



GANNAWARRA
Shire Council

ATTACHMENTS

UNDER SEPARATE COVER

Ordinary Council Meeting

14 September 2016

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**Gannawarra Shire Council
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2016

**Gannawarra Shire Council
Financial Report
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Gannawarra Shire Council
2015/2016 Financial Report

**Comprehensive Income Statement
For the Year Ended 30 June 2016**

	Note	2016 \$'000	2015 \$'000
Income			
Rates and charges	3	11,540	10,992
Statutory fees and fines	4	368	374
User fees	5	1,779	1,738
Grants - operating	6	5,189	10,249
Grants - capital	6	4,044	3,573
Contributions - monetary	7	158	291
Contributions - non monetary	7	18	-
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	-	186
Other income	9	1,782	1,884
Total income		24,878	29,287
Expenses			
Employee costs	10	(11,269)	(11,176)
Materials and services	11	(7,283)	(7,464)
Bad and doubtful debts	12	(37)	(74)
Depreciation and amortisation	13	(5,147)	(5,100)
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	8	(56)	-
Borrowing costs	14	(75)	(100)
Other expenses	15	(369)	(318)
Total expenses		(24,236)	(24,232)
Surplus/(deficit) for the year		642	5,055
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	22	10,706	-
Total comprehensive result		11,348	5,055

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

*Gannawarra Shire Council
2015/2016 Financial Report*

**Balance Sheet
As at 30 June 2016**

	Note	2016 \$'000	2015 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	3,136	5,826
Trade and other receivables	17	1,420	1,234
Other financial assets	18	2,911	2,446
Inventories	19	464	568
Non-current assets classified as held for sale	20	819	1,361
Other assets	21	345	356
Total current assets		9,095	11,791
Non-current assets			
Property, infrastructure, plant and equipment	22	184,556	171,227
Total non-current assets		184,556	171,227
Total assets		193,651	183,018
Liabilities			
Current liabilities			
Trade and other payables	23	1,043	946
Trust funds and deposits	24	234	175
Provisions	25	2,405	2,486
Interest-bearing loans and borrowings	26	170	333
Total current liabilities		3,852	3,940
Non-current liabilities			
Provisions	25	1,126	1,111
Interest-bearing loans and borrowings	26	760	931
Total non-current liabilities		1,886	2,042
Total liabilities		5,738	5,982
Net assets		187,913	177,036
Equity			
Accumulated surplus		70,488	69,845
Reserves	27	117,425	107,191
Total Equity		187,913	177,036

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

*Gannawarra Shire Council
2015/2016 Financial Report*

**Statement of Changes in Equity
For the Year Ended 30 June 2016**

2016	Note	Accumulated		Revaluation
		Total \$'000	Surplus \$'000	Reserve \$'000
Balance at beginning of the financial year		177,037	69,846	107,191
Surplus/(deficit) for the year		642	642	-
Net asset revaluation increment/(decrement)	27(a)	10,706	-	10,706
Balance at end of the financial year		188,385	70,488	117,897

2015	Accumulated		Revaluation
	Total \$'000	Surplus \$'000	Reserve \$'000
Balance at beginning of the financial year	171,982	64,791	107,191
Surplus/(deficit) for the year	5,055	5,055	-
Balance at end of the financial year	177,037	69,846	107,191

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

Gannawarra Shire Council
2015/2016 Financial Report

**Statement of Cash Flows
For the Year Ended 30 June 2016**

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		11,334	10,934
Statutory fees and fines		405	411
User fees		1,957	1,912
Grants - operating		5,708	11,274
Grants - capital		4,449	3,930
Contributions - monetary		174	291
Interest received		247	215
Trust funds and deposits taken		287	86
Other receipts		1,535	1,669
Net GST refund/payment		147	84
Employee costs		(11,269)	(11,176)
Materials and services		(9,001)	(7,968)
Trust funds and deposits repaid		(228)	(146)
Other payments		(369)	(318)
Net cash provided by/(used in) operating activities	28	5,376	11,199
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	22	(8,885)	(9,918)
Proceeds from sale of property, infrastructure, plant and equipment		563	448
Payments for investments		-	(648)
Proceeds from sale of investments		664	-
Net cash provided by/(used in) investing activities		(7,658)	(10,118)
Cash flows from financing activities			
Finance costs		(75)	(101)
Repayment of borrowings		(333)	(378)
Net cash provided by/(used in) financing activities		(408)	(479)
Net increase (decrease) in cash and cash equivalents		(2,690)	602
Cash and cash equivalents at the beginning of the financial year		5,826	5,224
Cash and cash equivalents at the end of the financial year	16	3,136	5,826

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

**Gannawarra Shire Council
2015/2016 Financial Report**

**Statement of Capital Works
For the Year Ended 30 June 2016**

	Note	2016 \$'000	2015 \$'000
Property			
Land		-	711
Land improvements		77	2,343
Works in progress		70	-
Total land		147	3,054
Buildings		448	259
Building improvements		280	-
Works in progress		1,861	-
Total buildings		2,589	259
Total property		2,736	3,313
Plant and equipment			
Plant, machinery and equipment		629	1,244
Computers and telecommunications		229	173
Library books		106	69
Works in progress		10	-
Total plant and equipment		974	1,486
Infrastructure			
Roads		3,751	3,684
Bridges		78	477
Footpaths and cycleways		138	115
Drainage		41	-
Recreational, leisure and community facilities		143	-
Road kerb and channel		102	32
Waste Management		109	-
Parks, open space and streetscapes		207	-
Aerodromes		372	-
Other infrastructure		136	-
Works in progress	22	95	812
Total infrastructure		5,172	5,120
Total capital works expenditure		8,882	9,918
Represented by:			
New asset expenditure		2,332	1,061
Asset renewal expenditure		5,895	7,065
Asset expansion/upgrade expenditure		655	1,792
Total capital works expenditure		8,882	9,918

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

Introduction

The Gannawarra Shire 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 47 Victoria Street, Kerang.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards, 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 (m))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 1 (n))
- the determination of employee provisions (refer to Note 1 (l))
- the determination of landfill provisions (refer to Note 1 (u))

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

(b) Changes in accounting policies

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

(c) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2016, 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. No entities were required to be consolidated.

(d) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full. There are no material Committees of Management requiring consolidation.

(e) Accounting for investments in associates and joint arrangements

Associates

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

Note 1 Significant accounting policies (cont.)**(e) Accounting for investments in associates and joint arrangements (cont.)****Joint arrangements**

Investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement.

(i) Joint operations

Council recognises its direct right to, and its share of jointly held assets, liabilities, revenues and expenses of joint operations. These have been incorporated in the financial statements under the appropriate headings.

(ii) Joint ventures

Interests in joint ventures are accounted for using the equity method. Under this method, the interests are initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise Council's share of the post-acquisition profits or losses and movements in other comprehensive income in profit or loss and other comprehensive income respectively.

(f) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

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

Dividends

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

Other Income

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

Note 1 Significant accounting policies (cont.)**(g) 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.

(h) 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.

(i) Trade and other receivables

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

(j) 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.

(k) Inventories

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

(l) Non-current assets classified as held for sale

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

(m) 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.

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

Note 1 Significant accounting policies (cont.)**(m) Recognition and measurement of property, plant and equipment, infrastructure, intangibles (cont.)***Revaluation*

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

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation 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 is yet to recognise the land under roads it control.

(n) Depreciation and amortisation of property, infrastructure, plant and equipment and intangibles

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.

Note 1 Significant accounting policies (cont.)

(n) Depreciation and amortisation of property, infrastructure plant and equipment and intangibles (cont.)

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$
Property		
land	-	2,000
land improvements	40 - 50 years	5,000
Buildings		
buildings	50 years	5,000
building improvements	50 years	5,000
Plant and Equipment		
plant, machinery and equipment	2 - 25 years	2,000
fixtures, fittings and furniture	2 - 10 years	2,000
computers and telecommunications	2 - 10 years	2,000
library books	15 - 20 years	1,000
Infrastructure		
roads	15 - 25 year	10,000
road kerb, channel and minor culverts	80 years	5,000
bridges	100 years	5,000
footpaths and cycleways	20 - 40 years	5,000
drainage	80 years	10,000
recreational, leisure and community facilities	40 - 90 years	5,000
waste management	40 - 90 years	5,000
parks, open space and streetscapes	40 - 90 years	5,000
aerodromes	40 - 90 years	5,000

(o) 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.

(p) 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.

(q) 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.

Note 1 Significant accounting policies (cont.)**(r) 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).

(s) 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.

(t) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

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.

(u) Landfill rehabilitation provision

Council is obligated to restore landfill site 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.

(v) Leases*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.

Note 1 Significant accounting policies (cont.)**(w) 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.

(x) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet, are disclosed at Note 32 contingent liabilities and contingent assets.

(y) Contingent assets and contingent liabilities and commitments

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

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

(z) Pending accounting standards

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 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.

(aa) Rounding

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

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 10 percent. 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 23 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and Expenditure

	Budget	Actual	Variance	
	2016	2016	2016	
	\$'000	\$'000	%	Ref
Income				
Rates and charges	11,436	11,540	0.92%	
Statutory fees and fines	355	368	3.50%	
User fees	1,741	1,779	2.19%	
Grants - operating	7,272	5,189	-28.64%	1
Grants - capital	3,376	4,044	19.80%	2
Contributions - monetary	127	158	24.17%	3
Contributions - non monetary	-	18	100.00%	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	80	(56)	-169.18%	5
Other income	1,769	1,782	0.76%	
Total income	26,156	24,822	-5.10%	
Expenses				
Employee costs	11,717	11,269	-3.82%	
Materials and services	7,279	7,283	0.06%	
Bad and doubtful debts	-	37	100.00%	6
Depreciation and amortisation	5,224	5,147	-1.47%	
Borrowing costs	75	75	-0.36%	
Other expenses	295	369	25.01%	7
Total expenses	24,590	24,180	-1.67%	
Surplus/(deficit) for the year	1,566	642	-58.97%	

Note 2 Budget comparison (cont.)
(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants Operating	The budget was based on receiving a full years Victorian Grants Commission payment. On 30 June 2015 the VGC advanced 50% of the 2015/2016 totalling \$2.552 million. The advanced payment had the effect of reducing the amount of revenue received by Council during the current year.
2	Grants Capital	The budget allowed for Roads to Recovery grant funding of \$1.9 million. In June 2015 Council were advised of an additional 0.8 million in funding for the 2015/2016 year. The total amount of R2R funding claimed and received was \$2.7 million.
3	Contributions - Monetary	Contributions totalling \$25,000 were received from neighbouring shires for the implementation of the central enrolment program for pre-schools.
4	Contributions - Non monetary	Contribution received from Mawson Bros Pty Ltd for restoration works at Garden Park Cohuna (\$10,000) and equipment provided to upgrade Council's wireless Infrastructure at no cost.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Additional works were undertaken in relation to a 13 lot subdivision at the Kerang Industrial Estate in 2014/2015 totalling \$204,600 these works included additional drainage, sewerage and headworks charges. Prior to the commencement and completion of the additional works 5 of the industrial blocks had been sold at a sale price based on the original construction costs. The cost of the works was then apportioned against the remaining 8 lots with the sale prices being adjusted but still keeping in mind the sale of adjoining lots. 6 industrial lots were sold in Kerang at a net loss of \$128k and 2 lots in Cohuna at a profit of \$3k.
6	Bad and doubtful debts	Local Law infringement notices issued prior to 30 June 2015 and remain outstanding at 30 June 2016 and where court action has not been undertaken are treated as unlikely to be collected. At 30 June 2016 an additional amount of \$22,200 was added to the provision. The provision for general rate doubtful debts was also increased by \$10,500 due to the long running issue for several properties in the Macorna area.
7	Other expenses	The amount budgeted for property valuations was \$47k instead of \$93k as per valuation contract.

Note 2 Budget comparison (cont)

(b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
Property				
Land improvements	110	147	33.86%	1
Total Land	110	147	33.86%	
Buildings	3,144	2,589	-17.66%	2
Total Buildings	3,144	2,589	-17.66%	
Total Property	3,254	2,736	-15.92%	
Plant and Equipment				
Plant, machinery and equipment	622	629	1.17%	
Computers and telecommunications	530	239	-54.86%	3
Library books	100	106	6.13%	
Total Plant and Equipment	1,252	974	-22.23%	
Infrastructure				
Roads	3,778	3,751	-0.71%	
Bridges	-	78	100.00%	4
Footpaths and cycleways	128	138	7.64%	
Drainage	90	112	23.91%	5
Recreational, leisure and community facilities	120	143	18.91%	6
Waste management	220	109	-50.23%	7
Parks, open space and streetscapes	50	232	363.28%	8
Aerodromes	50	372	644.21%	9
Other infrastructure	235	237	0.80%	
Total Infrastructure	4,671	5,172	10.73%	
Total Capital Works Expenditure	9,177	8,882	-3.21%	
Represented by:				
New asset expenditure	2,643	2,332		
Asset renewal expenditure	5,332	5,895		
Asset expansion/upgrade expenditure	1,202	655		
Total Capital Works Expenditure	9,177	8,882		

Note 2 Budget comparison (cont)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Works on the Quambatook Township Mitigation program commenced during 2015/2016 (\$70K) the project has been budgetted for in the 2016/2017 budget.
2	Buildings	Construction of the Koondrook wharf has progressed ahead of schedule. Budgeted expenditure was \$1.4m with actual works undertaken being \$1.73m, the additional works undertaken during 2015/2016 will be reflected in a reduction in the budgeted expenditure for 2016/2017. Works on the Koondrook Caravan Park toilets and laundry have been deferred to 2016/2017 (\$275K). The scope of works for the upgrade of the Cohuna Memorial Hall toilets had been changed to allow for improvement works to be undertaken on the adjacent Memorial Park (\$75k). Works proposed for the Sir John Gorton precinct did not proceed (\$790k) as Council were unsuccessful in obtaining the anticipated grant funding (budgetted \$400k actual \$114k). Continuation of energy saving initiatives (\$53K)
3	Computers and telecommunications	An amount of \$360k was allowed for the upgrade/replacement of Council's business systems this program will be undertaken in 2016/2017. The Confirm asset management system was updated during the year to enable Council to maximise future savings on running costs (\$50K). Due to changes in the method of funding for HACC and CCAP services Council's operating system (Expedite) underwent a major upgrade to ensure accurate recording of services continues to meet funding guidelines (\$28K).
4	Bridges	Completion of O'Briens Road footbridge.
5	Drainage	Completion of the 2014/2015 drainage program along with pump works in Haymen Lane
6	Recreational, leisure and community facilities	Works undertaken on the toilets at the Lake Charm Highway stop were \$50k under budget. Funding was made available to undertake boating safety works at a cost of \$36k additional works will be undertaken during 2016/2017. Works were undertaken on the Cohuna netball change rooms \$9k.
7	Waste management	Works undertaken on closed landfill rehabilitation were undertaken at a cost of \$102k the amount budgetted was \$220k. Emergency works undertaken to retard the erosion of the Gunbower Creek bank in Garden Park Cohuna (\$98K). Relocation of skate park to Quambatook (\$34K)
8	Parks, open space and streetscapes	The scope of works for the upgrade of the Cohuna Memorial Hall toilets had been changed to allow for improvement works to be undertaken on the adjacent Memorial Park (\$75k).
9	Aerodromes	152 Sleepy Lane Kerang was purchased during the year at a cost of \$255k to provide Council with the opportunity to extend the aerodrome runway when required. It is anticipated that part of the land purchased will be sold during 2016/2017. An amount of \$50k had been allowed for the upgrade of the Cohuna aerodrome apron the final costs associated with this project totalled \$117k.

	2016	2015
	\$'000	\$'000
Note 3 Rates and charges		
<p>Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value at which the unencumbered land might be expected to realise in an open market at the time of the valuation.</p> <p>The valuation base used to calculate general rates for 2015/16 was \$1,472,800,900 (2014/15 \$1,457,798,200).</p>		
General Rates	9,205	8,775
Municipal charge	628	617
Waste management charge	1,652	1,586
Supplementary rates and rate adjustments	55	14
Total rates and charges	11,540	10,992
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation will be first applied in the rating year commencing 1 July 2016.</p>		
Note 4 Statutory fees and fines		
Animal control	135	135
Health and preventative services	48	57
Library fees	1	1
Office services	-	2
Recreation	69	60
Town planning and building control	104	112
Other fees and charges	11	8
Total statutory fees and fines	368	375
Note 5 User fees		
Animal control	-	1
Aged service fees	534	408
Child care/children's program fees	406	382
External works	211	312
Hall hire	16	14
Library fees	5	6
Office services	23	20
Recreation	59	109
Tourism	17	16
Town planning and building control	-	1
Waste and Environment	494	457
Other fees and charges	14	12
Total user fees	1,779	1,738

	2016 \$'000	2015 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	5,398	11,026
State funded grants	3,837	2,796
Total grants received	<u>9,235</u>	<u>13,822</u>
Operating Grants		
Recurrent - Commonwealth Government		
Victoria Grants Commission - unallocated	1,532	4,752
Victoria Grants Commission - local roads	936	2,926
Family Day Care	149	189
Senior citizens	47	46
Recurrent - State Government		
State Emergency Services (SES)	13	13
Infant Health	153	172
Children and Families	670	23
Heritage and Culture	125	164
Recreation	-	97
Preventative Services	22	11
Community Services	60	1,658
Tourism	-	13
Economic Development	-	10
Recreation	1,055	-
School Crossings	14	14
Landcare	104	49
Other	42	42
Total recurrent operating grants	<u>4,922</u>	<u>10,179</u>
Non-recurrent - Commonwealth Government		
Children and Families	6	-
Total non-recurrent - Commonwealth Government	<u>6</u>	<u>-</u>
Non-recurrent - State Government		
Community Services	55	-
Senior citizens	46	-
Tourism	12	-
Children and Families	40	-
Buildings	-	30
Flood Recovery	-	26
Heritage and Culture	51	14
Recreation	9	-
Other	48	-
Total non-recurrent operating grants	<u>261</u>	<u>70</u>
Total operating grants	<u>5,189</u>	<u>10,249</u>
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,728	1,119
Recurrent - State Government		
Library	6	-
Total recurrent capital grants	<u>2,734</u>	<u>1,119</u>
Non-recurrent - Commonwealth Government		
Regional Infrastructure	-	993
Roads and bridges	-	1,000
Non-recurrent - State Government		
Recreation	349	461
Regional Infrastructure	961	-
Total non-recurrent capital grants	<u>1,310</u>	<u>2,454</u>
Total capital grants	<u>4,044</u>	<u>3,573</u>
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	392	512
Received during the financial year and remained unspent at balance date	515	392
Received in prior years and spent during the financial year	(387)	(512)
Balance at year end	<u>520</u>	<u>392</u>

	2016 \$'000	2015 \$'000
Note 7 Contributions		
Monetary	158	291
Non-monetary	18	-
Total contributions	<u>176</u>	<u>291</u>
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Office Equipment	8	-
Parks, open spaces and streetscapes	10	-
Total non-monetary contributions	<u>18</u>	<u>-</u>
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	563	448
Written down value of assets disposed	(619)	(262)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>(56)</u>	<u>186</u>
Note 9 Other income		
Interest	247	215
Property rental	245	215
<i>Reimbursements</i>		
Welfare	903	1,046
Garbage collection and recycling	261	227
Other	126	181
Total other income	<u>1,782</u>	<u>1,884</u>
Note 10 (a) Employee costs		
Wages and salaries	8,190	8,107
Annual leave and long service leave	1,017	1,170
Other leave	784	704
Superannuation	937	930
Workcover	146	205
Fringe benefits tax	104	47
Salaries capitalised	(75)	(199)
Other	166	212
Total employee costs	<u>11,269</u>	<u>11,176</u>
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	70	92
	<u>70</u>	<u>92</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	669	675
Employer contributions - other funds	198	163
	<u>867</u>	<u>838</u>

Refer to note 31 for further information relating to Council's superannuation obligations.

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Notes to the Financial Report
For the Year Ended 30 June 2016

	2016	2015
	\$'000	\$'000
Note 11 Materials and services		
Operational Materials	1,623	1,636
Operational Services	2,947	3,033
Contract payments	80	14
Building maintenance	25	17
Utilities	804	822
Office administration	769	757
Information technology	240	265
Bank charges	35	34
Insurance	310	297
Consultants	169	212
Contributions	281	377
Total materials and services	7,283	7,464
Note 12 Bad and doubtful debts		
Rates	11	10
Chargeable works	-	22
Fire Hazard	2	-
Local Laws	22	38
Aged & Disabled services	2	4
Total bad and doubtful debts	37	74
Note 13 Depreciation and amortisation		
<i>Property</i>		
Land improvements	390	254
Buildings	684	778
<i>Plant and Equipment</i>		
Plant and equipment	720	714
Office equipment	200	211
Library books	51	64
Office furniture	1	1
<i>Infrastructure</i>		
Roads	2,433	2,433
Bridges	229	208
Footpaths	109	107
Drainage	152	152
Kerb and channel	178	178
Total depreciation and amortisation	5,147	5,100
<i>Refer to note 22 for a more detailed breakdown of depreciation charges.</i>		
Note 14 Borrowing costs		
Interest - Borrowings	75	100
Total borrowing costs	75	100
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals.	44	36
Auditors' remuneration - Internal	28	20
Councillors' allowances	204	184
Valuations	93	78
Total other expenses	369	318

	2016 \$'000	2015 \$'000
Note 16 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	803	3,211
Term deposits	2,331	2,613
	3,136	5,826
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 24)	234	175
Total restricted funds	234	175
Total unrestricted cash and cash equivalents	2,900	5,651
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	750	765
- Cash held as grant monies received but not yet expended	520	392
Total funds subject to intended allocations	1,270	1,157
Refer also to Note 18 for details of other financial assets held by Council. Reserves held by Council for a specific purpose, by resolution of Council, are included as financial assets.		
Note 17 Trade and other receivables		
Current		
Rates debtors	934	727
Provision for doubtful debts - rates	(94)	(84)
Infringement debtors	55	42
Provision for doubtful debts - local laws	(39)	(17)
Net GST receivable	147	84
Other debtors	447	510
Provision for doubtful debts - other debtors	(30)	(28)
Total trade and other receivables	1,420	1,234
(a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	345	288
Past due by up to 31 and 60 days	47	158
Past due by up to 61 and 90 days	7	4
Past due by up to 91 and 120 days	2	5
Past due by more than 121 days	46	55
Total trade & other receivables	447	510
(b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	28	2
New Provisions recognised during the year	2	26
Balance at end of year	30	28
(c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$34,570 (2015: \$49,921) were impaired. The amount of the provision raised against these debtors was \$34,570 (2015: \$49,921). 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:		
Past due by more than 1 year	35	50
Total trade & other receivables	35	50

	2016 \$'000	2015 \$'000
Note 18 Other financial assets		
Term deposits	2,911	2,446
Total other financial assets	2,911	2,446
Other financial assets includes amounts set aside by Council resolution for a specific purpose and include the following:		
Long Service Leave	1,328	968
LMPA - Preschool	55	212
Plant & Equipment	325	262
Land & Building	203	4
Major Projects	1,000	1,000
	2,911	2,446
Note 19 Inventories		
Inventories held for distribution	464	568
Total inventories	464	568
Note 20 Non current assets classified as held for sale		
Cost of acquisition	1,361	1,156
Capitalised development costs (eg roads, drainage)	9	205
Industrial Estate Land Sold	(551)	-
Total non current assets classified as held for sale	819	1,361
Note 21 Other assets		
Prepayments	165	194
Accrued income	180	162
Total other assets	345	356

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Notes to the Financial Report
For the Year Ended 30 June 2016

Note 22 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	6,979	571	6,408	6,902	521	6,381
Buildings	26,375	13,048	13,327	25,647	12,575	13,072
Plant and Equipment	11,235	6,331	4,904	10,683	5,704	4,979
Infrastructure	270,873	113,231	157,642	255,088	109,106	145,982
	<u>315,462</u>	<u>133,181</u>	<u>182,281</u>	<u>298,320</u>	<u>127,906</u>	<u>170,414</u>

Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
Land and buildings	414	1,931	(175)	2,170
Plant and Equipment	-	10	-	10
Infrastructure	398	95	(398)	95
Total	<u>812</u>	<u>2,036</u>	<u>(573)</u>	<u>2,275</u>

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Notes to the Financial Report
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Note 22 Property, infrastructure, plant and equipment (cont'd)

Land and Buildings	Land	Land improvements	Total Land	Buildings	Building improvements	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2015	4,436	2,466	6,902	25,324	323	25,647	414	32,963
Accumulated depreciation at 1 July 2015	-	(521)	(521)	(12,467)	(108)	(12,575)	-	(13,096)
	4,436	1,945	6,381	12,857	215	13,072	414	19,867
Movements in fair value								
Acquisition of assets at fair value	-	77	77	448	280	728	1,931	2,736
Transfers	-	-	-	-	-	-	(175)	(175)
	-	77	77	448	280	728	1,756	2,561
Movements in accumulated depreciation								
Depreciation and amortisation	-	(50)	(50)	(466)	(7)	(473)	-	(523)
	-	(50)	(50)	(466)	(7)	(473)	-	(523)
At fair value 30 June 2016	4,436	2,543	6,979	25,772	603	26,375	2,170	35,524
Accumulated depreciation at 30 June 2016	-	(571)	(571)	(12,933)	(115)	(13,048)	-	(13,619)
	4,436	1,972	6,408	12,839	488	13,327	2,170	21,905

Plant and Equipment	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Library books	Total plant and equipment	Work In Progress	Total plant and equipment
At fair value 1 July 2015	8,034	99	1,544	1,006	10,683	-	10,683
Accumulated depreciation at 1 July 2015	(3,932)	(96)	(1,137)	(539)	(5,704)	-	(5,704)
	4,102	3	407	467	4,979	-	4,979
Movements in fair value							
Acquisition of assets at fair value	629	-	229	106	964	10	974
Fair value of assets disposed	(377)	-	(35)	-	(412)	-	(412)
	252	-	194	106	552	10	562
Movements in accumulated depreciation							
Depreciation and amortisation	(720)	(1)	(200)	(51)	(972)	-	(972)
Accumulated depreciation of disposals	310	-	34	-	344	-	344
	(410)	(1)	(165)	(51)	(628)	-	(628)
At fair value 30 June 2016	8,286	99	1,738	1,112	11,235	10	11,245
Accumulated depreciation at 30 June 2016	(4,342)	(97)	(1,302)	(590)	(6,331)	-	(6,331)
	3,944	2	436	522	4,904	10	4,914

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Notes to the Financial Report
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Note 22 Property, infrastructure, plant and equipment (cont'd)

	Roads	Bridges	Footpaths and cycleways	Drainage	Road kerb & channel	Waste Management	Parks open spaces and streetscapes	Aerodromes	Recreation, leisure and community facilities	Other Infrastructure	Total Infrastructure	Work In Progress	Total Infrastructure
Infrastructure													
At fair value 1 July 2015	162,324	22,646	8,702	12,166	14,275	2,680	3,983	4,106	15,152	9,053	255,087	398	255,485
Accumulated depreciation at 1 July 2015	(66,532)	(8,943)	(3,569)	(6,285)	(7,287)	(712)	(390)	(1,699)	(7,804)	(5,885)	(109,106)	-	(109,106)
	95,792	13,703	5,133	5,881	6,988	1,968	3,593	2,407	7,348	3,168	145,981	398	146,379
Movements in fair value													
Acquisition of assets at fair value	3,752	78	139	41	102	109	207	372	144	136	5,080	95	5,175
Revaluation increments/(decrements)	-	-	1,103	6,566	3,037	-	-	-	-	-	10,706	-	10,706
Transfers	-	-	-	-	-	-	-	-	-	-	-	(398)	(398)
	3,752	78	1,242	6,607	3,139	109	207	372	144	136	15,786	(303)	15,484
Movements in accumulated depreciation													
Depreciation and amortisation	(2,432)	(229)	(109)	(152)	(178)	(26)	(54)	(73)	(243)	(156)	(3,652)	-	(3,652)
Revaluation (increments)/decrements	-	-	788	(1,956)	696	-	-	-	-	-	(472)	-	(472)
	(2,432)	(229)	679	(2,108)	517	(26)	(54)	(73)	(243)	(156)	(4,125)	-	(4,125)
At fair value 30 June 2016	166,076	22,724	9,944	18,773	17,414	2,789	4,190	4,478	15,296	9,189	270,873	95	270,968
Accumulated depreciation at 30 June 2016	(68,964)	(9,172)	(2,890)	(8,393)	(6,770)	(738)	(444)	(1,772)	(8,047)	(6,041)	(113,231)	-	(113,231)
	97,112	13,552	7,054	10,380	10,644	2,051	3,746	2,706	7,249	3,148	157,642	95	157,737

Note 22 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, LG Valuation Services Pty Ltd on 30 June 2014. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	1,430,532	3,005,698
Land improvements	-	18,000	1,954,311
Buildings			12,838,980
Building Improvements			487,765
Total	-	1,448,532	18,286,754

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with the Maloney method at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	97,111,997
Bridges	-	-	13,551,521
Footpaths and cycleways	-	-	7,053,603
Drainage	-	-	10,379,507
Road kerb & channel	-	-	10,643,886
Waste management	-	-	2,050,880
Parks, open space and streetscapes	-	-	3,746,399
Aerodromes	-	-	2,705,899
Recreational, leisure and community facilities	-	-	7,248,657
Other infrastructure	-	-	3,148,044
Total	-	-	157,640,393

Note 22 Property, infrastructure, plant and equipment cont'd

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 25% and 75%. The market value of land varies significantly depending on the location of the land and the current market conditions.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$250 to \$1,470 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and a useful life of 50 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 15 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2016	2015
	\$'000	\$'000
Note 23 Trade and other payables		
Trade payables	282	300
Accrued expenses	761	380
Total trade and other payables	1,043	680

Note 24 Trust funds and deposits

Refundable deposits	7	3
Fire services levy	103	76
Retention amounts	21	19
Other refundable deposits	103	77
Total trust funds and deposits	234	175

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.

		2016	2015
		\$'000	\$'000
Note 25	Provisions		
		Employee	Landfill restoration
			Other
			Total
	2016	\$ '000	\$ '000
	Balance at beginning of the financial year	2,697	900
	Additional provisions	951	-
	Amounts used	(1,017)	-
	Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	-
	Balance at the end of the financial year	<u>2,631</u>	<u>900</u>
	2015		
	Balance at beginning of the financial year	2,532	900
	Additional provisions	1,223	-
	Amounts used	(1,058)	-
	Balance at the end of the financial year	<u>2,697</u>	<u>900</u>
		2016	2015
		\$'000	\$'000
	(a) Employee provisions		
	Current provisions expected to be wholly settled within 12 months		
	Annual leave	666	625
	Long service leave	394	398
	Other	5	4
		<u>1,065</u>	<u>1,027</u>
	Current provisions expected to be wholly settled after 12 months		
	Annual leave	156	265
	Long service leave	1,184	1,194
		<u>1,340</u>	<u>1,459</u>
	Total current employee provisions	<u>2,405</u>	<u>2,486</u>
	Non-current		
	Long service leave	226	211
	Total non-current employee provisions	<u>226</u>	<u>211</u>
	Aggregate carrying amount of employee provisions:		
	Current	2,405	2,486
	Non-current	226	211
	Total aggregate carrying amount of employee provisions	<u>2,631</u>	<u>2,697</u>
	(b) Land fill restoration		
	Non-current	900	900
		<u>900</u>	<u>900</u>
Note 26	Interest-bearing loans and borrowings		
	Current		
	Borrowings - secured (1)	170	333
		<u>170</u>	<u>333</u>
	Non-current		
	Borrowings - secured (1)	760	931
		<u>760</u>	<u>931</u>
	Total	<u>930</u>	<u>2,194</u>
	(1) Borrowings are secured by rates.		
	(a) The maturity profile for Council's borrowings is:		
	Not later than one year	170	333
	Later than one year and not later than five years	420	475
	Later than five years	340	456
		<u>930</u>	<u>1,264</u>

Note 27 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2016			
Property			
Land	2,572	-	2,572
Buildings	9,839	-	9,839
	<u>12,411</u>	<u>-</u>	<u>12,411</u>
Infrastructure			
Roads	86,996	-	86,996
Bridges	6,227	-	6,227
Footpaths and cycleways	1,557	1,891	3,448
Drainage	-	4,610	4,610
Kerb and Channel	-	3,733	3,733
	<u>94,780</u>	<u>10,234</u>	<u>105,014</u>
Total asset revaluation reserves	<u>107,191</u>	<u>10,234</u>	<u>117,425</u>
2015			
Property			
Land	2,572	-	2,572
Buildings	9,839	-	9,839
	<u>12,411</u>	<u>-</u>	<u>12,411</u>
Infrastructure			
Roads	86,996	-	86,996
Bridges	6,227	-	6,227
Footpaths and cycleways	1,557	-	1,557
	<u>94,780</u>	<u>-</u>	<u>94,780</u>
Total asset revaluation reserves	<u>107,191</u>	<u>-</u>	<u>107,191</u>

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

	2016 \$'000	2015 \$'000
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	642	5,055
Depreciation/amorisation	5,147	5,100
Profit/(loss) on disposal of property, infrastructure, plant and equipment	56	(186)
Contributions - Non-monetary assets	(18)	-
Finance costs	75	100
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(188)	872
(Increase)/decrease in prepayments	10	(105)
Increase/(decrease) in trade and other payables	98	(49)
(Decrease)/increase in other liabilities	60	(60)
(Increase)/decrease in inventories	104	510
Increase/(Decrease) in provisions	(68)	166
Increase/(Decrease) in land held for resale	(543)	(205)
Net cash provided by/(used in) operating activities	<u>5,376</u>	<u>11,198</u>

Note 29 Commitments

The Council has entered into the following commitments

2016	Not later than 1 year \$'000	Later than 1 year	Later than 2 years	Later than 5 years \$'000	Total \$'000
		and not later than 2 years \$'000	and not later than 5 years \$'000		
Operating					
Interest on loans	57	48	104	44	253
Garbage collection	472	481	1,502	-	2,455
Office equipment	15	15	11	-	41
Council Election	92	-	-	-	92
Total	636	544	1,617	44	2,841
Capital					
Drainage	110	-	-	-	110
Township improvements	45	-	-	-	45
Office Equipment	320	-	-	-	320
Buildings	275	-	-	-	275
Total	750	-	-	-	750

2015	Not later than 1 year \$'000	Later than 1 year	Later than 2 years	Later than 5 years \$'000	Total \$'000
		and not later than 2 years \$'000	and not later than 5 years \$'000		
Operating					
Interest on loans	76	57	124	125	382
Garbage collection	463	472	1,473	511	2,919
Office equipment	15	15	26	-	56
Total	554	544	1,623	636	3,357
Capital					
Roads and bridges	112	-	-	-	112
Drainage	92	-	-	-	92
Koondrook wharf	18	-	-	-	18
Library books	12	-	-	-	12
Swimming pools	45	-	-	-	45
Energy saving initiatives	5	-	-	-	5
Total	284	-	-	-	284

	2016	2015
	\$'000	\$'000
Note 30 Operating leases		
(a) 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	15	15
Later than one year and not later than five years	26	42
	41	57
(b) Operating lease receivables		
The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	260	272
Later than one year and not later than five years	1,095	1,110
Later than five years	1,497	1,382
	2,852	2,764

Note 31 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2016, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2015, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Note 31 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at [quarter end] was [insert the latest VBI advised by Vision Super]%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim 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 2015 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall. Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up. If there is a surplus in the Fund, the surplus cannot be returned to the participating employers. In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

- A VBI surplus of \$130.8 million; and
- A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$71,200.

Note 32 Contingent liabilities and contingent assets

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 31. 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.

Guarantees

The following Bank Guarantee is held by State of Victoria - Environment Protection Authority on behalf of Council:

Kerang Landfill Financial Assurance	11/04/2013	\$ 246,773
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Contingent assets

The following Bank Guarantees are held by Council for contract works being undertaken:

Primal Surfacing Pty Ltd CP 278 - Sealed Road Surfacing 1516	10/03/2016	\$ 20,800
Primal Surfacing Pty Ltd CP 278 - Sealed Road Surfacing 1516	10/03/2016	\$ 20,800

Note 33 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 council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 32.

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

(d) Liquidity risk

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

To help reduce these risks Council:

- 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 on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 32, 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.

Note 33 Financial instruments (cont'd)

(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% and -1% in market interest rates (AUD) from year-end rates of 2%.

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

Note 34 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors Councillor Lorraine Learmonth
Councillor Neville Gouling
Councillor Keith den Houting
Councillor Neil Gannon
Councillor Oscar Aertssen
Councillor Brian Gibson
Councillor Mark Arians

Chief Executive Officer Eric Brasliss (From 27 July 2015)
Amanda Hutchinson (Acting CEO, 5 - 16 October 2015)
Geoff Rollinson (Acting CEO, 2 - 13 November 2015)
Chris White (Acting CEO, 1 - 24 July 2015, 19 -30 October 2015)

(ii) Remuneration of Responsible Persons

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

	2016 No.	2015 No.
\$1 - \$9,999	2	-
\$10,000 - \$19,999	1	2
\$20,000 - \$29,999	5	6
\$30,000 - \$39,999	1	-
\$40,000-\$49,999	1	-
\$60,000 - \$69,999	-	1
\$140,000 - \$149,999	1	1
	11	10

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

\$	362,266	\$363,137
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(iii) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$139,000

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

Income Range:	2016 No.	2015 No.
<\$99,999	6	5
\$100,000 - \$119,999	1	2
	7	7

Total Remuneration for the reporting year for Senior Officers included above, amounted to

\$	492,534	\$ 543,312
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Note 34 Related party transactions (cont'd)**(v) Loans to responsible persons**

The aggregate amount of loans in existence at balance date that have been made, guaranteed or secured by the council to a responsible person of the council, or a related party of a responsible person are as follows.

Nil

(vi) Transactions with responsible persons

During the period Council entered into the following transactions with responsible persons or related parties of responsible persons.

Nil

Note 35 Events occurring after balance date

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

Certification of the Financial Statements

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.

Sid Hutchinson, DipAcc
Principal Accounting Officer

Date : <Date>

Kerang

In our opinion the accompanying financial statements present fairly the financial transactions of <Name> for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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

Cr Lorraine Learmonth
Councillor

Date : <Date>

Kerang

Cr Brian Gibson
Councillor

Date : <Date>

Kerang

Eric Braslis
Chief Executive Officer

Date : <Date>

Kerang

Gannawarra Shire Council
Performance Statement 2016

For the year ended June 2016

Description of Municipality

Bordered by the Murray River to the north, Gannawarra Shire is approximately three hours from Melbourne and around one hour from the neighbouring centres of Swan Hill, Echuca and Bendigo. The municipality is 3,735 square kilometres and has a population of 10,019 people. The population of Gannawarra Shire has been steadily declining over the past 10 years, partly due to a structural shift in the agricultural sector. Gannawarra Shire is a diverse landscape of lakes and rivers, red gum forests, irrigated pasture, broad acre dry land farm land and Mallee scrub. The magnificent natural landscapes and Mediterranean-style climate make it ideal for agriculture and outdoor recreation. Gannawarra’s primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert and Mystic Park.

Sustainable Capacity Indicators

For the year ended June 2016

Indicator/measure	Results 2015	Results 2016	Material Variations
Population			
Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$2,388.66	\$2,419.00	No material variations
Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$15,941.74	\$17,780.92	No material variations
Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	4.46	4.41	No material variations
Own-source revenue			

Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,495.71	\$1,544.07	No material variations
Recurrent grants			
Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$1,113.65	\$764.05	Distorted by advance payment of VGC in June 2015.
Disadvantage			
Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.00	3.00	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 referred to above

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

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

“population” means the resident population estimated by council

“own-source revenue” means adjusted underlying revenue 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

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

Service Performance Indicators

For the year ended June 2016

Service/indicator/measure	Results 2015	Results 2016	Material Variations
Aquatic Facilities			
Utilisation			
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.16	2.72	Higher visitation to pools due to increased publicity.
Animal Management			
Health and safety			
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	25.00	7.00	Due to extensive campaign, compliance has increased throughout the Shire.
Food Safety			
Health and safety			
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100.00%	100.00%	No material variations
Governance			
Satisfaction			
Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has</i>	64.00	59.00	A drop in this area is a state-wide trend. GSC is still however above the state wide

<i>performed in making decisions in the interest of the community]</i>			average and average for small rural councils.
Home and Community Care (HACC)			
Participation			Material Variations
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	50.96%	54.50%	Greater promotion of HACC services has seen an increase in client intake.
Participation			
Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	17.02%	15.73%	No material variations
Libraries			
Participation			
Active library members <i>[Number of active library members / Municipal population] x100</i>	13.48%	19.45%	Active Library members increase is a result of the summer reading program.
Maternal and Child Health (MCH)			
Participation			
Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	72.52%	79.19%	No material variations
Participation			
Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	59.18%	69.49%	Participation by Aboriginal children has increased due to a strengthened partnership between Gannawarra Shire Council and MDAS as well as actively

			working with associated families.
Roads			Material Variations
Satisfaction			
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	58.00	54.00	A drop in this area is a statewide trend. GSC is still however above the state wide average and average for small rural councils.
Statutory Planning			
Decision making			
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	33.33%	0.00%	There were no VCAT appeals during the reporting period
Waste Collection			
Waste diversion			
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	33.44%	43.70%	An increase is attributed to the introduction of a permanent green waste service in three townships within the shire.

Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

"CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English

"class 1 food premises" means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of the 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 the act

"Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

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

"food premises" has the same meaning as in the Food Act 1984

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

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

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

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

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators

For the year ended June 2016

Dimension/ <i>indicator/measure</i>	Results 2015	Results 2016	Forecasts				Material Variations
			2017	2018	2019	2020	
Efficiency							
Revenue level							
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,080.80	\$1,203.49	\$1,227.56	\$1,288.94	\$1,301.83	\$1,314.85	No material variations
Expenditure level							
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,461.86	\$3,621.39	\$3,576.91	\$3,632.02	\$3,675.90	\$3,766.96	No material variations
Workforce turnover							
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	6.75%	19.81%	6.29%	6.27%	6.25%	6.23%	Council undertook an organisational realignment in the 2015/16 year where several redundancies were made.
Liquidity							
Working capital							
Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	299.26%	236.11%	248.07%	215.01%	200.43%	156.82%	Advance payment of VGC inflated the cash and cash equivalents amount for 2014/2015.
Unrestricted cash							

Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	176.14%	42.34%	82.96%	50.81%	44.31%	4.26%	Unrestricted cash for 2014/2015 inflated by early VGC payment.
Obligations							
Asset renewal							
Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	138.50%	114.53%	114.27%	141.98%	102.38%	118.11%	Increase expenditure on new assets in 2015/16.
Loans and borrowings							
Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	11.50%	8.06%	6.41%	5.49%	4.59%	3.63%	No new borrowings undertaken together with loan paid out.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.35%	3.54%	1.90%	1.18%	1.15%	1.18%	No new loans undertaken.
Indebtedness							
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	13.46%	12.24%	12.57%	11.62%	10.69%	9.81%	No material variations
Operating position							
Adjusted underlying result							
Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</i>	9.69%	-2.92%	14.01%	8.82%	5.73%	7.40%	Underlying deficit distorted by advance payment of VGC in 2014/15.
Stability							
Rates concentration							
Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue]</i>	40.96%	49.12%	42.76%	45.55%	47.23%	45.72%	Total revenue reduced by advanced VGC

<i>x100</i>							payment prior year leading to a greater percentage of rate revenue to total revenue.
Rates effort							
Rates compared to property values <i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>	0.75%	0.77%	0.78%	0.76%	0.76%	0.74%	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 referred to above

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

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

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

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

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

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

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

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

“population” means the resident population estimated by council

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

“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.

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 an accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics). The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds of 10%. Explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature. Council adopted the Council Plan and Strategic Resource Plan on 26 June 2013, the strategic resource plan was revised and adopted by Council on 22 June 2016. The forecast figures included in the performance statement are those adopted by council in the revised 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.

.....
Sid Hutchinson, DipAcc
Principal Accounting Officer
Date:

In our opinion, the accompanying performance statement of the Gannawarra Shire Council for the year ended 30 June 2016 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

.....
Cr Lorraine Learmonth
Councillor
Date:

.....
Cr Brian Gibson
Councillor
Date:

.....
Eric Braslis
Chief Executive Officer
Date:

GANNAWARRA SHIRE Children & Youth STRATEGY 2016-2020

Supporting our children and young people to be the very best they can be through strong connections to the communities they live in.



GANNAWARRA SHIRE
YOUTH COUNCIL



GANNAWARRA
SHIRE COUNCIL

“ Young people should never be seen as a burden on any society, but as its most precious asset....”

(KOFI ANNAN, FORMER SECRETARY GENERAL OF THE UNITED NATIONS)



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EXECUTIVE SUMMARY

The 'Children & Youth Strategy' 2016-2020 focuses on guiding Council's role in supporting better outcomes for children and young people. It is a vital document which captures the goals, aspirations and challenges for our children and young people aged 9-18 years and articulates Council's future role in supporting children, young people and their families.

The Gannawarra Shire Children & Youth Strategy is not intended to be a plan for the whole 'service system' within the Shire; instead it articulates Council's role in service and infrastructure provision, planning, advocacy and community development for young people aged 9-18 years and opportunities for partnership with key stakeholders.

It is recommended that the activities in the Gannawarra Shire Children & Youth Strategy be strongly led by young people alongside support from Council and relevant key stakeholders.

Kirby (2004) identifies some of the advantages of including young people in research:

- Young people may identify research opportunities that professionals may miss
- They are likely to ensure that research tools are worded in ways understandable to peers
- They may have different perspectives
- Their informal approach may put respondents at ease
- They are likely to have a better understanding of issues faced by young people
- They are actively involved in issues that affect them; and
- The process recognises the contribution of young people.

Young People's Voices

Gannawarra Shire Council values its children and young citizens and wants to better understand their strengths, challenges and aspirations for the future. To gain greater insight into young people's needs and future goals Gannawarra Shire Council together with Gannawarra Shire Youth Council developed and administered a youth survey, focus groups and age appropriate consultation tools to engage the middle years (children aged 9-11 years). The survey and consultation questions were designed with young people so that they were both relevant and child and youth friendly.

Overall, a total of 637 community members provided input into the development of the Gannawarra Shire Children & Youth Strategy:

- 396 young people completed a youth survey;
- 54 young people attended a small discussion group;
- 76 primary school aged children completed a writing activity;
- 57 service providers completed a survey or attended a focus group;
- 9 Council staff members attended a focus group; and
- 45 members of the wider community attended a focus group or completed a survey.

The dedication of the Youth Council researchers resulted in a remarkable response rate from youth:

- A 44% response rate from a total population of 1011 young people aged 12-18 years across the municipality (Source: ABS Census 2011).
- An 18% response rate from children aged 9-11 years across the municipality (based on ABS Census data 2011).

The children and youth focussed research suggests five key focus areas: health and wellbeing; recreational activities and events; education, careers and employment; leadership, volunteering and civic engagement and effective services and supports.



OUR VISION, VALUES & PRINCIPLES

Our Vision:

We want to grow our young people into resilient, independent, respectful adults, sure of their place in the world.

We Value:

- Young people’s diversity and uniqueness.
- Young people’s fresh perspective and new ideas.
- Young people’s willingness to problem solve, share their ideas and work towards solutions.
- Young people’s interest and passion for contributing to change in their communities.
- Young people’s concern about the future and their interest in a wide range of issues-not just ‘youth issues’.
- Young people’s capacity to work respectfully with a diverse range of community members.
- Young people’s endeavour to be treated equally as valued community citizens.

Our Youth Participation Principles:

In 2014 Gannawarra Shire Council developed a Youth Charter to affirm its commitment to young people. Young people told us that they want to:

- Have a variety of things to do
- Understand the work that Council and Youth Council does
- Be involved in important community decisions
- Know where they can put their ideas forward
- Have regular access to information on events, activities and supports
- Be actively involved in community projects and events; and
- Be invited to have a say in matters that affect their communities.

Adding to this commitment, Gannawarra Shire Council have adopted the following principles for youth participation developed by Office for Youth and Youth Affairs Council of Victoria:

Principles:

Empowerment: young people having greater control over their lives through participation.

Purposeful engagement: young people taking on valued roles, addressing issues that are relevant to them, and influencing real outcomes.

Inclusiveness: ensuring that all young people are able to participate.



OUR COMMUNITY PROFILE

Our Community



10,366

people lived in Gannawarra at the last census in 2011.

- The Gannawarra Shire covers an area of 3,732.4 square kilometres.
- There are two main townships Kerang (population 3,780) and Cohuna (population 1,893).
- Rural townships are Koondrook (population 802), Leitchville (population 271), Quambatook (population 253) and Lalbert, Murrabit, Mystic Park and Lake Charm, each with a population of less than 250.



Kerang

is on the Melbourne to Swan Hill train line.

- Larger regional centres: Echuca is located 60 minutes to the east, Bendigo about 90 minutes to the south and Swan Hill about 40 minutes to the north.

Our Demographics



Gannawarra Shire's population is ageing with **24% aged 65 and over** in 2011 compared to the Victorian average of 14%.

- The median age is 47 years, compared to median age for Australia of 37 years.

- Gannawarra Shire is home to 1,410 families with children.



The birth rate was 165 in 1999.

This has reduced to

112 in 2015/16.

- 89.54% of residents were born in Australia and 94.1% speak only English in the home.
- 1.6% of the population identify as aboriginal (165 people). This is higher than the state average of 1.3%.
- 23.9% of employment is in agriculture, 14.6% manufacturing and construction and 10.5% in health care and social assistance.
- Gannawarra residents were more disadvantaged than the state average as at 2011, with an index of relative socio-economic disadvantage of 959, compared to the Victorian score of 1009.6 – based on income, education, unemployment, skill levels (SEIFA Index of Disadvantage).



27% of households live on less than \$500 per week.

- Low income families with children was 2.9% compared to 1.8% for Victoria.
- 12.9% of families are single parent families with 80.2% of these parents being female.



GANNAWARRA SHIRE



- Levels of social housing are higher than other areas, 14.1% compared to 11.4% for Victoria.
- 13.9% of adults are at risk of short term harm from alcohol 2012 compared to 10.2% for Victoria.
- 48 children aged 0-17 witnessed family violence incidents in 2011/12.
- In 2008/09, there were 30 substantiated cases of child abuse representing a rate of 23.8 per 1000 children aged 0 to 8 years, compared to 7.0 per 1000 children across Victoria.
- Pre-school attendance the year before starting school is high at 93%, compared to 69.4% in 2009.
- Australian Education and Development Census (AEDC) 2015 showed that 28.7% of prep children surveyed at Gannawarra were vulnerable on one or more domains and 12.8% were vulnerable on two or more domains.
- 85% of children feel connected to their schools in Years 5-9.
- In 2014, the number of young people aged 15-19 year olds not participating in education, training or the labour force was 4.6% (31 young people) not in the labour force, another 2.4% (16 young people) not in the labour force and unemployed.
- There is a much lower percentage of people living in the Gannawarra Shire who have completed year 12 or an equivalent (24.3%) compared to averages of Victoria (51.7%) and Australia (49.2%). Given the ageing population, this may suggest that many of the older residents of the shire left school at a younger age.
- 16.4% of people living in Gannawarra Shire have attained a bachelor degree or higher compared to 37.1% in Victoria and 33.7% nationally.
- 43.5% of people living in Gannawarra Shire have attained a Certificate. This is higher than the state average (29.2%) and the national average (32.3%).



Completion of years 8, 9, 10 and 11 is much higher than the Victorian and Australian averages indicating that it is more common for students within the Gannawarra Shire to leave school after completing year 11 to seek employment opportunities or begin a traineeship or apprenticeship.



In 2008, the rate of births to females between 15-19 years of age in Gannawarra was 25.1 per 1000 teenage females. This rate was higher than the rate in the Loddon Mallee region (19.1 per 1000 teenage women) and more than double the Victorian rate (Vic = 10.6 per 1000 teenage females).
 Source: Adolescent Community Profile – Shire of Gannawarra 2010 – Victorian Department of Education and Early Childhood Development.

COUNCIL'S ROLE IN CHILDREN & YOUTH SERVICE DELIVERY

Gannawarra Shire Council is currently committed to the provision of youth development support through its **Youth Development Officer** role. The growing importance of the 'middle years' (ages 9-11) has resulted in Gannawarra Shire Council extending its youth support program to include this pre-teen age group, wherever possible, in relevant activities, programs and events.

Council's Youth Development role focusses on a range of activities, programs and events with the aim of connecting young people to community, strengthening civic engagement, developing youth leadership, embracing and growing diversity and advocating for young people on matters of importance.

Achievements and Aspirations:

Gannawarra Shire Council has met these desired aims through the following activities, events, programs and networks:

Gannawarra Shire Youth Council - Youth Council commenced in 2006 offering young people who live work or study in the Gannawarra municipality opportunities to build their civic engagement and make a difference to the communities that they live in. Youth Council works closely with secondary schools and Gannawarra Shire Councillors to provide young people opportunities for community connection and personal growth and leadership.

Planning & Advocacy - Gannawarra Shire Council plans and advocates for children and young people through active membership on:

- Mallee Children and Youth Area Partnership which has a strong focus on prevention and early intervention for vulnerable children and families
- Youthworks- a youth service provider network
- Regular Principal Network Meetings
- School Focussed Youth Service
- GLAM- Gannawarra Local Agency Meeting; and
- Southern Mallee Primary Care Partnership

In addition Gannawarra Shire Council is also a key partner in the development of a combined Sub-Regional Youth Strategy for Gannawarra, Swan Hill and Buloke Shires (2016-2020).

Key achievements to date include:

- Guiding the development of the 2010-2014 Gannawarra Shire Youth Strategy
- Guiding the development of the Gannawarra Shire Youth Charter
- Development of the Gannawarra Youth Council Induction Kit
- Advocacy for youth activities and events, e.g. Free skate workshops delivered by SBA, FreeZA Program, National Youth Week
- Participation in the YMCA Youth Parliament Program
- Advocacy for infrastructure development projects for youth spaces, e.g. Kerang Skate Park redevelopment
- Building networks with local and state representatives of Parliament
- Attendance at the Annual Halogen Young Leaders Conference
- Participation in Meals on Wheels Program



GANNAWARRA SHIRE
2011-2016

FIVE WAYS TO WELLBEING

The **Five Ways to Wellbeing** underpin the health and wellbeing directive of the Gannawarra Shire, they provide a foundation for considering how to support, engage and develop children and young people living in the Shire. The five philosophies are: **Connect, Be Active, Take Notice, Keep Learning and Give.** These five ways to wellbeing also underpin the Youth Strategy objectives and activities.

The Five Ways to Wellbeing were developed by New Economics Foundation from evidence gathered in the UK government's Foresight Project on Mental Capital and Wellbeing.

CONNECT... with the people around you. With family, friends, colleagues and neighbours. At home, work, school or in your local community. Think of these as the cornerstones of your life and invest time in developing them. Building these connections will support and enrich you every day.

BE ACTIVE... Go for a walk or run. Step outside. Cycle. Play a game. Garden. Dance. Exercising makes you feel good. Most importantly, discover a physical activity you enjoy and one that suits your level of mobility and fitness.

TAKE NOTICE... Be curious. Catch sight of the beautiful. Remark on the unusual. Notice the changing seasons. Savour the moment, whether you are walking to work, eating lunch or talking to friends. Be aware of the world around you and what you are feeling. Reflecting on your experiences will help you appreciate what matters to you.

KEEP LEARNING... Try something new. Rediscover an old interest. Sign up for that course. Take on a different responsibility at work. Fix a bike. Learn to play an instrument or how to cook your favourite food. Set a challenge you will enjoy achieving. Learning new things will make you more confident as well as being fun.

GIVE... Do something nice for a friend, or a stranger. Thank someone. Smile. Volunteer your time. Join a community group. Look out, as well as in. Seeing yourself, and your happiness, linked to the wider community can be incredibly rewarding and creates connections with the people around you.

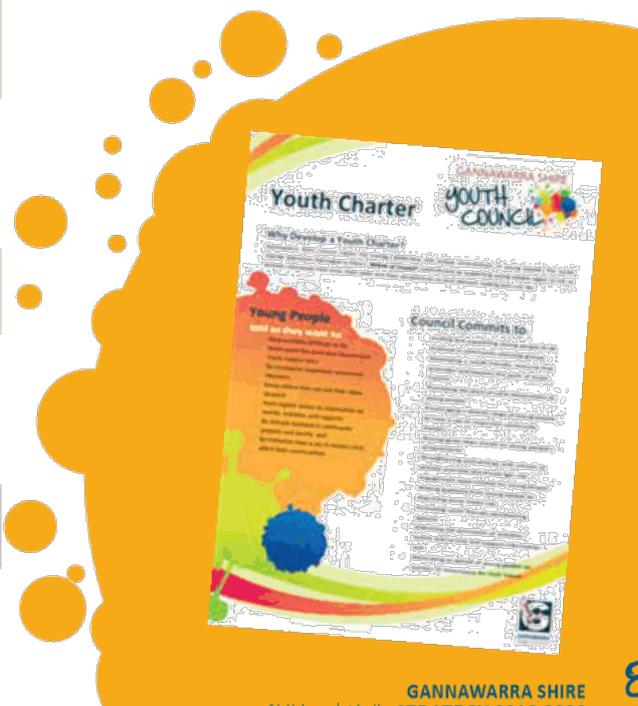
GANNAWARRA SHIRE COUNCIL YOUTH CHARTER

In 2014 Gannawarra Shire Youth Council invited over one hundred young people's voices into the development of a Youth Charter to guide Gannawarra Shire Council's 'whole of Council' commitment to young people.

The Youth Charter articulates Council's ongoing commitment to young people:

Council Commits to:

- Inviting and supporting young people to be involved in community planning groups.
- Developing a 'youth friendly' resource that promotes and explains the work of Youth Council.
- Promoting the work of Local Government to young people.
- Encouraging a diverse range of young people to have a say on important community matters.
- Sharing good news stories on young people's achievements.
- Strengthening partnerships with schools to actively promote and encourage civic engagement opportunities for young people.
- Seeking guidance from young people on improving social media use.
- Increasing youth friendly volunteering options.
- Improving the promotion of activities, events and service and support information; and
- Advocating for young people on matters of importance.



KEY FOCUS AREAS



1. HEALTH & WELL BEING



2. RECREATION, ACTIVITIES & EVENTS



3. EDUCATION, CAREERS & EMPLOYMENT



4. LEADERSHIP, VOLUNTEERING & CIVIC ENGAGEMENT



5. EFFECTIVE SERVICES & SUPPORTS

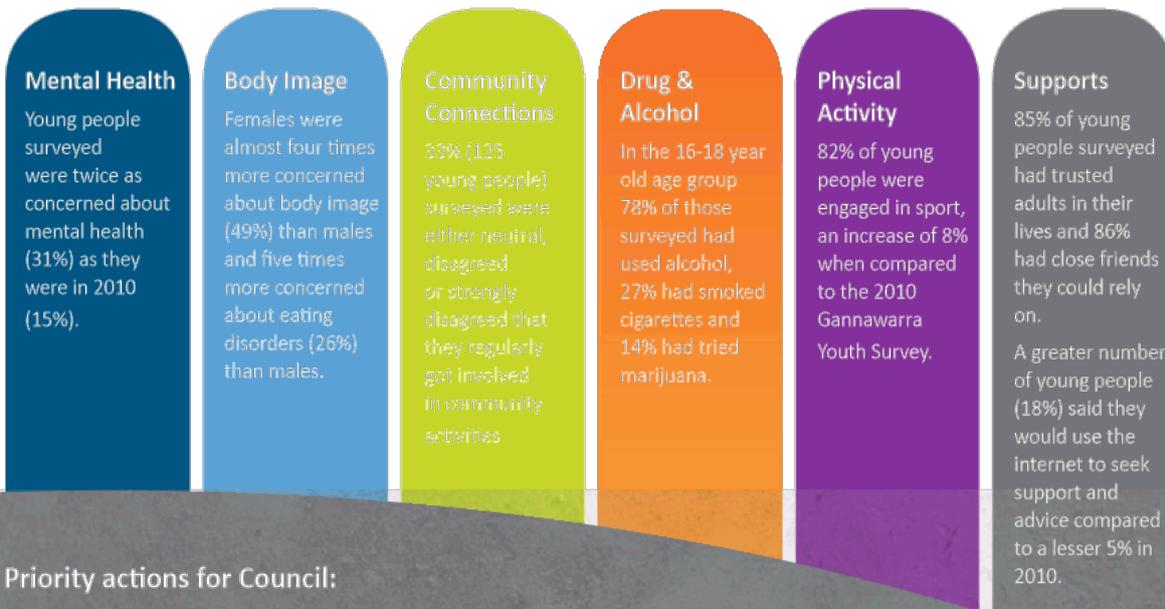


GANNAWARRA SHIRE



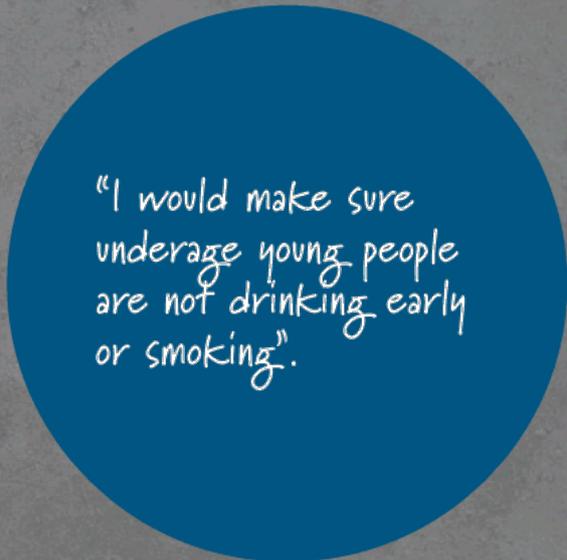
1. HEALTH & WELLBEING

Health and wellbeing is of great importance to children, young people and their families. Young people want healthy relationships, safe and welcoming communities and good physical and mental health.



Priority actions for Council:

- Support providers to promote available services and supports for young people (and their families) to organisations, schools, parents, young people and the wider community.
- Involve young people in exploring ways to improve social inclusion and acceptance of diversity/culture amongst youth and the broader community.
- Engage Youth Council, schools, Northern District Community Health Service and relevant service providers to create youth led campaigns to tackle health and wellbeing concerns (e.g. drugs/ alcohol/smoking, safe partying, mental health, body image and bullying).
- Work closely with Headspace to optimise their future support of Gannawarra Shire youth.
- Continue to build on the development of community gyms or parks/outdoor spaces with exercise equipment.
- Advocate for improved and local access to health and wellbeing supports for children, young people and their families.
- Continue to work closely with the Mallee Children & Youth Area Partnership to improve outcomes for vulnerable children, young people and their families.
- Work in partnership to continue to strengthen sexual health information, services and resources and encourage respectful relationships between young people.
- Strengthen education around underage smoking and regulation to prevent sale of cigarettes to young people.
- Support young people to develop social connections and build resilience to enhance ability to cope with, adopt to and bounce back from change and challenges they experience in their lives.





2. RECREATION, ACTIVITIES & EVENTS

Children and young people told us that they want a range of things to do: weekend, night-time and school holiday activities and events, arts and cultural activities and events and a broad range of sporting activities

Arts/Culture

The need for more arts/cultural activities was highlighted by young people who took part in the consultation phase.

Parks & Playgrounds

24% of children surveyed mentioned that playgrounds and parks were what they liked best about where they lived.

Pools

28% of children mentioned swimming as a favorite activity and 29% suggested pool upgrades were needed.

Boredom

Boredom/not having much to do is the top thing that young people didn't like about where they lived. 34% of young people surveyed suggested that having more things to do would make Gannawarra Shire a better place for young people.

Sports Facilities

82% of young people surveyed were engaged in sport. The importance of dynamic sporting facilities to support cricket, basketball, swimming and other favoured sports were highlighted by children and young people.

Community Involvement

33% (125 young people) surveyed were either neutral, disagreed or strongly disagreed that they regularly got involved in community activities.

Priority actions for Council:

- Plan together with key stakeholders, children and young people to offer a greater number of arts and cultural activities and events (including learning about and celebrating Aboriginal culture).
- Partner with Northern District Community Health Service, FREEZA and stakeholders to hold events during school holidays and on weekends.
- Involve young people and key stakeholders in planning for the upkeep and improvement of recreational facilities across the municipality.
- Plan together with children, young people and their families to assure continued maintenance and upgrading of playgrounds and parks across the municipality.
- Explore the use of the library to offer book clubs, social activities, video game events and space for study and homework.
- Continue to develop and build on arts and cultural activities for young people.
- Continue to improve safety and connections within communities to support active transport by children, young people and their families.

"I like when there are activities on, which gets us out and socialising".



3. EDUCATION, CAREERS & EMPLOYMENT

Young people care about their educational opportunities and transitions and their career and employment opportunities for the future.

<p>Working</p> <p>69% of young people aged 16-18 who were surveyed were engaged in either part time or casual work.</p>	<p>Study Pressures</p> <p>Not keeping up with school work (36%) remains a top five concern for young people who were surveyed.</p>	<p>University</p> <p>53% of young people surveyed were planning on attending university; this is up 15% from 2010 youth survey figures.</p>	<p>Youth Retention</p> <p>Four times more males (16%) than females were planning to stay in the area after finishing school.</p>	<p>Hopes, Dreams & Goals</p> <p>83% of young people agreed or strongly agreed that their family had helped them to explore their hopes, dreams, and goals for the future.</p>	<p>Limited Work/Career Options</p> <p>23% of young people surveyed in the 12-18 year old age group were looking for work. Limited choices for the variety of work young people could apply for was also an issue- e.g. plenty of hospitality, retail work but not many options outside of that. The lack of career opportunities was also flagged as a concern.</p>
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Priority actions for Council:

- Develop a partnership agreement between schools and the community sector that articulates principles and a shared platform for working together.
- Explore youth social enterprise project opportunities with key stakeholders and young people and seek resources/ support to implement the desired project(s).
- Promote local career and training opportunities for young people (including Council specific career and training opportunities, cadetships and work experience programs).
- Offer support to key stakeholders wishing to start or who are coordinating homework support programs.
- Work together with schools and key stakeholders to support key educational transitions for children and young people especially young people leaving their communities to engage in education and training opportunities.
- Advocate for additional youth specific employment and training opportunities for young people living in the Gannawarra Shire.
- Support projects within Gannawarra schools that build a culture that emphasises the importance of mental wellbeing for young people.

"Young people need more opportunities to establish a promising career".



4. LEADERSHIP, VOLUNTEERING & CIVIC ENGAGEMENT

Having a say on matters of importance, building personal leadership skills and gaining experiences and connections through volunteering is important for young people in Gannawarra Shire.

Volunteering

13% of young people who were surveyed were volunteering during their spare time.

Boredom

Boredom/not having much to do is the top thing that young people didn't like about where they lived.

Social Media

Social media (62%) is the second favoured activity that young people were engaged in during their spare time.

Council Facebook Page

Only 8% of young people surveyed were connected to and regularly reading Gannawarra Shire Council's Youth Council page posts.

Youth Retention

24% of young people surveyed were planning on staying in Gannawarra Shire or leaving for study/travel etc. then returning.

Connections

72% of respondents knew their neighbours and got along with them well, 68% regularly got involved in community activities, 70% felt connected and welcome at school, 85% had trusted adults in their lives that they could depend on and 86% said they had close friends in their lives that they could rely on.

Priority actions for Council:

- Celebrate children and young people and encourage them to be the very best they can be through strong connections to the communities they live in. Value our young people as active participants in our community.
- Review Youth Council's Social Media presence and explore ways to better connect with and hear from a broader range of young people.
- Work with council directorates, community organisations, service clubs and businesses to build their capacity to offer well supported and diverse 'youth friendly' volunteer opportunities.
- Partner with schools to offer a dynamic annual Youth Council experience for young people.
- Encourage and support young people to take part in the Loddon Murray Youth Leadership Pilot Program.
- Promote and implement the principles of the Gannawarra Shire Council Youth Charter.
- Encourage and support a diverse range of young people to get involved in a wide range of community projects and advisory groups (not just youth specific projects) so that they can build and broaden their leadership skills.

"There are many more opportunities than city students to work, volunteer and contribute to our community".



5. EFFECTIVE SERVICES & SUPPORTS

Having a range of supportive, accessible and effective services and supports on hand is vital for supporting improved outcomes for children, young people and their families.

Online Supports

A greater number of young people (18%) said they would use the internet to seek support and advice compared to a lesser 5% in 2010.

Family & Friends

Young people were most comfortable in going to their parent(s) (75%) and friends (72%) for advice and support about their most concerning issues.

Transport

20% of young people surveyed identified access to transport as an issue. Access to transport was also identified as an important issue in focus groups and during the think tank.

Geographic Isolation

Geographic isolation was identified as an issue for children, young people and families by 50% of parents/ community members and service providers who were surveyed.

Service Accessibility

29% of parents/ community members identified access to services and supports as an issue of concern. 50% of service providers surveyed also flagged service accessibility as a major issue of concern.

Service Accessibility

20% of parents who completed a survey shared that they had needed support for their children or family in the past 12 months but had not been able to access it. 39% of parents flagged the availability of Services for children and young people with additional needs as an issue.

Priority actions for Council:

- Strengthen partnerships with schools and key organisations providing support to children, young people and their families.
- Promote and support the L2P program across the Gannawarra Shire.
- Work together with Mallee Children and Youth Area Partnership and other key stakeholders to enhance service collaboration and integration particularly for vulnerable children, young people and their families.
- Advocate for children, young people and their families around service gaps and lack of resources, alongside local partners, including YACVIC.
- Advocate for improved internet and mobile phone reception across Gannawarra Shire.
- Work together with School Focussed Youth Service, Swan Hill Rural City Council and Buloke Shire Council to develop a sub-regional youth strategy to guide joined up activities and advocacy.
- Exploring the 5 Megatrends developed by VicHealth and CSIRO with our young people and preparing them for future realities.

"I'd like Council to focus on developing sound relationships with schools and community agencies which are based on respect and mutual goals".

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