Hill municipality also boasts the characteristics of rural living, including a strong community and relaxed lifestyle.

With more than 40 commercially grown products – including almonds, olives, stonefruit, grapes, vegetables, cereals, legumes, lucerne, sheep, beef and dairy – it is easy to see why our municipality is an important part of Victoria's food bowl.

Located on the Murray River, tourism also plays an important role in our region's economy. Our climate and natural beauty attracts about 380,000 domestic visitors each year, injecting \$55 million into the local economy.

Our municipality is also proud to have more than 40 nationalities among its community and a population that is welcoming and resilient.

Continued investment and a strong focus on long-term growth and sustainability remain high priorities for Council.

The Council sets a number of initiatives and targets through each four-year Council Plan, which helps establish the foundations to achieve our vision during the next 30 years.

Our Council



Cr Michael Adamson

Mayor – representing Central Ward

Cr Adamson was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

He was elected Mayor in November 2014, after holding the position of Deputy Mayor from November 2013.

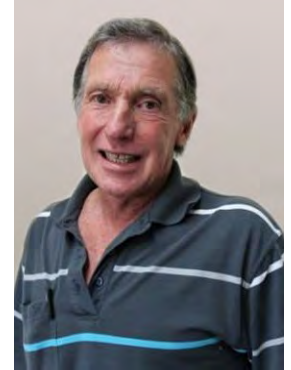
He previously worked for Mallee Family Care in Swan Hill, after first coming to the area as a Minister of the Church of Christ.

Mobile: 0400 143 100

Email: michael.adamson@swanhill.vic.gov.au



Cr John Katis



Cr Jim Crowe



Cr Greg
Cruickshank



Cr Gary
Norton



Cr Jessie
Kiley



Cr Les
McPhee

Cr John Katis

Deputy Mayor - representing Robinvale Ward

A retired business owner, Cr John Katis has represented the Robinvale Ward since 1997.

He was elected Deputy Mayor in November 2014.

Cr Katis was also Swan Hill Rural City Council Mayor from December 2011 until November 2012, and held the position of Deputy Mayor from December 2008 until December 2009.

Mobile: 0459 077 532

Email: john.katis@swanhill.vic.gov.au

Cr Greg Cruickshank

Representing Central Ward

A local business owner and photographer, Cr Greg Cruickshank was first elected to Council in 2003 and was re-elected in the 2008 and 2012 elections.

Cr Cruickshank held the position of Mayor of Swan Hill Rural City Council from December 2008 to December 2011.

Mobile: 0419 754 174

Email: greg.cruickshank@swanhill.vic.gov.au

Cr Jessie Kiley

Representing Central Ward

A Swan Hill woman, Cr Jessie Kiley works as an audiometrist for Country Hearing Care.

She was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

Mobile: 0417 755 414

Email: jessie.kiley@swanhill.vic.gov.au

Cr Jim Crowe

Representing Central Ward

A lifelong resident of the region, Cr Jim Crowe is a farmer and property developer who has been involved with a range of community organisations.

He was elected as one of four Central Ward Councillors in the 2012 Local Government elections.

Mobile: 0418 181 656

Email: jim.crowe@swanhill.vic.gov.au

Cr Gary Norton

Representing Murray Mallee Ward

Former dried fruit grower and cleaner/handyman, Cr Gary Norton has represented the Murray Mallee Ward for Council since 2003.

He was re-elected in the 2008 and 2012 elections.

Cr Norton served as Mayor of Swan Hill Rural City Council from December 2006 to December 2008.

He is also the North West Representative of Municipal Association of Victoria.

Mobile: 0428 398 981

Email: gary.norton@swanhill.vic.gov.au

Cr Les McPhee

Representing Lakes Ward

Cr Les McPhee, a local police officer for more than 30 years, was first elected to Council in 2008.

Cr McPhee held the position of Mayor from November 2012 until November 2014. He resides in and stands for the Lakes Ward.

Mobile: 0427 319 394

Email: les.mcphee@swanhill.vic.gov.au



Part four

Our People

Valuing our people

At Swan Hill Rural City Council, we recognise the importance that each individual plays in achieving our goals.

Our aim is to ensure that Council is a great place to work, where the capability of our people is nurtured and performance is focused on delivering exceptional service for our communities.

These priorities drive the activities, policies and procedures implemented to ensure that Swan Hill Rural City continues to be a great place to work.

Council's staff strategies include:

- A focus on extending the skills of staff to increase efficiency
- Ongoing implementation of the workforce strategy including:
 - Succession planning
 - Recruitment and retention of staff
 - Apprenticeships, traineeships and/or bursaries
 - Accessing non-customary employment pools
- Indigenous Employment Strategy
- Offering phased retirement options to extend the careers of higher skilled staff
- Ongoing development of systems and processes to continually improve productivity

“The skills and qualifications of Council’s workforce is diverse, from engineering, curatorial, library, environmental health, finance, planning, building, marketing, nursing, aged care and many other fields.”

– Swan Hill Rural City Council Plan 2013-2017



Our executive leadership team



Dean Miller

Chief Executive Officer

Dean joined Swan Hill Rural City as its CEO in May 2013.

He has more than 24 years experience in Local Government, including 18 years in management roles.

He has a Bachelor of Commerce Degree, an MBA and is a Fellow of CPA Australia. Before moving to Swan Hill, Dean was CEO at Hindmarsh Shire Council in the state's west.



David Lenton



David Leahy



Brett Luxford



Bruce Myers

David Lenton

Director Corporate Services

David is a qualified accountant who joined the Swan Hill City Council (now Swan Hill Rural City Council) as Finance Manager in December 1992.

Since the amalgamation of the City and Shire of Swan Hill in January 1995, David has held the positions of Financial Controller and Finance and Administration Manager.

In 2001 David was appointed as Group Manager Corporate Services. Under a restructure in April 2006, David's position was reclassified as Director Corporate Services.

Before joining Local Government, David worked in a variety of finance roles with a large multi-national company in the private sector for 14 years.

Brett Luxford

Director Development and Planning

Brett joined Swan Hill Rural City Council in August 2013.

As well as a business degree, Brett has a Graduate Diploma in Planning and Environment. He has extensive experience in economic development in a variety of settings including regional development, which plays a critical role in Swan Hill's future.

Brett was a Board Member for Economic Development Australia for eight years and served as Treasurer for four years.

Before joining Council, Brett was Manager of Business Growth and Sustainability at Melton City Council for five years.

David Leahy

Director Infrastructure

David joined Swan Hill Rural City Council as its Director Infrastructure in 2009.

He has more than 15 years experience in Local Government after 16 years with the State Government in South Australia.

David has played a key role in Council's Riverfront Masterplan, Central Murray Transport Strategy, CBD redevelopments, Pioneer Settlement redevelopment and ongoing development of Council's roads program.

Bruce Myers

Director Community and Cultural Services

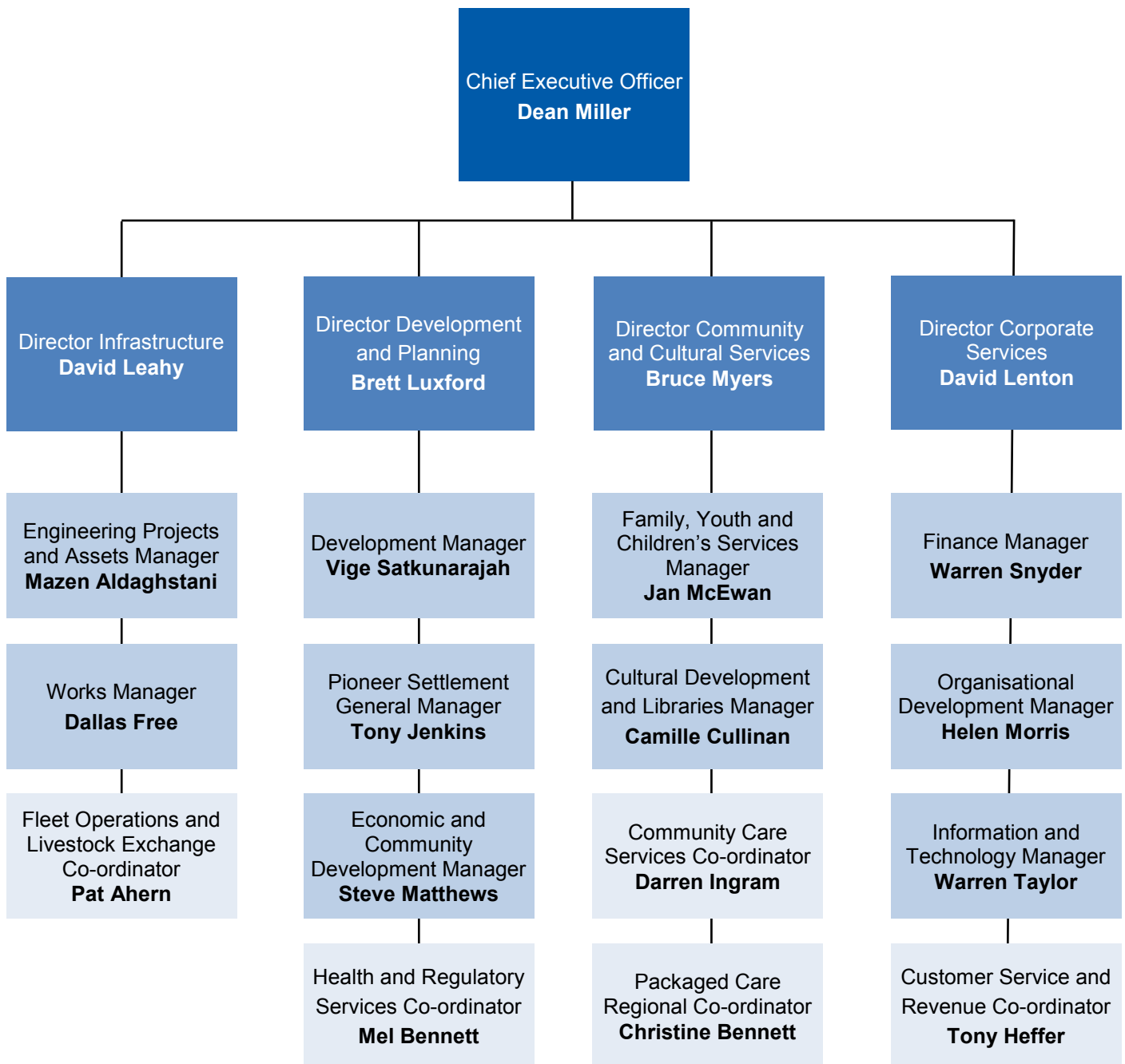
Bruce is a qualified librarian who started his career at the Swan Hill Regional Library, managing the mobile library, in 1994.

From 1998 until 2007 Bruce was Manager of the Library.

During this time he took a lead role in moving the service to its current site, designing and constructing a new mobile library, and improving services (after consultation with the local community).

Bruce became the Director Community and Cultural Services in 2007.

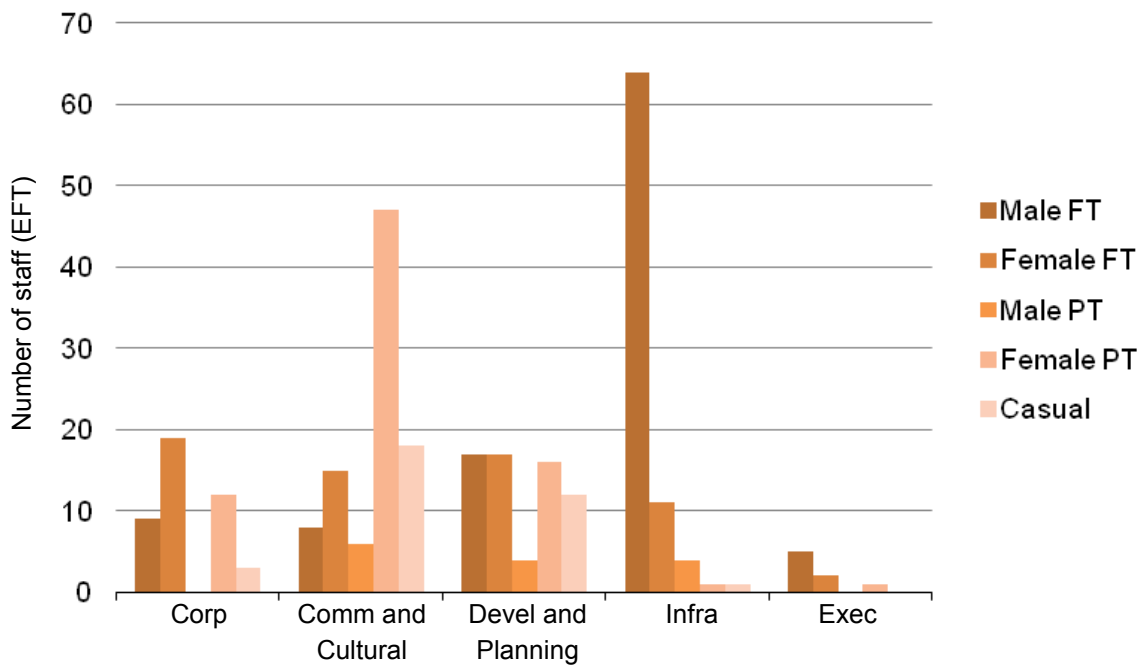
Our organisation structure



Council employees

The following graphs and table detail staff by employment status, gender, directorate and banding level.

Directorate	Male full-time	Female full-time	Male part-time	Female part-time	Casual	Total staff	Male total EFT	Female total EFT	EFT total
Corporate Services	9	19	0	12	3	43	9.2	26.9	36.1
Community and Cultural Services	8	15	6	47	18	94	10.8	44.8	55.6
Development and Planning	17	17	4	16	12	66	18.8	26.3	45.1
Infrastructure	64	11	4	1	1	81	65.8	11.3	77.1
Executive	5	2	0	1	0	8	5.0	2.6	7.6
Total	103	64	14	77	34	292	109.6	111.9	221.5



Employment Classification	Male EFT	Female EFT	Total EFT
Band 1	-	0.5	0.5
Band 2	1.5	1.0	2.5
Band 3	38.2	27.3	65.5
Band 4	11.7	25.9	37.6
Band 5	8.6	24.8	33.4
Band 6	12.0	10.8	22.8
Band 7	2.0	-	2.0
Band 8	1.0	-	1.0
Non-banded positions (includes salary packages)	34.6	21.6	56.2
Total	109.6	111.9	221.5

Equal Employment Opportunity

As an equal opportunity employer, we are dedicated to providing a workplace environment where diversity is embraced and decisions are merit-based. This includes ensuring fair, equitable and non-discriminatory consideration is given to all job applicants, regardless of age, sex, disability, marital status, pregnancy, sexual orientation, race, religious beliefs or other irrelevant factors.

We recognise our proactive duty to ensure compliance with equal opportunity and Council ensures all staff undertake mandatory equal opportunity training every three years. Our Equal Employment Opportunity Directive and Procedure supports our organisation in fulfilling its obligations under the Equal Opportunity Act 2010.

During the 2014/15 financial year 123 employees undertook Equal Opportunity training, as well as 78 employees successfully completing Culture @ Work training. Equal Opportunity is also covered in Policy and Procedure training and all staff are informed of Council's dedication to Equal Opportunity during their staff induction.

Our organisation currently has eight equal opportunity contact officers available to employees to provide guidance and assistance where required.

Other staff matters

Enterprise Bargaining Agreement

Negotiations for the Enterprise Bargaining Agreement were completed in June 2014.

The Fair Work Act 2009 and associated regulations provided the framework for the Enterprise Bargaining Agreement.

All those involved in the bargaining process demonstrated good faith by attending and participating in meetings, disclosing relevant information in a timely manner and responding to proposals made by the other bargaining representatives for the agreements.

The application was lodged with Fair Work Australia and approved in July 2014 with an effective start date of 12 July 2014. The EBA is in place for four years.

Preventing violence against women

In July 2014 Council introduced, through its Enterprise Bargaining Agreement, a clause in relation to support for staff experiencing family violence. This program allows an employee experiencing family violence to have access to 20 days (pro rata) per year (non-cumulative) of paid special leave for medical appointments, legal proceedings and other activities related to family violence. This leave is in addition to existing leave entitlements and may be taken as consecutive or single days, or as a fraction of a day, and can be taken without prior approval.

In order to provide support to an employee experiencing family violence and to provide a safe work environment to all employees, the Council will approve any reasonable request from an employee experiencing family violence for:

- Changes to their span of hours or shift patterns
- Job redesign or changes to duties
- A change to their telephone number or email address to avoid harassing contact
- Any other appropriate measure including those available under existing provisions for family friendly and flexible work arrangements

An employee experiencing family violence will be offered a referral to the Employee Assistance Program (EAP) and/or other local resources.

Scholarship Program

Council's Scholarship Program financially supports seven local students who are completing undergraduate or TAFE studies during the school year. In addition to financial support, students receive valuable on-the-job experience by working at Council during semester breaks.

Two new scholarship placements were available in 2014/15. Mietta Gleeson, Bachelor of Urban and Regional Planning (Hons), received a placement within the Planning Department and Brendan MacFarlane, Bachelor of Civil Engineering, received a placement within the Engineering Services Department.

Other students currently participating in Council's Scholarship Program are:

- Chris Rowlands, Bachelor of Urban, Rural and Environmental Planning (Planning Department)
- Daniel Fedele, Bachelor of Civil Engineering (Engineering Services)
- Kylie Lewis, Master of Nursing - Child, Family and Community (Maternal Child and Health)
- Max Kylie, Performing Arts and Theatre (Swan Hill Town Hall PACC)
- Ryan Rowlands, Bachelor of Information Technology (IT Services)

Professional development

Council continues to be at the forefront of professional development and training options for staff. More than 2,440 hours of organisational training was provided to staff during the year, or 11.04 hours per EFT.

A range of development programs were held throughout the year including leadership, mentoring, executive coaching, team building, personal development and the Raw Talent Program for emerging staff.

Professional development courses provided were LGPro Ignite, LGPro Mentoring Program and LGPro Emerging Leaders Program.

We have focused our efforts on training our current leaders by implementing a leadership and development program for the executive leadership team and management. We have also tailored a dedicated program for our co-ordinators and senior staff to be delivered in the next financial year.

Council continued its focus on developing internal leadership capabilities, successfully applying for entry into the highly sought-after LGPro Emerging Leaders Program for the sixth consecutive year.

Council also offers study assistance for staff undertaking relevant undergraduate or postgraduate studies.

New online training

In 2014 Council implemented E3learning - an online learning program.

All internal courses are developed with industry experts and the courses are delivered in an engaging and easy to use format.

Courses are designed in line with relevant legislation, are fully customisable and are suitable for Council.

The system also allows both administrators and end users to record attendance and completion of in-person training (accredited and non-accredited). Council also has the ability to manage and report on all aspects of online and offline training.

Staff Service Awards

Every year Council acknowledges service and presents awards to staff who have reached service milestones. Twenty staff were presented with Staff Service Awards at the annual all-staff function in August 2014.

35 years

Warren Snyder

25 years

Wayne Hawthorn, Alan Taylor, Dianne Hopcroft, Marie Ewart, David Lane, Tracey Free, Tony Evans, Tony Heffer

20 years

Brian Harrop, Greg Critchley, Geoff Kitt, Bruce Myers

10 years

Ken Symons, Carolyn Harrop, Marion Marr, Margie Bott, Claire Oswin, Sharyn Featherby

Health, safety and wellbeing

Council continued its commitment to staff health and wellbeing by introducing several programs to encourage a healthy lifestyle and improved work/life balance among employees.

Council's commitment to staff wellbeing also saw a continuation of the following initiatives:

- Corporate Wellness Program (subsidised gym memberships)
- Ergonomic assessments
- Six-weekly issues of the HR Newsletter outlining Council policies and procedures, professional development and wellbeing
- National Walk the Block Day
- Premiers Active April

Improved safety

Council recently purchased two defibrillator machines, which were installed at the Swan Hill Region Information Centre and the Robinvale Resource Centre.

Funding was also received for a third machine to be installed at the Pioneer Settlement.

As a commitment to the safety of staff members, and the community, Council has planned to purchase two new defibrillator machines each year for the next four years, to be installed at various Council buildings throughout the municipality.

OH&S Committee

Council's OH&S Committee consists of management and staff representatives. The committee meets every two months to review policies, review hazard and injury incidents, discuss workplace OH&S issues and identify opportunities to improve Council's OH&S performance.

A committee election was held in November 2014. Of the 11 OH&S committee members, five new representatives joined the team. These staff members attended an initial five-day OH&S training course. The remaining six staff members received refresher training.

The committee met six times during 2014/15.



Part five

Our performance

Performance

Council's performance for the year has been reported against each Key Result Area to demonstrate how Council is performing in relation to the 2013-17 Council Plan.

Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan
- Progress in relation to the major initiatives defined in the budget
- Services funded in the budget and the persons or sections of the community who are provided those services
- Results against the prescribed service performance indicators and measures

Council Plan

The Council Plan 2013-17 includes Key Result Areas, indicators for achieving these for the four year period, actions for monitoring these strategic objectives and a Strategic Resource Plan.

The following are Council's four Key Result Areas as detailed in the Council Plan:

Governance and Leadership

We will represent the interests of our community and will conduct our affairs openly and with integrity, reflecting high levels of good governance.

Community Health and Wellbeing

We will continue to provide a range of community services in partnership with other organisations and levels of government.

Economic Growth

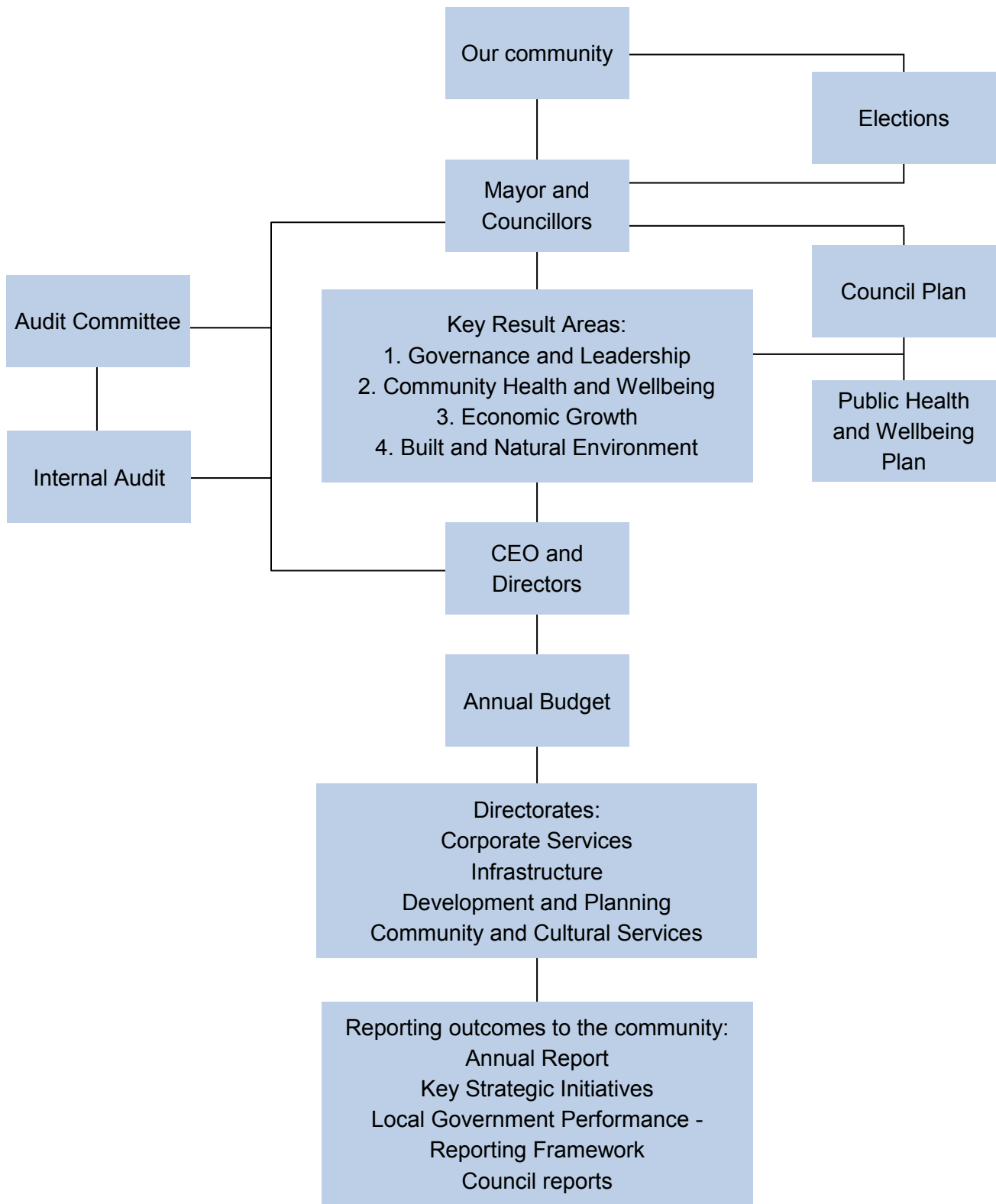
We will encourage new business development and will provide support to attract new business investment and expansion in the community.

Built and Natural Environment

We will advocate to ensure environmental issues that affect our region are considered on a triple bottom line basis, that other agencies fulfil their regulatory responsibilities and to inform and encourage our community to adopt sound environmental practices.

Accountability framework - process of reporting

This diagram illustrates Council’s accountability framework to ensure a performance management process is in place for the annual planning, budgeting and reporting cycles, which are integrated and driven by Council’s priorities set out in the Council Plan and updated each year.



Key Result Area 1:

Governance and Leadership

Through our Governance and Leadership objective, we will govern and lead our community by:

- Providing direction to our community and being at the forefront of strategic planning and development
- Delivering services that are responsive and represent effective and efficient utilisation of resources
- Working in partnership with our community and other stakeholders
- Efficient development and utilisation of organisational resources
- Facilitating and managing change
- Building relationships with regional stakeholders
- Reflecting good governance in our decision making processes by adhering to our organisational values
- Achieving the initiatives set out in the Council Plan



Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed ^ Completed ahead of schedule >> In progress/continuing in 2015/16
 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Review and implement actions from the Communication Strategy	Review existing communication strategy	>>
Review the SHRCC Councillor and Staff Codes of Conduct	Review existing Staff Code of Conduct against DPCD guidelines, current employment law and values statements in Council Plan	✓
	Adopt revised Staff Code of Conduct	✓^
Develop and review plans, policies, directives and procedures as required.	List of all relevant documents to be prepared including review dates	✓
Pursue Strategic Land Acquisitions and review Council's existing land bank	Conduct a review to identify what type, size and location of land Council may require for its strategic objectives over the next 10 years	✓
	Review Council's existing land bank against the list outlined above	>>
	Prepare a Disposal Strategy for any surplus land	>>
Negotiate new EBA	Fair Work Australia registers the new EBA	✓
	Implement the terms and conditions of the new EBA	✓
Introduce measures to continually improve workplace safety and staff health and wellbeing	Review WorkCover claims, accident and injury reports and insurance claims to identify the top five causes of workplace injury, accidents and near misses	✓
	Implement recommendations to address top five issues identified in the above report	✓
Engage with community organisations to increase co-operation and avoid duplication of resources	Identify duplication of resources and services provided	>>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major Initiative	Progress
Introduce a leadership development program (Actual: \$35,954 Budget: \$30,000)	Completed
General revaluation, supplementary and objection processing (Actual: \$24,315 Budget: \$26,000)	Completed
Replace IT equipment (Actual: \$71,558 Budget: \$100,000)	Completed
Further develop Council IT processes as identified in the IT Strategy (Actual: \$0 Budget: \$20,000)	Project has been postponed to a later date
Replace plant and fleet assets (Actual: \$1,418,886 Budget: \$1,100,000)	Completed

Services funded in 2014/15 Budget

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Net Cost Actual Budget Variance \$000
Councillors and Corporate Management	Includes the Mayor, Councillors, Chief Executive Officer, Executive Leadership Team and associated support, which cannot easily be attributed to the direct service provision areas	1,981 <u>1,962</u> 19
Community Relationships	Proactively communicate Council decisions, programs and events to the community using a range of methods, and assist the organisation to respond to community issues as they arise	274 <u>187</u> 87
Management of Resources	Manage Council sites and resources to effectively fulfil Council objectives, including areas such as rate raising and collection, customer service, human resource management, depot and office site management, Council finances and information technology	(22,013) <u>(25,567)</u> 3,554

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/measure	Result	Material Variation
<p>Governance</p> <p>Transparency</p> <p><i>Council decisions made at meetings closed to the public</i></p> <p>[Number of Council resolutions made at an ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors] x 100</p>	6.42%	No material variation
<p>Consultation and engagement</p> <p><i>Satisfaction with community consultation and engagement</i></p> <p>[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	54	No material variation (down from 55 previous year)
<p>Attendance</p> <p><i>Councillor attendance at Council Meetings</i></p> <p>[The sum of the number of Councillors who attended each ordinary and special Council Meeting / (Number of ordinary and special council meetings) x (Number of Councillors elected at the last Council general election)] x 100</p>	94.64%	No material variation
<p>Service cost</p> <p><i>Cost of Governance</i></p> <p>[Direct cost of the Governance service / Number of Councillors elected at the last Council general election]</p>	\$40,372	No material variation
<p>Satisfaction</p> <p><i>Satisfaction with Council decisions</i></p> <p>[Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]</p>	51	No material variation (up from 46 previous year)

Key Result Area 2: Community Health and Wellbeing

Through our Community Health and Wellbeing objective, Council seeks to achieve the following for our community:

- Engage communities in:
 - Working together to develop a realistic long term vision for their district
 - The preparation of living Community Plans which enables each community to aspire to achieve its vision
 - Provide and maintain the necessary infrastructure assets and services for our communities
- Empower our community and nurture local leadership
- The development of a sense of regional cohesion where everyone realises that they are interdependent, and benefit from each other's successes
- Promote a sense of belonging, ensuring that everyone has a place in our community
- Recognition and respect of the uniqueness and differences between our communities
- Support and advocate on behalf of our communities to identify their own needs and aspirations and how to achieve them
- Build a stronger community with, and between, established and new arrivals



Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed ^ Completed ahead of schedule >> In progress/continuing in 2015/16
 << Delayed due to funding/budget

Council Plan initiative	Action	Status
Implement Youth Action Plan	Youth Strategy reviewed and Action Plan developed	>>
	Determine Council responsibilities and priorities for resource allocation	>>
Provide leadership/support to the community as issues of significance arise	Determine Council's role in our community addressing youth mental health and early intervention service gaps	✓
	Seek the establishment of a Headspace in Swan Hill	✓
	Determine Council's role in closing community mental health service gaps	✓
	Implement agreed actions which are the responsibility of Council	✓
Investigate implications and opportunities through Council's role regarding the Community Based Aged Care reform	Review implications of Aged Care reform	✓
	Provide the community with a clear direction on what services Council could provide post - 2015	✓
	Identify opportunities for Council in undertaking Community Aged Care	✓
Finalise, adopt and implement an Early Years Priority Plan	Early Years Plan completed	✓
	Identified actions for Council, and their outcomes to be undertaken	✓
	Projects scoped, outcomes determined and community benefit measurable	✓
	Funding opportunities identified and applied for	✓
Promote the development of a strategy to enable communication of emergency management plans and activities to Culturally and Linguistically Diverse communities	Formulate a process during the development of a Diversity Plan	>>

Council Plan initiative	Action	Status
Investigate a scheme to provide an incentive for undertaking responsible pet ownership training	This initiative will be included as a major focus in the Domestic Animal Management Plan. Plan to be adopted in 2014	✓
Investigate the options for bus shelters in Swan Hill	Contact MAV and Public Transport Victoria (PTV) to determine responsibilities in regard to the installation and maintenance of bus shelters	✓
	Determine the standards of construction of bus shelters and the optimum locations within the municipality	✓
	Obtain cost estimates and investigation of possible funding options	✓
Support for new citizens to the municipality to increase awareness of local customs and practices	Review existing services to address short-term options	✓
Encourage community harmony, cultural understanding and tolerance	Support and develop Harmony Day as the central point for a larger festival of events	✓
Pursue funding to develop a Diversity Plan and investigate the potential to develop a multicultural hub	Identify potential funding sources	✓
Develop and implement a Cultural Plan	Develop an understanding of the cultural experiences currently available in the municipality	>>
	Development of plan underway	>>
Be an active participant in the Aboriginal Community Planning processes throughout the municipality	Advise and assist Local Indigenous Networks with the processes and methodology to complete community plans	✓^

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major Initiative	Progress
Ongoing implementation of Community Plans (Actual \$51,411 Budget \$295,310)	18 per cent complete. Projects to be carried forward and completed in 2015/16
Youth support initiatives (Actual: \$16,120 Budget: \$32,710)	50 per cent complete. Remaining funds are to be used on events being held in the second half of 2015
Chisholm Reserve upgrade, including drag racing facility (Actual: \$1,112,457 Budget: \$2,250,000)	50 per cent complete. Project is expected to be completed by December 2015
Art Gallery programs - The ACRE Residencies (Actual: \$7,324 Budget: \$19,965)	Completed
Employment start up for Indigenous job seekers (Actual: \$35,743 Budget: \$30,000)	Completed
Footpath repairs and renewals, along with the installation of disabled kerb crossings and bicycle paths (Actual: \$248,370 Budget: \$238,000)	Completed
Rural Access Co-ordinator, with the aim of creating disability inclusive communities (Actual: \$109,743 Budget: \$106,190)	Completed
Community Pride Campaign (Actual: \$6,150 Budget: \$15,000)	Completed
Funding for the Harmony Day event (Actual: \$13,346 Budget: \$15,000)	Completed
Library collection purchases (Actual: \$115,707 Budget: \$110,000)	Completed
Conduct the Fairfax Festival (Actual: \$134,420 Budget: \$123,000)	Completed
Ongoing redevelopment works at the Pioneer Settlement, including construction of a steam workshop (Actual: \$0 Budget: \$320,000)	Project has been postponed until after the completion of the Heartbeat of the Murray Laser Light Show
Heartbeat of the Murray Laser Light Show (Actual: \$2,287,832 Budget: \$3,235,000)	64 per cent complete. Project is expected to be completed by November 2015

Major Initiative	Progress
Construct a public toilet in Ronald Street, Robinvale (Actual: \$74,763 Budget: \$55,700)	Completed
Efficiency upgrades to street lighting (Actual: \$150,000 Budget: \$94,000)	Completed
Manangatang Recreation Reserve female change rooms project (Actual: \$23,019 Budget: \$121,645)	19 per cent complete. Project expected to be completed by October 2015
Nyah Recreation Reserve redevelopment (Actual: \$0 Budget: \$143,280)	Project is ready to begin. Awaiting notification from user groups as to when project can commence
Installation of ground lighting at Nyah Recreation Reserve (Actual: \$253,786 Budget: \$191,320)	Completed
Swan Hill Riverfront Masterplan (Actual: \$180,059 Budget: \$500,000)	Construction of the shared footpath and riverfront lighting project are expected to be completed by November 2015
Swan Hill Showgrounds lighting (Actual: \$86,269 Budget: \$500,000)	17 per cent complete. Installation of lights is to be completed in February

Services funded in 2014/15 Budget

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Community facilitation	Provide effective and ongoing liaison with, and support to, community and recreation groups	738 <u>680</u> 58
Family and Children's Services	Provide family orientated support services including pre-schools, maternal and child health, counselling and support, youth services, family day care, out of school hours, and holiday programs	870 <u>810</u> 60
Aged and disability services	Provide a range of home and community care services for the aged and people with a disability, including home delivered meals, personal care, transport, dementia care, home maintenance, housing support and senior citizen centres. Council is the lead agency in a consortium of 10 local government authorities	596 <u>405</u> 191
Public amenities maintenance	Operate, maintain and renew Council buildings, footpaths and lighting	2,405 <u>2,130</u> 275
Local laws and regulatory services	Provide and enforce a range of regulatory services, resulting in a safe and pleasant environment for residents	415 <u>447</u> (32)
Swimming pools and sports venues	Provide quality, accessible aquatic and indoor sporting facilities that support a high quality of life for residents and visitors	1,105 <u>1,111</u> (6)
Recreation reserves, parks, playgrounds and street beautification	Maintain Council's parks, reserves, playgrounds and streetscapes in a functional and visually pleasing landscape	2,859 <u>3,315</u> (456)
Public health	Provide public health programs appropriate to community needs, which will assure an acceptable state of physical, mental and social wellbeing	299 <u>313</u> (14)

Service Area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Library	Provide public library and mobile library services for the municipality, with a customer focused service that caters for the cultural, educational and recreational needs of residents, and offers a place for the community to meet, relax and enjoy the facilities and services offered	811 <u>765</u> 46
Art gallery and museums	Provide meaningful, innovative and inspired experiences by presenting exhibitions from the Gallery's permanent collection, presenting exhibitions from external sources, and working with local, national and international artists	278 <u>264</u> 14
Performing arts	Provide the community with the chance to attend a diverse selection of high quality entertainments that otherwise would not be available to them	237 <u>261</u> (24)
Pioneer Settlement	Care for and conserve the Pioneer Settlement and its collection. Provide quality visitor programs, market and promote the Settlement, and provide a source of income through merchandising	1,776 <u>3,428</u> (1,652)
Indigenous affairs	Promote Indigenous employment programs and facilitate employment outcomes for Indigenous Australians	12 <u>(2)</u> 14

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/measure	Result	Material Variation
Maternal Child Health Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x 100	103.64%	No material variation
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x 100	100%	No material variation
Service cost <i>Cost of the MCH service</i> [Cost to Council of the MCH service / Hours worked by MCH nurses]	n/a	Not required to be reported until 2015/16
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] x 100	72.27%	No material variation
<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] x 100	67.77%	No material variation

Service/Indicator/measure	Result	Material Variation
<p>Home and Community Care</p> <p>Timeliness</p> <p><i>Time taken to commence the HACC service</i></p> <p>[Number of days between the referral of a new client and commencement of HACC service / Number of new clients who have received a HACC service]</p>	n/a	Not required to be reported until 2015/16
<p>Service standard</p> <p><i>Compliance with Community Care Common Standards</i></p> <p>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x 100</p>	89%	No material variation
<p>Service cost</p> <p><i>Cost of domestic care service</i></p> <p>[Cost of the domestic care service / Hours of domestic care service delivered]</p> <p><i>Cost of personal care service</i></p> <p>[Cost of the personal care service / Hours of personal care service delivered]</p> <p><i>Cost of respite care service</i></p> <p>[Cost of the respite care service / Hours of respite care service delivered]</p>	n/a	Not required to be reported until 2015/16
<p>Participation</p> <p><i>Participation in the HACC service</i></p> <p>[Number of people that received a HACC service / Municipal target population for HACC services] x 100</p> <p><i>Participation in the HACC service by CALD people</i></p> <p>[Number of CALD people that received a HACC service / Municipal target population in relation to CALD people for HACC services] x 100</p>	38.18%	No material variation
	18.56%	No material variation

Service performance indicators continued

Service/Indicator/measure	Result	Material Variation
Animal Management Timeliness <i>Time taken to action animal requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	n/a	Not required to be reported until 2015/16
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]	59.45%	No material variation
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$55.39	No material variation
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	No material variation
Aquatic Facilities Service standard <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.6	No material variation
<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0	No material variation

Service/Indicator/measure	Result	Material Variation
<p>Service cost</p> <p><i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</p> <p><i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</p>	<p>\$15.81</p> <p>\$7.80</p>	<p>No material variation</p> <p>No material variation</p>
<p>Utilisation</p> <p><i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]</p>	<p>3.9</p>	<p>No material variation</p>
<p>Food safety</p> <p>Timeliness</p> <p><i>The time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	<p>n/a</p>	<p>Not required to be reported until 2015/16</p>
<p>Service standard</p> <p><i>Food safety assessments</i> [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x 100</p>	<p>92.12%</p>	<p>No material variation</p>
<p>Service cost</p> <p><i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	<p>\$809.12</p>	<p>No material variation</p>

Service performance indicators continued

Service/Indicator/measure	Result	Material Variation
<p>Food safety continued</p> <p>Health and safety</p> <p><i>Critical and major non-compliance outcome notifications</i></p> <p>[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises]</p>	86.11%	Five of the 36 critical non-compliance notifications remained outstanding at 30 June 2015. All outstanding notifications have been cleared in 2015/16.
<p>Libraries</p> <p>Utilisation</p> <p><i>Library collection usage</i></p> <p>[Number of library collection item loans / Number of library collection items]</p>	2.19	No material variation
<p>Resource standard</p> <p><i>Standard of library collection</i></p> <p>[Number of library collection items purchased in the last five years / Number of library collection items] x 100</p>	41.65%	No material variation
<p>Service cost</p> <p><i>Cost of library service</i></p> <p>[Direct cost of library service / Number of visits]</p>	\$7.33	No material variation
<p>Participation</p> <p><i>Active library members</i></p> <p>[Number of active library members / Municipal population] x 100</p>	22.54%	No material variation

Community funding

Swan Hill Rural City Council recognises, respects and values the contribution that community, sporting and not-for-profit organisations make within our community. One of the ways Council recognises and supports this contribution is through a Community Grants Program. Recipients of the 2014/15 Community Grants are as follows:

Category One

Category One provides grants of up to \$2,000 to suitable community groups and organisations. Generally funding will only be provided for applications that target the following types of projects – structural repairs or minor upgrades, new or upgraded equipment essential to operation of the group, current OH&S or risk management issues, new programs or activities within a community, minor or local festivals or events that have broad community benefit and projects for specific high-needs groups such as Indigenous people, women and youth.

Organisation	Funded amount \$	Project description
Afghani Association of Swan Hill Inc	1,000	Driving lessons
Australian Inland Wine Show	2,000	Wine Show event
Diggers and Dolls Playgroup Inc	454	Diggers and Dolls Playgroup activity funding
Interchange Loddon Mallee Region Inc	985	Murray Mayhem Event
Italian Social Club	1,350	Bar upgrade
Kooloonong-Natya Landcare Group Inc	500	GPS equipment
Manangatang and District Bowling Club	2,000	Fence reconstruction
Murray Valley Aboriginal Co-op	1,000	Educational toys
Nyah District Bowling Club Inc	1,500	Sun shade shelter
Nyah District Christmas Carnival Committee	1,000	Christmas Carnivale Event
Nyah District Memorial Hall Committee	500	New steps
Nyah District Men's Shed Inc	500	Tools and equipment
Nyah District Pony Club Inc	1,000	Dressage arena
Nyah West Golf Club Inc	1,500	Replace carpet
Piangil Memorial Park Committee	1,800	New stove

Organisation	Funded amount \$	Project description
Pioneer Animal Nursery Inc	1,960	Portable pens
Racing In Nyah Inc	1,000	Lockable shed
Robinswood Homestead Association	2,000	Pergola reconstruction
Robinvale Indigenous Landcare Group	900	Water tank and first aid kit
Rotary Club of Robinvale-Euston	1,700	Power upgrade
Rotary Club of Swan Hill	1,250	Weed Warrior Program
Smart FM Community Radio Inc	500	Replace equipment
Speewa Heritage Collectors Club Inc	1,500	New stove
St Mary's Tyntynder Cricket Club Inc	1,480	Centre wicket upgrade
Swan Hill and District Masonic Company Inc	1,000	Replace doors
Swan Hill Basketball Association	1,000	Computer upgrade
Swan Hill Bowls Club Inc	500	Chairs
Swan Hill Boxing Club	800	Equipment upgrade
Swan Hill Community Toy Library Inc	1,000	Safety upgrade
Swan Hill District Agricultural and Pastoral Society Inc	1,500	Poultry pavillion show pens
Swan Hill Genealogical and Historical Society	1,740	Computer upgrade
Swan Hill Motor Racing Club Inc	1,500	Maintenance and safety equipment
Swan Hill Neighbourhood House Inc	500	Barbecue and utensils
Swan Hill Playgroup Inc	500	New toys to support multicultural awareness
Swan Hill Vintage and Classic Vehicle Club	1,500	Equipment to host Swap Meet
Tyntynder South Hall Dance Committee Inc	2,000	Heating
Ultima CFA	1,000	Chairs

Community funding

Category Two

Category Two provides small amounts of funding (generally no more than \$200) to community groups and organisations.

Generally funding will only be provided for applications that target new programs or activities within a community and activities and events that have broad community benefit.

Organisation	Funded amount \$	Project description
Alan Garden Netball Courts Committee of Management	200	To purchase a key box
Bigger Better Beverford	200	To conduct a Market Day at Beverford School
Inner Wheel Club Swan Hill Inc	200	To contribute to Teddy Bears Picnic
Lake Boga and District Land Care	200	To assist with Lake Boga Landcare Group Ball
Lake Boga Men's Shed	200	Equipment and tools
Lakeside Golf Club	200	To print flyers to promote the club
Manangatang and District Pre School	200	Equipment
Manangatang P-12 College	200	Equipment
Nyah District Girl Guides	200	Ten pin bowling team building trip
Nyah District Primary School	200	Transport costs
Robinvale Asian Community	200	Chinese New Year celebrations
Robinvale Euston Business Association	200	Materials to hold Santa photos for Robinvale community
Robinvale Network House	200	NACHOS ethnic cooking event
Southern Lights Centre Inc	200	To assist with free family day at George Lay Park
St Mary MacKillop College	200	Outstanding Art Scholarship
Sustainable Living in the Mallee	200	To purchase commercial scales for volunteers
Swan Hill Blind Auxilliary	200	Fund items for Christmas raffle

Organisation	Funded amount \$	Project description
Swan Hill Boxing Club	200	To purchase boxing bags
Swan Hill Branch Australian Red Cross	200	To assist with 100 year celebrations
Swan Hill Calisthenics Club Inc	200	Equipment
Swan Hill College	200	Jenny Brabham Scholarship
Swan Hill Croquet Club Inc	200	Centenary celebrations
Swan Hill Eisteddfod Inc	200	Funds for two encouragement awards
Swan Hill Football Club Incorporated	200	Netfit session
Swan Hill North Primary School	200	To assist with Grade 6 awards night
Swan Hill Specialist School	200	The Lion King excursion
Swan Hill Sporting Car Club Inc	200	Junior Development Days
Swan Hill Stroke Support Group	200	Transport costs
Swan Hill Vintage and Classic Vehicle Club	200	To assist with the Swap Meet
Ultima Progress Association	200	Ultima district Christmas meal
Woorinen and District Progress Association Inc	200	To assist with hosting a family fun day at Woorinen South

Community Pride

The Community Pride Grants Program makes funds available to support a range of projects that promote local sustainability initiatives.

The program aims to encourage community groups to show initiative and make a difference to the environment that they operate in. Grants of up to \$2,000 for groups and organisations are available.

Organisation	Funded amount \$	Project description
Lake Boga Inc	2,000	Street theme beautification
Robinvale Football Club Inc	1,000	Assistance to build shelter
Woorinen and District Progress Association Inc	1,000	Assistance to paint mural

Key Result Area 3:

Economic Growth

Through our Economic Growth objective, we will actively promote and develop partnerships with government and other sectors in order to pursue economic growth and development by:

- Supporting the development of a prosperous, growing, vibrant and diverse economy
- Encouraging development and new business establishment based on the region's comparative and competitive advantages
- Promoting an economy that consists of a number of diverse sustainable small and medium industries
- Providing infrastructure and a range of services that makes us a region of choice
- Supporting existing businesses to be sustainable and expand
- Council will support the major regional change strategies as indicated by the Northern Loddon Mallee Regional Strategic Plan
- Take advantage of opportunities presented by regional groups
- Awareness of international, national and regional based initiatives including the Murray Darling Basin Plan



Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed ^ Completed ahead of schedule >> In progress/continuing in 2015/16
 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Facilitate development of the South West Precinct of Swan Hill	Complete the Planning Scheme Amendment for the South West Development Precinct	>>
Development of a strategy to support the attraction of new business based on the region's comparative and competitive advantages as identified in the Economic Development Strategy	Develop and implement an Investment Attraction Strategy to streamline processes for business investment and to promote the region's comparative and competitive advantages	>>
Conduct a review of Council operated aerodromes and implement both Civil Aviation Safety Authority requirements and Council recommendations	Renewal of current infrastructure	✓
Support the key initiatives arising from the Northern Loddon Mallee Regional Strategic Plan	Participate in the review of the Strategic Plan	✓
Investigate opportunities of accommodation and services being provided for displaced people	Liaise with key stakeholders to identify issues and possible actions	<<
Adopt the Swan Hill Residential Housing Strategy and complete the Planning Scheme Amendments	Respective Planning Scheme Amendments to be initiated	✓
Review of the Municipal Strategic Statement (MSS), taking into consideration appropriate accommodation options	Commence MSS review	>>
Investigate the connection of small towns to reticulated sewerage and potable water	Draw on findings to identify towns	>>
	Develop a project scope for a feasibility study for identified towns	>>
	Complete feasibility study	>>

Council Plan Initiative	Action	Status
Provide access to a study common room and access to professionals for university students	Liaise with education providers and other stakeholders to identify opportunities	✓
Encourage the establishment of value adding industries	Undertake industry forums and discussions	✓^
Conduct a Business Expansion Attraction and Retention survey	Criteria established and survey completed	✓^
Continue to investigate options for renewable energy for the municipality	Complete a study that explores opportunities to source renewable energy for Council operations	✓
Promote the benefits of the region as a place to live, work and invest	All job vacancies advertised with a description of our region's benefits	✓^
Investigate opportunities arising from the Murray Darling Basin Plan	Support proposals that provide for economic infrastructure upgrades e.g. natural gas	✓^
	Continue to work collaboratively with Murray River Group of Councils on basic plan submissions	✓^
Review of Special Rates and Levies to support marketing activities	Review and update deed between Council and Swan Hill Incorporated	✓
Commence implementation of Swan Hill and Robinvale Riverfront Plans	Allocate resources and schedule implementation of masterplan	✓
	Update Major Projects Plan in accordance with implementation plan	✓
Implement outcomes of the review of the Swan Hill Regional Livestock Exchange	Subdivision and sale of surplus land	>>
	Identify and apply for funding	✓
Investigate the possibilities for railhead and rail freight centres for the municipality	Secure funding	✓^
	Conduct a demand assessment (both current and future) identifying types and destinations of freight	✓^
	Conduct assessment of appropriate locations, including associated road assets and costings	✓^

Council Plan Initiative	Action	Status
Implement staged redevelopment of the Pioneer Settlement	Identify funding sources and apply for funding for Stage 1.2 works	✓
	Secure funding	✓
	Tender and construct Stage 1.2 works (which includes new steam workshop, men's shed and workshops)	✓
	Identify and apply for funding for new evening product, replacing current sound and light show	✓
	Secure funding	✓
	Develop and install new evening product	>>
Advance outcomes of Central Murray Regional Transport Study	Maintain membership of forum group	✓^
	Prioritise projects according to regional industry need	✓^
	Working groups established to direct various projects	✓^
	Lobby State and Federal members to support projects	✓^
Pursue funding for a levee bank at Robinvale	Develop applications to federal departments	>>
	Include project in Council Major Project Plan	✓^

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major Initiative	Progress
Renew assets at Council owned caravan parks (Actual: \$58,540 Budget: \$150,000)	Completed
Economic development initiatives (Actual: \$32,184 Budget: \$73,500)	Completed
Strategic roads assessment (Actual: \$0 Budget: \$20,000)	Project to be undertaken in 2015/16
Road reconstruction projects (Actual: \$1,858,275 Budget: \$1,964,200)	Five of the six budgeted reconstruction projects have been completed. The reconstruction of Annuello Wemen Road is expected to be completed in March 2016
Unsealed road re-sheets (Actual: \$879,405 Budget: \$1,310,000)	Twelve of 15 projects have been completed
Road sealing and reseals (Actual: \$1,118,674 Budget: \$1,105,800)	Completed
Construct Tower Avenue at Tower Hill Estate (Actual: \$99,344 Budget: \$185,000)	Completed

Services funded in 2014/15 Budget

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Land development	Acquire and dispose of Council properties, along with the management of the Tower Hill development	(30) <u>(72)</u> 42
Economic development	Assist the organisation to facilitate an environment that is conducive to a sustainable and growing local business sector, and that provides opportunities for local residents to improve their skill levels and access employment	386 <u>608</u> (222)

Services funded in 2014/15 Budget continued

Service Area	Description of services provided	Net Cost Actual <u>Budget</u> Variance \$000
Marketing and information services	Provide marketing and information services that attract new residents, investors and visitors to the municipality	608 <u>466</u> 142
Livestock Exchange	Provide a livestock selling facility and associated services to primary producers and other users	(85) <u>(155)</u> 70
Infrastructure management	Maintain and renew municipal infrastructure assets including sealed roads, unsealed roads and aerodromes, along with the design and management of associated capital works projects	4,070 <u>3,676</u> 394
Caravan parks	Provide and maintain caravan park facilities to a standard to promote local tourism and support a high quality of life	(94) <u>(130)</u> 36

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/measure	Result	Material Variation
Roads Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x 100	6.5	No material variation
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local road] x 100	97.01%	No material variation
Service cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$25.24	No material variation
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.13	No material variation
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]	52	No material variation (up from 48 previous year)

Key Result Area 4: Built and Natural Environment

Through our Built and Natural Environment objective, we will work to actively:

- Demonstrate leadership through our own actions to achieve a balance between the ongoing economic prosperity of our region and safeguarding our local environment
- Be involved in decisions about the future management of the Murray Darling Basin
- Seek to protect both our local natural and built environments for the enjoyment and appreciation of residents, visitors and future generations
- Be mindful of climate variation



Council Plan Initiatives

The following statement reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic initiatives included in the Plan.

✓ Completed ^ Completed ahead of schedule >> In progress/continuing in 2015/16
 << Delayed due to funding/budget

Council Plan Initiative	Action	Status
Implementation of Waste Management Plan	Conduct feasibility study for the construction of a transfer station at the Swan Hill Landfill.	✓^
Expand the green waste collection Service	Identify target locations and develop promotions, marketing and education plan	✓

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2014/15 budget.

Major Initiative	Progress
Nyah West commercial area drainage upgrade (Actual: \$148,265 Budget: \$350,000)	42 per cent complete. Project to be completed in 2015/16
Robinvale stormwater pipeline (Actual: \$766,999 Budget: \$916,825)	Completed
Robinvale town levee design works (Actual: \$30,000 Budget: \$42,800)	70 per cent complete. Project to be completed in 2015/16
Roadside weeds and pest management program (Actual: \$60,403 Budget: \$50,000)	Completed
Upgrade landfill site service roads and stormwater management (Actual: \$20,655 Budget: \$35,000)	Completed
Planning studies for the Swan Hill bridge location (\$50,000) and Bromley Road Masterplan (\$20,000) (Actual: \$15,123 Budget: \$70,000)	22 per cent complete. Both projects have had minor costs to date, with the project funding to be carried forward and spent in 2015/16

Services funded in 2014/15 Budget

The following statement provides information in relation to the services funded in the 2014/15 budget and the persons or sections of the community who are provided the service.

Service Area	Description of services provided	Net Cost Actual Budget Variance \$000
Tree maintenance	Provide visually pleasing trees adjacent to streets and roads, and improve and enhance the environment with tree planting projects by local groups on Council-owned land	316 <u>296</u> 20
Natural resource management	Advocate for, and assist to deliver environmental projects as part of Council's aim to become more sustainable in both the built and natural environments.	178 <u>118</u> 60
Planning Department	Process all planning applications, provide advice and make decisions about development proposals that require a planning permit. Represent Council at the Victorian Civil and Administrative Tribunal where necessary. Monitor Council's Planning Scheme as well as preparing major policy documents shaping the future of the city. Prepare and process amendments to the Council Planning Scheme and carry out research on demographic, urban development, economic and social issues affecting Council.	628 <u>369</u> 259
Building Department	Provide statutory building services to the community, including processing building permits, emergency management responsibilities, fire safety inspections, swimming pool barrier audits and complaints and illegal building works investigations.	198 <u>229</u> (31)
Street Cleaning	Maintain urban streets and public areas, including footpaths, in a clean and litter free state	411 <u>398</u> 13
Drainage	Provide and maintain efficient and effective open and underground drainage systems, including functional kerb and channel systems	674 <u>644</u> 30
Waste management	Provide waste collection including kerbside collections of garbage, hard waste and green waste from all households and some commercial properties	(2) <u>(32)</u> 30

Service Performance Indicators

The following statement provides the results of the prescribed service performance indicators and measures.

Service/Indicator/measure	Result	Material Variation
Statutory Planning		
Timeliness		
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	51	No material variation
Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x 100	72%	No material variation
Service cost <i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$3,372.75	No material variation
Decision making		
<i>Council's 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] x 100	100%	No material variation
Waste Collection		
Satisfaction		
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x 1000	19.21	No material variation
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x 10,000	5.1	No material variation

Service/Indicator/measure	Result	Material Variation
<p>Service cost</p> <p><i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</p> <p><i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</p>	<p>\$53.52</p> <p>\$26.85</p>	<p>No material variations</p> <p>No material variations</p>
<p>Waste diversion</p> <p><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] x 100</p>	<p>34.44%</p>	<p>No material variations</p>



Part six

Corporate Governance

Council's role

The Local Government Act 1989 sets out the role of councils in Victoria. Under the Act, the role of Council includes:

1. A council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a council includes:
 - a. Acting as a representative government by taking into account the diverse needs of the local community;
 - b. Providing leadership by establishing strategic objectives and monitoring their achievement;
 - c. Maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
 - d. Advocating the interests of the local community to other communities and governments;
 - e. Acting as a responsible partner in government by taking into account the needs of other communities; and
 - f. Fostering community cohesion and encouraging active participation in civic life.

Swan Hill Rural City Council performs this role by setting the strategic direction of the municipality, establishing guiding policies, setting service delivery standards and monitoring the performance of the organisation.

Our Council Plan

The Council Plan is the municipality's key strategic document directing Council to achieve its vision for the future. The plan lays the groundwork for addressing our longer-term goals and sets out the commitments Council has made to deliver these.

The 2013-17 Council Plan was developed after extensive planning and research and input from Councillors, Council employees and our community.

Our Council Plan is reviewed on an annual basis to ensure the document continues to play a vital role in shaping the future of the Swan Hill municipality, setting a broad direction for the coming years.

A copy of the Council Plan is available at Council's website www.swanhill.vic.gov.au/council/documents.

Decision making

Swan Hill Rural City Council, through formal Council meetings, is the primary decision-making body for the municipality.

Council decisions are made in one of two ways:

1. By resolution at Council meetings and special committees of Council.
2. By Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO). This system recognises the CEO's responsibility under the Local Government Act in managing the day-to-day operations of the organisation.

Elected members

Conflict of interest

During the course of dealing with matters that come before Council for decision, individual Councillors and members of staff may find that they, or their immediate family, have a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both Councillors and staff are required to declare and document their interest in a matter. Where Councillors have declared an interest, they take no part in the decision-making process.

Copies of the document Conflict of Interest: A Guide for Councillors, June 2011, published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Code of Conduct

Council adopted its Councillor Code of Conduct in November 2013 following the 2012 election. The code incorporates the specified changes in accordance with the Local Government Act 1989 and has been further amended to include policies that govern Councillor behaviour within Swan Hill Rural City Council.

The Code is based on the principle that achieving positive outcomes for the community requires a team effort of all the Councillors, and that a Councillor develops and maintains productive relationships with members of the community, Council staff and other Councillors.

A copy of the code is available at Council's website www.swanhill.vic.gov.au/council/documents.

Council Meetings

Council Meetings are generally held on the third Tuesday of each month at various locations across the municipality. They are open to the public. Members of the community can address Council and ask questions in relation to any aspect of Council operations.

Below are the dates and locations of the Ordinary Council Meetings held in 2014/15:

- | | |
|---------------------|-----------|
| • 15 July 2014 | Swan Hill |
| • 19 August 2014 | Robinvale |
| • 16 September 2014 | Swan Hill |
| • 21 October 2014 | Swan Hill |
| • 18 November 2014 | Swan Hill |
| • 16 December 2014 | Swan Hill |
| • 17 February 2015 | Piangil |
| • 17 March 2015 | Swan Hill |
| • 21 April 2015 | Swan Hill |
| • 19 May 2015 | Swan Hill |
| • 9 June 2015 | Swan Hill |

Special Council Meetings are held for consideration of the Budget, Annual Financial Statements, Annual Report and any other urgent matters.

The table on page 72 provides details of Councillor attendance at Ordinary and Special Council Meetings from July 2014 to June 2015.

Councillor attendance at meetings

Councillor	Ordinary Council Meetings		Special Council Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Michael Adamson	11	10	5	4
Cr John Katis	11	11	5	4
Cr Gary Norton	11	10	5	5
Cr Jessie Kiley	11	10	5	5
Cr Jim Crowe	11	11	5	5
Cr Greg Cruickshank	11	10	5	5
Cr Les McPhee	11	11	5	5

Councillor attendance at assemblies

Councillor	Councillor Assemblies	
	Eligible to attend	Attended
Cr Michael Adamson	34	32
Cr John Katis	34	33
Cr Gary Norton	34	30
Cr Jessie Kiley	34	34
Cr Jim Crowe	34	32
Cr Greg Cruickshank	34	33
Cr Les McPhee	34	27

Councillor support and remuneration

The Local Government Act 1989 states (S.75):

A Council must reimburse a Councillor for expenses if the Councillor:

- Applies in writing to the Council for reimbursement of expenses; and
- Establishes in the application to Council that the expenses were reasonable bona fide Councillor out-of-pocket expenses incurred while performing duties as a Councillor.

Additional support will be provided by Council to ensure Councillors are able to perform their duties, as determined by the Minister in accordance with the Local Government Act. A Councillor Expense Reimbursement and Support Policy was first adopted by Council in March 2001 and was last reviewed in July 2014. A copy of this is available at Council's website www.swanhill.vic.gov.au/council/documents.

The State Government categorises Councils according to their size and revenue base and for each category, sets the maximum annual allowance that can be paid to Mayors and Councillors. Swan Hill Rural City Council is in Category 2 and for the 2015 year set the annual allowance for its Mayor at \$66,355 and for all its other Councillors at \$25,011, inclusive of 9.5 per cent superannuation respectively on these allowances.

Councillors also receive support in the form of secretarial assistance through the Chief Executive Officer and have access to Council's vehicle fleet if they are required to attend meetings outside the municipality. Each Councillor is also provided with a mobile phone/PDA, a printer/fax combo, and iPad with keyboard, a desktop computer and a 4G wireless internet device. The Mayor is provided with the use of a Council vehicle.

Councillor	Allowance \$	Travel \$	Other \$	Total \$
Cr Michael Adamson (Mayor Nov 2014 - Jun 2015)	\$51,013	-	-	\$51,013
Cr John Katis (Deputy Mayor from November 2014)	\$24,757	\$7,378	\$2,690	\$34,825
Cr Gary Norton	\$24,757	\$2,096	\$60	\$26,913
Cr Jessie Kiley	\$24,757	-	-	\$24,757
Cr Jim Crowe	\$24,757	-	-	\$24,757
Cr Greg Cruickshank	\$24,757	-	-	\$24,757
Cr Les McPhee (Mayor July - Nov 2014)	\$39,434	-	-	\$39,434

Committees of Council

The Local Government Act 1989 recognises the need for Advisory and Special Committees of Council. Council may establish Advisory Committees of Council, Council staff and other persons if necessary. The Act also stipulates Council may, by instrument of delegation, delegate any of its functions, duties or powers under this, or any other Act, to a Special Committee (Section 86 Committees).

	Councillor	Meeting frequency
Asset Naming Sub-committee	Cr Michael Adamson Cr John Katis	Upon request
Audit Committee	Cr Michael Adamson Cr Jim Crowe	Quarterly, or more frequently if determined
Chief Executive Officer Performance Review Committee	Cr Michael Adamson Cr Les McPhee Cr John Katis	Annually
Swan Hill Regional Livestock Exchange	Cr Les McPhee	Bi-annually
Swan Hill Regional Art Gallery Advisory Committee	Cr Jessie Kiley	Monthly
Municipal Emergency Management Planning Committee	Cr Jim Crowe Cr John Katis	Quarterly
Community Grants	Cr Jim Crowe	Annually

Council representation on other Committees

In addition to the Advisory and Special Committees of Council, Councillors are also representatives on the following committees, associations and groups.

Cr Michael Adamson

- Bigger Better Beverford Group
- Woorinen Progress Association
- Swan Hill Leisure Centre Committee of Management
- Rail Freight Alliance
- Central Murray Regional Transport Forum
- Chisholm Reserve Motor Sports Development Group
- Murray River Group of Councils

Cr John Katis

- Robinvale Aboriginal Elders Committee
- Robinvale Euston Business Association
- Tree Committee

Cr Gary Norton

- Municipal Association of Victoria
- North-West Municipalities Association
- Manangatang Improvement Group
- Nyah Action Group
- Piangil Community Group
- Boundary Bend Progress Association
- Rural Councils Victoria
- Grampians Wimmera Mallee Water Mallee Customer Committee

Cr Jim Crowe

- Murray Darling Association
- Bigger Better Beverford Group
- Woorinen Progress Association
- Chisholm Reserve Motor Sports Development Group

Cr Jessie Kiley

- Swan Hill Incorporated
- Alan Garden Reserve Committee of Management
- Bigger Better Beverford Group
- Woorinen Progress Association
- Tree Committee
- Swan Hill Indoor Sport and Recreation Centre Committee of Management

Cr Greg Cruickshank

- Loddon Mallee Waste and Resource Recovery Board
- Bigger Better Beverford Group
- Woorinen Progress Association
- Rail Freight Alliance
- Murray Region Tourism Board
- Central Murray Regional Transport Forum
- Chisholm Reserve Motor Sports Development Group
- Murray Mallee Local Learning and Employment Network (MMLLEN)

Cr Les McPhee

- Livestock Saleyards Association of Victoria
- Murray River Group of Councils
- Swan Hill Community House
- Victorian Local Governance Association
- Lake Boga Inc
- Ultima Progress Association

Audit Committee

The Audit Committee is an independent Advisory Committee to Council and is formed under Section 139 of the Local Government Act 1989.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for:

- The enhancement of the credibility and objectivity of internal and external financial reporting
- Effective management of financial processes, to ensure integrity and transparency
- Effective management of risks and the protection of Council assets
- Compliance with laws and regulations as well as use of best practice guidelines
- The effectiveness of the internal audit function
- The provision of an effective means of communication between the external auditor, internal auditor, management and the Council
- Facilitating the organisation's ethical development
- Maintaining a reliable system of internal controls

The Audit Committee consists of five members, three of whom are independent experts in a range of areas, including financial management, business and project management.

Audit Committee Members

The members of the committee for the 2014/15 financial year were:

Warren Pollock (Chairman) - appointed for three years effective 21 August 2013.

Maurice Tyers - re-appointed for three years effective 21 October 2014.

Rod Saville - appointed for two years effective November 2014.

Cr Jim Crowe - appointed for two years at the Statutory Council Meeting in November 2013.

Cr Michael Adamson - appointed for two years at the Statutory Council Meeting in November 2014.

Member	Eligible to attend	Attended
Warren Pollock, Independent member and Chairman	4	4
Maurice Tyers, Independent member	4	4
Rod Saville, Independent member	3	3
Jim Crowe, Councillor	4	4
Michael Adamson, Councillor	4	2

Internal Audit

Council's internal audit function is externally resourced to provide independent and objective assurance that appropriate processes and controls are in place across Council.

A three-year risk based Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the nominated areas.

The review process considers Council's risk framework, the Council Plan, the impact of any change on our operations, systems or the business environment, prior audit coverage and outcomes and relies heavily on management directional input. The SIAP is revised and approved by the Audit Committee annually.

The Internal Auditor attends audit committee meetings to report on the status of the SIAP and to present findings of completed reviews. The responsible Director and Manager for each area reviewed are required to attend the audit committee meeting to respond to questions in relation to the review. All audit issues identified are risk rated. Recommendations are assigned to responsible managers and tracked through the Audit Committee agenda until all recommendations have been completed.

Quality assurance is measured through completion of the review recommendations and completion of the nominated annual SIAP reviews.

The SIAP for 2014/15 was completed with the following reviews conducted:

- IT Disaster Recovery
- IT Security
- Animal Control
- WorkCover Declarations (insight review)
- Fleet Management (insight review)

In order to attain a wider review of internal audit coverage, a mix of 'detailed' and 'insight' reviews are identified. 'Detailed' reviews typically include walk throughs, identification of key controls and sample testing of key controls to form a conclusion, resulting in a detailed report. 'Insight' reviews are high level discussions with those officers responsible for managing the area of focus, resulting in a brief report of observations and insights.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2014/15 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the May and September Audit Committee meetings to present the annual audit strategy and independent audit report. The external audit management letters and responses are also provided to the Audit Committee.

Risk Management

Council is committed to the overall management of risk to achieve its strategic and operational objectives.

A systematic and integrated risk management framework has been established based on the Australian and New Zealand Standard on Risk Management AS/NZS ISO 31000:2009.

The Risk Management Policy and Procedure provides a framework for identifying, analysing, controlling and reviewing risks across our organisation.

Council's Risk Management Policy was reviewed in April 2014. Council's risk management functions are regularly monitored and reviewed, with reports to Council's Risk Management Committee and Executive Leadership Team. The review was completed as an integral step in the risk management process.

Other aspects of Council's risk management framework include the existence and management of the corporate risk register, an established internal audit regime, a reactive customer request system, and a strong asset management framework.

Governance and Management Checklist

Governance and Management Items	Assessment
Community Engagement Policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	19/08/2014
Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community)	19/08/2014
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	23/06/2015
Annual Budget (plan under section 130 of the Act setting out the services to be undertaken over the next 12 months and the funding and other resources required)	23/06/2015
Asset Management Plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	01/04/2007 All plans currently under review
Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	23/06/2015
Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	15/04/2014
Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	18/11/2014
Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	21/04/2015
Procurement Policy (policy under section 186A the Act outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	16/12/2014
Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	25/11/2013
Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	25/11/2013
Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	15/04/2014

Governance and Management Items	Assessment
Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with the applicable legal, ethical, and regulatory requirements)	04/11/1998
Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	01/07/2013
Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	01/07/2014
Council Plan Reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the reporting year)	21/04/2015
Financial Reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Annual Report: (2014) 21/10/2014 Qtr 1: (30/09/14) 18/11/2014 Qtr 2: (31/12/14) 17/02/2015 Qtr 3: (31/03/15) 19/05/2015
Risk Reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	05/02/2015 Second report was deferred to September 2015 meeting
Performance Reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	21/04/2015 Quality and Cost Standards are reported on annually.
Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	21/10/2014
Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	06/11/2013
Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	07/02/2015
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	07/10/2010

Continuous improvement

The Best Value Principles within the Local Government Act 1989 provide the basis for which councils plan, review and manage their performance in order to deliver continuous improvement in all services and to meet the needs and expectations of service users.

208B. Best Value Principles

- (a) All services provided by a council must meet the quality and cost standards required by section 208D;
- (b) Subject to sections 3C(2)(b) and 3C(2)(e), all services provided by a council must be responsive to the needs of its community;
- (c) Each service provided by a council must be accessible to those members of the community for whom the service is intended;
- (d) A council must achieve continuous improvement in the provision of services for its community;
- (e) A council must develop a program of regular consultation with its community in relation to the services it provides;
- (f) A council must report regularly to its community on its achievements in relation to the principles set out in paragraphs (a), (b), (c), (d) and (e).

Performance reporting to our community

At Swan Hill Rural City Council, we ensure that we continue to deliver our desired community outcomes by monitoring progress via the following performance reports and then reporting these results back to the community.

	Contents	Occurrence
Annual Report	This includes details of Council's operations during the financial year, audited financial statements and a copy of the performance statement highlighting Council's achievement against our Council Plan.	Annually
Financial Statements	The financial statements report the financial position of Council throughout various stages of the year.	Quarterly
Key Strategic Initiatives – Council Plan outcomes	The Council Plan is the primary strategy adopted by the elected Councillors throughout their term. It outlines Council's objectives, strategies and identifies actions for achieving the desired community outcomes. The Key Strategic Initiatives make up the Council Plan and a quarterly progress report is issued to Council to monitor their performance.	Quarterly
Local Government Performance Reporting	This framework, and its associated indicators, measures the financial and non-financial performance of Council, including the performance indicators referred to in section 131 of the Act.	Annually
Achievement of other strategies	Council is updated on progress towards implementing all of its broader strategies on a regular basis. Examples include the Aboriginal Partnership Plan, Youth Strategy and Communication Strategy.	As required

Statutory information

National Competition Policy and compliance 2014/15

Council has complied with the requirements of the National Competition Policy for the period 1 July 2014 to 30 June 2015, in accordance with the requirements outlined in National Competition Policy and Local Government (Revised 2011).

Carers 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 of the Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by providing links to State Government resource materials on Council's website and providing information to organisations represented in Council networks.

Council has taken all practicable measures to ensure staff, Council agents and volunteers are informed about the principles and obligations under the Act by including information on the care relationship in Council induction and training programs for staff working in Community Care Services, and induction and training programs for volunteers working directly with the community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship.

Information Privacy Act 2000

Council respects the privacy of its citizens, ratepayers and clients. Council is committed to the privacy principles prescribed by the Information Privacy Act 2000 and the Health Records Act 2001.

Council has adopted a Privacy Policy that addresses the requirements of both Acts. A copy of the policy is available at the Council offices during business hours and at Council's website www.swanhill.vic.gov.au.

Council received no privacy complaints in the 2014/15 financial year.

Freedom of Information Act 1982

The Freedom of Information Act 1982 provides the opportunity for public access to Council documents.

The Act establishes a legally enforceable right for the community to request information, in document form, held by Council.

The Act has four principles:

1. The public has a right of access to documents subject to certain exceptions or exemptions.
2. Local Governments are required to publish information on the documents they hold.
3. Individuals may request that inaccurate, incomplete, out-of-date or misleading information about themselves be amended.
4. Individuals may appeal against a decision not to give access to the document(s) or not to amend personal information.

Written requests for documents must be addressed to Council's FOI officer and should be accompanied by an application fee of \$27.20 (2015/16).

A request must specify the document(s) required or if unable to do so, give sufficient detail to enable the relevant document(s) to be located, the form of access required and include the applicant's contact details.

No requests were received in 2014/15.

	Number of requests	Fees and charges	Costs
2014/15	0	\$0	\$0
2013/14	3	\$161	\$780
2012/13	4	\$100	\$1,060
2011/12	3	\$365	\$24,000
2010/11	4	\$132	\$14,862

Documents available for public inspection

Council is committed to open and transparent governance. According to the Local Government Act 1989 and Section 11 of the Local Government (General) Regulations 2004, a Council must make available for public inspection documents containing the prescribed matters below:

- Details of current allowances fixed for the Mayor and Councillors.
- Details of senior officers' total annual remuneration for the current financial year and previous year, in bands of \$10,000.
- Details of overseas or interstate travel undertaken in an official capacity by Councillors or any Council staff in the previous 12 months.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Agendas and minutes for Ordinary and Special Council meetings held in the previous 12 months.
- A list of all Special Committees established by the Council and the purpose for which each committee was established.
- A list of all Special Committees established by Council that were abolished or ceased to function during the financial year.
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months.
- A register of delegations kept under the Local Government Act.
- Submissions received under Section 223 of the Act during the previous 12 months.
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into

by Council as lessor or lessee.

- Register of authorised officers appointed under Section 224 of the Act.
- A list of donations and grants made by the Council during the financial year.
- A list of the names of the organisations of which the Council was a member during the financial year.
- A list of contracts valued at \$150,000 for services and \$200,000 for works that Council entered into during the financial year without first engaging in a competitive process.

These documents can be viewed at the Swan Hill Rural City Council Municipal Offices at 45 Splatt Street, Swan Hill from 8.30am to 5pm Monday to Friday.

Protected Disclosures Act 2012

The Protected Disclosure Act 2012 started operation on 10 February 2013 and replaced the Whistleblowers Protection Act 2001.

Council has developed procedures that protect people who report improper conduct or detrimental action by the Council or its employees under the Act. The procedures encourage the disclosure of improper conduct by Council or its employees, provide protection to the person making a disclosure from reprisals, and require the reporting of assessable disclosures to the Independent Broad-based Anti-corruption Commission (IBAC).

Council takes its role and responsibilities under the Act very seriously. Protected Disclosure procedures also form part of the staff induction process. No reportable matters were received in the 2014/15 financial year.

Staff and members of the public are encouraged, if they believe they are aware of or have evidence about improper conduct or detrimental action undertaken by the Council or its staff, to report the matters to the protected disclosure co-ordinator.

Procedures for making a protected disclosure are available at Council's website www.swanhill.vic.gov.au or at Council offices.

Contracts

During the year Council did not enter into any contracts valued at \$150,000 or more without first engaging in a competitive process.

Food Act Ministerial Direction

In accordance with 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 directions were received in the 2014/15 financial year.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, as Council has prepared a Disability Action Plan it must report on the implementation of the Disability Action Plan in its Annual Report.

Council has prepared a Disability Action Plan and implemented the following actions:

- Provided discrimination awareness training for staff.
- Increased opportunities for people with a disability to participate in community events.
- Enhanced opportunities to provide alternative options for communication for people with a disability.
- Investigated ways to make available, upon request, all Council publications and information in alternate formats.
- Maintained our commitment to ensuring our website is accessible according to W3C guidelines and includes text to speech functions.
- Provided information session to help ensure that Councillors are aware and represent the needs of people with a disability within their role.

Domestic Animal Act 1994

Under the Domestic Animal Act 1994, Council is required to create a Domestic Animal Management Plan and to evaluate its implementation in the annual report.

Council adopted the Domestic Animal Management Plan in September 2014.

The number of animals rehoused continues to increase, resulting in an ongoing reduction in the number of animals euthanised. Council also implemented a free microchipping program and the Swan Hill Pound redevelopment was completed.

The year ahead will see the review of the Domestic Animal Management Plan, which will include a survey of the community to identify further improvement in Council's animal management services.

Road Management Act 2004

Council, as a road authority, is required under Section 22 of the Act to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2014/15.

Local Laws

Council has the following Local Laws in place:

Local Law	Date adopted	Date operational
Local Law No. 1 Meeting Procedures	21 September 2010	7 October 2010
Community Local Law No. 2	17 July 2007	26 July 2007

Policies, strategies and plans

As representatives of the community, Council develops the policies that guide and inform Council activity. The following policies, strategies and plans were reviewed and/or adopted in 2014/15.

Policy/Strategy/Plan	Date reviewed/adopted
2014/15 Annual Budget and Strategic Resource Plan	July 2014
Social Media Policy	August 2014
Footpaths in Road Reserve and Parks Policy	August 2014
Youth Engagement Policy	August 2014
Diversity Policy	August 2014
Public Participation Policy	August 2014
Active Transport Strategy 2014 - 2034	August 2014
Domestic Animal Management Plan 2014 - 17	September 2014
Swan Hill Inc Strategic Plan, Marketing Plan and Budget	October 2014
Debt Collection Policy	November 2014
Financial Hardship Policy	November 2014
Financial Investments Review Policy	November 2014
Fraud Control Policy	November 2014
National Competition Policy	November 2014
Community Garden Policy	December 2014
Control of Damage to Council Infrastructure at Building Sites Policy	December 2014
Procurement Policy	December 2014
2014/15 to 2024/25 Major Projects Plan	March 2015
Council Plan 2013-17 (2014 update)	April 2015
Municipal Emergency Management Plan and Flood Emergency Plan	April 2015
Deputy Mayor Policy	May 2015
Roadside Memorials Policy	May 2015
Asset Naming Policy	May 2015
2015/16 Annual Budget and Strategic Resource Plan	June 2015

Victorian Local Government Indicators

The Local Government Indicators have been developed to enable Victorian councils to provide an overview of their performance on a common basis. There are 11 indicators in all, which combined are designed to provide a snapshot of performance. They provide financial information per assessment (rateable property), capital and maintenance expenditure compared to the level of annual consumption of assets (a measure of how many assets are used during the year), and community satisfaction with Council's performance.

	2010/11	2011/12	2012/13	2013/14	2014/15
Affordability					
Average rates and charges per assessment	\$1,692	\$1,798	\$1,870	\$1,957	\$2,049
Average rates and charges per residential assessment	\$1,257	\$1,351	\$1,359	\$1,448	\$1,488
Sustainability					
Average liabilities per assessment	\$1,240	\$1,725	\$1,266	\$1,097	\$1,430
Operating result per assessment – surplus/(deficit)	\$(40)	\$186	\$228	\$64	\$550
Services					
Average operating expenditure per assessment	\$3,961	\$4,274	\$4,222	\$4,171	\$4,097
Community Satisfaction Survey for overall performance generally of the Council	*66	57	58	53	59
Infrastructure					
Average capital expenditure per assessment	\$656	\$1,086	\$1,268	\$782	\$1,229
<i>Renewal Gap</i> - Current spending on renewal to asset base consumed during the year	98%	162%	146%	109%	109%
<i>Renewal and Maintenance Gap</i> - Current spending on renewal plus maintenance to asset base consumed during the year, plus maintenance	99%	139%	130%	106%	105%
Governance					
Community Satisfaction Survey for Council's advocacy and community representation on key local issues	*67	53	57	51	53
Community Satisfaction Survey for Council's engagement in decision making on key local issues	*67	55	60	55	54

* Community Satisfaction Survey results should not be compared to the 2010/11 financial year as the survey format was redesigned to meet the varying needs of all councils across the state in 2011/12.

Description of municipality

Swan Hill Rural City Council covers 6,116 square kilometres and is home to just under 20,600 people. It includes the townships of Swan Hill, Robinvale, Lake Boga, Nyah, Nyah West, Piangil, Woorinen, Ultima, Manangatang, Boundary Bend and Tresco.

The Swan Hill Rural City economy is driven by agriculture and manufacturing. Almost 16 per cent of the total economic output from the region comes from agricultural production with traditional livestock and broad acre farming accounting for almost 4 per cent. Irrigated farming (including stone fruit, grapes, nuts, olives and vegetable production) accounts for over 11 per cent of the total economic output for the municipality and more than 18 per cent of all jobs in the city are directly related to agriculture. Additionally food manufacturing (processing) accounts for almost 10 per cent of the municipality's economic output.

Located along the Murray River, tourism plays an important role in our region's economy. Our climate and natural beauty attracts around 388,000 domestic visitors each year.

Performance Statement

Sustainable Capacity Indicators

Service/indicator/measure	Results	
	2015	Material variations
Own-source revenue		
<i>Own-source revenue per head of municipal population</i> [Own-source revenue/Municipal population]	\$1,579.15	No material variations
Recurrent grants		
<i>Recurrent grants per head of population</i> [Recurrent grants/Municipal population]	\$878.72	No material variations
Population		
<i>Expenses per head of population</i> [Total expenses/Municipal population]	\$2,348.88	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure/Municipal population]	\$18,452.53	No material variations
<i>Population density per length of road</i> [Municipal population/Kilometres of local roads]	5.89	No material variations
Disadvantage		
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic disadvantage by decile]	2.00	No material variations

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 in paragraphs (a) and (b)

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

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

“population” means the resident population estimated by Council

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

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

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

Service Performance Indicators

Service/indicator/measure	Results	
	2015	Material variations
Governance Satisfaction <i>Satisfaction with Council decisions</i> [Community satisfaction rating out of 100 with the performance of Council in making decisions in the interest of the community]	51	No material variations
Statutory Planning Decision making <i>Council's 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] x 100	100%	No material variations
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]	52	No material variations
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x 100	22.54%	No material variations
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] x 100	34.44%	No material variations

Service/indicator/measure	Results	
	2015	Material variations
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.9	No material variations
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	No material variations
Food and safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises]	86.11%	Five of the 36 critical non-compliance notifications remained outstanding at 30 June 2015. All outstanding notifications have been cleared in 2015/16.
Home and Community Care Participation <i>Participation in the HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x 100 <i>Participation in the HACC service by CALD people</i> [Number of CALD people that received a HACC service / Municipal target population in relation to CALD people for HACC services] x 100	38.18%	No material variations
	18.56%	No material variations

Service/indicator/measure	Results	
	2015	Material variations
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] x 100	72.27%	No material variations
<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] x 100	66.77%	No material variations

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

“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 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

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

“population” means the resident population estimated by council

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

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

Financial Performance Indicators

Dimension/indicator/measure	Results					Forecasts				
	2015	2016	2017	2018	2019	2016	2017	2018	2019	Material variations
Operating position										
Adjusted underlying result										
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.50%	3.36%	5.27%	3.35%	3.6%					Grants Commission for 2015/16 was prepaid in June 2015. Council received \$3,090,753 being 50% of its 2015/16 allocation.
Liquidity										
Working capital										
Current assets compared to current liabilities [Current assets / Current liabilities] x100	228.92%	163.85%	199.58%	225.49%	249.01%					No material variations
Unrestricted cash										
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	121.27%	131.19%	152.30%	174.11%	196.94%					Increased cash holdings required for repayment of interest only loans at maturity
Obligations										
Loans and borrowings										
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	35.82%	33.50%	30.75%	28.49%	27.57%					No material variations
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	5.53%	4.92%	5.20%	4.62%	3.07%					No material variations

Dimension/indicator/measure	Forecasts					Material variations
	2015	2016	2017	2018	2019	
Results						
Indebtedness <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	29.34%	26.55%	23.74%	23.40%	23.32%	The ongoing repayment and reduced levels of borrowings over the forecast period will see the gradual reduction in our interest bearing liabilities.
Asset renewal <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	88.88%	103.83%	79.66%	100.16%	111.15%	While Council aims to allocate renewal works in line with depreciation, in some years these funds are allocated to projects for new or upgraded assets.
Stability						
Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	46.11%	48.82%	49.45%	49.99%	50.94%	No material variations
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.72%	0.74%	0.74%	0.74%	0.74%	No material variations
Efficiency						
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$4,078.64	\$4,119.54	\$4,082.10	\$4,227.14	\$4,264.55	No material variations

Dimension/indicator/measure	Forecasts					
	Results 2015	2016	2017	2018	2019	Material variations
Revenue level <i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,543.64	\$1,571.41	\$1,612.71	\$1,655.15	\$1,698.75	Rates for the forecast period are to increase by CPI.
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	13.38%	15.50%	15.59%	15.78%	15.87%	The increase in turnover is the expected retirement of a number of staff in the forecast years.

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 in paragraphs (a) and (b)

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

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

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

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

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

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

"non-recurrent grant" means a grant obtained on the condition that it

be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

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

"population" means the resident population estimated by Council
"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant
"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

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

Other information

1. Basis of preparation

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

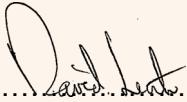
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 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 June 2015 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.


.....

David C Lenton CPA

Principal Accounting Officer

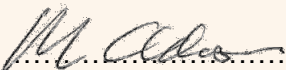
Dated: 23 September 2015

In our opinion, the accompanying performance statement of the Swan Hill Rural City Council for the year ended 30 June 2015 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.


.....

Michael Adamson

Councillor (Mayor)

Dated: 23 September 2015


.....

Greg Cruickshank

Councillor

Dated: 23 September 2015


.....

Dean Miller

Chief Executive Officer

Dated: 23 September 2015

Auditor General's Report - Performance Statement

VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000
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Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Swan Hill Rural City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Swan Hill Rural City Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Swan Hill Rural City Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Auditor General's Report - Performance Statement (continued)

Independent Auditor's Report (continued)

Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of the Swan Hill Rural City Council in respect of the 30 June 2015 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
24 September 2015



Dr Peter Frost
Acting Auditor-General

Appendices

Appendix 1: Donations and contributions

Organisation	Purpose	Amount \$
69th Australian Jazz Convention	Sponsorship	2,000
Afghani Association of Swan Hill Inc	Contribution	1,000
Alan Garden Netball Courts Committee of Management	Contribution	200
All British Classics Car Club	Sponsorship	1,000
Australian Inland Wine Show	Sponsorship	2,000
Bigger Better Beverford	Contribution	200
Bowls Victoria Inc	Sponsorship	1,750
Diggers and Dolls Playgroup Inc	Contribution	454
Inner Wheel Club Swan Hill Inc	Contribution	200
Interchange Loddon Mallee Region Inc	Contribution	985
Italian Social Club Italian Social Club	Contribution	1,350
	Sponsorship	350
Kooloonong-Natya Landcare Group Inc	Contribution	500
Lake Boga and District Land Care	Contribution	200
Lake Boga Inc	Contribution	2,000
Lake Boga Men's Shed	Contribution	200
Lake Boga Yacht Club	Sponsorship	1,000
Lakeside Golf Club	Contribution	200
Lions Club Of Swan Hill	Sponsorship	350
Mallee Almond Blossom Festival	Sponsorship	5,000
Manangatang and District Bowling Club	Contribution	2,000
Manangatang and District Pre School	Contribution	200

Organisation	Purpose	Amount \$
Manangatang and District Swimming Pool Inc	Contribution	26,378
Manangatang P-12 College	Contribution	200
Manangatang Racing Club Inc	Sponsorship	1,000
Massive Murray Paddle Event	Contribution	9,300
Mid Murray Pistol Club Inc	Sponsorship	500
Murray Valley Aboriginal Co-op	Contribution	1,000
Nyah District Bowling Club Inc	Contribution	1,500
Nyah District Christmas Carnival Committee	Contribution	1,000
Nyah District Girl Guides	Contribution	200
Nyah District Memorial Hall Committee	Contribution	500
Nyah District Men's Shed Inc	Contribution	500
Nyah District Pony Club Inc	Contribution	1,000
Nyah District Pool Committee Inc	Contribution	28,693
Nyah District Primary School	Contribution	200
Nyah West Golf Club Inc	Contribution	1,500
Piangil Memorial Park Committee	Contribution	1,800
Pioneer Animal Nursery Inc	Contribution	1,960
Port to Port	Sponsorship	1,500
Racing In Nyah Inc	Contribution	1,000
Regional Arts Victoria	Contribution	41,970
Robinswood Homestead Association	Contribution	2,000
Robinvale Asian Community	Contribution	200
Robinvale Euston Business Association	Contribution	200
Robinvale Football Club Inc	Contribution	1,000

Donations and contributions continued

Organisation	Purpose	Amount \$
Robinvale Indigenous Landcare Group	Contribution	900
Robinvale Network House	Contribution	200
Rotary Club of Robinvale-Euston	Contribution	1,700
Rotary Club Of Swan Hill	Contribution	1,250
Ski Racing Victoria	Sponsorship	2,727
Smart FM Community Radio Inc	Contribution	500
Southern Lights Centre Inc	Contribution	200
Speewa Heritage Collectors Club Inc	Contribution	2,300
St Mary MacKillop College	Contribution	200
St Mary's Tyntynder Cricket Club Inc	Contribution	1,480
Sustainable Living in the Mallee	Contribution	200
Swan Hill and District Masonic Company Inc	Contribution	1,000
Swan Hill Badminton Association	Sponsorship	1,000
Swan Hill Basketball Association Swan Hill Basketball Association	Contribution	1,000
	Sponsorship	2,000
Swan Hill Blind Auxiliary	Contribution	200
Swan Hill Bowls Club Inc Swan Hill Bowls Club Inc	Contribution	500
	Sponsorship	1,000
Swan Hill Boxing Club	Contribution	1,000
Swan Hill Branch Australian Red Cross	Contribution	200
Swan Hill Calisthenics Club Inc	Contribution	200
Swan Hill College	Contribution	200
Swan Hill Community Toy Library Inc	Contribution	1,000

Organisation	Purpose	Amount \$
Swan Hill Croquet Club Inc	Contribution	200
Swan Hill District Agricultural and Pastoral Society Inc	Contribution	1,500
Swan Hill Eisteddfod Inc	Contribution	200
Swan Hill Football Netball Club Incorporated	Contribution	200
Swan Hill Genealogical and Historical Society	Contribution	1,740
Swan Hill Lawn Tennis and Croquet Club Inc	Sponsorship	13,636
Swan Hill Motor Racing Club Inc	Contribution	1,500
Swan Hill Neighbourhood House Inc	Contribution	500
Swan Hill North Primary School	Contribution	200
Swan Hill Playgroup Inc	Contribution	500
Swan Hill Region Food and Wine	Contribution	5,000
Swan Hill Specialist School	Contribution	200
Swan Hill Sporting Car Club Inc	Contribution	200
Swan Hill Stroke Support Group	Contribution	200
Swan Hill Vintage and Classic Vehicle Club	Contribution	1,700
Tour of the Murray	Contribution	15,000
Tyntynder South Hall Dance Committee Inc	Contribution	2,000
Ultima CFA	Contribution	1,000
Ultima Progress Association	Contribution	200
Woorinen and District Progress Association Inc	Contribution	1,200
Woorinen Football Netball Club	Sponsorship	1,500
Total		217,574

Appendix 2: Organisations of which Council is a financial member

Organisation	Membership fee \$
Australian Livestock Markets Association	1,884
Australian Tourism Accreditation Program	439
Economic Development Australia	922
Keep Australia Beautiful Inc	500
LG Pro	2,486
Municipal Association of Victoria	27,327
Murray Darling Association Inc	5,048
North West Municipalities Association	645
Play Australia	284
Public Libraries Victoria Network Inc	1,856
School Crossings Victoria Inc	95
Vicsport	300
Waste Management Associates of Australia	576
Australian Performing Arts Centres Association	1,110
Australasian Fleet Management Association	345
Australasian Motor Museums Association Inc	100
Community Childcare Association	255
Early Childhood Australia Inc	213
FKA Children's Services Inc	182
Institute of Public Works Engineering Australia	520
Leading Age Services Australia Victoria	3,667
Local Government Infrastructure Design Association	500
Murray River Regional Tourism Ltd	22,820

Organisation	Membership fee \$
National Saleyards Quality Assurance Inc	480
New South Wales Public Libraries Association	200
Online Safety Systems Pty Ltd	7,500
Our Community Pty Ltd	300
Post Office Agents Association Limited	130
Victorian Association of Performing Arts Centres	964
Rail Freight Alliance	2,000
Total	83,646



Part seven

Financial performance

Understanding the Financial Statements

Introduction

The financial report is a key report by the Swan Hill Rural City Council. It shows how Council performed financially during the 2014/15 financial year and the overall position at the end of the financial year (30 June 2015).

Council presents its financial report in accordance with the Australian Accounting Standards.

Particular terms required by the standards might not be familiar to some readers. Council is committed to accountability and it is in this context that the following explanations have been developed to assist readers understand and analyse the financial report.

What is contained in the Annual Financial Report?

Council's financial report has two main sections, namely the report and the notes. There are five statements and 36 notes. These are prepared by Council staff, examined by the Audit Committee and Council, and are audited by the Victorian Auditor-General.

The five statements included in the first few pages of the report are the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

The notes detail Council's accounting policies and the make-up of values contained in the statements.

1. Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services.

The statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation, or the writing down, of the value of buildings, roads, footpaths, drains and all other infrastructure assets that are used to deliver Council services. These assets are depreciated over the life of the asset or as they are consumed. Capital costs or new assets purchased or created during the year are excluded from the statement but, as indicated above, are depreciated as they are used.

The statement is prepared on an accrual basis. This means that all generally income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

2. Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial position as at 30 June 2015. It shows what the Council owns as assets and what it owes as liabilities. The bottom line of this statement is net assets. This is the net worth of Council that has been built up over many years.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that will fall due or be consumed in the next 12 months. The components of the Balance Sheet are described on the following page.

Current and non-current assets

- Cash includes cash and cash equivalents i.e. cash held in the bank, petty cash and term deposits.
- Receivables are monies owed to Council by ratepayers and other debtors.
- Other assets include income earned but not yet received and accounts which have been prepaid.
- Property, plant and equipment, infrastructure is the largest component of Council's worth and represents the value of all land, buildings, roads, vehicles, equipment, and other items which have been invested in by Council over many years.

Current and non-current liabilities

- Payables are those to whom Council owes money as at 30 June 2015.
- Provisions include employee benefits, which is the accounting term for accrued long service and annual leave. Landfill restoration works are also grouped under provisions.
- Interest bearing loans and borrowings, which are repaid over a set period of time, finance leases that are leases of assets where ownership of the asset is transferred to the Council.

Net assets

This term is used to describe the difference between the value of total assets and the value of total liabilities. It represents the net worth of Council as at 30 June 2015. The net value of the Council is also synonymous with total equity.

Total equity

- Asset revaluation reserve is the difference between the previously recorded value of property and infrastructure assets and their current valuations.
- Accumulated surplus is the value of all net assets accumulated over time, including other reserve allocations for specific projects.

3. Statement of Changes in Equity

During the course of the year, the value of total ratepayers equity as set out in the Balance Sheet changes. This statement shows the values of such changes and how these changes arose.

The main reason for a change in equity stem from:

- The surplus/(deficit) for the year from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year.
- Revaluation of assets; takes on a regular schedule basis on average every three years. It also occurs when existing assets are taken up in the books for the first time.

4. Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific accounting standard and needs some care in analysis.

The values may differ from those shown in the Comprehensive Income Statement because the Comprehensive Income Statement is prepared on an accrual accounting basis.

Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

Council's cash arises from, and is used in, three main areas:

Cash flow operating activities

- Receipts – all cash received into Council's bank account from ratepayers and others that owed money to Council. Receipts also include the interest earned from Council's cash investments. It does not include the costs associated with the sale of assets.
- Payments – all cash paid by Council from its bank account to staff, creditors and other persons. It does not include the costs associated with the creation of assets

Cash flow from investing activities

The accounting term investing activities relates to payments for the acquisition and creation of assets, such as new plant, roads and other long-term revenue producing assets, and the proceeds from the sale of assets such as plant and land.

Cash flow from financing activities

This is where the receipt and repayment of borrowed funds are recorded. The bottom line of the Cash Flow Statement is the cash at end of financial year. This shows the capacity of Council to meet its debts and other liabilities.

5. Statement of Capital Works

Each year a significant portion of Council budget gets allocated to Capital Works projects. This Statement aims to give readers an understanding of what capital works assets have been built, upgraded or renewed throughout the financial year.

This Statement is broken down by asset category to provide further information as to what asset category these funds have been spent.

Notes to the Accounts

The notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive in a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described in Note 1.

Apart from the accounting policies, the notes also give details behind many of the summary figures contained in the statements. The note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and Statement of Capital Works.

Where Council wishes to disclose other information that cannot be incorporated onto the face of the Statements, this is shown in the notes.

The notes also include a comparison to budget (note 2). This note reports on the actual performance of Council to its adopted budget, and provides commentary to all material variances.

The notes should be read at the same time as, and together with, the other parts of the financial statements to get a clear picture of the accounts.

Statements by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council that, in his opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council that, in their opinion, the financial statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

Auditor General's Report

The Independent Audit Report is the external and independent opinion on the financial statements. It provides the reader with a totally independent opinion on the financial statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial statements.



General Purpose Financial Statements

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Comprehensive Income Statement

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Income			
Rates and charges	3	24,177,723	23,054,284
Statutory fees and fines	4	934,412	756,252
User fees	5	5,031,249	4,958,362
Grants – operating	6	17,219,703	13,639,890
Grants – capital	6	3,719,965	3,315,730
Contributions – monetary	7	1,248,034	1,028,455
Contributions – non-monetary	7	142,903	284,788
Net gain on disposal of property, infrastructure, plant and equipment	8	92,686	7,594
Other income	9	2,263,562	2,854,244
Total Income		54,830,237	49,899,599
Expenses			
Employee costs	10	18,941,031	18,416,946
Materials and services	11	19,418,025	20,141,758
Bad and doubtful debts	12	54,453	44,203
Depreciation and amortisation	13	7,978,502	7,814,778
Borrowing costs	14	396,083	361,084
Other expenses	15	1,552,611	2,364,250
Total Expenses		48,340,705	49,143,019
Surplus for the year		6,489,532	756,580
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	27	31,375,706	(962,162)
Total comprehensive result		37,865,238	(205,582)

The above Comprehensive Income Statement should be read with the accompanying notes.

Balance Sheet

As at 30 June 2015

	Note	2015 \$	2014 \$
Assets			
Current assets			
Cash and cash equivalents	16	15,539,398	5,985,020
Trade and other receivables	17	1,968,480	1,836,509
Financial assets	18	-	4,668,841
Inventories	19	141,659	137,666
Other assets	20	137,388	187,462
Total current assets		17,786,925	12,815,498
Non-current assets			
Trade and other receivables	17	40,766	80,783
Property, infrastructure, plant and equipment	21	442,447,583	405,510,060
Intangible assets	22	720,384	726,016
Other assets	20	50,000	50,000
Total non-current assets		443,258,733	406,366,859
Total assets		461,045,658	419,182,357
Liabilities			
Current liabilities			
Trade and other payables	23	1,724,834	1,903,264
Trust funds and deposits	24	433,821	388,143
Provisions	25	4,846,225	4,654,951
Interest – bearing loans and borrowings	26	765,397	922,524
Total current liabilities		7,770,277	7,868,882
Non-current liabilities			
Provisions	25	1,759,702	1,692,637
Interest – bearing loans and borrowings	26	7,775,427	3,745,824
Total non-current liabilities		9,535,129	5,438,461
Total liabilities		17,305,406	13,307,343
Net assets		443,740,252	405,875,014
Equity			
Accumulated surplus		275,745,926	269,256,394
Reserves	27	167,994,326	136,618,620
Total equity		443,740,252	405,875,014

The above Balance Sheet should be read with the accompanying notes.

Statement of Changes in Equity

For the Year Ended 30 June 2015

2015	Note	Total 2015 \$	Accumulated Surplus 2015 \$	Asset Revaluation Reserve 2015 \$
Balance at beginning of the financial year		405,875,014	269,256,394	136,618,620
Comprehensive result		6,489,532	6,489,532	-
Net asset revaluation increment	27	31,375,706	-	31,375,706
Balance at end of the financial year		443,740,252	275,745,926	167,994,326

2014	Note	Total 2014 \$	Accumulated Surplus 2014 \$	Asset Revaluation Reserve 2014 \$
Balance at beginning of the financial year		406,080,596	268,499,814	137,580,782
Comprehensive result		756,580	756,580	-
Net asset revaluation decrement	27	(962,162)	-	(962,162)
Balance at end of the financial year		405,875,014	269,256,394	136,618,620

The above Statement of Changes in Equity should be read with the accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2015

	Note	2015 Inflows/ (Outflows) \$	2014 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		23,895,847	22,968,868
Statutory fees and fines		934,412	1,009,348
User fees (inclusive of GST)		5,683,390	5,032,741
Grants – operating (inclusive of GST)		17,293,678	12,501,671
Grants – capital (inclusive of GST)		3,834,207	4,608,398
Contributions (inclusive of GST)		1,372,837	1,131,301
Interest received		566,006	541,315
Other receipts (inclusive of GST)		1,713,287	2,443,405
Net GST refund/payment		2,304,597	1,938,891
Employee costs		(19,503,879)	(18,028,309)
Materials and services		(22,836,985)	(24,676,184)
Net cash provided by (used in) operating activities	28	15,257,397	9,471,445
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(14,211,707)	(9,304,612)
Proceeds from sale of property, infrastructure, plant and equipment		363,454	250,306
Payments for investments		-	(3,654,967)
Proceeds from sale of investments		4,668,841	-
Net cash provided by (used in) investing activities		(9,179,412)	(12,709,273)
Cash flows from financing activities			
Finance costs		(448,367)	(413,368)
Proceeds from borrowings		4,795,000	-
Repayments of borrowings		(870,240)	(1,120,024)
Net cash provided by (used in) financing activities		3,476,393	(1,533,392)
Net increase/(decrease) in cash and cash equivalents		9,554,378	(4,771,220)
Cash and cash equivalents at the beginning of the financial year		5,985,020	10,756,240
Cash and cash equivalents at the end of the financial year	29	15,539,398	5,985,020
Financing arrangements	30		
Restrictions on cash assets	16		

The above Statement of Cash Flows should be read with the accompanying notes.

Statement of Capital Works

For the Year Ended 30 June 2015

	Note	2015 \$	2014 \$
Property			
Land		-	91,381
Total land		-	91,381
Buildings		795,985	794,840
Total buildings		795,985	794,840
Total property		795,985	886,221
Plant and equipment			
Plant, machinery and equipment		1,397,937	665,934
Fixtures, fittings and furniture		2,070,533	124,132
Computers and telecommunications		44,239	130,234
Total plant and equipment		3,512,709	920,300
Infrastructure			
Sealed roads		6,109,845	4,491,543
Unsealed roads		751,328	904,286
Kerb and channel		246,597	70,595
Footpaths and cycleways		404,852	426,816
Drainage		979,919	154,884
Waste management		109,451	-
Recreation, leisure and community facilities		466,820	-
Parks, open spaces and streetscapes		373,970	-
Other infrastructure		146,622	882,613
Total infrastructure		9,589,404	6,930,737
Cultural and heritage			
Library collection		110,314	106,774
Pioneer Settlement buildings		351,913	88,734
Total cultural and heritage		462,227	195,508
Total capital works expenditure	21	14,360,325	8,932,766
Represented by:			
New asset expenditure		5,832,904	983,962
Asset renewal expenditure		7,090,730	6,887,763
Asset upgrade expenditure		1,436,691	1,061,041
Total capital works expenditure	21	14,360,325	8,932,766

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

Notes to the Financial Report

For the Year Ended 30 June 2015

Introduction

The Swan Hill Rural City Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 45 Splatt St Swan Hill.

The purpose of the Council is to:

- provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

This financial report of Swan Hill Rural City Council is 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. This general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS'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 (k))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (l))
- the determination of employee provisions (refer to note 1 (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) Change 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 2015, 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.

Entities consolidated into Council include:

- There are no entities to consolidate into Council.

(d) Committees of management

Council has elected not to consolidate Special Committees of Management as the assets and liabilities involved were deemed to have an immaterial impact on the financial position or performance.

(e) Revenue recognition

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

Rates and charges

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

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

Statutory fees and fines

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

User fees

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

Grants

Grant income is recognised when Council obtains control of the contribution. This is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and 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, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other income

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

(f) Fair value measurement

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

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

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

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

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

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

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

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

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 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. 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) Recognition and measurement of property, plant and equipment, infrastructure, intangibles

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.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 21, Property, infrastructure, plant and equipment, and infrastructure.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 8 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Council recognises land under roads it controls at fair value.

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

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

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

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$
Property		
land	-	1
land under roads	-	1
land improvements	10 to 100 yrs	1
Buildings		
buildings	30 to 100 yrs	5,000
Plant and Equipment		
plant, machinery and equipment		
▪ large	5 to 10 yrs	1,500
▪ small	2 to 4 yrs	1,500
fixtures, fittings and furniture	5 yrs	1,500
computers and telecommunications	3 yrs	1,000
Infrastructure		
sealed roads		
▪ road pavements	60 to 80 yrs	5,000
▪ road seals	15 to 80 yrs	5,000
▪ road ancillary assets	30 to 100 yrs	10,000
unsealed roads		
▪ natural surface	100 yrs	5,000
▪ gravel surface	30 yrs	5,000
kerb and channel	25 to 50 yrs	5,000
footpaths	20 to 50 yrs	5,000
drainage	20 to 80 yrs	5,000
waste management	10 to 35 yrs	5,000
recreation, leisure and community facilities	10 to 90 yrs	5,000
parks, open space and streetscapes	10 to 60 yrs	5,000
other infrastructure	10 yrs	5,000
Cultural and heritage		
library collection	5 to 100 yrs	1
Pioneer Settlement		
▪ vehicles & vessels	100 yrs	1,000
▪ site exhibits	100 yrs	1,000
▪ buildings	100 yrs	1,000

(m) Repairs and maintenance

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

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(n) Investment property

Investment property, comprising freehold office complexes, is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise. Rental income from the leasing of investment properties is recognised in the comprehensive income statement on a straight line basis over the lease term.

(o) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the 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 24).

(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, interest on borrowings, and finance lease charges.

(r) Employee costs

The calculation of employee costs and benefits includes all relevant oncosts and are calculated as follows at reporting date:

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation and payroll costs.

Annual Leave

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

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

Long Service Leave

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

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

The components of this current liability are measured at :

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

- nominal value - component that is expected to be wholly settled within 12 months.

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 rehabilitation provision

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

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 1 Significant accounting policies (cont)

(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 the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 4 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. At balance date, leasehold improvements are amortised over a 5 to 15 year period.

(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 guarantee

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 the right to call on the guarantee will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 33 Contingent Liabilities and Contingent Assets.

(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 by way of note and presented exclusive of the GST payable.

(x) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2015 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

(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.

Notes to the Financial Report

For the Year Ended 30 June 2015

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 \$1,000,000 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 29 July 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	Budget 2015 \$	Actual 2015 \$	Variance 2015 \$	Ref
Income				
Rates and charges	24,146,000	24,177,723	31,723	
Statutory fees and fines	1,019,000	934,412	(84,588)	
User fees	5,000,000	5,031,249	31,249	
Grants - operating	13,655,000	17,219,703	3,564,703	1
Grants - capital	7,277,000	3,719,965	(3,557,035)	2
Contributions - monetary	224,000	1,248,034	1,024,034	3
Contributions - non monetary	700,000	142,903	(557,097)	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	411,000	92,686	(318,314)	5
Other income	2,206,000	2,263,562	57,562	
Total income	54,638,000	54,830,237	192,237	
Expenses				
Employee costs	19,771,000	18,941,031	829,969	
Materials and services	18,243,000	19,418,025	(1,175,025)	6
Bad and doubtful debts	4,000	54,453	(50,453)	7
Depreciation and amortisation	8,264,000	7,978,502	285,498	
Borrowing costs	499,000	396,083	102,917	8
Other expenses	1,022,000	1,552,611	(530,611)	9
Total expenses	47,803,000	48,340,705	(537,705)	
Surplus for the year	6,835,000	6,489,532	345,468	

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Ref	Item	Explanation
1	Grants – operating	Grants Commission for 2015/16 was prepaid in June 2015. Council received \$3,090,753 being 50% of its 2015/16 allocation which was not budgeted.
2	Grants - capital	The budgeted grant for the Pioneer Settlement - Heartbeat of the Murray project of \$2,500,000 has not been received. The first instalment is expected in November 2015. Budgeted grant funding for the Chisholm Reserve Drag Strip of \$2,000,000 has not been received in full. At 30 June 2015, \$1,000,000 had been received, with the balance expected as the project is completed.
3	Contributions - monetary	Council received \$785,000 for development costs at the Tower Hill Estate, \$37,000 for the AFL offices at the Swan Hill Indoor Sports Stadium, and \$65,000 from the Friends of the Pioneer Settlement for redevelopment projects. The receipt of funds had not been forecast.
4	Contributions – non-monetary	The budget allowed for developer donated assets at the Tower Hill Estate. Construction of this development was undertaken by Council and a cash contribution was received from the developer as noted in Ref 3.
5	Net gain on disposal of property, infrastructure, plant and equipment	Land sales of \$325,000 had been forecast, however the settlement was not finalised and is now expected to take place in 2015/16.
6	Materials and services	Major project expenditure was \$585,018 above forecast due to a number of projects budgeted as capital works but required to be expensed because the works are considered to be operational or failed to meet Council capitalisation requirements. Expenditure on the Tower Hill Estate development was \$405,243 above forecast due to the higher number of lot sales during the year.
7	Bad and doubtful debts	An increase in infringement debtors resulted in a \$28,082 increase of their doubtful debts provision. The provision allowed for 'other debtors' to increase by \$26,961.
8	Borrowing costs	The 2014/15 financing costs budget allowed for the borrowing of \$3.5 million to be drawn down in the previous financial year. Interest savings were achieved through the deferred borrowings.
9	Other expenses	Asset write offs/adjustments of \$584,777 occurred during 2014/15 which had not been forecast.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2015 \$	Actual 2015 \$	Variance 2015 \$	Ref
Property				
Land	280,000	-	(280,000)	1
Total land	280,000	-	(280,000)	
Buildings	446,000	795,985	349,985	2
Total buildings	446,000	795,985	349,985	
Total property	726,000	795,985	69,985	
Plant and equipment				
Plant, machinery and equipment	1,151,000	1,397,937	246,937	3
Fixtures, fittings and furniture	-	2,070,533	2,070,533	4
Computers and telecommunications	120,000	44,239	(75,761)	5
Total plant and equipment	1,271,000	3,512,709	2,241,709	
Infrastructure				
Sealed roads	6,218,000	6,109,845	(108,155)	
Unsealed roads	1,097,000	751,328	(345,672)	6
Kerb and channel	92,000	246,597	154,597	7
Footpaths and cycleways	174,000	404,852	230,852	8
Drainage	1,509,000	979,919	(529,081)	9
Waste management	-	109,451	109,451	10
Recreation, leisure and community facilities	-	466,820	466,820	11
Parks, open spaces and streetscapes	-	373,970	373,970	12
Other infrastructure	1,977,000	146,622	(1,830,378)	13
Total infrastructure	11,067,000	9,589,404	(1,477,596)	
Cultural and heritage				
Library collection	110,000	110,314	314	
Pioneer Settlement buildings	3,555,000	351,913	(3,203,087)	14
Total cultural and heritage	3,665,000	462,227	(3,202,773)	
Pioneer Settlement vehicles and vessels				
Total capital works expenditure	16,729,000	14,360,325	(2,368,675)	
Represented by:				
New asset expenditure	3,368,000	5,832,904	2,464,904	
Asset renewal expenditure	12,392,000	7,090,730	(5,301,270)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	969,000	1,436,691	467,691	
Total capital works expenditure	16,729,000	14,360,325	(2,368,675)	

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Ref	Item	Explanation
1	Land	Funds allocated for the purchase of land did not eventuate.
2	Buildings	The budget variance is due to a number of projects forecast to be completed in 2013/14 but carried forward and completed in 2014/15. These were the Swan Hill Dog Pound (\$227,713), relocation of Scout and Band Hall (\$127,927) and Nyah West Kindergarten (\$77,006).
3	Plant, machinery and equipment	Plant and equipment purchases are above forecast due to the purchase of two large graders carried forward from the prior year.
4	Fixtures, fittings and furniture	The majority of this variance relates to \$1,901,817 spent on the Pioneer Settlement - Heartbeat of the Murray Laser Light Show. This project had been forecast as Pioneer Settlement buildings; however the nature of the assets being purchased/constructed for this project will be capitalised as fixtures and fittings. Refer Ref 14.
5	Computers and telecommunications	Expenditure on IT equipment during the year was significantly below forecast.
6	Unsealed roads	Reconstruction works on Kerang St, Lake Boga (\$202,793) and Douglas Rd, Swan Hill (\$145,136) were forecast as unsealed roads, however they have both now been sealed, and form part of Council's sealed road assets.
7	Kerb and channel	Kerb and channel works at Tower Avenue (\$29,510) and Beveridge St (\$121,859) were budgeted as being sealed road works.
8	Footpaths	Footpath works at the Swan Hill Riverside Park (\$180,059) was funded from the Swan Hill Riverfront Masterplan project which was budgeted as other infrastructure works. Refer Ref 13.
9	Drainage	Drainage projects for the Nyah West Commercial Area and Robinvale Stormwater Pipeline were still under construction at 30 June and are expected to be completed in the first half of 2015/16.
10	Waste management	Construction works for a resource recovery and dumping area at the Swan Hill Landfill was not budgeted. Funding for this project was sourced from a grant and Council waste reserves.
11	Recreation, leisure and community facilities	Works for this category were originally budgeted in other infrastructure. Refer Ref 13.
12	Parks, open space and streetscapes	Works for this category were originally budgeted in other infrastructure. Refer Ref 13.
13	Other infrastructure	A number of projects budgeted in this asset category were for works now capitalised to new asset classifications. The significant items are the shared footpath at Riverside Park (\$180,059), Riverfront Fitness Stations (\$199,533) and the Lake Boga Pontoon (\$65,713) which are now reported in Parks, open space and streetscapes. Lighting at the Nyah Recreation Reserve (\$253,786) and Ultima netball court redevelopment (\$74,787) being reported in recreation, leisure and community facilities. A further project for lighting at the Swan Hill Showgrounds (\$500,000) had been budgeted, but has been delayed until September 2015. Refer Ref 8, 11 and 12.
14	Pioneer Settlement buildings	The Heartbeat of the Murray Laser Light Show was budgeted as Pioneer Settlement Buildings (\$3,235,000), but the actual nature of the purchases requires the asset to be capitalised as fixtures, fittings and furniture. Refer Ref 4.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 3 Rates and charges

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is the value of its Land, Buildings and Improvements.

The valuation base used to calculate general rates for 2014/15 was \$3,288 million (2013/14 \$3,170 million). The 2014/15 rate in the Capital Improved Value dollar was 0.00632437 (2013/14, 0.00631040).

	2015 \$	2014 \$
Residential	9,362,266	9,119,418
Commercial	1,655,283	1,651,494
Industrial	716,993	686,336
Farm/rural	9,414,751	8,920,218
Supplementary rates and rate adjustments	75,724	76,557
Garbage charge	2,683,222	2,601,574
Special marketing rates	339,014	335,594
Other	(31,580)	(178,872)
Abandonments	(37,950)	(158,035)
Total rates and charges	24,177,723	23,054,284

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation was first applied in the rating year commencing 1 July 2014.

Note 4 Statutory fees and fines

Building and planning fees	429,772	369,768
Valuation data fees	108,214	25,390
Animal registration/release fees	139,435	130,483
Health registration fees	147,910	141,789
Infringements and costs	43,330	44,015
Other fees and fines	65,751	44,807
Total statutory fees and fines	934,412	756,252

Note 5 User fees

Administration fees	784,224	703,742
Child care/children's program fees	289,662	230,170
Sales – admissions	742,065	767,631
Sales – merchandise, catering, other sales	323,842	465,664
Hire & leasing fees	669,124	633,662
Livestock exchange	631,449	565,193
Aged services	863,554	859,959
Tourism & economic development	48,322	66,182
Parking	267,571	253,096
Other	411,436	413,063
Total user fees	5,031,249	4,958,362

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 6 Grants

	2015 \$	2014 \$
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	14,421,773	8,708,490
State funded grants	6,517,895	7,990,650
Others	-	256,480
Total	20,939,668	16,955,620
(a) Operating - recurrent		
Recurrent – Commonwealth Government		
Commonwealth Government – health and aged care	4,144,431	4,547,971
Victoria Grants Commission – general purpose	6,205,895	2,032,750
Victoria Grants Commission – local roads	3,091,447	1,045,650
Recurrent – State Government		
Family and children	480,819	392,961
Employment subsidies	7,000	13,727
Public health	19,802	27,639
Home and community care	1,376,776	1,368,500
Community projects	-	140,000
School crossing	-	21,246
Art gallery and performing arts	150,000	150,000
Libraries	187,654	178,929
Maternal and child health	304,426	328,133
Other	135,413	138,835
Total recurrent	16,103,663	10,386,341
(b) Operating - non-recurrent		
Recurrent – State Government		
Community projects	409,875	674,460
Environmental protection	80,000	99,785
Emergency management/response	141,627	2,128,042
Family and children	148,290	35,395
Library services	7,010	6,866
Indigenous affairs	121,400	172,480
Cultural and heritage	96,392	65,000
Economic development	94,014	24,091
Home and community care	2,200	20,103
Other	15,232	27,327
Total non-recurrent	1,116,040	3,253,549
Total operating grants	17,219,703	13,639,890
(c) Capital Grants - Recurrent		
Recurrent – Commonwealth Government		
Roads to Recovery	980,000	1,082,119
Recurrent – State Government		
Country roads and bridges	1,000,000	1,000,000
Total recurrent capital grants	1,980,000	2,082,119
(d) Capital Grants - Non-recurrent		
Non-Recurrent – State Government		
Buildings	-	30,000
Roads	30,000	-
Art and heritage	7,513	27,132
Parks, playgrounds and street beautification	1,615,314	751,479
Waste management	50,519	-
Other	36,619	425,000
Total non-current capital grants	1,739,965	1,233,611
Total capital grants	3,719,965	3,315,730

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 6 Grants (cont)

Condition 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:

	2015 \$	2014 \$
Operating grants	3,504,213	797,855
Capital grants	604,370	1,596,290
	4,108,583	2,394,145

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

Operating grants	775,440	4,848,026
Capital grants	1,308,975	1,259,830
Total grants	2,084,415	6,107,856
Net increase (decrease) in cash assets resulting from grant revenues for the year:	2,024,168	(3,713,711)

Note 7 Contributions

Monetary	1,248,034	1,028,455
Non-monetary	142,903	284,788
Total contributions	1,390,937	1,313,243

(a) Monetary assets

Drainage	-	28,241
Sealed roads	784,492	-
Cultural & heritage	251,006	120,693
Car parking	2,000	58,000
Community projects	1,182	533,189
Recreation, leisure and community facilities	132,587	178,100
Environmental protection	-	15,455
Family and children	15,000	86,000
Other	61,767	8,777
Total contributions - monetary	1,248,034	1,028,455

(b) Non-monetary assets

Roads	56,869	59,798
Land under roads	11,073	11,040
Buildings	31,810	-
Drainage	-	121,127
Footpaths	23,391	23,321
Kerb & Channel	-	32,198
Artwork	12,950	26,000
Library books	6,810	5,054
Pioneer Settlement	-	6,250
Total contributions – non-monetary assets	142,903	284,788
Total contributions	1,390,937	1,313,243

Note 8 Net gain on disposal of property, infrastructure, plant and equipment

Proceeds of sale	363,454	250,306
Written down value of assets sold	(270,768)	(242,712)
Total net gain on disposal of property, infrastructure, plant and equipment	92,686	7,594

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 9 Other income

	2015 \$	2014 \$
Interest	566,006	541,315
Reimbursements	262,739	341,147
Tower Hill land sales	1,286,203	1,800,687
Less - Tower Hill cost of goods sold	(27,526)	(40,962)
Other	176,140	212,057
Total other income	2,263,562	2,854,244

Note 10(a) Employee costs

Wages and salaries	15,015,075	14,764,980
Agency staff	528,097	520,185
Workcover	808,400	740,303
Long service leave	702,798	533,755
Staff training	151,628	183,552
Superannuation	1,526,290	1,465,374
Fringe benefits tax	72,187	57,856
Other oncosts	136,556	150,941
Total employee costs	18,941,031	18,416,946

Note 10(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	211,351	231,156
Total employee costs	211,351	231,156
Employer contributions payable at reporting date	-	-

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,265,709	1,185,883
Total employee costs	1,265,709	1,185,883
Employer contributions payable at reporting date	49,230	48,335

Swan Hill Rural City Council makes all of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (Vision Super). 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 Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2015, this was 9.5% required under Superannuation Guarantee legislation (for 2013/14, this was 9.25%)).

Defined benefit

Swan Hill Rural City Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of Swan Hill Rural City Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 11 Materials and services

	2015 \$	2014 \$
Waste management	1,632,192	1,554,324
Aged and community care agency payments	4,565,270	4,259,393
Community grants, sponsorships and contributions	1,302,883	1,233,115
Road and infrastructure maintenance	1,531,695	1,493,192
Major projects	2,159,704	2,883,187
Building maintenance and repairs	677,183	865,751
Tower Hill development costs	1,413,243	1,666,449
Organisational support	1,335,908	1,361,361
Cleaning	673,020	652,007
Community support events	1,111,583	1,234,262
Culture and heritage programs	455,876	397,457
Insurance	618,339	669,978
Utilities	1,038,004	1,074,457
Parks and reserves maintenance	447,370	370,174
Professional services	455,755	426,651
Total materials and services	19,418,025	20,141,758

Note 12 Bad and doubtful debts

Parking and by-law debtors	30,695	16,988
Rates debtors	(3,811)	773
Private schemes	(14,254)	23,989
Other debtors	41,823	2,453
Total bad and doubtful debts	54,453	44,203

Note 13 Depreciation and amortisation

Property	835,080	796,533
Plant and equipment	1,231,011	1,273,524
Infrastructure	5,699,846	5,511,271
Cultural and heritage assets	212,565	233,450
Total depreciation and amortisation	7,978,502	7,814,778

Refer to note 21 for a more detailed breakdown of depreciation and amortisation charges

Note 14 Borrowing costs

Interest – borrowings	383,449	348,450
Interest – finance leases	12,634	12,634
Total finance costs	396,083	361,084

Note 15 Other expenses

Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	39,000	37,600
Auditors' remuneration - Internal	24,074	12,266
Auditors' remuneration – Other	2,305	14,419
Councillors' allowances	225,434	221,787
Vehicle registrations	87,543	79,624
Bank charges	63,518	54,974
Software licences	362,991	342,509
Asset write offs/adjustments	584,777	1,378,022
Legal costs	53,961	98,600
Fire services levy	61,514	83,145
Other	47,494	41,304
Total other expenses	1,552,611	2,364,250

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 16 Cash and cash equivalents

	2015 \$	2014 \$
Cash on hand	7,545	7,355
Cash at bank	7,380,027	2,874,908
Term deposits (with maturity terms less than 90 days)	8,151,826	3,102,757
Total cash and cash equivalents	15,539,398	5,985,020

Council's cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

Trust funds and deposits (Note 24)	433,821	379,595
Total restricted Funds	433,821	379,595
Total unrestricted cash and cash equivalents	15,105,577	5,605,425

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works and major projects	5,681,673	5,560,740
- Landfill rehabilitation and development	1,916,750	1,460,680
Total funds subject to intended allocations	7,598,423	7,021,420

Note 17 Trade and other receivables

Current

Rates debtors	1,161,148	879,272
Provision for doubtful debts – rates debtors	(10,360)	(14,198)
Parking infringement and by-laws debtors	107,912	71,889
Provision for doubtful debts – parking infringement and by-law debtors	(84,993)	(56,911)
Private scheme debtors	20,495	39,368
Other debtors	524,410	680,808
Provision for doubtful debts – other debtors	(47,027)	(20,066)
Net GST receivable	296,895	256,347
Total current trade and receivables	1,968,480	1,836,509

Non-current

Private scheme debtors	40,766	80,783
Total non-current trade and other receivables	40,766	80,783
Total trade and other receivables	2,009,246	1,917,292

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 and other receivables (excluding statutory receivables) was:

Current (not yet due)	702,729	350,151
Past due by up to 30 days	56,806	413,719
Past due between 31 and 60 days	1,180,033	946,779
Past due between 61 and 90 days	34,711	74,243
Past due by more than 90 days	34,967	132,400
Total trade and other receivables	2,009,246	1,917,292

b) Movement in provisions for doubtful debts

Balance at beginning of the year	91,175	59,314
New Provisions recognised during the year	126,278	57,815
Amounts already provided for and written off as uncollectable	(54,453)	(2,607)
Amounts provided for but recovered during the year	(20,620)	(23,347)
Balance at end of year	142,380	91,175

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 17 Trade and other receivables (cont)

c) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$142,380 (2013/14: \$91,175) were impaired. The amount of the provision raised against these debtors was \$142,380 (2013/14: \$91,175). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of receivables that have been individually determined as impaired at reporting date was:

	2015	2014
	\$	\$
Current (not yet due)	2,079	799
Past due by up to 30 days	1,019	752
Past due between 31 and 60 days	1,317	1,182
Past due between 61 and 90 days	1,351	2,920
Past due by more than 90 days	136,614	85,522
Total trade and other receivables	142,380	91,175

Note 18 Financial assets

Current

Term deposits (with maturity terms greater than 90 days)	-	4,668,841
Total financial assets	-	4,668,841

Note 19 Inventories

Inventories held for distribution	36,619	41,493
Inventories held for resale	26,867	27,024
Tower Hill Estate	78,173	69,149
Total inventories	141,659	137,666

Note 20 Other assets

Current

Prepayments	102,258	89,880
Accrued income	35,130	97,582
Total current assets	137,388	187,462

Non-current

Other	50,000	50,000
Total non-current assets	50,000	50,000
Total other assets	187,388	237,462

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment

Land and Buildings	Note	Land - specialised	Land – non specialised	Total Land	Buildings - specialised	Buildings – non specialised	Total Buildings	Total Property
At fair value 1 July 2014		59,567,536	3,175,400	62,742,936	101,651,251	6,197,871	107,849,122	170,592,058
Accumulated depreciation at 1 July 2014		-	-	-	(72,418,984)	(1,369,939)	(73,788,923)	(73,788,923)
		59,567,536	3,175,400	62,742,936	29,232,267	4,827,932	34,060,199	96,803,135
Movements in fair value								
Acquisition of assets at fair value		11,073	-	11,073	782,632	-	782,632	793,705
Fair value of assets disposed		(58,349)	(2,000)	(60,349)	(444,850)	-	(444,850)	(505,199)
Transfers		-	-	-	(237,415)	(1,080)	(238,495)	(238,495)
		(47,276)	(2,000)	(49,276)	100,367	(1,080)	99,287	50,011
Movements in accumulated depreciation								
Depreciation and amortisation	13	-	-	-	(719,867)	(115,213)	(835,080)	(835,080)
Accumulated depreciation of disposals		-	-	-	416,696	-	416,696	416,696
Transfers		-	-	-	521,323	880	522,203	522,203
		-	-	-	218,152	(114,333)	103,819	103,819
At fair value 30 June 2015		59,520,260	3,173,400	62,693,660	101,751,618	6,196,791	107,948,409	170,642,069
Accumulated depreciation at 30 June 2015		-	-	-	(72,200,832)	(1,484,272)	(73,685,104)	(73,685,104)
		59,520,260	3,173,400	62,693,660	29,550,786	4,712,519	34,263,305	96,956,965

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomm's	Total plant and equipment
At fair value 1 July 2014		10,853,766	1,616,882	1,109,358	13,580,006
Accumulated depreciation at 1 July 2014		(7,767,501)	(1,072,130)	(894,420)	(9,734,051)
		3,086,265	544,752	214,938	3,845,955
Movements in fair value					
Acquisition of assets at fair value		1,397,937	168,716	44,239	1,610,892
Fair value of assets disposed		(1,087,205)	-	(5,333)	(1,092,538)
Transfers		-	43,223	(3,500)	39,723
		310,732	211,939	35,406	558,077
Movements in accumulated depreciation					
Depreciation and amortisation	13	(992,031)	(132,046)	(106,934)	(1,231,011)
Accumulated depreciation of disposals		844,568	-	5,333	849,901
Transfers		-	(17,759)	1,870	(15,889)
		(147,463)	(149,805)	(99,731)	(396,999)
At fair value 30 June 2015		11,164,498	1,828,821	1,144,764	14,138,083
Accumulated depreciation at 30 June 2015		(7,914,964)	(1,221,935)	(994,151)	(10,131,050)
		3,249,534	606,886	150,613	4,007,033

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

	Note	Sealed roads	Unsealed roads	Kerb and channel	Footpaths and cycleways	Drainage	Waste management	Recreation, leisure and community facilities	Parks, open space and streetscapes	Other Infrastructure	Total Infrastructure
Infrastructure											
At fair value 1 July 2014		167,482,197	116,215,608	17,737,740	17,555,215	49,531,663	5,978,641	-	-	27,833,736	402,334,800
Accumulated depreciation at 1 July 2014		(40,817,550)	(18,163,960)	(9,187,094)	(7,146,516)	(18,220,339)	(4,368,522)	-	-	(11,812,285)	(109,716,266)
		126,664,647	98,051,648	8,550,646	10,408,699	31,311,324	1,610,119	-	-	16,021,451	292,618,534
Movements in fair value											
Acquisition of assets at fair value		5,033,304	719,712	246,597	428,243	794,424	-	367,662	353,613	146,622	8,090,177
Revaluation increments/decrements	27	37,926,595	4,520,016	5,674,456	4,065,286	4,138,682	-	(5,399,900)	-	91,186	51,016,321
Fair value of assets disposed		(150,633)	-	(107,160)	(34,850)	(4,835)	-	(30,383)	(14,014)	(9,813)	(351,688)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	(296,928)	-	(296,928)
Transfers		848,202	-	42,782	50,305	103,413	-	13,656,783	5,828,583	(19,348,740)	1,181,328
		43,657,468	5,239,728	5,856,675	4,508,984	5,031,684	-	8,594,162	5,871,254	(19,120,745)	59,639,210
Movements in accumulated depreciation											
Depreciation and amortisation	13	(1,881,420)	(1,774,423)	(265,566)	(234,452)	(616,789)	(230,536)	(221,798)	(261,088)	(213,774)	(5,699,846)
Revaluation increments/decrements	27	(13,243,076)	(1,341,952)	(3,388,053)	(2,923,586)	(1,604,570)	-	2,893,350	-	(27,096)	(19,634,983)
Accumulated depreciation of disposals		112,988	-	64,195	16,387	3,572	-	18,505	12,410	1,597	229,654
Impairment losses recognised in operating result		-	-	-	-	-	-	-	(81,112)	-	(81,112)
Transfers		(145,974)	-	-	-	-	-	(8,189,020)	(1,904,006)	9,732,686	(506,314)
		(15,157,482)	(3,116,375)	(3,589,424)	(3,141,651)	(2,217,787)	(230,536)	(5,498,963)	(2,233,796)	9,493,413	(25,692,601)
At fair value 30 June 2015		211,139,665	121,455,336	23,594,415	22,064,199	54,563,347	5,978,641	8,594,162	5,871,254	8,712,991	461,974,010
Accumulated depreciation at 30 June 2015		(55,975,032)	(21,280,335)	(12,776,518)	(10,288,167)	(20,438,126)	(4,599,058)	(5,498,963)	(2,233,796)	(2,318,872)	(135,408,867)
		155,164,633	100,175,001	10,817,897	11,776,032	34,125,221	1,379,583	3,095,199	3,637,458	6,394,119	326,565,143

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Cultural and Heritage Assets	Note	Artworks	Library collection	Pioneer Settlement vehicles and vessels	Pioneer Settlement site exhibits	Pioneer Settlement buildings	Total Cultural and Heritage Assets	Works In Progress	Total property, infrastructure, plant and equipment
At fair value 1 July 2014		1,581,000	1,676,274	4,909,800	1,976,160	10,000,798	20,144,032	1,425,082	608,075,978
Accumulated depreciation at 1 July 2014		(58,277)	(1,200,699)	(155,611)	(62,656)	(7,849,435)	(9,326,678)	-	(202,565,918)
		1,522,723	475,575	4,754,189	1,913,504	2,151,363	10,817,354	1,425,082	405,510,060
Movements in fair value									
Acquisition of assets at fair value		12,950	117,125	-	-	351,913	481,988	3,526,466	14,503,228
Revaluation increments/decrements	27	-	-	-	-	-	-	-	51,016,321
Fair value of assets disposed		-	(151,703)	-	-	(177,353)	(329,056)	(118,287)	(2,396,768)
Impairment losses recognised in operating result		-	-	-	-	-	-	-	(296,928)
Transfers		-	-	-	-	1,695	1,695	(984,251)	-
		12,950	(34,578)	-	-	176,255	154,627	2,423,928	62,825,853
Movements in accumulated depreciation									
Depreciation and amortisation	13	(15,811)	(76,929)	(49,097)	(19,762)	(50,966)	(212,565)	-	(7,978,502)
Revaluation increments/decrements	27	-	-	-	-	-	-	-	(19,634,983)
Accumulated depreciation of disposals		-	151,703	-	-	158,313	310,016	-	1,806,267
Impairment losses recognised in operating result		-	-	-	-	-	-	-	(81,112)
Transfers		-	-	-	-	-	-	-	-
		(15,811)	74,774	(49,097)	(19,762)	107,347	97,451	-	(25,888,330)
At fair value 30 June 2015		1,593,950	1,641,696	4,909,800	1,976,160	10,177,053	20,298,659	3,849,010	670,901,831
Accumulated depreciation at 30 June 2015		(74,088)	(1,125,925)	(204,708)	(82,418)	(7,742,088)	(9,229,227)	-	(228,454,248)
		1,519,862	515,771	4,705,092	1,893,742	2,434,965	11,069,432	3,849,010	442,447,583

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Valuation of property assets

Land assets

Land assets are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For land assets, an independent valuation was performed by Mr Franz J Turzi, Dip.Agr.Sc. AAPI (VAL) Certified Practising Valuer - State of Victoria of Franz J Turzi and Associates Pty Ltd. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land assets do not contain significant, unobservable adjustments; these assets are classified as Level 2 under the market based direct comparison approach.

For specialised land assets, the market based direct comparison method is used, however the valuation is adjusted to reflect the specialised nature of the assets being valued. An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use. These restrictions on use therefore contain significant unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements. Specialised land assets include land under roads.

Buildings

Valuation of Council buildings was performed by qualified independent valuer Mr Franz J Turzi, Dip.Agr.Sc. AAPI (VAL) Certified Practising Valuer - State of Victoria of Franz J Turzi and Associates Pty Ltd. The effective date of the valuation is 30 June 2014.

Non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value. To the extent that non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2.

Specialised building assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Specialised building assets contain significant unobservable adjustments; therefore these assets are classified as Level 3.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Land – specialised	-	-	59,520,260
Land – non-specialised	-	3,173,400	-
Buildings – specialised	-	-	29,550,786
Buildings – non-specialised	-	4,712,519	-
Total land and buildings	-	7,885,919	89,071,046

Description of significant unobservable inputs into level 3 valuations

Land and buildings	Valuation technique	Significant unobservable inputs	Sensitivity
Land - specialised	Market based direct comparison approach	Extent and impact of restriction of use.	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Land and buildings	Valuation technique	Significant unobservable inputs	Sensitivity
Buildings - specialised	Depreciated replacement cost	Direct cost per square metre. Useful life of buildings. Useful life of buildings range from 10 to 100 years.	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.

Valuation of Infrastructure assets

Infrastructure assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the asset after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the asset to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as underground pipes or structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the asset. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments; therefore these assets are classified as Level 3.

Valuation of sealed roads, unsealed roads and drainage was performed by Council Officer Mr Andrew Bruggy, BE(Civil) GCert BA. The effective date of the valuation is 30 June 2015.

Valuation of kerb and channel was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

Valuation of footpaths was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

Valuation of waste management assets was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

Valuation of other recreation, leisure and community facilities was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

Valuation of parks, open spaces and streetscapes was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

Valuation of other infrastructure assets was performed by Council Officer Mr Roger Lambert, BE(Civil). The effective date of the valuation is 30 June 2015.

There were no changes in valuation techniques throughout the period to 30 June 2015.

For all assets measured at fair value, the current use is considered the highest and best use.

Details of the Council's infrastructure assets and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Sealed roads	-	-	155,164,633
Unsealed roads	-	-	100,175,001
Kerb and channel	-	-	10,817,897
Footpaths and cycleways	-	-	11,776,032
Drainage	-	-	34,125,221
Waste management	-	-	1,379,583
Recreation, leisure and community facilities	-	-	3,095,199
Parks, open spaces and streetscapes	-	-	3,637,458
Other infrastructure	-	-	6,394,119
Total infrastructure	-	-	326,565,143

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Infrastructure	Valuation technique	Significant unobservable inputs	Sensitivity
Sealed roads	Depreciated replacement cost	<p>Cost per unit. Formation \$6.00 Pavement \$15.00 - \$37.00 Spray seal \$7.38 Asphalt \$33.00 Based on 2014/15 revaluation.</p> <p>Useful life of sealed road components. Formation 100 years Pavement 60 years Spray seal 15 years Asphalt 20 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.</p>
Unsealed roads	Depreciated replacement cost	<p>Cost per unit. Natural surface \$4 Gravel surface \$12 Based on 2014/15 revaluation</p> <p>Useful life of unsealed road components. Natural surface 100 years Gravel surface 30 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.</p>
Kerb and channel	Depreciated replacement cost	<p>Cost per unit. Unit rate \$72 - \$95 Based on 2014/15 revaluation.</p> <p>Useful life of kerb and channel assets. Useful life of kerb and channel assets is 25-50 years. Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.</p>
Footpaths	Depreciated replacement cost	<p>Cost per unit. Unit rates range from \$15 - \$200 Based on 2014/15 revaluation.</p> <p>Useful life of footpath assets Useful life of footpath assets are 20 – 50 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.</p>
Drainage	Depreciated replacement cost	<p>Cost per unit. Pipes \$84 - \$1,256 Culverts \$314 - \$3,500 Open drains \$75 - \$2,000 Pits \$2,750 - \$5,830 Pump stations \$46,200 - \$726,000 Drainage basins \$13 - \$24 Based on 2014/15 revaluation.</p> <p>Useful life of drainage components. Pipes 75 years Culverts 80 years Open drains 76 years Pits 60 years Pump stations 78 years Drainage basins 80 years Life assessed at revaluation.</p>	<p>Increase or decrease in the cost per unit would result in a significantly lower or higher fair value.</p> <p>Increase or decrease in the estimated useful life would result in a significantly lower or higher fair value.</p>

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Infrastructure	Valuation technique	Significant unobservable inputs	Sensitivity
Waste management	Depreciated replacement cost	Direct cost per square metre. Useful life of waste management cells. Useful life of waste management assets range from 10 to 35 years. Life assessed at revaluation.	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Recreation, leisure and community facilities	Depreciated replacement cost	Direct cost per square metre. Direct cost per unit. Useful life of recreation, leisure and community facilities. Recreation, leisure and community facilities have a useful life of 10 to 90 years. Life assessed at revaluation.	Increase or decrease in the direct cost per square metre or cost per unit adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Parks, open spaces and streetscapes	Depreciated replacement cost	Direct cost per square metre. Direct cost per unit. Useful life of parks, open spaces and streetscape items. Parks, open spaces and streetscape items have a useful life of 10 to 60 years. Life assessed at revaluation.	Increase or decrease in the direct cost per square metre or cost per unit adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Other infrastructure	Depreciated replacement cost	Direct cost per square metre. Direct cost per unit. Useful life of other infrastructure items. Other infrastructure items have a useful life of 10 years. Life assessed at revaluation.	Increase or decrease in the direct cost per square metre or cost per unit adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.

Cultural and heritage assets

Artworks

Artworks are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Valuation of Council's permanent artwork collection was prepared in 2010 by Mr Warren Joel, Managing Director of Leonard Joel Australia, South Yarra, Victoria. Valuation of the assets was determined by analysing comparable sales of an artist's work, knowledge of the collections history and condition of the collection. The effective date of the valuation is 30 June 2011.

Artwork assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements.

Pioneer Settlement vehicles and vessels and site exhibits

Pioneer Settlement vehicles and vessels and site exhibits are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

Valuation of Pioneer Settlement vehicles and vessels and site exhibit assets was conducted by qualified independent valuer Mr David Freeman, member of Auctioneers and Valuers Association of Australia, and Chief Executive Officer of

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 21 Property, infrastructure, plant and equipment (cont)

Amanda Adams Auctions, Bulleen, Victoria. The valuation is based on average market realisation prices that should be obtained if the items were sold via private treaty or auction sales. The effective date of the valuation is 30 June 2011.

Pioneer Settlement vehicles and vessels and site exhibit assets contain significant, unobservable adjustments; therefore these assets are classified as Level 3 fair value measurements.

Pioneer Settlement buildings

Pioneer Settlement building assets are valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Building assets contain significant unobservable adjustments; therefore these assets are classified as Level 3.

Details of the Council's cultural and heritage assets and information about the fair value hierarchy as at 30 June 2015 are as follows:

	Level 1	Level 2	Level 3
Artworks	-	-	1,519,862
Pioneer Settlement vehicles and vessels	-	-	4,705,092
Pioneer Settlement site exhibits	-	-	1,893,742
Pioneer Settlement buildings	-	-	2,434,965
Total cultural and heritage	-	-	10,553,661

Cultural and heritage	Valuation technique	Significant unobservable inputs	Sensitivity
Artworks	Market based direct comparison approach	Artist history. Rarity of item. Historical significance.	If there are events that determine certain pieces of the collection to be of historical significance, if the artist has works that have increased in popularity or the item is considered to be rare and in demand, this would result in a higher fair value.
Pioneer Settlement – vehicles and vessels	Market based direct comparison approach	Rarity of item. Historical significance.	Increase or decrease in the rarity or historical significance /interest would result in a significantly higher or lower fair value.
Pioneer Settlement – site exhibits	Market based direct comparison approach	Rarity of item. Historical significance.	Increase or decrease in the rarity or historical significance /interest would result in a significantly higher or lower fair value.
Pioneer Settlement – buildings	Depreciated replacement cost	Direct cost per square metre. Useful life of buildings. Useful life of buildings range from 10 to 100 years.	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value. Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 22 Intangible assets

	2015 \$	2014 \$
Water rights	720,384	726,016
Total intangible assets	720,384	726,016
Gross carrying amount – Water rights		
Balance at beginning of financial year	726,016	768,000
Acquisitions	-	-
Asset revaluation movement	(5,632)	(41,984)
Balance at end of financial year	720,384	726,016

Note 23 Trade and other payables

Accrued expenses	1,318,678	894,678
Salaries and wages	89,747	651,879
Trade payables	316,409	356,707
Total trade and other payables	1,724,834	1,903,264

Note 24 Trust funds and deposits

Refundable deposits	122,230	113,058
Fire services levy	25,577	8,548
Retention amounts	286,014	266,537
Total trust funds and deposits	433,821	388,143

Purpose and nature of items

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

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

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

Note 25 Provisions

	Annual leave \$	Long service leave \$	Landfill restoration \$	Total \$
2015				
Balance at beginning of the financial year	1,606,510	3,323,093	1,417,985	6,347,588
Additional provisions	1,416,893	512,821	-	1,929,714
Amounts used	(1,431,591)	(273,405)	-	(1,704,996)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	33,621	33,621
Balance at the end of the financial year	1,591,812	3,562,509	1,451,606	6,605,927
2014				
Balance at beginning of the financial year	1,587,665	3,256,544	1,404,854	6,249,063
Additional provisions	1,315,570	334,887	-	1,650,457
Amounts used	(1,296,725)	(268,338)	(26,976)	(1,592,039)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-	40,107	40,107
Balance at the end of the financial year	1,606,510	3,323,093	1,417,985	6,347,588

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 25 Provisions (cont)

	2015 \$	2014 \$
(a) Employee benefits		
Current provisions expected to be wholly settled within 12 months		
Annual leave	1,323,208	1,376,338
Long service leave	193,959	189,003
Total Current provisions expected to be wholly settled within 12 months	1,517,167	1,565,341
Current provisions expected to be wholly settled after 12 months		
Annual leave	268,604	230,172
Long service leave	3,060,454	2,859,438
Total current provisions expected to be wholly settled after 12 months	3,329,058	3,089,610
Total current provisions	4,846,225	4,654,951
Non-current		
Long service leave	308,096	274,652
Total long service leave	308,096	274,652
Aggregate carrying amount of employee provisions:		
Current	4,846,225	4,654,951
Non-current	308,096	274,652
	5,154,321	4,929,603

The following assumptions were adopted in measuring the present value of employee benefits:

Weighted average increase in employee costs	4.44%	4.44%
Weighted average discount rates	1.42%	1.30%
Weighted average settlement period	15 years	15 years

(b) Landfill restoration

Under the Environmental Protection Act 1970, Council is obligated to restore the Swan Hill & Robinvale Landfill sites to EPA Standards. The forecast life of both sites is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been calculated by an independent assessor and is based on current understanding of work required to reinstate the site to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

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

Non-current

Landfill remediation provision	1,451,606	1,417,985
Total provisions		
Current	4,846,225	4,654,951
Non-current	1,759,702	1,692,637
Total provisions	6,605,927	6,347,588

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 26 Interest-bearing loans and borrowings

	2015 \$	2014 \$
Current		
Finance leases	-	52,284
Borrowings – secured	765,397	870,240
Total current	765,397	922,524
Non-current		
Borrowings – secured	7,775,427	3,745,824
Total non-current	7,775,427	3,745,824
Total interest-bearing loans and borrowings	8,540,824	4,668,348
Security for borrowings – bank loans are secured over the general rates of Council.		
a) The maturity profile for Council's borrowings is:		
Not later than one year	765,397	922,524
Later than one year and not later than five years	2,522,615	3,288,012
Later than five years	5,252,812	457,812
Total	8,540,824	4,668,348
b) The maturity profile for Council's finance lease liabilities is:		
Not later than one year	-	52,284
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	-	52,284
Minimum future lease payments		
Less future finance charges	-	-
Present value of minimum lease payments	-	52,284
c) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	765,397	922,524
Non-current	7,775,427	3,745,824
Total interest-bearing loans and borrowings	8,540,824	4,668,348

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 27 Reserves

Asset revaluation reserve	Balance at beginning of reporting period	Increment (decrement)	Transfers	Balance at end of reporting period
	\$	\$	\$	\$
2015				
Property				
Land	14,686,816	-	-	14,686,816
Land under roads	1,685,384	-	-	1,685,384
Buildings	15,051,575	-	-	15,051,575
	31,423,775	-	-	31,423,775
Infrastructure				
Sealed roads	46,707,885	24,683,519	-	71,391,404
Unsealed roads	19,130,053	3,178,064	-	22,308,117
Kerb and channel	7,220,451	2,286,403	-	9,506,854
Footpaths	5,186,767	1,141,700	-	6,328,467
Drainage	13,113,341	2,534,112	-	15,647,453
Recreation, leisure and community facilities	-	(2,506,550)	4,418,703	1,912,153
Other infrastructure	6,277,782	64,090	(4,418,703)	1,923,169
	97,636,279	31,381,338	-	129,017,617
Cultural and heritage assets				
Artworks	1,477,603	-	-	1,477,603
Pioneer Settlement	5,997,702	-	-	5,997,702
	7,475,305	-	-	7,475,305
Water rights				
	83,261	(5,632)	-	77,629
Total asset revaluation reserve	136,618,620	31,375,706	-	167,994,326
2014				
Property				
Land	14,068,307	618,509	-	14,686,816
Land under roads	1,685,384	-	-	1,685,384
Buildings	16,262,606	(1,211,031)	-	15,051,575
	32,016,297	(592,522)	-	31,423,775
Infrastructure				
Sealed roads	47,430,912	(723,027)	-	46,707,885
Unsealed roads	19,046,144	83,909	-	19,130,053
Kerb and channel	7,220,451	-	-	7,220,451
Footpaths	5,186,767	-	-	5,186,767
Drainage	11,980,757	1,132,584	-	13,113,341
Recreation, leisure and community facilities	-	-	-	-
Other infrastructure	6,277,782	-	-	6,277,782
	97,142,813	493,466	-	97,636,279
Cultural and heritage assets				
Artworks	1,477,603	-	-	1,477,603
Pioneer Settlement	6,818,824	(821,122)	-	5,997,702
	8,296,427	(821,122)	-	7,475,305
Water rights				
	125,245	(41,984)	-	83,261
Total asset revaluation reserve	137,580,782	(962,162)	-	136,618,620

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

Notes to the Financial Report

For the Year Ended 30 June 2015

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

	2015	2014
	\$	\$
Surplus for the year	6,489,532	756,580
Depreciation/amortisation	7,978,502	7,814,778
Profit on disposal of property, plant and equipment, infrastructure	(92,686)	(7,594)
Assets written off / asset adjustments	629,545	1,378,022
Works-in-progress expensed from prior year(s)	118,287	-
Contributions – non monetary assets	(142,903)	(284,788)
Reallocation of borrowing costs to financing activities	396,083	361,084
Reallocation of non-cash finance sources – landfills	(33,621)	(13,131)
<i>Change in assets and liabilities:</i>		
Increase in trade and other receivables	(91,954)	(171,260)
Decrease in other assets	50,074	84,288
Decrease in trade and other payables	(297,808)	(375,480)
Decrease in other liabilities	-	(191,380)
(Increase/decrease in inventories)	(3,993)	21,801
Increase in provisions	258,339	98,525
Net cash provided by operating activities	15,257,397	9,471,445

Note 29 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 16)	15,539,398	5,985,020
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	15,539,398	5,985,020

Note 30 Financing arrangements

Loans and borrowings	8,540,824	4,668,348
Used facilities	8,540,824	4,668,348
Unused facilities	-	-

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 31 Commitments

The Council has entered into the following commitments:

2015	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Annual earthworks & plant hire - landfills	60,000	20,000	-	-	80,000
Cartage	350,000	-	-	-	350,000
Cleaning of Council buildings, public toilets & BBQs	688,000	706,940	726,380	748,170	2,869,490
Design & supervision Tower Hill	131,261	26,862	-	-	158,123
Essential safety measures	27,748	27,748	-	-	55,496
Internal audit services	15,000	-	-	-	15,000
Kerbside waste collection & recycle waste	832,275	853,082	-	-	1,685,357
Home care services	78,565	-	-	-	78,565
Management & operation of the PS Pyap	160,000	160,000	-	-	320,000
Management of landfills	631,613	647,403	-	-	1,279,016
Pest control treatment services	17,812	4,453	-	-	22,265
Provision of security services	16,262	-	-	-	16,262
Review & development of Council's youth strategy	40,000	-	-	-	40,000
Rural land use strategy	82,021	-	-	-	82,021
Supply of outdoor & works staff uniforms	15,000	7,500	-	-	22,500
Telecommunications services & hardware	545,000	545,000	-	-	1,090,000
Professional services – planning	2,500	-	-	-	2,500
Total Operating	3,693,057	2,998,988	726,380	748,170	8,166,595
Capital					
Sealed roads	2,145,896	1,450,000	-	-	3,595,896
Heartbeat of the Murray Multimedia Show	1,813,034	1,208,691	-	-	3,021,725
Unsealed roads	824,568	700,000	700,000	-	2,224,568
Heartbeat of the Murray Amphitheatre Stage 1	89,565	-	-	-	89,565
Drainage	140,249	-	-	-	140,249
Recreation, leisure and community facilities	108,420	-	-	-	108,420
Plant & equipment	735,052	-	-	-	735,052
Total Capital	5,856,784	3,358,691	700,000	-	9,915,475

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 31 Commitments (cont)

2014	Not later than 1 year \$	Later than 1 year and not later than 2 years \$	Later than 2 years and not later than 5 years \$	Later than 5 years \$	Total \$
Operating					
Annual support & upgrade charge – CACP	26,378	-	-	-	26,378
CACP review	55,000	-	-	-	55,000
Cartage	350,000	350,000	-	-	700,000
Cleaning of Council buildings, public toilets & BBQ's	672,000	688,000	706,940	726,380	2,793,320
Corporate solution	120,197	120,197	120,197	-	360,591
Home maintenance services	260,000	-	-	-	260,000
Internal audit services	15,000	15,000	15,000	-	45,000
Kerbside waste collection & operation of recyclable waste transfer station	810,000	832,275	853,082	-	2,495,357
Maintenance & servicing of essential safety measures	59,538	-	-	-	59,538
Management & operation of Council leisure & aquatic centres	798,000	-	-	-	798,000
Operation of PS Pyap	160,000	160,000	160,000	-	480,000
Pest control treatment services	17,812	17,812	-	-	35,624
Robinvale CBD & Swan Hill Riverside public places recycling	31,064	-	-	-	31,064
Security services	48,310	-	-	-	48,310
Strengthening Swan Hill region's retail industry	33,000	-	-	-	33,000
Supply & maintenance of photocopiers	120,000	-	-	-	120,000
Supply of outdoor & work staff uniforms	30,000	15,000	-	-	45,000
Telecommunications & data	545,000	545,000	545,000	-	1,635,000
Tree maintenance contracts	320,000	-	-	-	320,000
Valuation services - 2012 & 2014 general valuations	142,152	-	-	-	142,152
Waste management services Robinvale landfill	210,000	225,750	231,394	-	667,144
Waste management services Swan Hill and rural landfills	395,000	405,863	416,009	-	1,216,872
Total Operating	5,218,451	3,374,897	3,047,622	726,380	12,367,350
Capital					
Buildings	641,545	-	-	-	641,545
Library stock	10,000	-	-	-	10,000
Recreation, leisure and community facilities	241,102	-	-	-	241,102
Drainage	210,266	-	-	-	210,266
Plant & equipment	69,848	-	-	-	69,848
Parks, open spaces and streetscapes	188,876	-	-	-	188,876
Sealed roads	1,451,807	-	-	-	1,451,807
Total Capital	2,813,444	-	-	-	2,813,444

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 32 Operating leases

	2015	2014
	\$	\$
Operating lease commitments		
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):		
Not later than one year	389,123	370,317
Later than one year and not later than five years	1,505,872	1,513,721
Later than five years	921,043	1,439,640
Total operating lease commitments	2,816,038	3,323,678

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Funding arrangements

Swan Hill Rural City 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.

The Fund's latest actuarial investigation was held as at 30 June 2014 and it was determined that the vested benefit index (VBI) of the defined benefit category of which Swan Hill Rural City Council is a contributing employer was 103.4%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.50% pa
Salary information	4.25% pa
Price inflation (CPI)	2.75% pa.

Vision Super has advised that the estimated VBI at June 2015 was 105.8%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions

Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Swan Hill Rural City 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 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

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

Funding calls

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

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

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

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 33 Contingent liabilities and contingent assets (cont)

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.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Swan Hill Rural City Council is a contributing employer:

- A VBI surplus of \$77.1 million; and
- A total service liability surplus of \$236 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 2014.

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.

Swan Hill Rural City Council was notified of the results of the actuarial investigation during January 2015.

Superannuation contributions

Contributions by Swan Hill Rural City Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 \$	2014 \$
Vision Super	Defined benefits	9.5%	\$211,351	\$231,156
Vision Super	Accumulation	9.5%	\$1,265,709	\$1,185,883

There were \$49,230 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is \$199,999.

Contingent assets

Council had no contingent assets at balance date (2013/14, \$0).

Note 34 Financial Instruments

(a) Objectives and policies

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

(b) Market Risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. 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.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 34 Financial Instruments (cont)

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

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

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

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

(c) Credit risk

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

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

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

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

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

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Council does not hold any collateral.

(d) Liquidity risk

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

To help reduce these risks Council:

- 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 33, 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 26.

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

(e) Fair value

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

Fair value hierarchy

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of 1.0% and -1.0% in market interest rates (AUD) from year-end rates of 1.9%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report

For the Year Ended 30 June 2015

Note 35 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at Swan Hill Rural City Council at any time during the year are:-

Councillors	Mayor Michael Adamson Councillor John Katis Councillor Greg Cruickshank Councillor Gary Norton Councillor Jessie Kiley Councillor Les McPhee Councillor Jim Crowe
Chief Executive Officer	Dean Miller

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

Income Range	2015	2014
\$20,000 - \$29,999	4	5
\$30,000 - \$39,999	2	1
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$210,000 - \$219,999	-	1
\$220,000 - \$229,999	1	-
	8	8
Total remuneration for the reporting year for Responsible Persons included above, amounted to:	\$437,884	\$424,168

(iii) Retirement Benefits

No retirement benefits have been made by the Council to a Responsible Person. (2013/14, \$0)

(iv) Loans

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2013/14, \$0).

(v) Other Transactions

Councillor Greg Cruickshank operates Greg Cruickshank Photographics which Council has dealt with under normal business terms during 2014/15. Total transactions for the 2014/15 year = \$2,324 (2013/14, \$1,355).

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2013/14, \$0).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$136,000.

The number of Senior Officers other than the Responsible Persons are shown below in their relevant income bands:

Income Range	2015	2014
< \$136,000	-	1
\$170,000 - \$179,999	1	2
\$180,000 - \$189,999	1	1
\$190,000 - \$199,999	2	-
	4	4
Total remuneration for the reporting year for Senior Officers included above amounted to:	\$745,103	\$668,450

Note 36 Events occurring after balance date

No matters or circumstances have arisen since the end of the reporting period which significantly affect or may significantly affect the operations of the Council, the results of those operations or the state of affairs at the Council in future financial years.

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.



David C Lenton CPA
Principal Accounting Officer

Dated: 23 September 2015

In our opinion the accompanying Financial Statements present fairly the financial transactions of the Swan Hill Rural City Council for the year ended 30 June 2015, and of the financial position of the Council at that date.

At the date of signing, we are not aware of any circumstances which would render any particulars of 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.



Councillor (Mayor) Michael Adamson

Dated: 23 September 2015



Councillor Greg Cruickshank

Dated: 23 September 2015



Dean Miller
Chief Executive Officer

Dated: 23 September 2015

Independent Auditors Report

VAGO

Victorian Auditor-General's Office

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Swan Hill Rural City Council

The Financial Report

The accompanying financial report for the year ended 30 June 2015 of the Swan Hill Rural City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements has been audited.

The Councillors' Responsibility for the Financial Report

The Councillors of the Swan Hill Rural City Council are responsible for the preparation and the fair presentation of the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Independent Auditors Report (continued)

Independent Auditor's Report (continued)


Independence

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Opinion

In my opinion the financial report presents fairly, in all material respects, the financial position of the Swan Hill Rural City Council as at 30 June 2015 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE
24 September 2015



Dr Peter Frost
Acting Auditor-General



Swan Hill Rural City Council

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