



SURF COAST SHIRE COUNCIL

ANNUAL REPORT 2016/17



Surf Coast Shire Council

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About this Annual Report

Surf Coast Shire Council's *Annual Report 2016-17* aims to fulfil the organisation's statutory reporting obligations under the *Local Government Act 1989* and other relevant legislation. More importantly, it focuses on informing our community about how we've performed over the past 12 months against the *Council Plan 2013-17*.

The report provides an overview of our performance during the year, before detailing specific achievements and challenges under each of the five themes comprising the *Council Plan*. Organisational information follows, including our corporate and democratic governance outcomes for the year.

The document also reports our performance against the *Local Government Performance Reporting Framework*, with the full report and audited performance statement preceding the detailed financial performance report.

The report seeks to describe the breadth of our services and operations, our governance and management processes, and the responsibilities fulfilled by our councillors, Executive Management Team and employees.

Our aim is to provide our residents, ratepayers, state and federal governments, and other key stakeholders with an open, accurate account of our performance during 2016-17.

An online version of this report is available at www.surfcoast.vic.gov.au.

Mayor's welcome

On behalf of fellow councillors, I am pleased to present Surf Coast Shire Council's 2016-17 Annual Report. After entering a new term in October 2016, we were delighted to engage with the community and develop our Council Plan 2017-21 (incorporating the Health and Wellbeing Plan).

A growing challenge

The Council Plan community consultation period helped us determine priorities for the next four years and beyond. The community engagement confirmed that a significant challenge is balancing growth and maintaining our coastal and rural lifestyles.

With Torquay and Winchelsea designated growth nodes, we were mindful that the plan needed to set the direction for the future of the shire, and lay the foundations on how we meet the challenges of a fast-growing region.

Celebrating achievements

The Great Ocean Road is the economic spine of our region, so it's pleasing when the world-class attraction draws visitors to the Surf Coast. Amy's Gran Fondo, Lorne Pier to Pub and the Cadel Evans Great Ocean Road Race (CEGORR) are three events that take in the route, showcasing the region to an international audience.

As part of the CEGORR, in January we hosted the inaugural Welcome Wave event for elite women riders in the race. The competitors – from across Australia and overseas – were humbled to receive an official welcome. As strong supporters of women's sport, we were proud to initiate the event.

Our commitment to drive change in the prevention of violence against women was consolidated, as we became a White Ribbon Workplace. We were one of 106 Australian employers to receive the accreditation.

Our commitment to build fire awareness and resilience in communities was also acknowledged. While we have a beautiful landscape, the Surf Coast is a bushfire-prone area. Council has worked closely with communities and helped them to be prepared through the multi award-winning *The Fire Game* board game.

We know that our demographics are changing, as we welcome more young families to the region. Our young people are the future, and we recognise that providing services for them is important. Working in partnership with local Lions clubs, the new Youth Pod will be a mobile facility that visits townships and offers health and wellbeing services for young people.

The past year we have emerged as a Council with a strong voice in the G21 region. We have advocated passionately for our community, and will continue to do so as we strive to meet your goals and expectations.

The Surf Coast Shire is in a very strong position to face our challenges with confidence and has a clear direction for the future.



Cr Brian McKiterick
Mayor

CEO's introduction

Council's purpose *to help our community and environment to thrive* has continued to underpin our efforts over the past year. During this time we have demonstrated strong results in both service delivery and advocacy, while continuing our program of long-term reform.

The past year was the last for the 2013-2017 Council Plan and we have seen significant achievements in delivering against its strategies. Overall there were 88 out of 94 strategies either complete or well underway, and 73 out of 85 measures on track or exceeding their targets.

Our advocacy program has been driven by community needs and is at the heart of Council's proactive and persistent approach. This year we have focused on three key priorities, including the *Great Ocean Road Visitor Economy, Towards Environmental Leadership and Building Our Future*, with Council regularly seeking opportunities to maximise funding and establish valuable partnerships.

Responding to Financial Challenges

Council has responded constructively and effectively to the challenges presented through rate capping under the State Government's *Fair Go Rates* system. As outlined in this report, a strong financial performance was delivered for the past year.

Importantly, we succeeded in generating more than \$450,000 of recurrent savings through our business improvement program. Council has also delivered a record program of capital works and operational projects – worth almost \$23 million, which is 35 per cent higher than the previous year.

A new Council with a new plan

A new team of councillors was elected last October, with one of its first tasks being to develop a new Council Plan. Following a comprehensive community engagement process, Council has developed an exciting four-year plan that captures the priorities of our community and outlines detailed and considered strategies for them to be addressed.

Thank you to all the Councillors who led us through the previous four-year term, and also to all the candidates who stood for election last year. Officers respect our democratic process and the important role of Councillor.

Next Steps

We are excited about our digital transformation strategy, which is now underway and will underpin Council's drive for ongoing efficiencies and meeting community needs, providing the foundation for future success.

The program focuses on using technology to streamline the way we do business, making Council easier to access, and to provide a better customer experience with simpler, clearer and faster online services. Our goal is to provide services when, where and how they are needed by our community.

Thank you to our councillors and staff for a successful and productive year. I look forward to another wonderful year ahead, and working together to support our community.



Keith Baillie
Chief Executive Officer

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Overview

This section provides a summary of key aspects of our organisation's performance during 2016-17, along with an introduction to our shire and the community we serve.

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Snapshot 2016-17

Council's vision, as detailed in the *Council Plan 2013-17*, is for ***an engaged, innovative and sustainable community***.

Five main themes have guided Council's focus throughout its four-year term 2013-17: Environment, Governance, Communities, Infrastructure, Growth and Development.

Following is a snapshot of key highlights and challenges during the past year for each theme.

Environment – Leading

Highlights	Page	Challenges	Page
<i>Towards Environmental Leadership</i>	41	Post-Alcoa site rehabilitation	42
Establish <i>Renewable Energy Taskforce</i>	41	Clean up Winchelsea Common	42
Initiate <i>Power Up Surf Coast Roadshow</i>	41	Pest plants and animals	43
Launch <i>Positive Charge</i> initiative	41		
Ban on unconventional gas exploration	42		
Jan Juc Daylighting project	42		
Playing <i>The Fire Game</i>	42		

Governance – Enriching

Highlights	Page	Challenges	Page
Council elections October 2016	45	Impact of rate capping	46
New <i>Council Plan 2017-2021</i> complete	45		
Council <i>Budget 2017-18</i> delivered	45		
White Ribbon Workplace accreditation	45		
Deakin University partnership	45		

Communities – Thriving

Highlights	Page	Challenges	Page
Djila Tjarri Park skate and play zone	47	Youth Survey issues	48
Stribling Reserve Masterplan complete	47	Anglesea Futures post-Alcoa	48
Cadel Evans Great Ocean Road Race	47		
Youth Survey results	47		
Moriac Community Network	48		

Infrastructure - Activating

Highlights	Page	Challenges	Page
'Building our Future' advocacy program	50	Growth in shire and surrounds	51
Winchelsea Playgrounds complete	51	Funding major infrastructure	51
Kurrabee Myaring Community Centre	50		
Road Safety Strategy 2017-21	50		
Road Management Plan	51		
Winchelsea Town Centre	52		
Beautification (funding approval)			

Development and Growth – Progressing

Highlights	Page	Challenges	Page
Spring Creek Precinct Structure Plan	53	Funding and advocacy priorities	54
Planning Reforms top priority	53	Managing growth within shire	54
Torquay Town Centre project launched	54		
Winchelsea RV-friendly	54		
Rural Hinterland Futures Strategy	55		

Council has identified the following as some of its key priorities for the next 12 months, in line with the strategic direction that has been set for the next four years under the new *Council Plan 2017-2021*.

These priorities are explored further under each theme in the next section, 'Our Performance'.

Priorities 2017-18

- Pursue goals for renewable energy targets through initiatives under the *Towards Environmental Leadership* program
- Work with relevant agencies to achieve best environmental outcomes for Anglesea's former Alcoa power station and mine site.
- Monitor remediation and clean up of Winchelsea Common
- Continue our Digital Transformation program
- Support G21 priorities around *Healthy Eating and Active Living*, as well as the *G21 Physical Activity Strategy*
- Continued work on prevention of violence against women and children in our communities
- Implementing the *Accessible and Inclusive Surf Coast Shire Strategic Plan*
- Delivering series of major road works under the new *Road Management Plan 2017-2021*
- Roll out project for Winchelsea's Town Centre Beautification
- Launch Council's new 'ePlanning' digital interface for planning applications
- Undertake community consultation for a new Domestic Animal Management Plan
- Continue work on the Rural Hinterland Futures Strategy

Measuring our performance

Local Government Performance Reporting Framework

The *Local Government Amendment (Performance Reporting and Accountability) Act 2014* and *Local Government (Planning and Reporting) Regulations 2014* both came into operation in April 2014, and form the framework for this Annual Report.

The framework, which provides the foundation for standardising and strengthening the measurement and reporting of performance across the local government sector, enables local communities to compare how their council has performed during the year against others.

Our *Report of Operations* and audited *Performance Statement* appear in full in the *Report of Operations* section (pages 102 to 153). They provide comparative performance data for 2016-17 against the baseline data established in 2014-15.

Ratepayers, residents and other stakeholders can compare our performance results against other Victorian councils via the *My Council* website at www.knowyourcouncil.vic.gov.au.

Community satisfaction

Each year, the state government undertakes a *Local Government Community Satisfaction Survey*, which provides valuable feedback from the community and another opportunity to review our performance and track results over recent years.

Surf Coast Shire Council's overall performance is, according to the survey, statistically significantly higher than the average for large rural councils.

In the survey, Surf Coast Shire Council achieved an index score of 61 for overall performance, which compares favourably to the average for large rural councils of 54 and the statewide average for all councils of 59.

The 2017 survey results show Surf Coast Shire Council's performance has remained stable or increased across all measures compared to its 2016 results.

Performance in the core areas of community consultation and engagement, sealed local roads, customer service and overall council direction was also significantly higher than the average for other large rural councils.

Areas highlighted by the survey as needing particular attention include making community decisions, town planning policy and managing population growth.

The Local Government Community Satisfaction Survey is conducted each year by an independent research company and comprises a random phone survey of 600 residents.

A detailed report of survey results from the Community Satisfaction Survey can be viewed on Council's website at www.surfcoast.vic.gov.au/My_Council/Reports_Plans_and_Documents/Community_satisfaction_survey

Reporting against the Council Plan 2013-17

Under the *Local Government (Planning and Reporting) Regulations 2014*, Council is required to report on the implementation of various strategies, performance measures and targets that were achieved as proposed in our Council Plan.

This Annual Report marks Council's final report on its performance against the *Surf Coast Shire Council Plan 2013-17*, with implementation of this four-year plan completed during the past 12 months.

As illustrated by figures 1 and 2, from an overall performance perspective, there was significant progress made during the past year, with 88 out of 94 strategies either complete or well underway and 73 out of 85 measures on track or exceeding their targets.

The next section, *Our Performance* (see pages 40 to 56), details the key achievements and challenges for each of the five themes within the Council Plan, including the strategies and measures achieved.

The full end-of-year progress report for 2016-17 is included in the Council meeting minutes from 22 August 2017, which can be accessed via www.surfcoast.vic.gov.au.

Figure 1
Council Plan strategies delivered during 2016-17

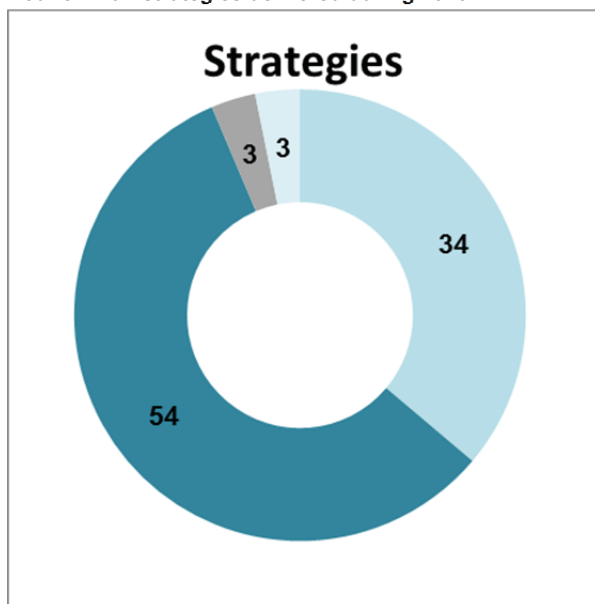
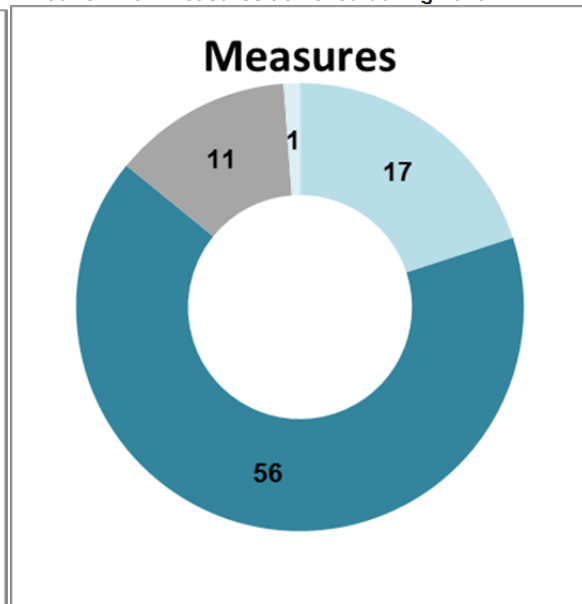


Figure 2
Council Plan measures achieved during 2016-17



Work in progress



Met or exceeded



Not met



No action planned



Our shire and its people

Location and features

The Surf Coast Shire, with its beach, bushland and rural environment, is located in south-western Victoria, 120km from Melbourne and 21km south of Geelong. Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access, enhancing the shire's appeal as a lifestyle, holiday, tourist and business destination.

The shire is home to some of the world's best surfing locations and the iconic Great Ocean Road, with other important attractions including the Great Otway National Park, Bells Beach and Erskine Falls.

The main townships of the Surf Coast Shire include Aireys Inlet, Anglesea, Bellbrae, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea. Each of these townships has a keen sense of community, a unique identity and a strong desire to protect and nurture the environment. There is also a significant rural population including farming and rural-based residential communities.

The Surf Coast Shire is an area of high environmental significance, which underpins our lifestyle and economy. With spectacular physical features, including a large coastline and state and national parks, unique natural character and significant biological diversity, the environment is a defining feature of the Surf Coast Shire. This influences decisions on local urban development and land management.

As owner or manager of less than one per cent of land in the shire, it is critical that Council works in partnership with the community and other agencies to oversee and protect the natural environment, particularly through the management of public open spaces, as well as the supervision of planning controls on environmentally significant land. An important focus is managing invasive pests, plants and animals, and the impacts of climate change, such as rising sea levels and increased bush fire risk.

Historical overview

Although the shire's early European settlement dates from the 1830s, it took until the 1850s before the first township was established at Winchelsea. Various new settlements followed during the 1880s and 1890s, primarily driven by the local timber and fishing industries.

Access to coastal settlements was a major issue until the 1920s, when the first section of the Great Ocean Road opened. Together with the advent of the motorcar, the new road provided the impetus for Lorne, Aireys Inlet, Fairhaven and other coastal townships to develop as popular tourist centres throughout the 1930s and 1940s.

Spurred by tourism, Surf Coast Shire has continued to steadily develop over the ensuing decades with the pace of growth increasing substantially from the 1980s onwards. The appeal of coastal living and increased ease of commuting to Geelong and Melbourne contributed to Torquay-Jan Juc achieving an annual average growth rate of eight per cent between 2006 and 2011.

Winchelsea serves as the shire's principal agricultural centre and secondary growth centre.

A growing community

The Surf Coast Shire continues to be one of the fastest growing municipalities in Victoria, with the permanent population having grown from 20,872 in 2001 to more than 30,000 in 2017. Annual population growth has averaged 2.8 per cent since 2006, well above average, with the population forecast to grow to 44,000 by 2036.

The greatest population growth in the shire over the past 20 years has generally been focused in Torquay and neighbouring Jan Juc, aided by easy transport connections to Geelong and Melbourne. While most of the shire's growth in housing development is expected to continue in Torquay, particularly to the north and west of the township, Winchelsea is recognised as the secondary growth centre within the shire, with residential dwelling numbers forecast to increase by 43 per cent by 2036.

The shire continues to accommodate significant numbers of tourists, particularly in summer, when the population generally doubles in size. Part-time populations are also significant, with holiday-home residents, seasonal visitors, event crowds and day-trippers all adding to the number of people who visit, live and work here. Visitation to the Surf Coast Shire is expected to increase by one third in the next 25 years.

The current rate of population growth positions Surf Coast Shire in the top 10 fastest growing municipalities in regional Victoria, placing ever-increasing demands on Council to deliver the essential infrastructure and services our community needs.

Economic development and tourism

The townships and rural hinterland of the Surf Coast Shire support more than 3,000 businesses, which provide more than 7,000 local jobs. The shire economy is worth more than \$1 billion annually and currently growing at a rate of more than four per cent. Small business drives the economy with approximately 87 per cent of local businesses employing less than four people.

Strong population growth will see a need to create at least 2,000 new jobs by 2036 to maintain the current ratio of local jobs. The top three standard industry sectors for employment are accommodation and food, construction and retail.

The economy of the Surf Coast Shire is unique and distinctly different to that of Victoria, Geelong and surrounding regions, with the non-standard surfing industry representing almost 27 per cent of all jobs and 26.5 per cent (\$217 million) of all 'value add' activity.

Tourism also plays a vital role. In the year ended December 2016, more than 2.38 million visitors came to the Surf Coast Shire, directly spending over \$500 million, while major events generated more than \$105 million in expenditure. The significance of our major events resulted in an annual viewer audience of over 32 million people globally. Signature events included the Falls Festival, Cadel Evans Great Ocean Road Race, Amy's Gran Fondo, Bells Beach Rip Curl Pro, Surf Coast Century and the Great Ocean & Otway Classic Ride.

Construction also plays a key role in the Surf Coast Shire economy, with more than 700 businesses in this sector alone, employing close to 1,000 people. These businesses have played a key role in the \$2.25 billion worth of development that has taken place in the Surf Coast Shire over the past 10 years. A significant component of this construction takes place in and around Torquay.

Our hinterland plays a significant role in the development of the Surf Coast Shire's economy, with agriculture one of the fastest growing sectors (by percentage) for the Surf Coast Shire in 2016, reflecting its increasing contribution and importance.

While the growth of the economy is important, the natural environment is a critical factor in our planning and decision-making.

Stats at a glance: Surf Coast Shire 2009 to 2017

Total municipal area	1,560 sq km			
Coastline	55 km			
State forest and national park	329 sq km			

Population information	2009	2015	2016	2017
Population	25,052	28,810	29,839	30,445
Peak overnight population (Dec to Jan) [#]	81,553	85,409	Data no longer available	

Annual average population growth rate 2009-16 is 2.3%

Council information	2009	2015	2016	2017
Rateable properties (number)	18,707	20,618	20,860	21,363
Length of local roads – sealed and unsealed (km)	N/A	1,104	1,111	1,047 ^{^^}
Employees (full-time equivalent number) excluding casual staff	208.7	272.31	275.96	294.95
Rates and charges revenue (\$m)	27.8	42.9	45.6	47.847
Operating revenue (\$m)	53.8	70.8	77.2	85.060
Operating expenditure (\$m)	41.8	58.1	61.5	68.088
Residential building permits issued for new dwellings (number)	542	304	399	407

Economic and community information	2006	2011	2016
	Census	Census	Census
Total workers in Surf Coast Shire*	5,995 [^]	7,156 ^{##}	N/A
Top employment sectors for total jobs in Surf Coast Shire (excluding surfing and tourism as sectors)*			N/A
• Accommodation and food services	926	1104	
• Construction	756	969	
• Retail trade	776	918	
Tourism-related jobs in Surf Coast Shire **	N/A	1,108	N/A
Surfing-related jobs in Surf Coast Shire **	NA	2,034	N/A
Average unemployment rate (%)*	3.9%	3.9%	N/A
Residents born overseas (% of total population)	10.8	11.4	11.3
Median age	39	40	42
Education (% of population 15 years and over)			
• Completed Year 12 level	44.7	50.4	55.2
• Bachelor or higher degree *	19.1	23.5	N/A
Average household size (number of people)	2.6	2.6	2.6

* 2016 Census data not available at the time of production of this report and will be updated in the 2017-18 Annual Report.

** Due to the interrelated nature of these industries, there is some crossover between surfing and tourism employment numbers.

Estimated figure based on available data. ## id.profile 2011 census.

^ Department of Economic Development, Jobs, Transport and Resources, Victorian Transport Atlas 2013.

^^ Length of local roads – sealed and unsealed (km) decreased in 2017 due to a review and reclassification of a number of roads previously included.

Sources

- Australian Bureau of Statistics, *Census of Population and Housing 2006 and 2011*, compiled by .id Consulting (Profile .id).
- Australian Bureau of Statistics, *2016 Regional Population Growth, Australia, 2015 – 16* Cat. No. 3218.
- City of Greater Geelong Economic Indicators Bulletin.
- Department of Environment, Land, Water and Planning, *Victoria in Future 2015*.
- id Consulting (Forecast.id), *2015 Surf Coast Shire population and household forecast*.
- REMPlan, June 2013.
- Surf Coast Shire Council, *Economic Snapshot 2014*.
- Surf Coast Shire Council, *Economic Value of the Surf Industry to Surf Coast Shire*, December 2014.
- Tourism Victoria, *Great Ocean Road Market Profile Year Ending December 2012*.

Our councillors 30 June 2017

The Council elections held in October 2016 saw the election of nine Councillors and the continuation of a four-ward structure for our municipality. The Anglesea, Lorne, Torquay and Winchelsea Wards ensure that communities have local representation in Council.

Surf Coast Shire Councillors are elected by residents and ratepayers to govern the municipality. The Mayor of Surf Coast Shire Council is chosen by the Councillors in November each year for a 12-month term.

Anglesea Ward



Cr Margot Smith

Elected: 2012, 2016
Mayor: 2014-15
P. 5261 0852 M. 0400 271 574
msmith@surfcoast.vic.gov.au



Cr Libby Coker

Elected: 2008, 2012, 2016
Mayor: 2009-10, 2012-13
P. 5261 0855 M. 0427 337 558
lcoker@surfcoast.vic.gov.au

Torquay Ward



Cr David Bell

Elected: 2012, 2016
P. 5261 0859 M. 0409 626 614
dbell@surfcoast.vic.gov.au



Cr Martin Duke

Elected: 2016
P. 5261 0856 M. 0409 806 073
mduke@surfcoast.vic.gov.au



Cr Rose Hodge

Elected: 2004, 2008, 2012, 2016
Mayor: 2006-07, 2013-14,
2015-16
P. 5261 0857 M. 0407 552 025
rhodge@surfcoast.vic.gov.au



Cr Brian McKiterick – Mayor

Elected: 2008, 2012, 2016
Mayor: 2011-12, 2016-17
P. 5261 0851 M. 0428 570 094
bmckiterick@surfcoast.vic.gov.au



Cr Eve Fisher

Elected: 2012 #
P. 5261 0856 M. 0409 806 073
Cr Fisher's term expired in
October 2016

Lorne Ward



Cr Clive Goldsworthy

Elected: 2012, 2016
P. 5261 0854 M. 0400 756 854
cgoldsworthy@surfcoast.vic.gov.au

Winchelsea Ward



Cr Carol McGregor

Elected: 2015, 2016
P. 5261 0858 M. 0400 169 741
cmcgregor@surfcoast.vic.gov.au



Cr Heather Wellington

Elected: 2012, 2016
P. 5261 0853 M. 0417 542 967
hwellington@surfcoast.vic.gov.au

Financial overview

Summary

The organisation ended the 2016-17 financial year in a sound financial position as evidenced by:

- \$38.8m in cash and investments (\$31.6m in 2015-16)
- \$85.1m in revenue (\$77.2m in 2015-16)
- \$14.9m in borrowings (\$15.6m in 2015-16)
- income statement surplus of \$17.0m (up from \$15.7m), and
- accumulated unallocated cash balance of \$5.1m (up from \$3.7m).

How it works

During the year, Council adopted the Council Plan 2017-2021. This plan reinforces Council's commitment to its vision of 'An engaged, innovative and sustainable community'.

To ensure we achieve this, the revenue raised via rates and charges, grants and contributions is invested in funding the provision of community services, new assets and maintenance of existing assets. Such investment typically includes services such as:

- kindergartens and early year education programs
- libraries and school crossings
- community health programs and initiatives
- community education and social planning
- community emergency management
- maintenance of public open space and community assets
- waste management and recycling
- road maintenance
- environmental programs
- local law enforcement, and
- planning and development.

Project delivery generally spans constructing new community assets and renewing existing ones, and coordinating various environmental and community initiatives, including community events.

Financial sustainability and challenges

As a fundamental organisational strategic principle, financial sustainability underpins our ability to deliver infrastructure and services to the local community.

Current challenges to our overall financial sustainability include:

- heavy reliance on rate revenue and limited access to other revenue sources.
- reduced funding across commonwealth and state government grant programs.
- increasing costs related to maintaining our portfolio of property, infrastructure, plant and equipment assets.
- costs of providing new assets in growth areas.
- increased costs related to delivering services to the community.
- competing community priorities, and
- state government legislation capping rate revenue increases from 2016-17 onwards.

We have introduced a number of initiatives to mitigate these challenges, including a Business Improvement program, Project Management Office and a Digital Transformation program.

Table 1: Key results for 2016-17

(\$'000)	Budget	Actual	\$ Variance	% Variance
Revenue	76,493	85,060	8,567	11%
Expenditure	68,727	68,088	639	<1%
Net surplus	7,766	16,972	9,206	185%
Recurrent EBITDA result	16,322	19,691	3,368	21%
Cash and investments	16,791	38,794	22,003	131%
Borrowings	15,936	14,937	-999	-6%
Net assets	409,733	518,296	108,563	26%
Rates and charges revenue	47,837	47,847	10	<1%
Capital expenditure	17,136	13,087	-4,049	-24%
Accumulated unallocated cash	1,758	5,060	3,302	188%

Operating performance

Our operating performance delivered a net surplus of \$19.7m, which was \$9.2m higher than budget. This was mainly due to higher income received during the year, predominately due to:

- higher granted assets (\$2.9m) received in relation to completed subdivision works (non-cash)
- higher grants received (\$3.1m), which includes the early receipt of 50 per cent of the 2017-18 Victorian Grants Commission allocation
- a re-measurement of Council's landfill provision (\$0.9m), and
- higher cash contributions received(\$0.8m).

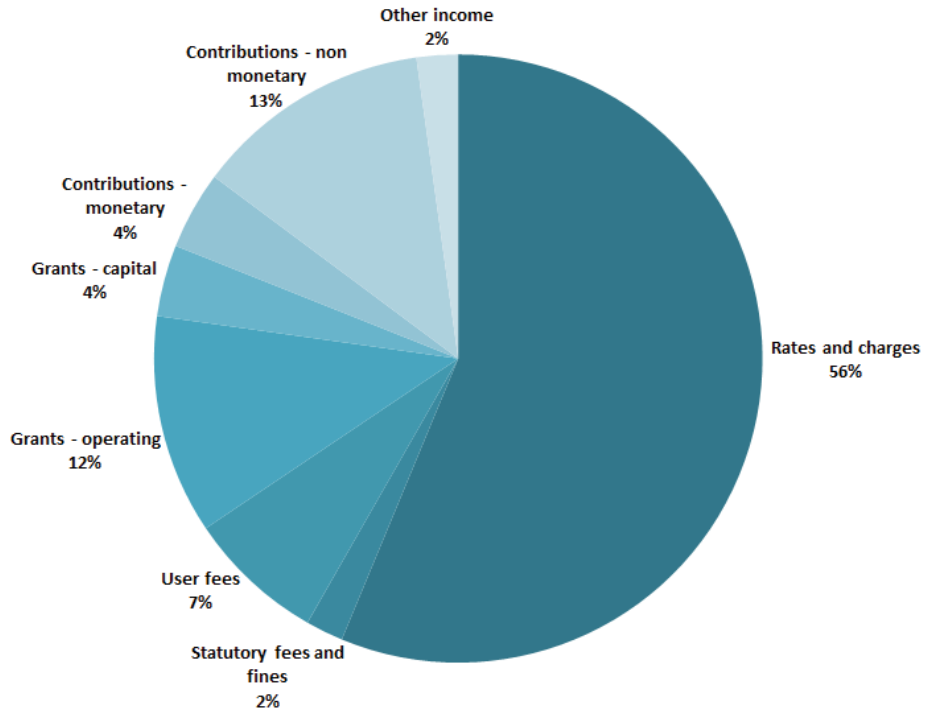
The net surplus is generated to fund non-operating activities, including the provision of new infrastructure and the renewal of existing community assets. It also includes funds tied to specific purposes, such as our waste and recycling programs.

Despite improvements over the last few years, the organisation remains dependant on rates and charges as its major revenue source. In 2016-17 rates and charges generated 56 per cent of total income, compared with 59 per cent of total income in 2015-16. Paid car parking, caravan parks, foreshore activities and other traditional alternative revenue raising sources are unavailable, due to other land managers being responsible for managing most foreshore areas across Surf Coast Shire.

If non-cash revenue items and grants received for specific projects are eliminated from the income statement, rates and charges account for more than 70 per cent of adjusted revenue.

This is significantly higher than the state average for large rural councils (60 per cent), highlighting the ongoing challenges we face in finding alternative revenue sources, especially in a rate-capping environment.

Figure 3: Income sources 2016-17



Non-monetary contributions were again significantly higher than budget (37 per cent) and the previous financial year (8 per cent) due to higher than expected granted assets received from developers completing subdivision works.

Figure 4: Rates and municipal changes, and garbage charges by ward 2016-17

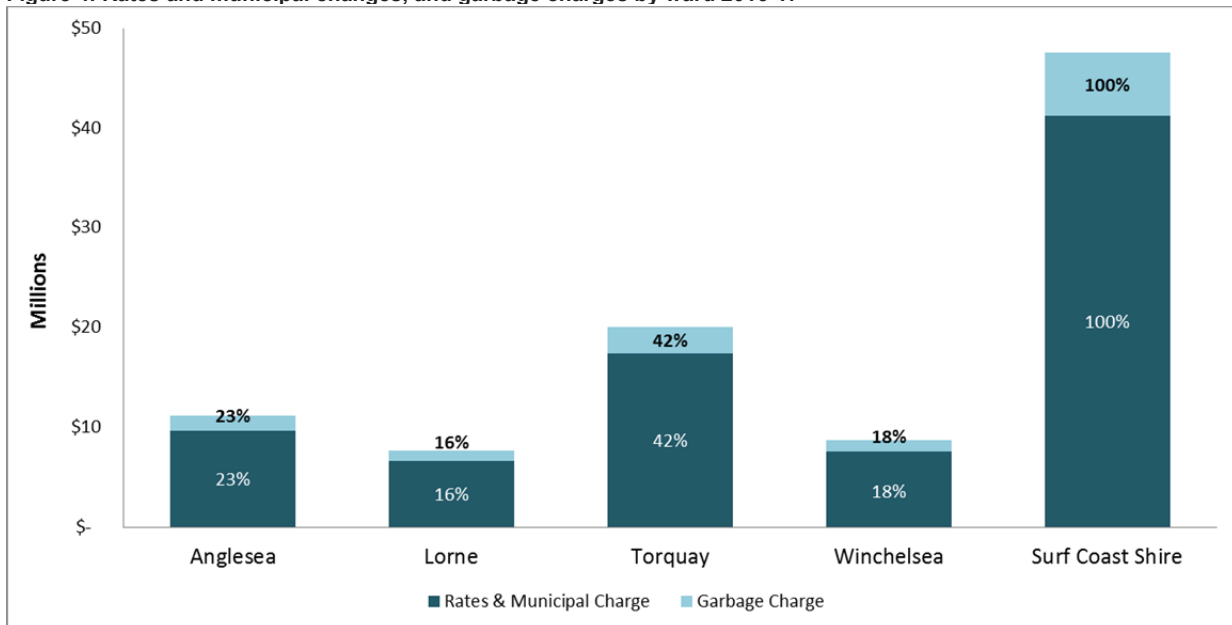
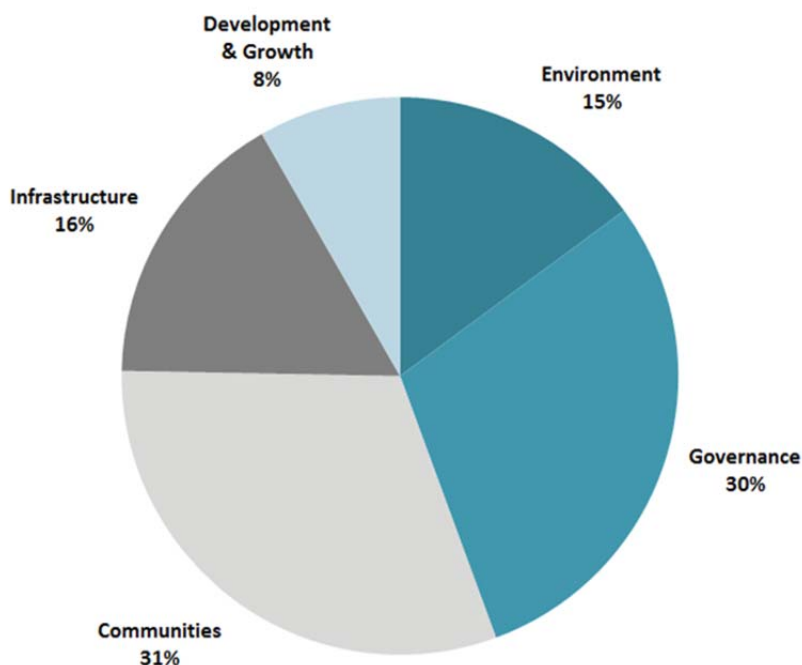


Figure 5 represents the allocation of operating expenditure (excluding projects) by *Council Plan* theme in terms of services delivered during 2016-17.

Figure 5: Expenditure (excluding projects) by *Council Plan* theme 2016-17



Capital expenditure summary

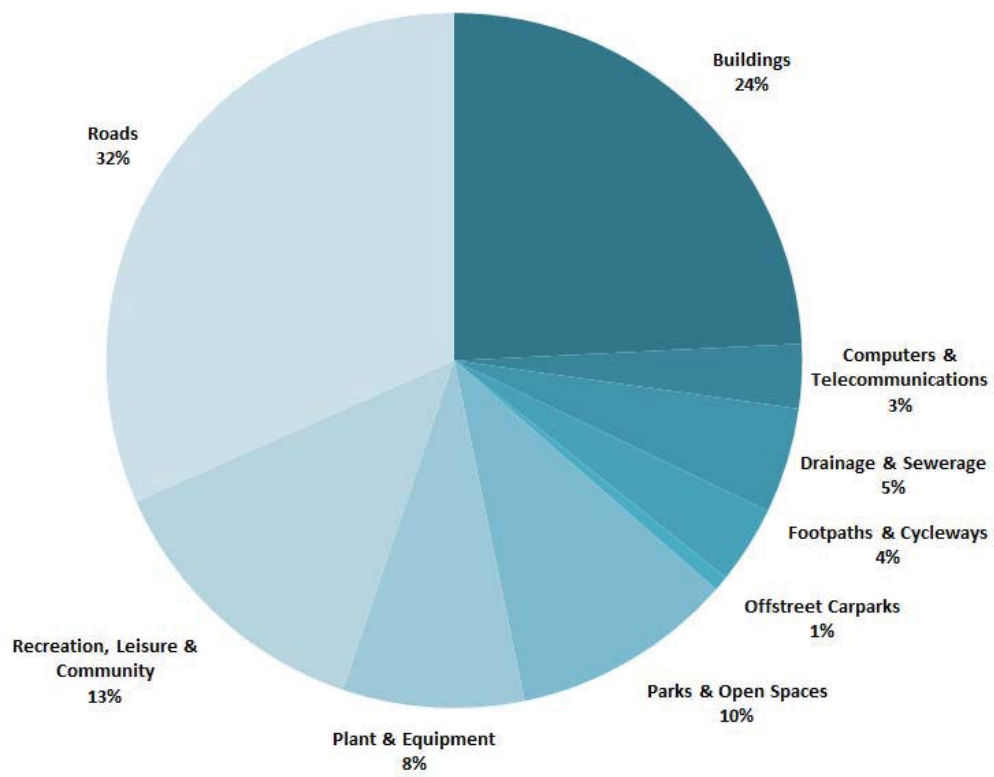
Significant projects delivered in 2016-17 included:

- Aireys Inlet Reserve Playground Renewal (\$0.12m)
- Road Safety Program (\$0.3m)
- Grenville Oval (\$1.49m)
- Grenville Oval Road and Car Park (\$1.55m)
- Contributions to Vicroads Projects – Surf Coast Highway / South Beach Road Intersection Upgrade and Horseshoe Bend Road Widening - south of South Beach Road (\$1.1m)
- Bellbrae Drainage and Streetscape Improvements (\$0.25m)
- Lorne and Winchelsea Big Belly Bins (\$0.27m)
- Lorne Swing Bridge Pathway (\$0.94)
- Shared Path on Surf Coast Highway (\$0.19m)
- Bike Lane across Spring Creek (\$0.31m)
- Torquay Precinct Pathways (\$0.39m)
- Beach Road Long Vehicle Parking (\$0.11m)
- Polwarth Oval Sports Lighting (\$0.06m)
- Anglesea Tennis Court Surface Replacement (\$0.2m)
- Djila-Tjarri Play and Skate Zone (\$1.59m)
- Barwon Terrace Pathway – Willis Street to Pool (\$0.09)

Table 2: Capital spend by expenditure type 2016-17

Capital spend type	Budget (\$'000)	Actual (\$'000)
New assets	7,586	6,420
Renewal of existing assets	5,854	4,806
Expansion of existing assets	-	496
Upgrade of existing assets	3,696	1,365
Total	17,136	13,087

Figure 6: Capital works expenditure by asset type 2016-17



Projects to be completed

Significant incomplete capital projects as at 30 June 2017 are listed below by ward. Unspent project funds have been carried forward to the 2017-18 financial year to maintain the unspent component of each project budget.

Table 3: Significant unspent project funds carried forward to 2017-18

Anglesea Ward	<ul style="list-style-type: none">• Anglesea Landfill Works (\$1.40m)• Anglesea Bowls Club Upgrade (\$0.60m)• Anglesea Cricket Club Pavilion (\$0.13m)
Lorne Ward	<ul style="list-style-type: none">• Lorne School Traffic Management Improvements (\$0.13m)• Disaster Relief Projects – Landslip / Bridge Replacements (\$0.04m)
Torquay Ward	<ul style="list-style-type: none">• Darian Road Reconstruction (\$0.53m)• Spring Creek Reserve Netball Facilities (\$0.42m)• Horseshoe Bend Road / South Beach Road Roundabout (\$0.58m)• Geelong / Beach Road Intersection Signalisation (\$1.04m)• Blackgate Road – Horseshoe Bend Road to Minya Lane (\$0.73m)
Winchelsea Ward	<ul style="list-style-type: none">• Cape Otway Road Widening (\$1.23m)• Globe Theatre Heritage Refurbishment (\$.08m)• Growing Winchelsea – Beautification of Town Centre (\$0.2m)• Upgrade Forest and Grays Road (\$1.5m)• Forest Road Pavement Rehabilitation (\$0.33m)

Working capital

Working capital (current assets/current liabilities) at the end of the financial year was \$27.4m or 370 per cent, which is well above our budgeted position of 142 per cent. Working capital is an indicator of an organisation's ability to meet its financial commitments over the coming 12 months.

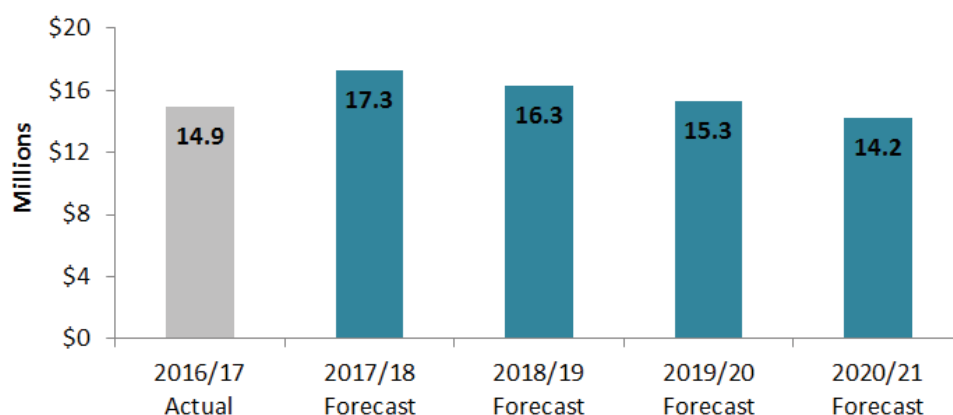
Borrowings

We decreased our total debt portfolio during 2016-17 to \$14.9m. This is a decrease of \$0.6m on the previous financial year. The organisation continues to pay down its debt and maintain a responsible debt level relative to its rate revenue base.

Our debt strategy is outlined in the 2017-18 annual budget. It focuses on the responsible use of debt levels and complying with the sound financial management principles outlined in the *Local Government Act 1989*.

Borrowings are forecast to increase by \$2.4m in 2017-18 to fund the construction of the Torquay North Family and Children's Centre.

Figure 7: Debt management plan 2016-17 to 2020-21



Cash position

Our cash and investments increased to \$38.8m as at 30 June 2017. This is an increase of \$7.2m on the previous financial year and is \$22.0m above budget.

Table 4: Cash position at 30 June 2017

	Budget (\$'000)	Actual (\$'000)
Cash flows from operating activities	11,165	21,501
Cash flows from investing activities	-17,610	-24,359
Cash flows from financing activities	-706	-1,705
Net increase/(decrease) in cash held	-7,151	-4,563
Cash and investments at the beginning of the year	23,942	31,577
Net movement for the year	-7,151	7,217
Cash and investments at the end of the year	16,791	38,794

The organisation's cash and investment balance of \$38.8m does not represent discretionary cash. In fact, only \$5.1m is available as unallocated cash. The remainder of the funds are either restricted for statutory or contractual reasons, or allocated to specific purposes.

Our allocated reserves cater for items such as:

- Anglesea Landfill, including capital works and site rehabilitation and aftercare to comply with Environment Protection Authority standards after the facility has reached the end of its useful life.
- unspent funding for projects budgeted for 2016-17 but due for completion in 2017-18, and
- replacement of our vehicle fleet and plant equipment.

What's in store for next year?

The 2017-18 annual budget brings together our commitment to existing strategies and priorities agreed with the community, and Council's investment in new priorities identified in the 2017-21 Council Plan.

Council plans to deliver an unprecedented \$23.2 million of capital works in the 2017-18 financial year, delivering projects such as the Kurrambee Myaring Community Centre (\$3.2m), which will be open for business in early 2018, and road upgrades across the shire.

Council will also be spending over \$4m in non-capital projects during the 2017-18 financial year, including the delivery of our Environmental Leadership program, LED streetlight upgrades, upgrades to our planning systems and processes, and our Business Improvement program.

Around the wards

During 2016-17, we continued to focus on ensuring all communities across Surf Coast Shire benefited from our initiatives.

	Anglesea	Lorne	Torquay	Winchelsea
Population 2016 Census	3,586 14%	1,652 6%	13,094 51%	7,636 29%
Land area	190.5km ²	326km ²	38.44km ²	997.4km ²
Open space*	157.08ha	61.48ha	188.40ha	267.94ha
Rate revenue 2016-17	\$8.663m 23%	\$6.055m 16%	\$15.528m 43%	\$6.761 18%
Capital works spend** 2016-17	\$1.280m 11%	\$0.474m 4%	\$6.839m 59%	\$3.085m 26%
Major projects delivered	Aireys Inlet Reserve Playground Coogoorah Park Bridge Renewal Anglesea Tennis Court Surface Replacement Aireys Inlet Tennis Court Surface Replacement	Lorne Big Belly Bins Lorne Swing Bridge Pathway Emergency Culvert Works Erskine Falls	The Esplanade Kerb and Sealing Beach Road Long Vehicle Parking Shared Pathway on Surf Coast Highway Bike Lane Across Spring Creek Djila-Tjarri Play and Skate Zone	Barwon Terrace Pathway - Willis Street to Pool Shire Hall Precinct Landscaping Bellbrae Drainage and Streetscape Improvements Winchelsea Transfer Station Entry Roads Bellbrae Hall Detailed Design Winchelsea Occasional Care Shade Sail
New initiatives spend** 2016-17	\$73,790 8%	\$106,590 11%	\$457,299 47%	\$324,732 34%
	Painkalac Creek Bridge to Lialeeta Road - Retaining Wall Planting Anderson Roadnight Reserve Masterplan	Stribling Reserve Masterplan Stribling Reserve Stadium Storage Pods Lorne Community Aspirations Stage 2 contribution	Torquay Town Centre Parking Strategy / Precinct Plan Australian National Surfing Museum Rebrand Low Key Viewing Platform at Bells Beach Reserve Traffic Management Study Community and Civic Precinct Torquay Plastic Bag Free initiatives	Growing Winchelsea Place Making Strategy Winchelsea Common Restoration Activities Livestock Sales Yard Market Analysis Geelong Projection and Sound Equipment for the Globe Theatre Contribution to Long Day Care Planning for Winchelsea
New initiative grant funding**	-	-	\$35,203 30%	\$82,500 70%
Capital expenditure grant funding**	\$266,000 10%	\$97,500 4%	\$1,056,634 40%	\$1,249,492 46%
Operational grant funding**	\$5,309 1%	\$89,788 6%	\$1,274,816 86%	\$97,451 7%
Total grant funding received** 2016-17	\$271,309 6%	\$187,288 4%	\$2,366,653 56%	\$1,429,443 34%
Small Grants program**	\$8,950 13%	\$11,753 18%	\$29,236 44%	\$16,814 25%
Community House grants**	\$5,000 20%	\$5,000 20%	\$5,000 20%	\$10,000 40%
Community (tourism) trades grants**	\$4,000 40%	\$2,000 20%	\$2,000 20%	\$2,000 20%
Community grants disbursed** 2016-17	\$17,950 18%	\$18,753 18%	\$36,236 36%	\$28,814 28%

* Council's Open Space Database calculated geographically by ward. **Excludes shire-wide.

Sustainability snapshot

Sustainability has been a key focus across the five Council Plan themes of Environment, Governance, Communities, Infrastructure and Development & Growth.

During 2016-17, Council made progress across all these areas by:

- working with the community to protect and enhance our **environment** with the roll out of the *Towards Environmental Leadership* program.
- ensuring sustainable **governance** through successful Council elections and a new four-year Council Plan.
- supporting sustainable **communities** by providing opportunities for local people to participate in and influence important Council projects.
- implementing the 'Building our Future' advocacy program to help ensure communities receive vital **infrastructure** so they can flourish.
- managing sustainable **development and growth** throughout the shire.

Environmental sustainability

The following Council Plan objectives underpinned efforts to achieve environmental sustainability:

- preserve and enhance the natural environment
- pursue alternative energies
- demonstrate leadership in innovative environmental practices
- protect public open spaces and green belts.

Following the launch of our joint Council and community initiative *Towards Environmental Leadership* in 2015-16, there has been encouraging progress during the past 12 months to achieve the objectives of this program, particularly local renewable energy goals.

A key focus of the program has been the establishment of the *25% by 2020 Renewable Energy Taskforce* to help the Surf Coast Shire meet or exceed the state government's renewable energy target. The roll out of the 'Power Up Surf Coast Roadshow' and 'Positive Charge' initiatives were two examples of Council's commitment to environmental sustainability under this program. More details about these initiatives can be read in the next section *Our Performance*.

Council's *Plastic Wise* program has gained significant traction during the past year, with various Surf Coast community groups coming on board to support this important initiative, which aims to reduce the use and distribution of single use plastics and to raise awareness of its harmful effects.

Council has supported the efforts of 'Plastic Bag-Free Torquay', which is seeking to phase out the use and distribution of single use plastic bags through local business and community groups. The organisation worked with local kindergartens to create library bags for pre-school children, while many Surf Coast retailers have now committed to the program, offering reusable and often recycled 'Boomerang Bags' as a more environmentally-friendly alternative for shoppers to use. The Surf Coast towns of Anglesea, Lorne, Torquay and Winchelsea have made great progress in reducing plastics, with all of these towns committed to being 'plastic bag-free'.

The development of a local and sustainable food program is underway, incorporating existing local food initiatives like *Eat Local Month*, and looking at new directions and actions for improvement of the local food economy, including ways Council can support local farmers in their transition to a future that is impacted by climate change.

The *Bells Beach Surfing Recreation Reserve Coastal Management Plan 2015-25*, now in its second year, saw the makeover of the former helipad site at Bells Beach Surfing Reserve, the construction of new gravel pathways, a low-key and natural timber viewing platform and the planting of 800 indigenous plants, all contributing to the enhancement and preservation of this important natural asset.

Sustainable governance

Council Plan objectives aimed at achieving sustainable governance included:

- Robust risk management framework and processes
- High performing accountable organisation
- Long-term financial viability
- Transparency in decision making and access to information
- Enhanced community engagement
- Advocacy on behalf of our community.

Our ability to govern sustainably and in our community's best interests is founded on the policies, principles and procedures comprising our governance framework.

Council elections in October 2016 were followed by the induction of new Council members and the development of a four-year Council Plan to set the strategic direction and priorities for 2017-2021.

Operating within the context of the 'Fair Go' rate-capping framework for the first time during 2016-17, Council completed a long-term 10-year financial plan to help govern sustainably into the future.

Council adopted its *Digital Transformation Strategy* in May, committing a further \$2 million to this program, which aims to use technology to transform the way Council does business.

Sustainable communities

The following Council Plan objectives aim to support sustainable communities across the Surf Coast Shire:

- Communities that plan for, and recover from, disasters
- Quality services allocated according to need
- Preservation of peaceful, safe and healthy environments
- Building leadership and skills within the community.

Our local community has been instrumental in some key Council achievements this year, providing valuable input into various projects, including the construction of the Djila Tjarri Park skate and play zone in North Torquay and the development of a masterplan for Lorne's Stribbling Reserve. Read more about these significant projects in the following section *Our Performance*.

The ongoing Café-Style program for socially isolated people has improved access to appropriate services and information and provided an opportunity for participants to meet new people, explore new places and enhance their capacity to control their own lives.

Our annual youth survey provided significant insight into the challenges we face as a community when considering how we best cater for our young people. The announcement of our new Youth Pod previewed a new method for supporting young people in our community. The pod will provide greater access to much-needed health and wellbeing services in a safe location for young people.

Council continued to work with the state government on a plan for the future use of land in Anglesea post-Alcoa, through the 'Anglesea Futures Community Conversations'. The conversation series, coordinated by the Department of Environment, Land, Water and Planning (DELWP), Council and Parks Victoria, has provided an ongoing forum for community discussion and feedback on a range of issues, including future land use, water, planning and the long-term vision for the study area, following the closure of the Alcoa mine and power station in 2015. This feedback will inform the development of a Land Use Plan for the study area.

Sustainable infrastructure

Council continued to provide long-term sustainable infrastructure, which is accessible, well maintained and safe, focusing on the following objectives from the Council Plan:

- Allocation of infrastructure according to need
- Accessible and well maintained Council facilities
- Enhance key rural and coastal roads and transport options.

'Building our Future', Council's advocacy program, sought funding support from government and potential partners to deliver safe roads, vibrant town centres, improved mobile communications and quality sports facilities in the shire.

Two new playgrounds in Winchelsea, construction of the Kurrabee Myaring Community Centre in Torquay North and the allocation of funding for the 'Town Centre Beautification Project' in Winchelsea, are examples where Council has sought to provide vital infrastructure for our growing communities. Further information about these projects is provided in the following section *Our Performance*.

Council's *Road Safety Strategy 2017-21* was completed last year, aligning with the *Road Management Plan*, which aims to provide safe, well-maintained roads throughout the shire and paves the way for a series of important road works.

Sustainable growth and development

We seek to foster healthy and sustainable communities by supporting tourism and rural businesses, and encouraging clean industries and development that respects the Surf Coast's environment and lifestyle.

Objectives in the Council Plan that support this aim include:

- Protect productive farmland and support rural business
- Encourage sustainable economic development and growth
- Develop and grow sustainable year-round tourism
- Transparent and responsive land use and strategic planning

Population numbers on the Surf Coast continued to rise, particularly in Torquay and Winchelsea, challenging Council to manage the needs and priorities of a growing community, while retaining the intrinsic values and character of the shire.

Key areas in which Council demonstrated its commitment to sustainable growth and development included the work on a long-term Spring Creek Precinct Structure Plan, review of Council's planning application process, and advocacy for the Great Ocean Road to ensure it continues to thrive and support our critical visitor economy.

Council has been working on a *Rural Hinterland Futures Strategy* to guide key actions for the hinterland area, and has completed an economic analysis and land use profile which will inform an 'Issues and Opportunities' paper. Agriculture was one of the fastest growing sectors (by percentage) for the Surf Coast Shire in 2016, reflecting its increasing contribution and importance.

Services and projects delivered in 2016-17

Figure 8 shows how we spent every \$100 of rates revenue generated in 2016-17 to deliver on our Council Plan themes. Table 5 lists the major projects delivered under each theme.

Figure 8: Rates expenditure (per \$100) in 2016-17 by Council Plan theme

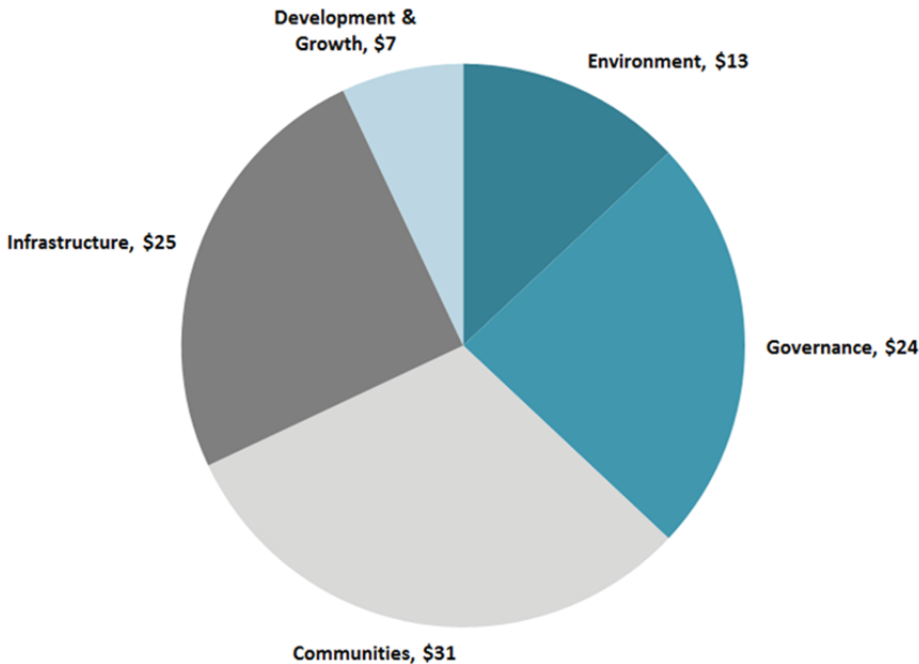


Table 5: Major projects delivered in 2016-17 by Council Plan theme

Environment

- *Towards Environmental Leadership* Program (adopted June 2016 with multi-year funding)
- Grass Tree Park Master Plan (multi-year funding)
- Bells Beach Coastal Management Plan Implementation – Stage 1 (with multi-year funding)
- Surf Coast *Plastic Wise* Policy and Program
- Deep Creek Linear Reserve Upgrade (with multi-year funding)
- Anglesea Futures Support (Alcoa) and Anglesea River
- Winchelsea Common Restoration
- Street Lighting Upgrade Program
- Solar Towns and Solar Improvement Program
- Roadside Weeds and Pests Program
- Rabbit Management Policy and Program

Governance

- *Digital Transformation* Program (adopted 23 May 2017 with multi-year funding)
- Council Elections
- Development of Council Plan
- Domestic Animal Management Plan commenced
- Review of Community Developer Levy Process
- Review of Infringement Debtors Process
- GORRT Regional Visitor Information Centre Review

Communities

- White Ribbon Accreditation
- Aged and Family Strategy Implementation
- Aged Care Reform Implementation Planning
- Pop-up Art Space
- Lorne Stribling Reserve Masterplan
- Vulnerable People in Emergencies Program
- Municipal Emergency Resourcing Program
- Long Day Care Planning Winchelsea contribution
- Public Safety infrastructure Project commenced
- Cadel Evans Race Elite Women Welcome
- Projection and Sound Equipment for the Globe Theatre

Infrastructure

- Aireys Inlet Reserve Playground Renewal
- Road Safety Program
- Grenville Oval
- Grenville Oval Road and Car Park
- Contributions to Vicroads Projects – Surf Coast Highway / South Beach Road Intersection
- Upgrade and Horseshoe Bend Road Widening - south of South Beach Road
- Bellbrae Drainage and Streetscape Improvements
- Lorne and Winchelsea Big Belly Bins

- Lorne Swing Bridge Pathway
- Shared Path on Surf Coast Highway
- Bike Lane across Spring Creek
- Torquay Precinct Pathways
- Beach Road Long Vehicle Parking
- Polwarth Oval Sports Lighting
- Anglesea Tennis Court Surface Replacement
- Aireys Inlet Tennis Court Resurfacing Project
- Spring Creek Tennis Court Resurfacing Project
- Djila-Tjarri Play and Skate Zone
- Anglesea Landfill Projects

Development and Growth

- Anglesea Landfill Future Use Options
- Road Management Plan
- Unsealed Road Network Strategy
- Major Council Landholding Analysis
- Lorne Community Aspirations – Stage 2 contribution
- Strengthened Town Boundaries Review (ongoing)
- Planning System Efficiency Improvements (ongoing)
- Torquay Central Business Area and Parking Planning
- Hinterland Futures (ongoing)
- Livestock Sales Yard Market Analysis Geelong
- Surf Coast Multi-sport Indoor Stadium Study
- Growing Winchelsea Place Making Strategy

Listening and speaking for our community

Creating conversations, listening and responding to our community, and advocating on its behalf are fundamental to Council's role.

During 2016-17, key community engagement initiatives included:

- **Surf Coast Conversations** digital community engagement hub, where community members were able to provide feedback and ideas about various projects and services.
- Roll out of **Towards Environmental Leadership** as a joint Council-community initiative to support Surf Coast Shire to become an environmental leader.
- Appointment of **community-based panels, task forces and committees** to provide advice and input on significant initiatives.
- Widespread community input into Council's primary strategic document, **Council Plan 2017-21**.

In addition, our 2016-17 **advocacy program** focused on three key priority areas: the 'Great Ocean Road Visitor Economy', 'Towards Environmental Leadership' and 'Building Our Future'.

The Federal Election was held July 2016 and Surf Coast Shire was successful in attracting support for priorities from the major political parties in the lead up to the election. The re-elected Coalition committed \$31.9 million to projects in Surf Coast. Major investment included:

Project	Amount
Funding to upgrade the Great Ocean Road	\$25,000,000
Three mobile towers addressing blackspots in Anglesea, Airey's and Bellbrae	\$960,000
Upgrade change rooms and scoreboard at Stribling Reserve, Lorne	\$230,000
Blackgate Road between Horseshoe Bend Road and Minya Lane; Cape Otway Road between Gherang Road and Considines Road at Modewarre	\$1,959,000
Upgrade netball facilities at Spring Creek Reserve Torquay.	\$200,000
Upgrade to Forest Road and Grays Road, Paraparap.	\$1,070,000
Jan Juc SLSC upgrade	\$2,000,000
Anglesea Bowling Club upgrade	\$500,000

A highlight in the year was the announcement by the state government in August 2016 that it would permanently ban onshore unconventional gas exploration and mining in Victoria, something Council had advocated for since 2015.

Surf Coast Conversations

Our digital community engagement hub *Surf Coast Conversations* provides an opportunity for the community to have input and learn more about various community projects and issues. It is a space where people can tell us what they think, make submissions and have questions answered.

During 2016-17, the community helped shape the following projects through this important online forum:

- Winchelsea Playgrounds
- Grasstree Park Masterplan
- Torquay District Historic Society new garden project
- Family Day Care Review
- Torquay North Children's Centre
- Council Plan 2017-2021
- Budget 2017-18
- Road Safety Strategy
- Road Management Plan 2017-2021
- Spring Creek Precinct Structure Plan
- Aireys Inlet Masterplans
- Aireys Inlet Pedestrian Crossing
- Stribling Reserve Masterplan

Ongoing projects for community input at **Surf Coast Conversations** include the *Towards Environmental Leadership* program, Positive Ageing Review, Winchelsea Streetscape improvements, the Torquay Town Centre project and a new Domestic Animal Management Plan.

Towards Environmental Leadership

Towards Environmental Leadership is a joint Council-community initiative to support Surf Coast Shire to become an environmental leader. A key aspect of this initiative has been the appointment of our *25% By 2020 Task Force* to help us achieve the state government's renewable energy target.

Local groups have launched initiatives that will contribute to a more sustainable future. Some of the community-led groups that Council is supporting include:

Surf Coast Energy Group (SCEG): Local residents focused on tackling climate change and sustainability at a local level.

Anglesea Community Energy (ACE): Environmentally-conscious locals striving towards a major environmental goal – 100 per cent renewable energy in Anglesea.

Anglesea Community Garden: Propagating herbs to start a herb garden at Anglesea Aged Care for residents to enjoy.

Anglesea Resale Shed: Selling reusable materials that are diverted from landfill.

Plastic Bag-Free Torquay, Boomerang Bags and Torquay Kindergarten: Aligning with Council's *Plastic Wise Policy*, a collaboration that provides children with reusable library bags.

Community Garden 3231: Teaming up with local businesses to maximise the garden's compost facility by collecting organic vegetable waste.

Eat Local Month: Featuring events each March/April to support and promote local producers in the Surf Coast Shire.

Community-based panels, task forces and committees

Community-based panels, task forces and committees worked with Council during the past year to help shape various Council initiatives.

The appointment of a community-based panel and the overall engagement process employed by Council to provide input into the draft **Spring Creek Precinct Structure Plan**, was highly commended in the 2017 LGPro Awards for Excellence.

Community reference groups provided input into the design of the **Djila Tjarri Park skate and play zone in north Torquay** and two new **Winchelsea playgrounds**, while Lorne community members took a lead role in the creation of the **Stribling Reserve Masterplan** to guide development and ensure the new reserve meets community needs into the future.

The All Abilities Advisory Committee continues to inform Council decisions and supports the implementation of the *Accessible and Inclusive Surf Coast Shire Strategic Plan 2014-2024* to ensure support for all abilities in our community. In Winchelsea, an 'Access Township Map' was launched, providing information on accessible public facilities, services and features, while in Anglesea an all-abilities boat was added to the Lions Park playground to help create an inclusive community where everyone can participate. This committee was closely involved in planning for playgrounds and development of master plans throughout the year as well as supporting Council's funding application for a Changing Places change and toilet facility.

Anglesea Futures Community Conversations

While the Victorian Government has been managing this engagement process with the local community with regard to Anglesea's environmental, social and economic future post-Alcoa, the Surf Coast Shire Council has played a facilitation role.

The *Anglesea Futures Community Conversations* series continued during 2016-17 and provided an important forum for discussion on a range of issues, including future land use, the heath, water and other implications for the Anglesea region. Community feedback will inform the preparation of a draft land use plan that will be released for public comment later in the year.

Advocacy program

The community is at the heart of Council's proactive advocacy approach, which this year focused on three priority areas:

- 1) *Great Ocean Road Visitor Economy*: Council stepped up its program to advocate for the Great Ocean Road and was delighted to see the Victorian Government provide an additional \$25 million to support this vital link. Council is committed to working with state and federal government and the community to capitalise on the Great Ocean Road, spearheaded by the creation of a Great Ocean Road Gateway Experience, which positions Torquay as a must-do destination.
- 2) *Towards Environmental Leadership*: This program is targeting sustainable land use, the support of local food production and consumption and greater participation in renewable energy through a mix of community-led and Council initiatives.
- 3) *Building our Future*: Council seeks to provide its communities with critical infrastructure. The advocacy program aims to draw the attention of government and potential partners to the shire's funding needs and opportunities. This includes safe roads, vibrant town centres and improved mobile communications, and the fostering of active communities through quality sports facilities.

Council will continue to present these key priorities to government and potential partners in a bid to ensure the shire remains top of mind for funding and partnership opportunities.

Milestones and Events

July 2016

- Aireys Inlet officially declared itself a Refugee Welcome Zone, with a 'welcome' sign installed at the town entrance, supported by the Aireys Inlet branch of Rural Australians for Refugees [AIRAR].
- A highlight of NAIDOC Week was the screening of the award-winning Australian documentary *Putuparri and the Rainmakers* at Lorne Cinema.
- People were enticed out of winter hibernation for the annual *Love Winter in Aireys* festival, which featured a variety of local events, including the sell-out cultural extravaganza *Aireysistible*.
- A new \$191,500 tennis and play space at Modewarre Reserve proved a big hit with the local community.
- Ten participants from across the Shire graduated from this year's Casuarina community leadership program.
- All those who knit, crochet, weave, or felt were busy creating items for the *Celebration of Yarn & Beanie Festival*, with an opportunity to display their work at various locations around the Surf Coast, and to donate items to those in need.

August

- Council and community groups welcomed the announcement by Victorian Premier Daniel Andrews that the state government would permanently ban onshore unconventional gas exploration and mining in Victoria.
- An open day in Winchelsea was well attended by community members keen to provide input into the future of the Winchelsea Common, with locals signaling a strong desire to make good use the area.
- The coastal village character of the Aireys Inlet to Eastern View area was protected under a new amendment adopted by Council.
- Lovers of local arts and culture were spoilt for choice with Anglesea's *One-Act-Play Festival*, the fabulous *Surf Coast Arts Trail* weekend and the *Spring Flower and Arts Show* in Winchelsea.
- The *Love Winter in Aireys* festival continued to warm the hearts of locals and visitors, with the highly acclaimed *Wintersong* music event at the Aireys Pub and the celebration of *International Lighthouse Day* at Split Point Lighthouse.

September

- Skaters dropped in to check out the new 12ft-deep skate bowl – the deepest in Australia – at the new \$1.4 million Djila Tjarri Park skate and play zone in north Torquay, which was officially opened at an action-packed community celebration.
- Youth voices were heard loud and clear in response to the annual Surf Coast Shire Youth Survey, with 650 responses driving a range of initiatives to support youth in our community.
- Runners were out in force for the annual *Surf Coast Century*, which started and finished in Anglesea, the *Hoka One One Trail Running Series* also in Anglesea, and the *Surf Coast Hell Run* in Lorne.
- Those who prefer a set of wheels took to *Amy's Gran Fondo* event, which offered short and long rides along the Great Ocean Road.
- The Festival of Performing Arts (FOPA) in Lorne proved itself one of the region's top arts and culture events, with hundreds flocking to the popular foreshore area to enjoy a weekend of intoxicating shows, while nature-lovers and art enthusiasts alike attended the annual *ANGAIR Wildflower Weekend and Art Show* in Anglesea.

- Torquay's Cowrie Market and the Deans Marsh Community Market heralded the start of the Spring market season.

October

- Community members were out in force to have their say and elect local Councillors for a new four-year term.
- Council welcomed the announcement of federal funding for the much-needed *Winchelsea Town Centre Beautification* project.
- The inaugural winners of the *Surf Coast Shire Over 65s Awards* were acknowledged, recognising the invaluable contributions of over 65s in our community, as part of this year's Seniors Week.
- New life was sown at Bells Beach Coastal Reserve, with the planting of 800 indigenous plants as part of *Rip Curl's Planet Day Program*.
- The local arts community welcomed Council's new *Surf Coast Art Space* in Anglesea which will remain open until at least September 2017, providing a welcome space to showcase the diverse talent of local artists. The Art Space was launched with the Surf Coast Shire Art Calendar competition and exhibition which was attended by 600 people.
- Foodies had their fix at the annual DAFT (Drink Arts Food Torquay) Festival, while wine lovers made the most of *Toast to the Coast*.
- Kids got spooked at Halloween's *Trick or Treat Kidz Fest*, a fun-filled event at Winchelsea's Barwon Park Mansion, while kites were flying high at the *Surf Coast Kite Fest* in Torquay.
- Sporting enthusiasts were well-catered for with the *Deans Marsh Community Fun Run*, the *Torquay Boardriders Club* surfing event, the *Great Ocean Road Cycling Classic* in Lorne and *Anglesea Golf Club's 62nd Annual Open*.

November

- Results from Council elections were declared, with Councillor Brian McKiterick elected Mayor by his fellow Councillors.
- The Great Ocean Road received a welcome shot in the arm, with the Victorian Government committing \$25 million towards its ongoing maintenance.
- Deakin University and the Surf Coast Shire Council signed a Memorandum of Understanding (MOU) for a three-year partnership to explore opportunities for ongoing collaboration.
- Players from local Surf Coast cricket clubs played for the inaugural *White Ribbon Cup* at a limited-overs cricket match in Torquay, raising awareness of the need to prevent violence against women.
- Residents were encouraged to clean up their properties before the fire season, with free green waste disposal made available at Anglesea, Lorne and Winchelsea transfer stations.
- Film buffs were entertained with a multitude of screenings at the annual *Lorne Film* festival, while fans of the stage were treated to a performance of David Williamson's *Scarlett O'Hara at the Crimson Parrot* by the Torquay Theatre Troupe.
- It was white-water therapy for competitors in the *Surf Coast Longboard Club Competition* at Point Impossible, and the *Surf Life Saving Victoria Endurance Championship* and *Surf Boat Carnival*.
- Treasure hunters enjoyed the *Geocaching Surf Coast Event*, using GPS to explore the region and locate hidden items.
- Participants in the *Surf Coast After Glow Trail Run* enjoyed a twilight outing on the track between Torquay and Point Addis.

December

- The Surf Coast tapped into a more inclusive community with a *Balloon Football Come and Try Day*, bringing together people of all ages and abilities for a fun afternoon in Winchelsea.
- Victoria's biggest bike riding festival, the *Great Victorian Bike Ride*, travelled the Great Ocean Road this year, giving more than 4,200 cyclists a rare opportunity to immerse themselves in this spectacular scenery.
- Christmas joy was spread near and far with carol services held in Deans Marsh, Winchelsea, Aireys Inlet, Lorne and Anglesea.
- Anglesea kicked off an adventurous summer with the annual *Roo Fun Run*, *Rock 2 Ramp Swim* and *Adventurethon*, while Surf Life Savers were kept busy at a range of competitions along the coast.
- The annual *Falls Music and Arts Festival* was held in Lorne, while markets continued at Winchelsea, Aireys Inlet and Torquay.

January 2017

- Rowers continued the tradition of the annual *New Year's Day Regatta* on the Anglesea River, an event that has continued for more than 100 years, showcasing the fierce rivalry between Anglesea and Aireys Inlet boating enthusiasts.
- Australia Day celebrations were held across the shire, with citizenship ceremonies in Anglesea and Torquay.
- The Nightjar Festival in Torquay was awarded the *2017 Surf Coast Shire Australia Day Award for Community Event of the Year*, while local swimming star Phoebe Mitchell won *Young Citizen of the Year*, and Frack-Free Moriac campaigner Alison Marchant tied for *Citizen of the Year* with all-round community champion Peter Spring.
- Surf and swim events topped the summer calendar, with various surf carnivals at local beaches complemented by Lorne's *Pier to Pub Ocean Swim* and the *Danger 1000 Ocean Swim* in Torquay.
- It wasn't all water sports along the coast, with the challenging hills of the *Lorne Mountain to Surf Run*, the *Tim Gates Memorial Fun Run* in Fairhaven, and the *Bells Bash Cliff Run* in Jan Juc, all proving popular events.
- Winchelsea's natural landscape inspired artwork for two sculptures to adorn the township entrance, while art lovers in Aireys Inlet enjoyed a day of *Art in the Park*.
- Children also got into the art scene, with the annual *Kids Art Bash* at Anglesea Art House inspiring many young residents and visitors to explore their creativity.
- Away from the beach, people were engaged in the *Bells Beach Film Festival*, *Minya by Moonlight Concert Series* at Connewarre, the *Summer Sculpture Exhibition* in Anglesea, the *Nightlife Fashion Exhibition* at Winchelsea's Barwon Park Mansion and the popular *Sheep Dog Trials* in Deans Marsh.
- Cyclists enjoyed being part of the third *Cadel Evans Great Ocean Road People's Ride* in Torquay, while Council formally welcomed elite female participants for the *Cadel Evans Great Ocean Road Elite Women's Race*.
- Markets continued across many communities, including Torquay's Nightjar Festival, the Torquay Cowrie Market, Anglesea Riverbank Market, Lorne Foreshore Market, Winchelsea Makers & Growers Market and the Aireys Inlet Market.

February

- Council's interactive educational board game *The Fire Game* took out top honours at the prestigious local government *2017 LGPro Awards for Excellence*.
- The beach at St George River near Lorne was turned into a magical wonderland, with the annual *Castle and Candle Competition* inspiring keen builders to turn their hand to sandcastles.
- Summer events continued with the *Torquay Rotary Motor Show 2016* and the *Winchelsea Horticultural Garden Club Autumn Show* both attracting enthusiastic crowds, while the annual *Pancake Day* (Shrove Tuesday) fed the hordes at Aireys Inlet to help raise money for those in need, through the local Uniting Church.
- The ocean was never too far from the scene, with more Surf Life Saving carnivals at Lorne and Torquay, and the *Woorangalook Victorian Koorie Surf Titles* in Fairhaven.

March

- Council partnered with not-for-profit energy expert *Positive Charge* to provide independent energy advice and assist the community in exploring options for solar power.
- Foodies were out in force for *Eat Local Month*, showcasing the region's extensive food offering, while drawing attention to the importance of buying and eating local produce.
- A community effort saw more than \$68,000 raised in the *2017 Surf Coast Relay For Life*, with more than 500 people participating in 26 teams in the annual fundraiser for Cancer Council Victoria.
- Mayor Brian McKiterick discussed the importance of the Great Ocean Road with Prime Minister Malcolm Turnbull in Canberra, as part of the G21 Board Delegation that visited the nation's capital to discuss regional priorities.
- A bold panel inspired people to share bold ideas at the *2017 International Women's Day* event, where more than 130 people were welcomed to hear writer and comedian Catherine Deveny lead an entertaining discussion on the theme *Be Bold For Change*.
- Surf Coast Shire Council was officially recognised as a *White Ribbon Workplace* by White Ribbon Australia, for its commitment to preventing and responding to violence against women.
- 'Mystery Guest' Tash Sultana inspired the crowd at this year's *Aireys Inlet Open Mic Music Festival*, where hundreds of music-lovers enjoyed an eclectic mix of free, live music on the coast.
- Art aficionados enjoyed the *Anglesea Arts Studio Group Exhibition*, while the sweet-smelling *Country Dahlias Flower Festival* took place in Winchelsea.
- The *Great Ocean & Otway Classic Ride* in Torquay, *Stand-Up Paddle Board (SUP) Titles* at Point Impossible, and the *Surf Boats Carnival* in Torquay provided ongoing action along the Surf Coast.

April

- Community members were given a chance to have their say on the *Torquay Town Centre Project*, with a stakeholder workshop, stakeholder walking tour, a community drop-in session, and a community survey that attracted 350 responses.
- Top-ranked young surfers in the shire had an opportunity to be recognised in the *Rising Star Surfing Awards*, in the lead up to the world-famous *Rip Curl Pro* at Bells Beach.
- Young families flocked to Anglesea for the *KAOS (Kids Adventure Outdoors)* festival, while hues of red, green, yellow and blue were on show at the *Hare Krishna Colour Festival* in Winchelsea, and music enthusiasts enjoyed *Music @ the Marsh* in Deans Marsh.
- A low-key timber viewing platform enhanced the Bells Beach Surfing Reserve, providing a natural area to watch surfers perform at the famous break, including those competing in this year's *2017 Rip Curl Pro*.

- The *Surf Coast Youth Awards* recognised 10 young people for their valuable contributions to our community.
- Anzac Day services were held across the Shire in Anglesea, Torquay, Winchelsea, Modewarre and Lorne.
- Walkers huffed and puffed and enjoyed spectacular views in the 40km *Surf Coast Trek*, from Aireys Inlet to Torquay, raising money for local charity groups.

May

- Community members were invited to provide feedback on the five themes of the draft *Council Plan 2017-2021*, helping to shape the Council's strategic direction for the next four-years.
- With research showing that volunteers live happier and healthier lives, Surf Coast Shire celebrated the contributions of volunteers during *National Volunteer Week* with the theme 'Give Happy, Live Happy'.
- The Lorne community welcomed Council's endorsement of the *Stribling Reserve Masterplan*, a community-led initiative to guide improvements to this key community space for the next 10 years and beyond.
- Surf events were held in Jan Juc, Torquay and Bells Beach, while on land, the *Great Ocean Road Running Festival* took place in Lorne.
- Music lovers enjoyed a mesmerising performance by the *Victoria Welsh Choir* at Aireys Inlet, while theatre-goers were entertained by *The Laramie Project*, presented by Torquay Theatre Troupe.

June

- The *Power Up Roadshow* kicked off across the shire, taking the message of renewable energy to residents of Torquay and Anglesea.
- Road-trippers were made welcome in Winchelsea after Council resolved to make the town 'RV-friendly' year-round.
- Council worked towards its vision of an engaged, innovative and sustainable community with the adoption of the *Council Plan 2017-21*, incorporating the *Health and Wellbeing Plan*.
- After considering community feedback, Council adopted its final 2017-18 Budget, announcing a new \$18.9 million capital works program, with a planned 71 projects and initiatives across the Surf Coast Shire.
- Protectors and propagators of native plant species welcomed the new ANGAIR Indigenous Plant Centre behind the Memorial Hall in Anglesea, to help support the natural environment and beauty of Anglesea and Aireys Inlet.
- Council resolved at its June meeting to fly the rainbow flag continuously in support of the Surf Coast LGBTIQ community, on a dedicated flagpole located on the grassed area in front of the Council offices.
- The community spirit of Torquay, Anglesea and Winchelsea Lions Clubs underpinned the launch of a new Youth Pod, in response to the 2016 Youth Survey, which found there was a need to establish a youth-specific facility that provided health and wellbeing services in a safe location.
- The *2017 Love Winter in Aireys* festival was launched over cups of coffee and cake at the *Biggest Morning Tea*, hosted by The Captain of Aireys, to raise funds for cancer research.
- Local artisans displayed their creations at the annual *Anglesea Art & Craft Show*, showcasing a vast array of local talent.
- Competitors in the *Surf Coast Trail Marathon* journeyed through the unique Surf Coast environment, with spectacular ocean views to inspire them as they ran from Fairhaven to Torquay.

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Our Performance

This section outlines significant achievements and challenges for 2016-17 against each of the Council Plan's five themes:

- Environment
- Governance
- Communities
- Infrastructure
- Development and Growth

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Environment – Leading

Council reasserted its position as a leader in both the region and the country for sustainable and environmentally-friendly practices, with the roll out of the *Towards Environmental Leadership* program this year.

This ongoing joint council and community program was built on existing environmental achievements to set directions for the future, with a focus on three key themes, which align directly with the internationally respected One Planet Framework:

- Renewable Energy (establishment of Renewable Energy Taskforce)
- Local & Sustainable Food (development of a local food strategy)
- Land-Use and Wildlife (encompasses two projects: Rural Hinterland Futures Strategy and Strengthening Town Boundaries)

Towards Environmental Leadership is Council's first paper-free, interactive, digital program, and has been pivotal in supporting key environmental objectives this year, particularly with regard to renewable energy goals.

A key initiative was the establishment of the *25% by 2020 Renewable Energy Taskforce* to help the Surf Coast Shire meet or exceed the state government's renewable energy target. Independently chaired, with representatives from Council, industry and the community, the Taskforce released a 'roadmap' action plan during the year, to identify ways we can support the renewable energy target.

During the year, Council also worked hard to address challenges facing our local environment, including the rehabilitation of the former Alcoa mine site in Anglesea, a clean-up plan for Winchelsea Common and ongoing management of pests, plants and animals.

The year ended with the launch of key renewable energy projects, including the *Power Up Surf Coast Roadshow* and *Positive Charge* initiative.

Achievements

Power Up Surf Coast Roadshow

Power Up Surf Coast was developed to take environmental initiatives directly to the community, delivering a series of renewable energy roadshows designed to help community members access reliable and trustworthy information about how they can 'power up' with renewable energy and participate in a solar bulk-buy program involving local installers. Interested crowds attended the first two *Power Up* sessions in June 2017, at Torquay and Anglesea, with additional sessions planned for other parts of the shire, including Winchelsea.

Positive Charge

Council partnered with not-for-profit social enterprise *Positive Charge* to work on behalf of Surf Coast Shire Council on a solar bulk-buy program. The program aims to encourage increased uptake of renewable energy systems by making it easier and cheaper for people to install solar, using components and local installers that offer high quality at a fair price.

In addition, solar panels were installed on a number of community and civic buildings, including Surf Coast Library, Lorne Visitor Information Centre, Winchelsea's Eastern Reserve, Jan Juc Preschool and the Council office in Torquay as part of the solar improvement project. The buildings were selected because they are busy during the day, when solar energy is more efficient.

Other Achievements

- **Ban on unconventional gas exploration:** The Surf Coast Shire welcomed the state government decision in August 2016, to permanently ban onshore unconventional gas exploration and mining in Victoria. Council had advocated since 2015 to oppose the exploration and mining of unconventional gas in the shire and bring an end to fracking. This included the lodgement of submissions to the federal government's *Senate Select Committee on Unconventional Gas Mining* and Victorian Parliamentary Inquiries into unconventional gas mining.
- **Jan Juc Creek Daylighting Project:** A 230m section of the Jan Juc Creek was restored, with the decommissioning of ageing underground drainpipes and removal of 800m³ of fill, which returned stormwater flows to the surface of the creek. Not only did this project improve the public space, it brought environmental diversity back to Jan Juc Creek, with native plants and wildlife, and helped ensure the stormwater going back into our oceans is of better quality.
- **Playing 'The Fire Game':** The award-winning board game *The Fire Game* was distributed across the Surf Coast Shire to help communities prepare for bushfire. Inspired by local towns and developed by the Surf Coast Shire Council, the interactive and innovative board game puts players in situations that simulate some of the real challenges of a bushfire. It helps people to plan ahead, adapt and be better prepared to make decisions under pressure in the event of a bushfire affecting their area. A revised version of *The Fire Game* was released in April 2017 for the Surf Coast Shire, along with versions for Colac Otway and Corangamite Shires.

Challenges

Post-Alcoa Site Rehabilitation

The closure of Alcoa's power station and coalmine in Anglesea has required substantial and ongoing community engagement and conversations with key agencies to ensure effective rehabilitation of this site. The area is surrounded by the Great Otway National Park and the world-renowned Anglesea Heathlands, pointing to the need for a long-term focus on rehabilitation that is in the best interests of our community and the environment.

A 'Mine Rehabilitation and Closure Plan' was developed by Alcoa and presented to the community in June 2017 for feedback before submission to the state government.

Winchelsea Common

Specialist contamination consultants worked with the Department of Environment, Land, Water and Planning (DELWP) – with support from Surf Coast Shire Council – to develop a 'Clean Up Plan' for Winchelsea Common, which has been closed to the public since 2013 when high levels of lead shot and other related contaminants were detected.

A 'Future Use Plan' was approved by Council in April 2017, taking into account 150 submissions from community members, recommending the site be primarily used for passive recreation and the protection of high value native vegetation. DELWP commenced remediation, initially removing contaminated material, including tyres.

Pest plants and animals

Pest plants and animals remain an ongoing challenge for the Surf Coast Shire, but Council is committed to working in partnership with community groups, private landowners and other land managers to manage this.

Rabbits are Australia's most serious pest animal. They destroy plants, cause soil erosion and compete with native fauna for food and habitat. A new *Rabbit Management Policy* was adopted in September, using best practice rabbit management on Council-owned and managed land, and will be trialed for one year before being reviewed by Council in consultation with key stakeholders.

In addition, a new rabbit biocontrol – the K5 calicivirus – was released nationally for the first time in more than 20 years, with the aim of providing a much-needed reduction in rabbit numbers. Council, local land managers and some Landcare groups released the biocontrol at several sites across the Surf Coast in 2016.

Next Steps

Continuing environmental leadership

Council will pursue its goals to reach the state government renewable energy target of *25% by 2020*, implementing ongoing initiatives under the *Toward Environmental Leadership* program.

In partnership with Deakin University, Council is exploring opportunities to create a renewable energy hub at the Community and Civic Precinct in the north of Torquay. Council will explore how to best generate, store and share renewable energy within the precinct.

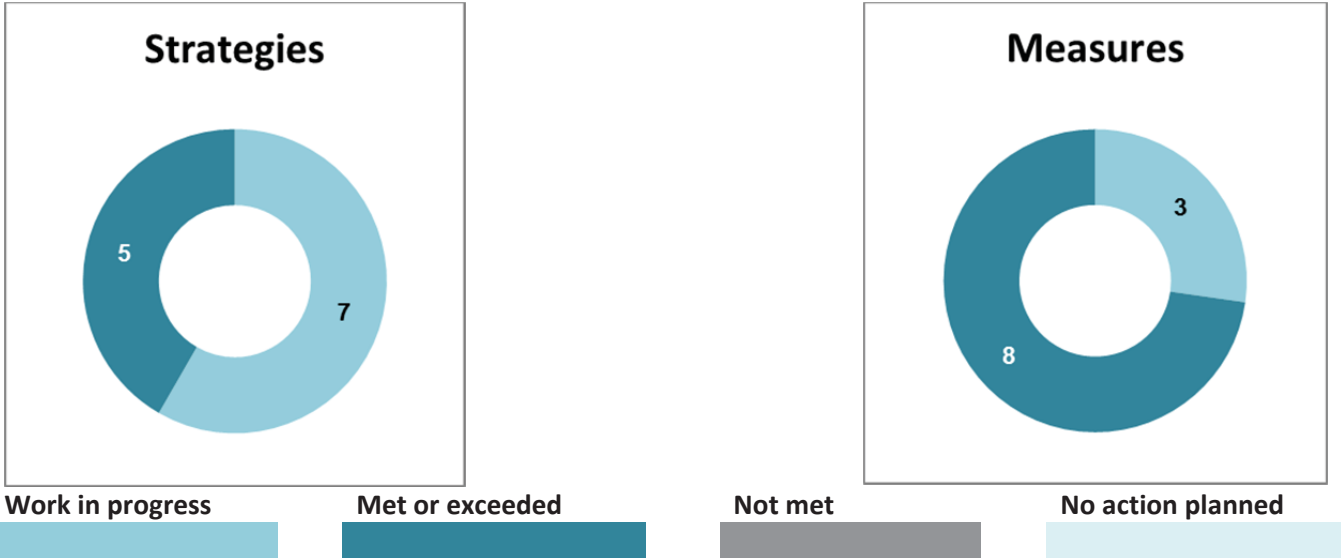
Anglesea post-Alcoa

The decommissioning of the Alcoa power station and remediation of the land is expected to commence during 2017-18. Council will work closely with relevant agencies to ensure best outcomes for our local community and the environment as this project continues.

Winchelsea Common

Council will continue to support the planned improvements to the amenity of Winchelsea Common, including the establishment of an interpretive walking path, and will monitor remediation work by DELWP during the first stage of the cleanup. The Common will reopen as soon as it is deemed safe to do so.

Performance during 2016-17 against Council Plan: Environment



Environment	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure \$m	1.9	2.2	2.5	7.6	8.7
Expenditure %	3%	4%	4%	12%	13%

Governance – Enriching

Council elections in October 2016 saw significant work undertaken in the lead up to the election of the new Surf Coast Shire Council, followed closely by the induction of the new Council members and the development of a four-year Council Plan to set the strategic direction and priorities for 2017-2021.

Adopted in June 2017, the Council Plan helped shape the 2017-18 Budget, which featured \$18.9 million in capital works to 71 new projects and initiatives across each of the shire's four wards, with a continued focus on environmental and social issues.

Operating within the context of the 'Fair Go' rate-capping framework for the first time during 2016-17, Council successfully overcame new financial challenges while upholding its purpose to help our community and environment to thrive.

Achievements

Council Plan 2017-2021

Valuable community input laid the foundation for development of the new Council Plan, identifying key themes and helping Surf Coast Shire Council create a strategic document that will guide decision-making over the next four years. The new Council Plan incorporated for the first time the Health & Wellbeing Plan, reflecting Council's commitment to improved health and wellbeing for the local population.

As part of the plan, Surf Coast Shire Council set goals for many highly valued priorities, including infrastructure, community life, renewable energy, transport corridors, digital technology, customer service and financial responsibility, across the five main themes of community wellbeing, environment leadership, balancing growth, vibrant economy and high performing council.

Budget 2017-18

The 2017-18 Budget was adopted in June 2017, with plans to deliver \$18.9 million of capital works to 71 new projects. The budget included a rate increase of two per cent – aligning with the rate cap set by the Victorian Government – while the waste service charge was increased by four per cent. The latter will help fund projects that will improve the management of waste and recycling, including landfill rehabilitation works.

Other Achievements

- ***White Ribbon Workplace:*** Council strengthened its commitment to prevent and respond to violence against women, gaining accreditation as a 'White Ribbon Workplace' in March 2017 – a first in the G21 region – aligning with Council's annual White Ribbon Day campaign to stop violence and abuse both in the workplace and in the community. Lasting three years, the White Ribbon accreditation by White Ribbon Australia recognises an ongoing commitment to drive change in the prevention of violence against women.
- ***Deakin University partnership:*** Council demonstrated its desire to work in collaboration with the community, signing a Memorandum of Understanding (MOU) with Deakin University that formalises a three-year partnership to help tackle key issues on the Surf Coast, including tourism and the visitor economy; renewable energy and energy efficiency; evolution of communities and our places; health and wellbeing; and student placements and project-based learning.

Challenges

Impact of rate capping

Council undertook a variety of measures to ensure it maintained a safe financial position within the framework of the 'Fair Go' rate-capping system.

The Business Improvement program achieved savings of \$450,000 over the past 12 months, while the introduction of simplified monthly financial statements allowed Council to more easily track its financial position across the year.

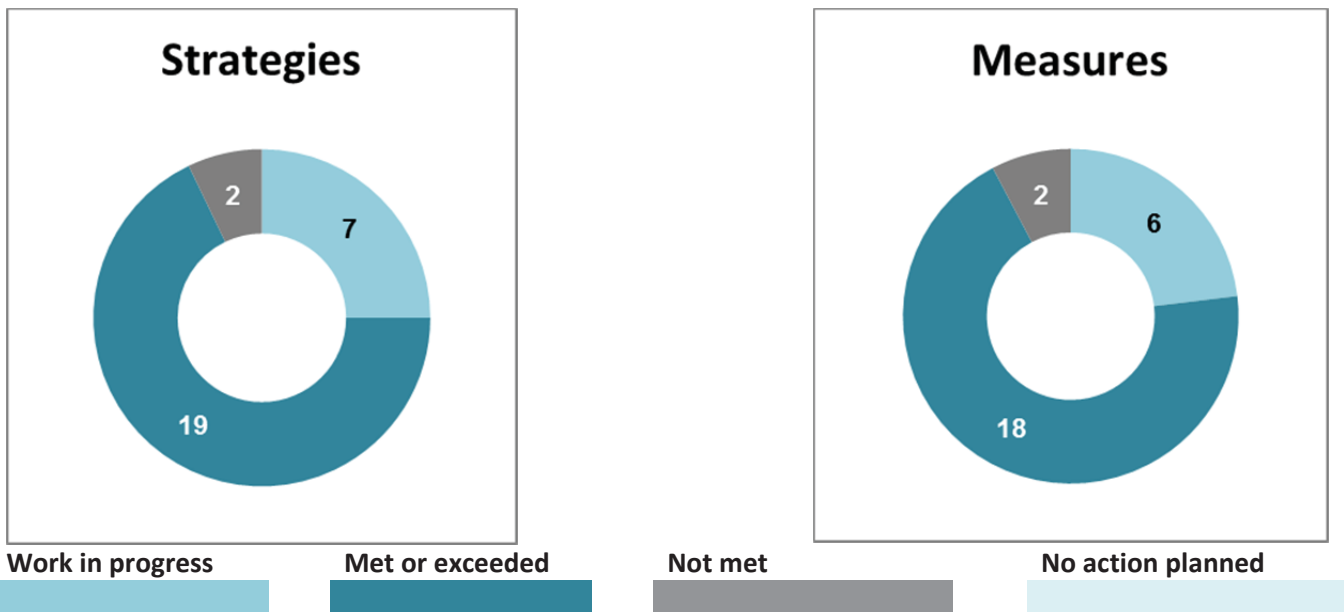
Council has researched alternative revenue streams and, importantly, implemented an advocacy program to identify opportunities to effectively collaborate with state and federal governments, and other partners where possible. Advocacy priorities for the past year were identified as the 'Great Ocean Road Visitor Economy', 'Towards Environmental Leadership' and 'Building Our Future'.

Next Steps

Continuing our digital transformation

The 2017-18 Budget committed a further \$2 million to be invested in the Digital Transformation program, in accordance with the strategy that Council adopted in May. The program focuses on using technology to transform the way Council does business, making Council easier to access, delivering better financial outcomes and customer experience with simpler, clearer and faster online services. In its first phase, the Digital Transformation project will focus on managing planning applications, customer management systems and improved financial management systems.

Performance during 2016-17 against Council Plan: Governance



Governance	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure \$m	11.6	12.9	13.3	12.9	16.5
Expenditure %	21%	21%	23%	21%	24%

Communities – Thriving

Community voices were behind many major projects and achievements within the Surf Coast Shire during the past year. From the opening of the Djila Tjarri Park skate and play zone in North Torquay to the development of a masterplan for Lorne’s Stribling Reserve, our community has been at the heart of everything Council has achieved.

A significant youth survey highlighted important challenges that we face as a community, while ongoing conversations about the future of Anglesea post-Alcoa reinforced the importance of remaining engaged and working toward a long-term, sustainable solution.

Achievements

Djila Tjarri Park skate and play zone in Torquay North

The \$1.4million Djila Tjarri Park skate and play zone in Torquay North was opened in September 2016, providing an important space for recreation and supporting the need to build healthy and engaged communities.

Community consultation included engagement with reference groups to develop the key elements of this project, including design, while local students provided important input into the play and skate area features. A 12ft deep skate bowl – the deepest in Australia – is a major drawcard of the park, which also features an undercover street skating plaza, a unique interactive toddler and preschool playground area and an adventure play area for all ages and abilities.

Council contributed \$865,000 to the project, jointly funded by the federal government through the Regional Development Australia Fund (\$500,000) and the Victorian Government via the Regional and Local Government Infrastructure Program (\$50,000).

Other Achievements

- ***Stribling Reserve masterplan:*** An innovative partnership between Lorne community members and Council saw the adoption of a masterplan to guide improvements to this important community space over the next decade. Agreed priorities include improved female facilities, retaining the space as a village green and enhancing facilities for sporting groups and community organisations. This project will be completed in stages over a number of years, subject to funding.
- ***Supporting elite women cyclists in Cadel Evans Great Ocean Road Race:*** Council was delighted to host the ‘Welcome Wave’ event in January for national and international competitors and their teams in the *Deakin Elite Women’s Road Race*, helping to promote the participation and recognition of women in sport. The race was part of the annual *Cadel Evans Great Ocean Road Race*, which showcases the natural beauty of the Surf Coast Shire on a ride that starts on the Great Ocean Road at Torquay, then detours to iconic Bells Beach before heading to the hinterland of Modewarre and Moriac.
- ***Youth survey:*** A shire-wide youth survey undertaken in September attracted an overwhelming 650 respondents aged between 12 and 25. Results showed that respondents were passionate about what the Surf Coast offers young people, with the most pressing issues identified as employment opportunities (52%), free youth-friendly and accessible doctors (42%) and mental health services for young people (33.7%). One of the first responses from Council was to develop a Youth Pod, which was launched in June with support from local Lions Clubs, to provide health and wellbeing services in a safe location for young people. In addition, the pod can be used as a social outlet for young people to play music, create art or simply hang out and connect with other young people.

- ***Moriac Community Network:*** The Moriac Community Network was established for all residents, businesses and local groups in the district, to help promote the area and develop initiatives and services that will enhance the local community. The new group was one of 24 successful applications in the December 2016 round of the Surf Coast Shire Council Small Grants Program, and received \$3090 towards the design of a website and the development of a community newsletter.
- ***Surf Coast Shire Art Space:*** The Surf Coast Shire Art Space in Anglesea was very popular with artists and audiences throughout the year. The Art Space is a retail property which Council leased to provide a space primarily for artists of the Surf Coast Shire to exhibit their work and build their skills. Thirteen exhibitions were held as well as poetry recitals, music performances and artists' workshops and meetings. Artists of various levels of skill, experience and professionalism have used the space and over 6,000 people attended the Art Space for the year. The feedback Council received from both artists and audiences was overwhelmingly positive.

Challenges

Responding to youth survey issues

Findings from the youth survey set the challenge for Council to consider ways in which it can improve the wellbeing of young people in our community. In addition to the key issues of employment, access to doctors and mental health services, the survey identified alcohol and other drugs, the environment and equality as matters of concern.

Importantly, 93 per cent said they would like to be consulted regarding Council decisions that affect them, paving the way for Council to work more closely with young people, and to foster partnerships with service providers in a bid to improve the wellbeing of youth in our community.

Anglesea Futures post-Alcoa

Council partnered with the Department of Environment, Land, Water and Planning (DELWP) and Parks Victoria on the *Anglesea Futures Community Conversations* project, which explored the future use of the Anglesea power station and coal mine following its closure in August 2015.

The future of the site is of tremendous importance to the local community and despite the ongoing challenges we face in determining best outcomes, Council is committed to working with DELWP and Parks Victoria to create a sustainable plan for the future use of the area.

The Community Conversations framework provided an important vehicle for discussion on a range of issues, including future land use, the heath, water and future implications for the Anglesea region. Community feedback included ideas for mountain bike trails, tourism facilities and renewable energy, with preferred uses incorporated into a draft land use plan that will be released for public comment later in the year.

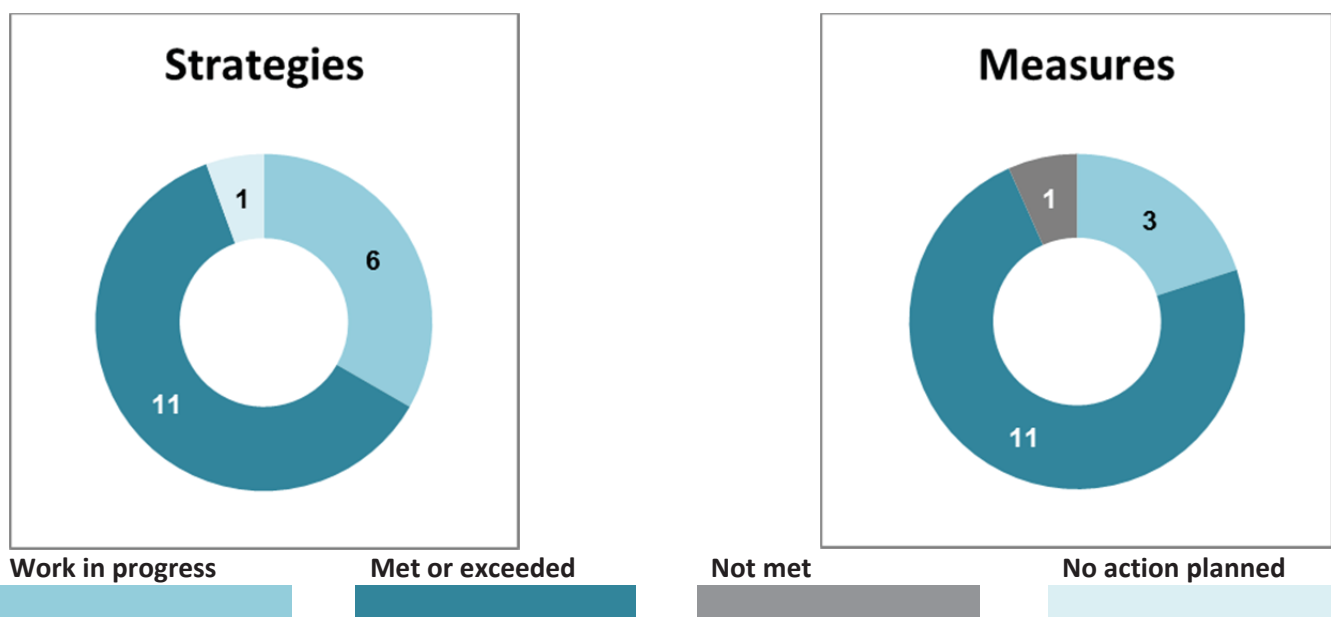
Next Steps

Helping our community to thrive

Council's aim is for the Surf Coast Shire to be a place where people are proud to live, participate and contribute to local life. In order to help people to live a healthy and active lifestyle, Council has committed to supporting the G21 priorities around *Healthy Eating and Active Living*, as well as the *G21 Physical Activity Strategy*.

Council will help ensure culture, all abilities and diversity within our community are celebrated by continuing its work on the prevention of violence against women and children in the G21 region, and implementing the *Accessible and Inclusive Surf Coast Shire Strategic Plan*.

Performance during 2016-17 against Council Plan: Communities



Communities	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure \$m	5.8	6.6	7.7	10.5	21.1
Expenditure %	11%	10%	14%	17%	31%

Infrastructure – Activating

Council announced 'Building Our Future' as one of three key priorities for its ongoing advocacy program in 2016, demonstrating its commitment to provide communities with vital infrastructure so they can flourish. The advocacy program aims to draw the attention of government and potential partners to support the shire's need for safe roads, vibrant town centres and improved mobile communications, and to foster active communities through quality sports facilities.

During the year, crucial infrastructure needs were addressed, with the completion of two new playgrounds in Winchelsea and construction underway on the new Kurrambee Myaring Community Centre in Torquay North.

Importantly, the *Road Safety Strategy 2017-21* was completed, aligning with the *Road Management Plan*, to help ensure a safe, well-maintained road network throughout the shire.

Ongoing growth in the Shire continued to challenge Council, as it sought funding for major infrastructure projects that are needed to cater for our increasing population.

As the year ended, Council announced in its 2017-18 Budget a 6.9% increase in asset renewal funding as part of its ongoing strategy to ensure all communities across the Surf Coast can continue to access high-standard infrastructure.

Achievements

Kurrambee Myaring Community Centre

Construction started in November 2016 for the new Kurrambee Myaring Community Centre in Torquay North, with the concrete slab laid, structural steel erected, wall framing completed and the roofing and rammed earth feature walls underway.

Council contributed \$600,000 to the community centre development, which is a \$6.8 million project supported by a \$1.6 million grant from the Victorian Government. It is scheduled to open in the first term of 2018. Its name Kurrambee Myaring is an Aboriginal name meaning 'Merry-laugh, here in this place'.

With Torquay North considered one of the Shire's most rapidly growing areas, demand for kinder spaces and other family services is expected to be high. The Kurrambee Myaring Community Centre follows current best practice thinking where related services are co-located and integrated – creating a one-stop hub for access to family services along with flexible community spaces. The new centre is expected to be a valued community asset, offering a range of services including kindergarten, allied health, occasional care, youth services and spaces for the public to hire.

Other Achievements

- ***Road Safety Strategy 2017-21:*** Council adopted the *Surf Coast Shire Road Safety Strategy 2017-21*, aligning with the Road Management Plan, to work towards a future free of deaths and fewer serious injuries on Council-managed roads. The Road Management Plan outlines Council's criteria and timeframes for inspecting, maintaining and repairing the Council-managed road network, which spans more than 1,000 kilometres, and sets out how Council will provide a safe network for all users.

- **Winchelsea playgrounds swing into action:** Collaboration between community groups and Council resulted in the installation of two new playgrounds in Winchelsea, at Eastern Reserve and Hesse Street Reserve, featuring a music panel, accessible swing and twist net, a basket swing, rock wall and spiral slide. These popular additions to the town were made possible by contributions from many local community groups in Winchelsea, as well as valued input from local community representatives.

Challenges

Growth in the shire and surrounds

Council continued to work hard to manage the impact of population growth on infrastructure, with increased pressure on local services and facilities. With reduced rates revenue, Council has undertaken significant work to develop a 10-year financial plan that will help it to deliver safe, accessible community infrastructure that best caters to needs of our growing population over the long-term.

Funding for major infrastructure projects

The introduction of the 'Fair Go Rates System' by the Victorian Government challenged Council to deliver much-needed infrastructure that meets the needs of our growing community, while safeguarding the long-term viability and sustainability of the Surf Coast Shire.

Council established an advocacy program this year, identifying 'Building our Future' as one of three key priorities. It has worked hard, continually presenting the shire's needs to state and federal governments, and potential partners, to ensure the shire is front of mind for funding and partnership opportunities. It secured funding for a range of important road projects, including ongoing maintenance of the Great Ocean Road, and significant upgrades to Horseshoe Bend/South Beach Road in Torquay and Cape Otway Road in Moriac.

Council also applied for funding under the federal government's Building Better Regions Fund for two projects, including improved netball facilities at Winchelsea's Eastern Reserve, and a series of pedestrian and cycling paths in Torquay. Both projects would offer health and wellbeing benefits and help build local economies.

Next Steps

Series of Major Road Works

Council's endorsement of the new *Road Management Plan 2017-2021* in June paved the way for a series of important road works designed to maintain and improve the safety of Council-managed roads. The *Road Management Plan* outlines Council's intended management of its road-related duties and responsibilities, including how Council identifies and addresses hazards or defects that may pose a risk to road users.

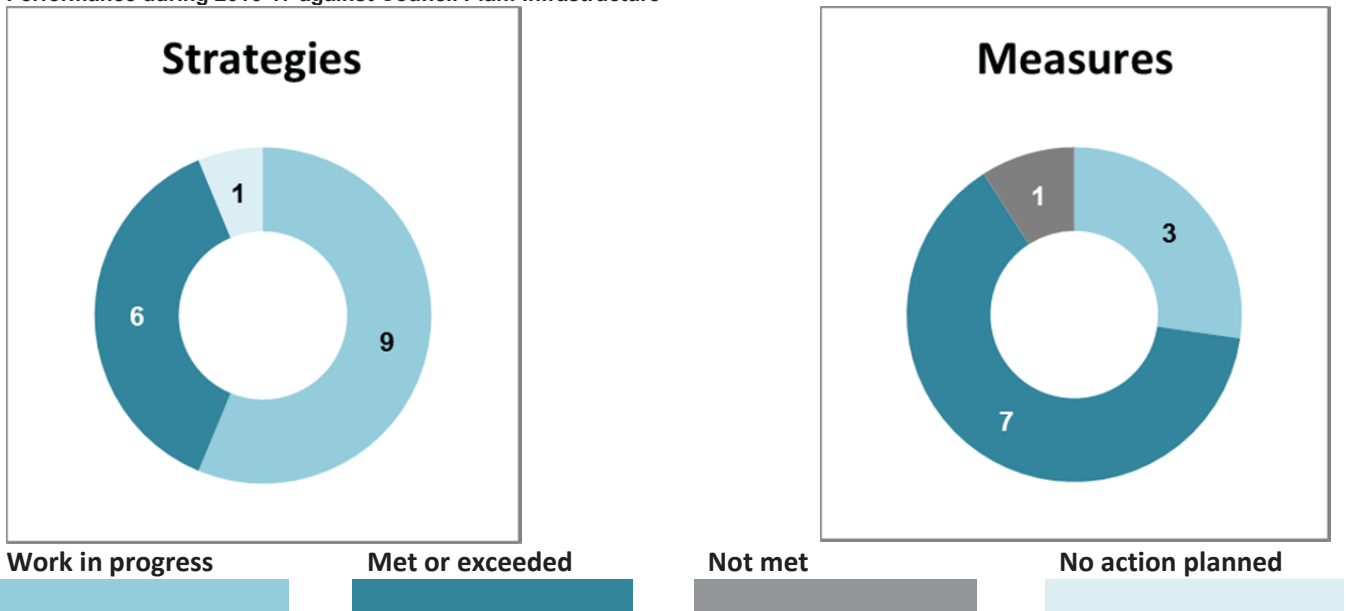
The Beach Road/Surf Coast Highway intersection in Torquay is recognised as a high priority, and Council is working its way through a detailed design approval process before work can start to install traffic lights and a slip lane at this location. Works will continue to improve and widen Cape Otway Road in Moriac, while upgrades to Blackgate Road in Torquay have been rescheduled for this year with funding from the state government's 'Blackspot' program.

Winchelsea Town Centre Beautification project

With funding now confirmed for Winchelsea’s Town Centre Beautification, Council will roll out the project during 2017-18, based on the ‘town high street’ concept that was developed through the adopted *Growing Winchelsea* 2015 plan. Funds for this project were secured through the federal government’s National Stronger Regions Fund (\$155,000) and Vicroads (\$50,000). It is designed to improve the amenity of Winchelsea’s shopping precinct for locals and to encourage travellers to stop in Winchelsea en-route to the Great Ocean Road and Shipwreck Coast, with an aim to increase visitor expenditure in the town.

Streetscape works in the heart of Winchelsea’s town centre are the key feature of the project. Works include pavement upgrades between Hesse and Palmer Street, seating, planting of trees and shrubs and further development of the ANZAC memorials precinct. Township entrance sculptures called ‘Dusk and Dawn’ have been designed for the east and west entry points of Winchelsea, inspired by the local natural landscape.

Performance during 2016-17 against Council Plan: Infrastructure



Infrastructure	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure \$m	30	36	28.8	25.5	16.6
Expenditure %	54%	57%	51%	42%	25%

Development and Growth – Progressing

Communities around the Surf Coast have continued to thrive, as Council renewed its focus on sustainable growth and economic development throughout the shire.

Conversations and community engagement on the Spring Creek Precinct Structure Plan remained a priority, and Council addressed the need for future development of Torquay's town centre.

Planning reforms are underway, with significant work undertaken to streamline Council's planning application process using improved technology, to provide a more customer-focused system that allows for faster decision-making and easier interaction with Council.

Council stepped up its program to advocate for the Great Ocean Road, resulting in a commitment from the Victorian Government for an additional \$25 million to support this vital link. Council is committed to working with state and federal government and the community to ensure the Great Ocean Road visitor economy continues to thrive.

Achievements

Spring Creek Precinct Structure Plan

Council continued its work on a long-term Spring Creek Precinct Structure Plan (PSP) for the land bound by Grossmans Road in the north, Great Ocean Road in the south and farming land in the west, with a view to reaffirming a permanent western town boundary. The community engagement process employed by Council to provide input into the draft PSP for Spring Creek was highly commended in the 2017 LGPro Awards for Excellence.

At its March meeting, Council reaffirmed its position that development should not be allowed beyond the existing settlement boundary generally sitting one kilometre west of Duffields Road, after considering recommendations made by an independent panel appointed to review submissions on the Spring Creek PSP. Council resolved to accept some of the 46 recommendations made by the panel, rejected others (including a recommendation to reduce open space) and committed to further investigation into the remainder.

Other Achievements

- ***Planning reforms a top priority:*** Council has completed its second year of a three-year program to reform the Statutory Planning Service. The impact of changes to processes, increased resources and training has resulted in a 36 per cent improvement in the median processing times for applications. Processing applications has become both quicker and more consistent. The continued growth in the volume of planning applications has been challenging, with volumes over the two-year period increasing by 47.3 per cent. This has been absorbed by the productivity gains made during the period. Over the past year, significant work was undertaken to create a new fully-interactive customer interface, develop integrated technology-supported processes and link a variety of planning and building services into a single online environment, tentatively called 'ePlanning and eBuilding'. This will be brought on line in the third year of the program to complete the reforms.

- **Torquay Town Centre:** Regional Development Victoria and Surf Coast Shire Council launched the Torquay Town Centre project to deliver a plan to create a clear vision for the Town Centre and to guide its future of the wider Gilbert Street area. Community consultation attracted a strong response to surveys and local engagement activities. Main themes included keeping the local feel of the centre and prioritising local businesses, increasing pedestrian safety and amenity, reconfiguring car parking, making Gilbert Street one-way, increasing community space within the town centre, and improving maintenance and lighting.
- **Winchelsea RV-friendly trial:** Council resolved to welcome short-term stays for self-contained RVs, caravans or motorhomes for a maximum of 48 hours in a section of the Barwon River Reserve in Winchelsea, following an encouraging 12-month trial of the concept. Council compared the operational and financial requirements for Winchelsea to be an RV-Friendly Town on a year-round or seasonal basis, determining that only a small increase in investment was required to have the site available all-year round, which would benefit visitors to the town and enhance the community.

Challenges

Managing growth

Population numbers on the Surf Coast continued to rise, particularly in Torquay and Winchelsea, challenging Council to manage the needs and priorities of a growing community, while retaining the intrinsic values and character of the shire.

Feedback from the community about growth has been mixed, with some seeing it as beneficial to development but others expressing concern about the potential impacts of growth on amenity and township character. Council recognises the need to better understand the impact of population and visitation growth, not only within the shire but also neighbouring municipalities.

Council's focus will continue to be on containment of residential sprawl, advocacy for better public transport, appropriate use of rural land, and protecting the values and unique character of townships to ensure they remain a desirable place to live.

Great Ocean Road

Council continued to advocate for more funding for the Great Ocean Road, reinforcing its importance as a tourist destination and as the lifeline for local communities on the Surf Coast. Council is working hard with regional, state and federal governments, as well as relevant agencies, to maximise the economic benefits this iconic stretch brings to the shire, and to ensure vital upgrades for the road.

Council welcomed the decision by G21, the formal alliance of government, business and community organisations within the Geelong region, to elevate the Great Ocean Road as a 'priority project'. Surf Coast Shire Council took its concerns about the importance of the Great Ocean Road to Prime Minister Malcolm Turnbull in Canberra as part of the G21 Board Delegation that visited the nation's capital in March to address regional priorities.

Next Steps

Streamlined planning process

With the pending launch of Council's new 'ePlanning' digital interface for planning applications, it is expected that customers will soon be able to track every step of the planning process and monitor progress on applications once they've been submitted for review. With easier access for customers, and faster decision-making by Council, the new system is expected to provide a better service and help Council to more efficiently manage the growing number of planning applications.

Following the introduction of 'ePlanning', Council intends to launch the 'eBuilding' online service by the end of the year, to bring relevant building features online and complement the new planning processes, while supporting Council's transformation to a paperless, digital environment.

Domestic Animal Management Plan

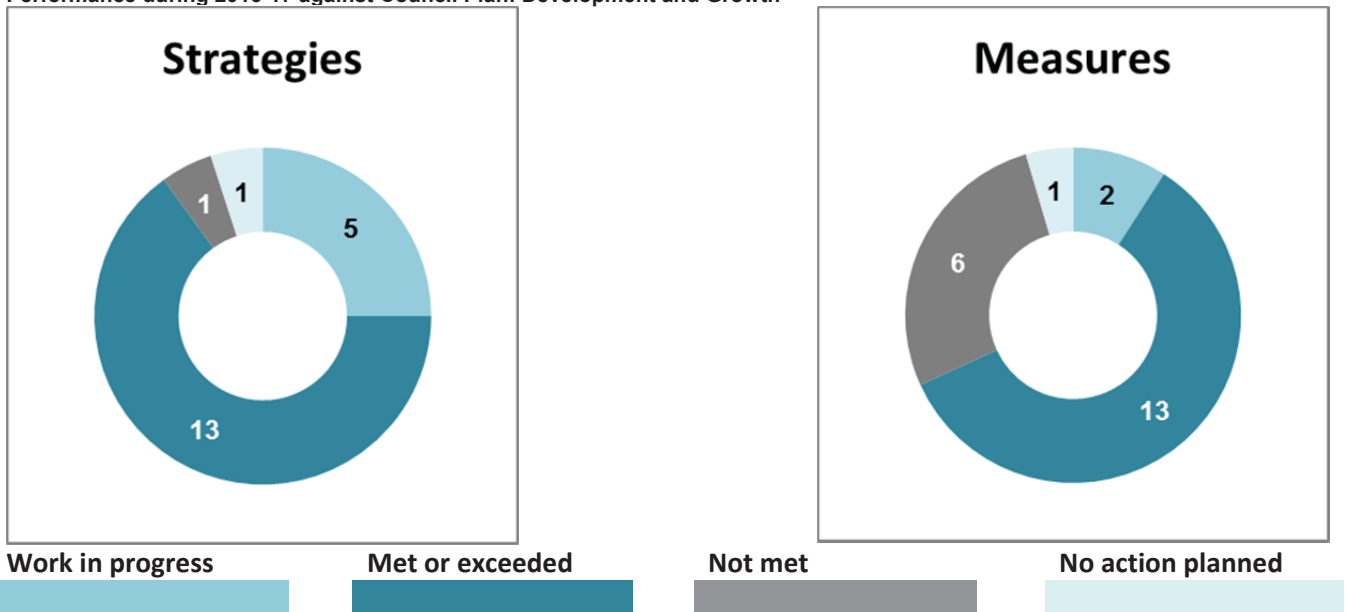
Council is undertaking community consultation for a new Domestic Animal Management Plan, which will guide the management of cats and dogs across the Shire. Community involvement will be a key part of the plan, with Council seeking to work closely with residents and visitors on how domestic animals and humans can live together in harmony and safety.

Hinterland Futures

Our hinterland region forms approximately 60 per cent of the Surf Coast Shire and, with its agricultural and aesthetic attributes, plays an important role in the development of the local economy – particularly in agribusiness and niche tourism opportunities. Agriculture was one of the fastest growing sectors (by percentage) for the Surf Coast Shire in 2016, reflecting its increasing contribution and importance.

The Surf Coast Shire Council is developing a Rural Hinterland Futures Strategy to guide key actions for the hinterland area, and has completed an economic analysis and land use profile to assist in the completion of an Issues and Opportunities paper.

Performance during 2016-17 against Council Plan: Development and Growth



Development and Growth	2012-13	2013-14	2014-15	2015-16	2016-17
Expenditure \$m	5.8	5.1	4.3	5	4.9
Expenditure %	11%	8%	8%	8%	7%

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Our Organisation

This section provides information about our:

- Organisational Structure – 30 June 2017
- Executive Management Team
- People Matters
- Corporate Governance
- Democratic Governance
- Legislative Compliance

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Organisational Structure – 30 June 2017

<p>CHIEF EXECUTIVE OFFICER</p> <p>Keith Baillie</p>		<p>OFFICE OF THE CEO</p>
<p>GENERAL MANAGER Governance and Infrastructure</p> <p>Anne Howard</p> <p>MANAGER Governance and Risk <i>Wendy Hope</i></p> <ul style="list-style-type: none"> • Risk Management and Legal Services • Governance and Procurement • Corporate Planning <p>MANAGER Information Management <i>Neil McQuinn</i></p> <ul style="list-style-type: none"> • Records Management • Information Technology <p>MANAGER Engineering Operation <i>Peter McLean</i></p> <ul style="list-style-type: none"> • Design and Traffic • Civil Works • Waste Management <p>ACTING MANAGER Engineering Services <i>Travis Nelson</i></p> <ul style="list-style-type: none"> • Design and Traffic <p>STRATEGIC ASSET MANAGER <i>John Bertoldi</i></p> <ul style="list-style-type: none"> • Development Engineering • Fleet <p>MANAGER Finance <i>John Brockway</i></p>	<p>GENERAL MANAGER Culture and Community</p> <p>Chris Pike</p> <p>MANAGER Leisure and Wellbeing <i>Shaan Briggs</i></p> <ul style="list-style-type: none"> • Open Space Planning • Recreation Planning <p>MANAGER Community Relations <i>Damian Waight</i></p> <ul style="list-style-type: none"> • Arts Development • Access Surf Coast • Customer Service • Communications • Community Engagement • Advocacy <p>MANAGER Aged and Family <i>Robyn Stevens</i></p> <ul style="list-style-type: none"> • Early Years • Positive Ageing • Youth <p>MANAGER People and Culture <i>Leanne Perryman</i></p> <ul style="list-style-type: none"> • Workplace Health and Safety • Human Resources • Learning and Development • Volunteers <p>MANAGER Facilities and Open Space Operations <i>Travis Nelson</i></p> <ul style="list-style-type: none"> • Open Space Operations • Facilities Operations • Sport and Facilities Operations 	<p>GENERAL MANAGER Planning and Environment</p> <p>Ransce Salan</p> <p>MANAGER Planning and Development <i>Bill Cathcart</i></p> <ul style="list-style-type: none"> • Statutory Planning • Strategic Planning • Compliance and Enforcement <p>MANAGER Environment and Community Safety <i>Rowan Mackenzie</i></p> <ul style="list-style-type: none"> • Community Emergency Management • Environmental Health • Environment <p>MANAGER Economic Development and Tourism <i>Matt Taylor</i></p> <ul style="list-style-type: none"> • Grant Funding • Tourism • Events <p>MANAGER Program Management Office <i>Rowena Frost</i></p> <p>MANAGER Business Improvement <i>Brendan Walsh</i></p>

Executive Management Team

Our Executive Management Team comprises the Chief Executive Officer and three General Managers who work as a team to lead the organisation in line with the Council Plan's strategic objectives.

New General Manager Environment and Development Ransce Salan took over the reins from Phil Rowland following his temporary assignment in the role, which concluded in May 2017. Phil assumed his temporary assignment in November 2016, following the reassignment of the then General Manager Environment and Development Kate Sullivan, who held the role from September 2013 to November 2016.



From left to right: Ransce Salan, Chris Pike, Anne Howard, Keith Baillie

Keith Baillie

Chief Executive Officer

Bachelor of Economics, Master of Business Administration (Local Government), Fellow Australian Institute of Company Directors, Fellow CPA Australia, Fellow Local Government Professionals

Keith commenced in January 2015 after eight years as CEO with the Shire of Campaspe. Previous roles include Executive Manager Corporate Services at John Sands Australia and various management roles in information technology and project management within the private sector. Keith came to local government via a wide range of community volunteering roles.

Anne Howard**General Manager Governance and Infrastructure**

Bachelor of Engineering (Civil), Master of Infrastructure Engineering, Certificate IV in Business (Frontline Management), Certificate IV in Business Development

Anne started with the Surf Coast Shire in March 2016. She has worked in the public and private sectors, most recently with the Shire of Campaspe, where she spent 14 years, including eight as a General Manager. Her responsibilities in this role spanned economic development, corporate and community planning, strategic asset management, project management and infrastructure services.

Chris Pike**General Manager Culture and Community**

Bachelor of Town Planning, Postgraduate Diploma in Town Planning, Postgraduate Diploma in Business Administration

Chris was appointed in October 2013. His diverse career spans community sector roles in the United Kingdom and state and local government roles in Australia. Chris previously worked with the City of Port Phillip in various management roles, across community services, economic development and corporate planning functions.

Ransce Salan**General Manager Environment and Development**

Bachelor of Applied Science (Environmental Health), Graduate Diploma of Management, Master of Business Administration with majors in Local Government and Marketing, Postgraduate studies in Urban Living, Architecture and Urban Design. Ransce is a member of PIA (Planning Institute of Australia) and has been a Certified Practicing Planner, Building Surveyor and Environmental Health Officer throughout his career.

Ransce joined Surf Coast Shire in May 2017. He previously worked with Nillumbik Shire Council as General Manager Environment and Planning, and with Devonport City Council in Tasmania as the Director of Planning and Environment. Other local government roles include Group Manager Development and Natural Resources at Eurobodalla Shire in New South Wales, Divisional Manager of Sustainable Development at Eurobodalla and Manager Sustainability at Kogarah Council in Sydney.

People Matters

The total number of full-time equivalent (FTE) employees increased 7.5 per cent during 2016-17, with Figure 9 showing how our FTE numbers have increased over the past seven years.

Figure 9: Total number of FTE employees 2011-2017

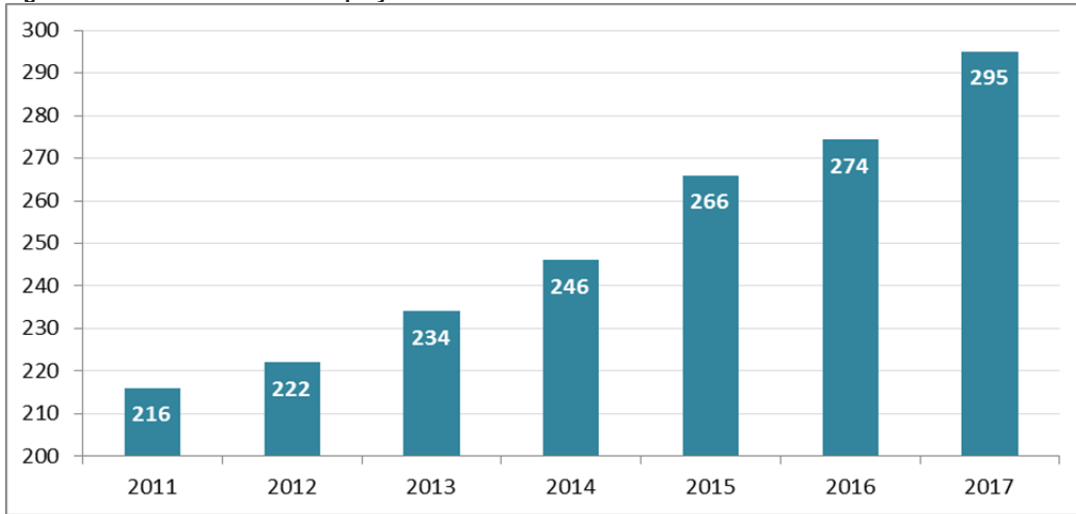


Table 6: FTE numbers by employment type and gender 2015-2017

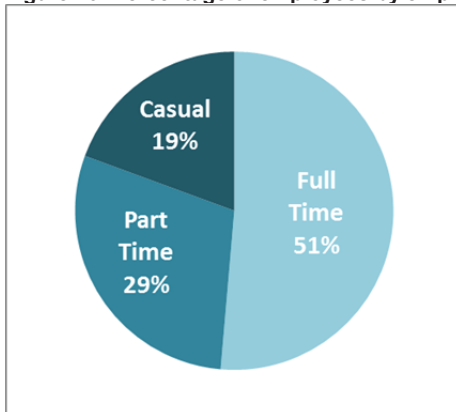
Structure	2015 - 2016	2016 - 2017
Permanent Full Time Female	65.00	65.00
Permanent Full Time Male	119.00	123.00
Permanent Part Time Female	77.00*	93.24
Permanent Part Time Male	13.31*	13.71
Total	274.31	294.95
Casual - Male	15**	14.00**
Casual - Female	85**	57**

*Part-time hours equated to FTE.

**Headcount – not counted towards FTE.

In terms of workforce composition, we employ a high proportion of part-time and casual employees (Figure 10).

Figure 10: Percentage of employees by employment type 2016-17



Although women make up 63 per cent of our total workforce, Figure 11 shows 65 per cent of full-time roles filled by men, while women fill 87 per cent of part-time and 80 per cent of casual roles.

Figure 11: Headcount number of employees by employment type and gender 2016-17

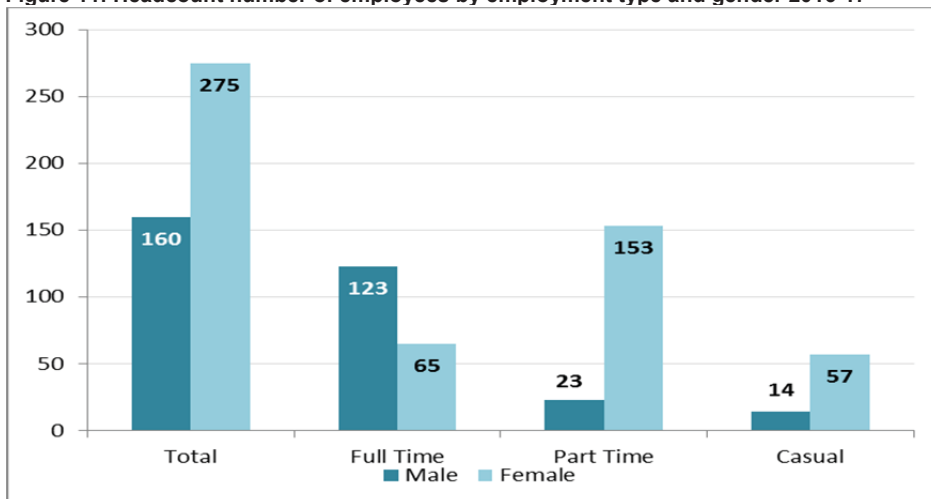
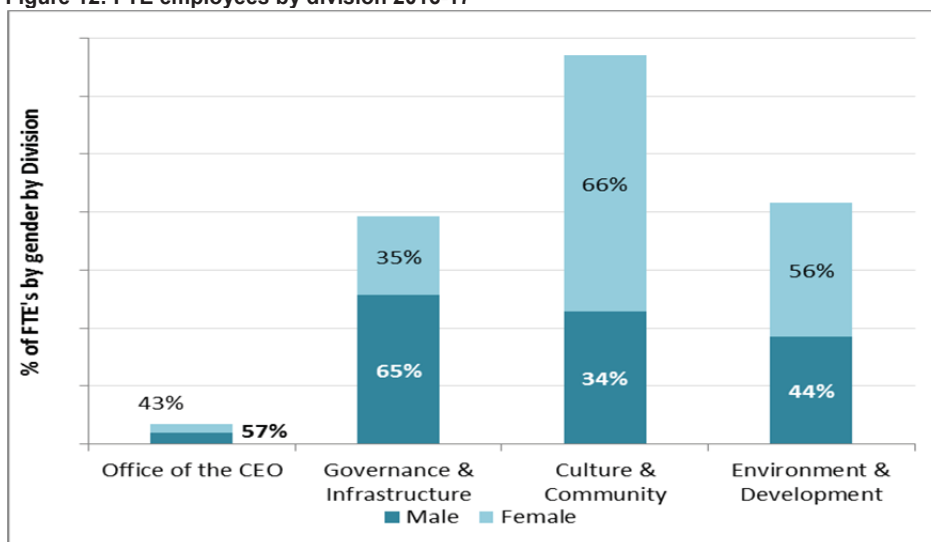


Figure 12: FTE employees by division 2016-17



Note: Data excludes casual employees

Table 7: Divisional breakdown of FTE employees by employment type and gender 2016-17

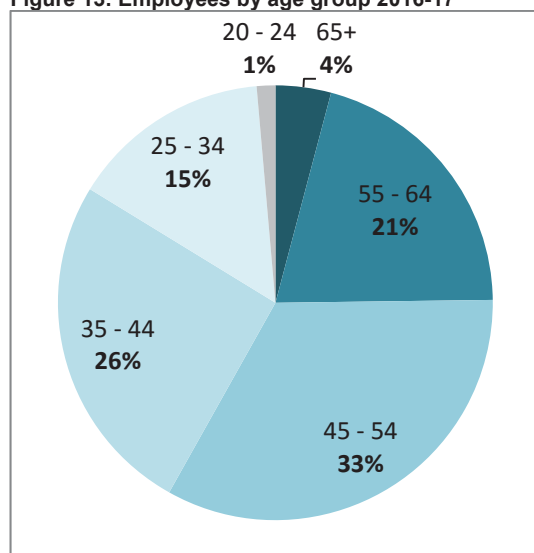
Gender	Office of the CEO	Governance and Infrastructure	Community and Culture	Environment and Development	Total
Permanent full-time male	3.00	48.00	37.00	35.00	123.00
Permanent full-time female	3.00	15.00	21.00	26.00	65.00
Permanent part-time male	0	3.32	7.93	2.45	13.71
Permanent part-time female	0	12.11	62.79	18.35	93.24
Casual male	0	0	0.88	0.44	1.32
Casual female	0	0.00	4.51	2.03	6.53
Total Including casual staff	6.00	78.43	134.11	84.27	302.80

Table 8: Employment bands by employment type and gender 2016-17

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Permanent Full Time - Female	0.00	0.00	0.00	13.00	11.00	21.00	8.00	5.00	7.00	65.00
Permanent Full Time - Male	0.00	1.00	35.00	9.00	18.00	18.00	26.00	2.00	14.00	123.00
Permanent Part Time - Female	2.13	12.27	4.14	20.04	10.76	15.61	5.79	0.00	22.50	93.24
Permanent Part Time - Male	0.56	3.54	2.90	2.55	0.00	2.58	0.63	0.00	0.95	13.71
Casual - Female	0.30	0.18	2.27	1.06	0.26	0.48	0.00	0.00	1.50	6.04
Casual - Male	0.04	0.67	0.70	0.00	0.35	0.05	0.00	0.00	0.00	1.81
TOTAL	3.03	17.66	45.01	45.65	40.37	57.71	40.42	7.00	45.95	302.80

Fifty-eight per cent of our current workforce falls into the age category of 45 years and over (figure 13), presenting several challenges in terms of workforce planning, career development and succession planning. These are being addressed as part of several strategic workforce planning initiatives.

Figure 13: Employees by age group 2016-17



Recruitment trends

We processed 91 recruitments in 2016-17, with 31 per cent filled by internal candidates. This indicates ongoing success in succession planning, while developing our people and maintaining a commitment to build the future capability of the organisation with a balanced intake of internal and external talent. This rate of internal appointments places Surf Coast in the top quartile of comparative councils.

Our 2016-17 employee-turnover rate was 5.5 per cent (which compares favourably to 6.1 per cent in 2015-16).

In all, we received 1,654 applications for vacancies, representing a 52.7 per cent increase in the number of applications from the previous year. This was due to a higher number of positions being advertised. Although this is higher than 2015-16, it represents a modest increase to an average rate of 18 applications per role versus 15 last year.

An overview of recruitment trends for the past seven years is included in Table 9.

Table 9: Recruitment trends 2010-17

	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Recruitment processes	N/A	55	70	65	64	70	91
Applications received	N/A	906	1,360	1,633	1,201	1,083	1,654
Employees turnover rate	8.7%	9.3%	11.6%	13.0%	8.5%	6.1%	5.5%

Workplace culture

Our 'People and Culture Strategy Roadmap' is focused on helping our people and organisation to thrive, and in turn, support the *Council Purpose* for our people to help our community and environment to thrive.

Throughout 2016-17, we continued to build on the *Council Purpose* established in 2015-16, by developing and embedding the *Organisation Direction* – a statement of the type of organisation that we aspire to be.

Consultation with employees ensured that both the *Purpose* and *Direction* were clear, relevant and meaningful to employees. Workshops within teams cascaded the organisational purpose statement down to team purpose statements, so as to create the connection with everyday work and tasks of employees in relation to the higher purpose.

Employee engagement

We facilitated an Employee Engagement survey in late 2016, which provided insight into the experience that our employees have in our workplace and how this impacts on productivity and effectiveness.

We sought to further understand this through a series of story-telling circles and sense-making exercises, which have resulted in a deeper understanding of opportunities and the development of actions to build on the engagement levels of employees.

Key focus areas were determined to be leadership and the tools and systems required to perform roles effectively. This focus will continue throughout 2017-18 with the implementation of our Digital Transformation strategy and ongoing leadership development activities.

Workplace diversity

Our proactive duty to ensure compliance with equal opportunity and other workplace-related legislation, and to eliminate all forms of discrimination, was demonstrated through the development and implementation of our Workplace Diversity Commitment.

Developed in 2016-17, this is a commitment to a workplace culture of equity, inclusion and diversity, and to build a workforce that is representative of the community we serve.

Our Workplace Diversity Commitment is internally focussed, yet builds on the commitment made to our community through Council's *Accessible and Inclusive Surf Coast Shire Strategic Plan (2014-2024)* to build healthy, well-connected communities where everyone can participate.

Through the delivery of our commitment, we will continue to create a workplace that encourages and supports equality and fairness, and eliminates all forms of discrimination, harassment and bullying.

During 2016-17, the People and Culture unit worked with designated Contact Officers to conduct mental health awareness training, and refresher training for others in the Contact Officer role.

Mental Health First Aid Officers also received refresher training and continued to work across all organisational levels, from General Manager to indoor and outdoor employees, to raise mental health awareness.

Our annual IDAHOT Day (International Day Against Homophobia, Biphobia and Transphobia) event once again highlighted our community's sexual and gender diversity.

White Ribbon Workplace

In 2016-17, we achieved accreditation as a White Ribbon Workplace. White Ribbon Workplaces are centres of respect and proactivity in relation to the safety of women in the workplace, and are members of a truly leading edge cohort, both nationally and internationally.

The Workplace Accreditation Program recognises the active steps taken to prevent and respond to violence against women. It is an award-winning international initiative, which is complementary to women's empowerment initiatives and strengthens the organisation's stance in relation to anti-bullying legislation.

There are only 106 employers across Australia that have achieved White Ribbon accreditation, and we are the first organisation within the G21 region to achieve it, demonstrating progressive leadership in our commitment to prevent and respond to violence against women.

In 2010, we were the first Victorian local government to introduce a family violence policy and provide paid leave to support employees experiencing domestic violence.

Our accreditation is a result of an extensive application process, which required us to provide evidence that we demonstrate effective:

- leadership;
- resource allocation;
- communication;
- HR policy development;
- and training,

in order to create a safer and more respectful workplace.

While accreditation will last three years, this is an ongoing commitment to drive change in the prevention of violence against women – both in the workplace and in the community.

Consultative Committee outcomes

Our employee Consultative Committee provides a forum for discussion between management, employee and union representatives.

During 2016-17, the committee met quarterly to discuss and work towards resolving various issues. Key outcomes included:

- monitoring employee levels by reviewing and discussing regular reports on recruitment activity, recent departures, new starters, and the use of casual labour;
- reviewing proposed changes to employee-related policies and providing feedback; and
- receiving updates on the actions and outcomes emerging from recent employee surveys, including the Employee Engagement Survey.

Negotiations related to the Enterprise Agreement concluded in August 2016. The agreement establishes the working conditions for the majority of our employees.

The Consultative Committee’s employee representatives worked closely with union and management representatives to develop the new agreement through a collaborative and consultative process with staff. The new agreement received a strong majority vote from employees, with no industrial action or workplace disruption. The new agreement will nominally expire on 31 August 2019.

Further study supported

We encourage employees to participate in accredited further education programs, which enhance their respective roles and future career opportunities, while offering added value to the organisation.

During 2016-17, our professional development program supported employees who made applications for higher education studies. This included financial assistance towards study costs and, in some cases, granting an extended career break to focus on further study and granting study leave to attend lectures and exams.

Employee achievements recognised

Recognising and celebrating our employees’ achievements is vital to our workplace culture. In 2016-17, we presented 25 Recognition of Service Awards across all divisions as shown in Table 10.

Table 10: Employee Recognition of Service Awards 2016-17

Length of Service (years)										
Division	5	10	15	20	25	30	35	40	45	50
Culture and Community	2	3	-	1	-	-	-	-	-	-
Environment and Development	2	5	3	-	-	-	-	-	-	-
Governance and Infrastructure	5	2	-	-	-	-	-	-	-	1
Office of the CEO	-	1	-	-	-	-	-	-	-	-

Learning and development

During 2016-17, our Learning and Development team:

- centralised the processes and budget allocation for all learning and development activities to provide a more strategic and effective approach to building capability based on the principals of experiential learning;
- introduced a ‘Leader as Coach’ coaching program, which resulted in eight of our managers and senior managers being made Master Coaches and, subsequently, involved an additional 24 employees from a variety of roles in group coaching. The coaching sessions were delivered over six months and were aimed at enabling people to realise their potential by focusing on how to eliminate or work with barriers;
- facilitated a highly experiential Leadership Development program targeting frontline leaders, with 10 participants completing an interactive program that encompassed coaching elements, emotional intelligence and personal awareness, facilitation and influencing skills, business acumen and people leadership skills;
- utilised our Learning Management System (LMS) *iLearn* to develop and deliver a suite of online compliance training programs relating to various organisational policies, including workplace health and safety, motor vehicle use, equal opportunity and workplace behaviours;

- provided opportunities for all employees to participate in an education and awareness program about domestic violence, as part of our White Ribbon Workplace accreditation;
- delivered a series of fundamental supervisory training modules within our bi-annual *Leading @SurfCoast* program, which provides employees in leadership roles with an understanding of our management policies, procedures and practices in relation to employment;
- commenced a focussed approach to leadership development at all levels, in response to feedback received as part of our employee engagement survey;
- delivered a successful Community Facilitation and Engagement program to a broad range of employees, to assist in community consultation; and
- upskilled our frontline employees to provide service to those people who may be experiencing mental health issues.

The team also coordinated the delivery of 211 training units, representing 1,362 employee training places, as shown in Table 11, in the areas of:

- Leadership (eg supervisory skills, leading people, developing leaders, leadership styles);
- Corporate (eg induction, general organisational information, fundamental skills including facilitation, customer service, mental health);
- Compliance (eg general safety, manual handling, SunSmart, code red, code of conduct, workplace health and safety);
- Skills (eg business skills, technical job requirements, IT, equipment and machinery use, internal systems and processes);
- Professional development (eg conferences, seminars, expos and special interest groups, clinics, qualification maintenance, industry updates); and
- Job-specific (individual role-specific training via external providers).

Table 11: Overview of training activities 2016-17

Course	Description	Units or courses delivered	Places utilised
<i>Appreciative Leadership</i>	Management team	3	19
<i>Asbestos Licence</i>	Targeted employees who may work with asbestos	1	5
<i>Child Safe Policy</i>	All employees who may be involved in working with children	1	173
<i>Child Wise – Speak Up</i>	Optional program for employees who may be involved in working with children	2	11
<i>Code of Conduct</i>	New employees	1	10
<i>Community Engagement</i>	Targeted employees	1	11
<i>Corporate Induction</i>	6½ hour sessions for new employees – held monthly	7	53
<i>Creating a Positive Experience – Planning</i>	Targeted employees	1	20
<i>Customer Service – Communication</i>	Frontline employees	1	15
<i>Customer Service – Grief & Loss</i>	Frontline employees	1	10
<i>Customer Service – Managing your own wellbeing</i>	Frontline employees	1	6

Course	Description	Units or courses delivered	Places utilised
Customer Service – Responding to at-risk behaviours	Frontline employees	2	22
Developing Leaders Program	Targeted employees in frontline leadership roles	13	19
Disability Awareness	Managers and Human Resources employees	2	30
Emergency Management – Relief Centre (various levels)	All employees who may be involved in activating the emergency management relief centre	3	29
Emerging Leadership Program	Nominated employee	1	1
Encroachment	Targeted employees	1	13
Facilitation: Bringing Meetings to Life	Targeted employees	1	6
Fire Warden Training	Targeted employees	1	13
First Aid (CPR, Level I, Level II, Level II refresher)	Yearly updates for relevant employees	12	140
Fundamental Supervisory Training Program (performance management, recruitment, workplace culture, health and safety, mental health first aid, finance fundamentals)	Six-unit program for those who supervise employees	6	37
HALT – Mental Health Awareness	Targeted employees	1	40
HSR Training (initial & refresher)	Targeted employees	4	12
Individual professional development	All employees who participated in external professional development activities	122	228
Leaders as Coach	Targeted employees	5	43
Leadership Forum – Understanding Leadership	All employees who supervise others	1	53
LSI	Executive Management team	1	4
Making Sense of Leadership	Management team	1	18
Manual Handling	Health and Community Care employees	1	40
MATE: Domestic Violence	Leaders and other employees	3	63
One Note	All employees (optional)	3	20
Probity	All employees who may be involved in purchasing	1	65
Resilience and Mindfulness	All employees who may be involved in emergency management	1	6
Situational Leadership – Dunroamin Leadership Academy	Management team	1	17
Snake Awareness	All employees who work outside	2	90
Understanding Local Government (MAV)	New and other targeted employees	2	20
	Total	211	1362

Other group training included:

- ATS Traffic Controller
- Anaphylaxis and Epi-pen
- Code Red and Extreme Fire Danger
- Exponare Enquiry (GIS)
- InfoCouncil
- Records Awareness/TRIM
- Seamless CMS
- Plant Safety and Log Books
- Using and customising SWMS
- School Crossing OHS and Legal
- Manual Handling
- OHS Legislation and Responsibilities
- SunSmart Cancer Council.

In addition, many individuals participated in informal training and development opportunities relevant to their particular positions.

This data does not include some learning and development opportunities provided in the Early Years (Kindergarten), Health and Community Care, and Civil and Civic Operations departments.

Workplace health and safety

Our focus on health and safety across the organisation during 2016-17 was vital in maintaining our international standard OHSAS 18001.2007 and Australian/New Zealand standard AS 4801.2001 accreditations. Surf Coast remains one of the few non-metropolitan shires to undertake this accreditation process, indicating our commitment to employee and volunteer health and safety.



The Workplace Health and Safety Committee maintained its proactive focus on addressing various workplace issues, including continuous improvement processes, site manual handling, a detailed review of manual handling work instructions within the Home and Community Care department, use of chemicals and chemical storage, contractor induction and management from a workplace health and safety perspective, and the safety of lone workers.

An additional eight stand-up desks were introduced across a number of work locations to facilitate healthy ergonomic behaviour. Other initiatives included changes to the mops being used by the Home and Community Care workers, and recommendations were made for vacuum cleaners to minimise the risk of injuries caused by manual handling.

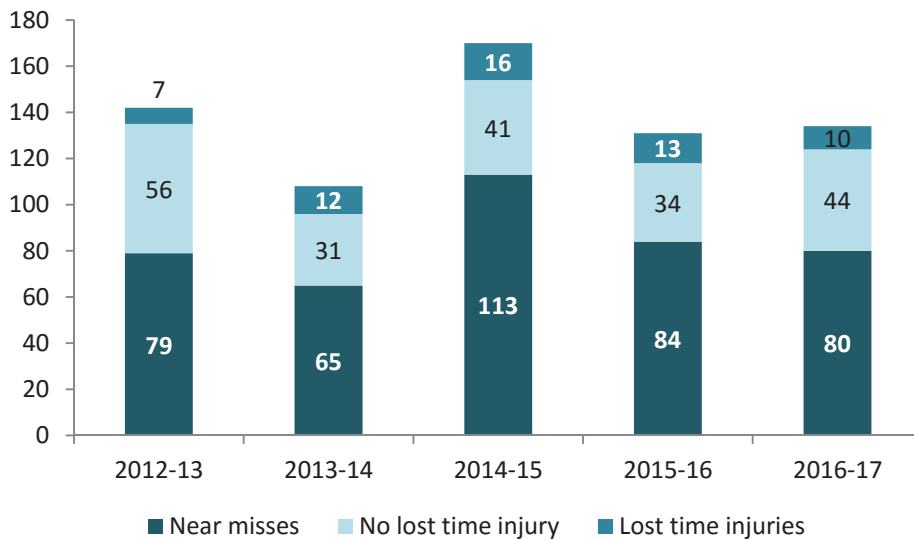
With an intensive focus on supporting and encouraging our long-standing injured employees, all of them were able to return to work in some capacity during the year.

This demonstrates our commitment to the wellbeing of employees, as well as meeting our legislative obligations, and significantly minimises our Workcover premiums.

Our Workplace Health and Safety team involved employees in a variety of activities, including a breakfast speaker to address outdoor employees on mental health, and a practical demonstration on snake awareness for employees involved in outdoor activities, including those who work in bush kinder and environmental safety.

In addition to attending regular toolbox meetings, communication via the *Shire Wire* intranet helped promote health and wellbeing, safety issues and news, WorkSafe updates and other internal initiatives related to workplace safety.

Figure 14: Incidents reported 2012-17



While incident reporting rates remained stable in 2016-17, as shown in figure 14, the past three years show an increase, due to our emphasis on training and regularly communicating with employees to increase their awareness of the need to report incidents.

According to the Municipal Association of Victoria, our level of incident reporting compares favourably against industry benchmarks, with Surf Coast Shire Council in the top 95th percentile against comparative councils within Victoria.

A structured program of audits and risk assessments identified a further 60 hazards, with 202 appropriate mitigation actions or broader continuous improvement processes identified.

Our Health and Safety committee met quarterly to review safety practices and outcomes throughout the organisation. Representation on this committee is voluntary, and all Health and Safety representatives demonstrate strong and proactive support of safety with all committee positions fully subscribed.

Our focus on improving manual handling practices through training and risk assessments resulted in a reduction in personal injuries in high-risk areas. Lost time due to workplace injuries reduced by almost 35 per cent year on year. Improvements planned for the coming year include the development of a preventative manual handling program, vehicle safety and the extension of Council’s *Swellness* program.

Swellness program

Our successful health and wellbeing program was branded *SWELLNESS* in 2016-17 and focussed on delivering a program to employees across three pillars of healthy bodies, healthy minds and healthy workplaces. This program is aligned with the recommendations of WorkSafe Victoria and aims to improve the productivity and effectiveness of employees by influencing their health and wellbeing.

The program was structured to:

- **Build employee knowledge** about health and wellbeing;
- **Change employee perceptions** about holistic health and wellbeing; and
- **Change employee behavior** in relation to their health and wellbeing.

We offered a variety of activities, including team-based challenges, such as a 10,000-step challenge and Fit4Work, Healthy4Life challenge incorporating healthy sleep, relaxation and stretching practices, as well as individual challenges focussed on resilience. Educational seminars were offered, including mental health awareness and support, demonstrations of healthy cooking and healthy BBQs, physical activities including lunchtime pilates, financial education and health insurance reviews, as well as regular monthly publications delivering information on relevant health topics.

Employees have been consulted in the development of the 2017-18 *Swellness* program, which will be further tailored to ensure relevant information or access is available for employees regardless of their work location.

Our volunteers

Volunteers are integral to our organisation and our community. During 2016-17, we continued to develop a coordinated, consistent management approach, to help our volunteers thrive in their work to deliver important community services.

Volunteer numbers for the year included:

- Delivered meals – 71;
- Visitor Information Centres – 96;
- Australian Surfing Museum – 2;
- Youth events – occasional (uncounted);
- Early Years – 1;
- Emergency management – occasional (uncounted);
- Musical Mornings and shopping trips – occasional (uncounted);
- Section 86 committees – 61.

As indicated in Table 13, the economic value of volunteer services provided through our Delivered Meals, Early Years and Visitor Information Centres/Australian National Surfing Museum, equated to more than \$410,000 in 2016-17.

Table 13: Economic value of volunteer services 2016-17

Volunteer service	Total volunteer hours	Estimated economic value*
Visitor Information Centres/ Australian Surfing Museum	13,354	\$387,266
Delivered Meals	569	\$16,501
Early Years	216	\$6,264
TOTAL	14,139	\$410,031

**Economic value is calculated according to the formula and hourly rate specified in the G21 Geelong Region Alliance Volunteering Strategy (2012).*

During the past year, Council also hosted eight Surf Coast Secondary College students on work experience placements for a week, during which time we sought to expose them to a wide variety of operational areas and opportunities to explore potential future career options. As a result of our new partnership with Deakin University, the program will be expanded in 2017-18 to incorporate internships.

Corporate governance

We are committed to ensuring our decision-making, administrative and operational processes are accountable, fair and transparent.

This commitment underpins our corporate governance framework, which encompasses legislative and regulatory obligations, local laws, procurement, decision-making, delegations, risk management and performance management.

Governance is identified in the Council Plan as one of Council's five strategic themes, with our achievements and challenges for 2016-17 detailed in this report under *Our Performance*.

The Governance unit was heavily involved in Council elections in October 2016, to ensure the organisation's compliance with pre-election, election and post-election requirements. Amendments to the Local Government Act and Electoral Regulations introduced more stringent rules in relation to ensuring a level playing field for all candidates. The changes required development of policies, procedures, educational fact sheets and provision of advice and information to staff, candidates and the community.

In an effort to digitise our processes, an online Councillor induction portal was developed, and all Councillors, and Audit and Risk Committee members, are using an electronic agenda system.

The Governance unit continued to report to the Audit and Risk Committee in relation to our compliance with legislation, policies and other statutory requirements.

Council Plan framework

This Annual Report represents the final reporting cycle for the *Council Plan 2013-17*, which was adopted in June 2013, and addresses the outcomes achieved during 2016-17 under the key themes of:

- Environment
- Governance
- Communities
- Infrastructure
- Development and Growth.

With regular monitoring and reporting of our progress throughout the year, including tabling quarterly reports at Council meetings, this Annual Report provides a consolidated overview of our achievements in relation to the Council Plan's four-year strategic objectives.

Following the election and induction of the new Council in October 2016, the *Council Plan 2017-2021* was developed, setting Council's strategic direction for the next four years, identifying key priorities and themes that will help guide decision-making during this time. The new Council Plan incorporates the Surf Coast Shire's *Health and Wellbeing Plan* for the first time, reflecting Council's commitment to improving the health and wellbeing of the local population. It also includes a *Strategic Resource Plan* as required under Section 126 of the *Local Government Act 1989*.

Integrated corporate planning framework

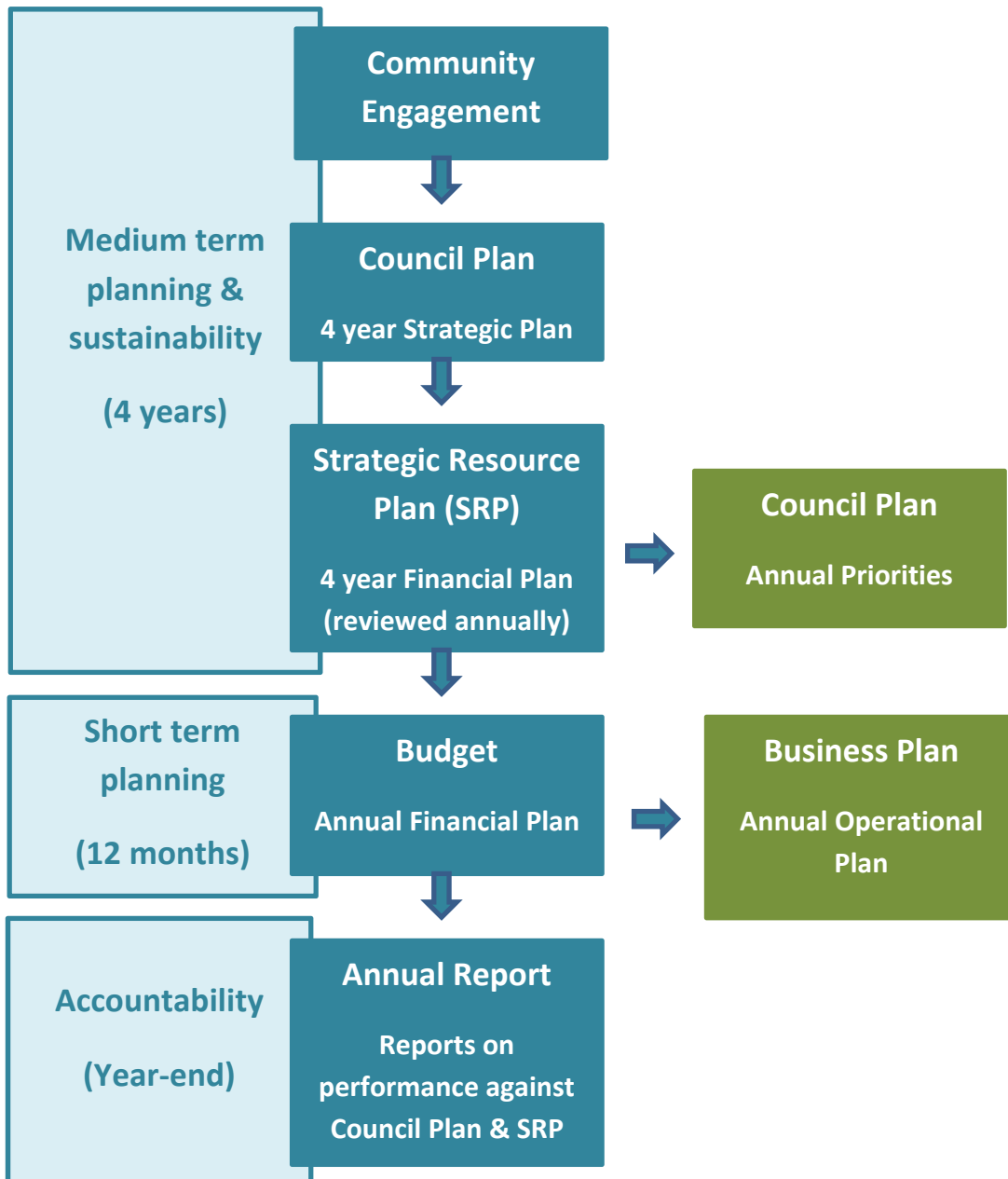
Our integrated corporate planning framework (Figure 15) provides the context for developing the Council Plan and Strategic Resource Plan, starting with community engagement as the foundation, followed by the establishment of annual priorities and a budget and business plan for the year ahead.

During 2016-17, we continued to improve integration of the Council Plan and other strategic documents with key operational documents, including annual business plans and individual work/performance plans, to create a strong focus across the organisation on achieving the plan's strategic objectives, while continuing to meet our operational and service delivery requirements.

This also helped us to monitor, measure and report on the delivery of our Council Plan.

Our website, social media, quarterly newsletter and local newspapers were all important vehicles for keeping our community informed about Council's progress and performance, while we actively engaged members in our planning and decision-making via surveys, workshops, focus groups, forums, committees, meetings and the like.

Figure 15: Integrated corporate planning framework



Managing risk

The management of risk is an integral part of the organisation's strategic management and planning. Our approach to risk is supported by a robust framework, risk register and associated processes.

Key achievements during 2016-17 included:

- A review of strategic risks to ensure they continued to meet organisational needs with a focus on the effectiveness of controls.
- The development of a set of risk appetite statements to influence and guide decision-making consistently by clarifying intent, capacity and capability.
- The annual exercise of the business continuity plan to check that arrangements outlined will support the continued provision of essential services and operational activities if an interruption event occurs. The exercise focused on a pandemic event to test capability in the event of a significant loss of staff and was supported by the attendance of representatives from the Department of Human Services and the City of Greater Geelong.
- An emergency evacuation of the Council office building was incorporated into the exercise.

Continuous improvement and Best Value Principles

We continue to pursue improvement as a core part of how we go about our business on a day-to-day basis and in our operational and strategic planning.

While continuous improvement in local government is mandated in the Best Value Principles contained in the Victorian Local Government Act 1989, we also recognise it as fundamental to improving community outcomes.

We work hard at creating a workplace culture where employees are constantly thinking about how things can be done better and are encouraged to suggest opportunities for improvement.

Although continuous improvement is a collective organisational responsibility, the Business Improvement department has led Council's efforts in this area.

Developed to prepare for future revenue challenges, such as rate capping, the Business Improvement team aims to deliver organisation-wide service efficiencies by setting and pursuing targeted benefits, which will contribute to our long-term financial plan.

With a strong focus on financial gains, including reducing costs and increasing non-rate revenue, the Business Improvement program is underpinned by the principles shown in Table 14.

The Council Plan 2017-21 commits the organisation to an ongoing service review program to support continuous improvement in delivering the highest quality, best value services that the community needs.

Table 14: Business Improvement program guiding principles

Principle	Intention
Governance	Clarifies approval and delivery mechanisms, reporting arrangements and key outcomes.
Community	Highlights how we will communicate with our community.
Value	Focuses on creating value through the program's delivery, including how business improvement opportunities are identified and prioritised.
Collaboration	Focuses on working with partners, staff and other providers.
Transparency	Highlights transparent governance processes and open communication in developing and delivering the program, and reporting our progress.

In 2016-17, the team achieved more than \$450,000 in recurrent operational savings via the completion of the endorsed Business Improvement program.

This program, endorsed annually by Council, will continue to strive to deliver organisational efficiencies that Council can depend on to ensure long-term financial sustainability.

Democratic governance

Council's role

Together the Councillors, as 'Council', form Surf Coast Shire's governing body. This is a public statutory body constituted under the *Local Government Act 1989*. As such, Council is recognised as a single entity and Councillors only have authority to make decisions, as Council members, at formally constituted Council meetings.

As a statutory body, Surf Coast Shire Council is one of 79 Victorian councils deriving its role, powers and functions primarily from the *Local Government Act 1989*.

Pursuant to the Act:

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

Council's role, therefore, involves setting strategic directions, developing policies and resolving relevant issues. Key outputs include the Council Plan, annual budget and long-term financial plan, and decisions about various matters important to the community, such as community services, health, local laws, roads and traffic management, finance and administration. A significant part of this decision-making process is in relation to planning permit applications.

Council considers these matters during its meetings. Councillors' deliberations are guided by the comprehensive reports that Council officers prepare and submit for Council's consideration. These reports contain detailed information about the issues in question and recommendations regarding the actions Council can take.

Monthly Councillor briefings, prior to each Council meeting, provide opportunities for Councillors to learn more about key Council functions and the matters due to be decided at upcoming meetings. While this process represents a significant time commitment for Councillors and officers alike, it ensures Councillors are fully informed about their duties, Council's functions and the matters requiring Council's decision.

Decision-making

Council decisions may only be made:

- by a resolution at a Council meeting;
- by resolution of a special committee; or
- by a staff member who has been delegated the particular power, duty or function.

Most operational decisions are delegated to officers via the Chief Executive Officer (CEO). This arrangement recognises the CEO's responsibility, under the *Local Government Act 1989*, in managing the organisation's day-to-day operations.

Code of conduct

The *Local Government (Improved Governance) Act 2015* required councils to review and endorse an updated Councillor Code of Conduct, taking legislative amendments into consideration, before 4 July 2016. All Councillors were required to sign that they had read the code and agreed to abide by it.

The code represents a public declaration of Councillors' commitment to:

- The principles of good governance;
- Discharging their responsibilities to the best of their skills and judgment; and
- Working together in the community's best interests.

Following their election in October 2016, all Councillors took the oath of office and signed the updated code.

As per the legislation, the code was reviewed within four months of the general election, and signed by Councillors within one month of Council endorsing the amended version, in January 2017.

Council meetings

Council conducts its business in open and publicly advertised meetings. Ordinary Council meetings are held on the fourth Tuesday of each month, apart from December when the holiday period makes it more practical to meet earlier in the month.

Special Council meetings are also occasionally called to consider specific items.

Community members are invited to attend Ordinary and Special Council meetings held in the Council Chambers in Torquay and sometimes at other venues across the municipality.

Meetings are conducted in accordance with *Local Law No. 2 – Meeting Procedures and Common Seal*. Reports prepared independently by officers are presented for information to assist Council's deliberations and decision-making.

Councillors are required to disclose potential conflicts of interest in any of the items to be discussed during the meeting. If a conflict of interest exists, the councillor is subsequently precluded from taking part in the debate and voting on the item.

A public question-time period at the start of each meeting enables citizens to ask questions on issues in which Council has a direct interest or responsibility. This process helps to encourage community participation.

Meeting agendas and minutes are published on our website.

Council briefings

Council briefings enable Councillors to gain a detailed understanding of important issues on the upcoming agenda, which helps their decision-making process at Council meetings.

Monthly briefings are held on the first and second Tuesday of each month with extra sessions taking place during busy times, such as the budget preparation process.

More recently, a third, shorter briefing has been added on the fourth Tuesday of the month to review up-to-date financial and project delivery data.

Senior officers – usually General Managers or the Chief Executive Officer – present briefing reports with other officers often on hand to provide detailed technical information, answer questions or explain a particular topic. The Mayor chairs these sessions, which are closed to the public and less formal than Council meetings.

Councillor attendance at Council meetings and briefings

During 2016-17, a total of 11 ordinary meetings, four special meetings and eight* hearing of submission meetings were held. The following tables show Councillors' attendances during the year.

Table 15: Councillor meeting attendance 1 July 2016 to 30 June 2017

Councillors	Cr David Bell	Cr Libby Coker (Resigned 9 May 2016 and re-elected October 2016)	Cr Eve Fisher (Term expired October 2016)	Cr Clive Goldsworthy	Cr Rose Hodge	Cr Carol McGregor	Cr Brian McKitterick	Cr Margot Smith	Cr Heather Wellington	Cr Martin Duke (Elected October 2016)
Ordinary meetings (11)	10	7	3	11	11	10	11	10	10	8
Special meetings (4)	3	2	1	2	4	4	4	4	4	3
Hearing of Submissions meetings (8*)	6	1	4	6	8	7	8	5	6	3

*Nine Hearing of Submissions meetings were advertised but only eight were held.

Table 16: Councillor briefing session attendance 1 July 2016 to 30 June 2017

Councillors	Cr David Bell	Cr Libby Coker (Resigned 9 May 2016 and re-elected October 2016)	Cr Eve Fisher (Term expired October 2016)	Cr Clive Goldsworthy	Cr Rose Hodge	Cr Carol McGregor	Cr Brian McKitterick	Cr Margot Smith	Cr Heather Wellington	Cr Martin Duke (Elected October 2016)
Council briefings (48)	41	29	14	45	47	45	44	42	33	32

Table 17: Councillor support 1 July 2016 to 30 June 2017

Councillors	Mobile phone	Notepad computer including Next G internet	Reimbursement for own laptop and data connection	Printer
Cr David Bell	Yes	Yes		Yes
Cr Libby Coker	Yes	Yes		Yes
Cr Eve Fisher (<i>Term expired October 2016</i>)	Yes	Yes		Yes
Cr Clive Goldsworthy	Yes	Yes		Yes
Cr Rose Hodge	Yes	Yes		Yes
Cr Carol McGregor	Yes	Yes		
Cr Brian McKitterick	Yes	Yes		
Cr Margot Smith	Yes	Yes		Yes
Cr Heather Wellington	Yes	Yes		
Cr Martin Duke (<i>Elected October 2016</i>)	Yes	Yes		Yes

A Council Election was held on 22 October 2016 and the new term of the elected council commenced on 3 November 2016. Councillor Allowances have been split to represent expenditure accordingly.

Table 18: Summary of allowances paid, expenses reimbursed and items provided to each Councillor – 1 July 2016 to 30 June 2017

Councillor Payment Summary between 1 July 2016 to 20 September 2016										
Councillor	Allowances	Expenses Reimbursed				Items Provided			Contributions	Year to Date
		Parking	Phone	Travel	Company Direction Education & Membership	Motor Vehicle	Mobile Phone	Internet	By Councillor	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cr Brian McKiterick	8,333	-	-	162	-	-	1,139	127	120	9,641
Cr Carol McGregor	8,333	-	-	4,050	-	-	296	127	-	12,805
Cr Clive Goldsworthy	8,333	-	-	2,393	-	-	473	109	-	11,307
Cr David Bell	8,333	-	-	-	-	-	120	127	-	8,580
Cr Eve Fisher	8,333	-	-	317	-	-	119	410	-	9,179
Cr Heather Wellington	8,333	-	-	-	-	-	132	105	-	8,570
Cr Margot Smith	8,333	-	-	2,408	-	-	164	127	-	11,031
Cr Rose Hodge *	25,782	-	-	-	-	2,035	334	127	-	28,278
Anglesea Ward Councillor Vacancy	-	-	-	-	-	-	-	-	-	-
Total	84,110	-	-	9,330	-	2,035	2,776	1,261	120	99,392

Notes: *Mayor Cr Rose Hodge (30/06/2016 – 20/09/2016)

Contributions by Councillors are towards mobile phone and internet expenditure

Council caretaker period 20 September 2016 through to 22 October 2016

Councillor Payment Summary between 3 November 2016 to 30 June 2017										
Councillor	Allowances	Expenses Reimbursed				Items Provided			Contributions	Year to Date
		Parking	Phone	Travel	Company Directors Education & Membership	Motor Vehicle	Mobile Phone	Internet	By Councillor	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Cr Brian McKiterick *	54,960	-	-	-	-	7,135	1,270	112	270	63,207
Cr Carol McGregor	17,762	-	-	5,945	6,699	-	639	255	-	31,301
Cr Clive Goldsworthy	17,762	-	-	5,539	-	-	1,483	218	-	25,002
Cr David Bell	17,762	-	-	-	7,299	-	264	451	-	25,776
Cr Heather Wellington	17,762	-	-	4,607	-	-	360	211	-	22,941
Cr Libby Coker	17,762	-	-	-	7,299	-	937	254	-	26,253
Cr Margot Smith	17,762	-	-	4,581	-	-	429	361	-	23,133
Cr Martin Duke	17,762	-	-	1,279	-	-	560	110	-	19,712
Cr Rose Hodge	17,762	-	-	268	-	-	797	254	320	18,762
Total	197,059	-	-	22,219	21,297	7,135	6,740	2,227	590	256,086

Notes: *Mayor Cr Brian McKiterick (08/11/2016 – 30/06/2017)

Councillors commenced new term on 3 November 2016

Contributions by Councillors are towards mobile phone and internet expenditure

Table 19: Conflicts of interest recorded by Councillors 1 July 2016 to 30 June 2017

Council meeting date (or date conflict of interest nominated)	Councillor	Conflict of interest
2016		
12 July	Cr Clive Goldsworthy	Australian National Surfing Museum - Strategic Assessment and Future Options (Council Briefing)
2 August	Cr Heather Wellington	McAdam Park (Council Briefing)
15 November	Cr Carol McGregor	Small Grants Program (Council Briefing)
2017		
26 April	Cr Libby Coker*	Section 173 Agreement: 23-79 Bambra Road, Aireys Inlet (Council Meeting)
26 April	Cr Libby Coker*	115 Bimbadeen Drive Fairhaven and 23-79 Bambra Road Aireys Inlet - Re-Subdivision of Land and Variation of Restriction (Council Meeting)

*Cr Libby Coker resigned effective 9 May 2016 and re-elected October 2016.

Policies, strategies and plans

The following significant policies, plans and strategies were adopted during 2016-17:

- Annual Council Budget 2017-18
- Community Project Development Process
- Council Plan (incorporating the Health and Wellbeing Plan and the Strategic Resource Plan) 2017-2021
- Digital Transformation Strategy
- Domestic Animal Management Plan 2012-2016
- Grasstree Park Nature Reserve Masterplan
- Local Law No. 2 - Council Meeting Procedures and Common Seal
- Municipal Emergency Management Plan 2016-2019
- Preventing and Addressing Violence Against Women and Children in the G21 Region Strategic Plan 2016-2020
- Road Management Plan 2017
- Road Safety Strategy 2016-2021
- SCS-001 Councillor Entitlement (Expenses and Facilities) Policy
- SCS-001 Councillor Entitlements Policy
- SCS-002 Councillor Code of Conduct Policy
- SCS-005 Strategic Asset Management Policy
- SCS-010 Fraud and Corruption Policy
- SCS-015 Control of Noise from Recreation Reserves Policy
- SCS-018 Gifts, Benefits and Hospitality Policy
- SCS-019 Procurement Policy
- SCS-021 Risk Management Policy
- SCS-025 Capital Works Community Engagement Policy
- SCS-029 Rabbit Management Policy
- SCS-030 Waste Facilities Fees and Charges Policy
- SCS-032 Complaints Policy
- Strategic Fire Management Plan Otway District 2017-2020
- Stribling Reserve Masterplan 2017
- Torquay Town Centre Parking and Access Strategy 2016-2021

Committees of Council

The following Special Committees of Council (formed under Section 86 of the *Local Government Act 1989*) and Advisory Committees operated during 2016-17.

Advisory Committees

- All Abilities Advisory Committee
- Audit and Risk Committee
- Bells Beach Committee (since 9 December 2015)
- Chief Executive Officer Performance Review Committee
- Municipal Emergency Management Planning Committee

Section 86 Committees

- Anderson Roadknight Reserve Committee of Management
- Anglesea Bike Park Committee of Management
- Connewarre Reserve and Hall Committee of Management
- Deans Marsh Public Hall and Memorial Park Committee of Management
- Eastern Reserve Committee of Management
- Globe Theatre Committee of Management
- Modewarre Hall and Reserve Committee of Management
- Stribling Reserve Committee of Management
- Hearing of Submissions Committee
- Surf Coast Planning Committee

Council representation on other committees

Councillors are assigned to represent Council on formal committees, community groups, external working parties and peak bodies. They also participate in a range of community activities and regularly engage with the community, which helps to inform Council decisions and actions.

Details of individual Councillor assignments appear below.

Table 20: Councillor Assignments 2016-17

Organisation/Committee	2016 Delegates	2017 Delegates
Municipal Association of Victoria (MAV)	Cr Fisher** Cr Smith (Sub)	Cr Coker*
Victorian Local Governance Association (VLGA)	Cr McKitterick	Cr Wellington (Cr Hodge from June 2017)
Australian Local Government Association (ALGA)	Cr Hodge	Cr McKitterick
Geelong Regional Library Corporation (GRLC)	Cr Smith Cr Fisher** (Sub)	Cr Smith Cr Coker* (Sub)
Geelong Heritage Centre Collection Advisory Committee	Cr Smith	Cr Smith
Local Government Waste Forum (Barwon South West Waste and Resource Recovery Group*)	Cr Bell	Cr Bell
Great Ocean Road Regional Tourism Inc. (GORRT)	Cr Goldsworthy	CEO
G21 Geelong Region Alliance Ltd - Board of Directors	Cr Hodge	Cr McKitterick
Audit & Risk Committee	Cr Smith Cr McKitterick	Cr Goldsworthy Cr Smith
Chief Executive Officer Employment Matters Committee	Cr Smith Cr Hodge Cr Bell Cr McGregor	Cr McKitterick Cr Goldsworthy Cr McGregor Cr Wellington
Municipal Emergency Management Planning Committee	Cr Smith Cr Coker*	Cr Duke*** Cr Coker* (Sub)
All Abilities Advisory Committee (formerly Advisory Committee on Disability)	Cr Wellington Cr Hodge	Cr Wellington
Tourism Reference Group	Cr Goldsworthy	Cr Goldsworthy
Hearing of Submissions Committee	All Councillors	All Councillors
Bells Beach Committee	Cr Bell Cr Fisher**	Cr Bell Cr Duke***
Lorne Community Impact Advisory Committee (CIAC)	Cr Goldsworthy	Cr Goldsworthy
Anglesea Community Impact Advisory (CIAC)	Cr Coker* Cr Smith (Sub)	Cr Coker* Cr Smith (Sub)
Torquay Community Impact Advisory Committee (CIAC)	Cr Bell Cr Fisher**	Cr Bell Cr Duke*** (Sub)
Hinterland Community Impact Advisory Committee (CIAC)	Cr Wellington Cr McGregor	Cr McGregor Cr Wellington
25% by 2020 Renewable Energy Task Force	Cr Bell Cr McGregor Cr Smith	Cr Smith Cr Bell Cr Coker*
Peri-Urban Group of Councils	Cr Hodge	Cr McKitterick (or delegate as required)

*Cr Libby Coker resigned 9 May 2016 and re-elected October 2016.

**Cr Eve Fisher term expired October 2016.

***Cr Martin Duke elected October 2016.

Table 21: Councillor delegates to G21 Geelong Region Alliance 2016-17

G21 Pillars	2016 Delegates	2017 Delegates	2017 Revised Delegates
G21 Economic Development Pillar	Cr McGregor	Cr McGregor	No change
G21 Transport Pillar	Cr Hodge	Cr Coker*	Cr Duke***
G21 Arts and Culture Pillar	Cr Smith	Cr Smith	No change
G21 Planning and Services Pillar	Cr Bell	Cr Bell	No change
G21 Health and Wellbeing Pillar	Cr McGregor	Cr Smith	No change
G21 Education and Training Pillar	Cr Coker*	Cr Duke***	Cr Coker*
G21 Environment Pillar	Cr Fisher**	Cr McGregor	No change
G21 Sport and Recreation Pillar	Cr Hodge	Cr Hodge	No change

*Cr Libby Coker resigned 9 May 2016 and re-elected October 2016.

**Cr Eve Fisher term expired October 2016.

***Cr Martin Duke elected October 2016.

Audit and Risk Committee

As a formally appointed Advisory Committee, the Audit and Risk Committee reports to Council and provides appropriate advice and recommendations relevant to its charter. This enables Council to:

1. Display well-informed, efficient and effective decision-making.
2. Promote and monitor an ethical culture, and comply with any relevant code of conduct.
3. Implement a sound system of risk oversight and management.
4. Implement an effective and efficient internal control system.
5. Protect Council's assets.
6. Protect against litigation and claims.
7. Protect against fraud.
8. Comply with applicable legislation, regulations, standards and policies.
9. Demonstrate quality internal and external reporting.
10. Display effective communications between Council and the internal and external auditors, and provide timely responses to matters arising from audits.

The committee considers and promotes multiple complex and strategically important corporate matters on a quarterly basis.

Key areas considered by the committee over the course of this year included compliance and controls, risk management (including a framework in which to measure and track mitigation), policy reviews and financial, management and performance reporting.

A full list of agenda items is included below:

September 2016	February 2017
<ul style="list-style-type: none"> • Outstanding Issues & Actions Report • Chief Executive Officer's Update • Business Improvement Program • Enterprise Risk Management Report, Risk Management Strategy and Risk Appetite • Work Health & Safety Report • 2015/16 Year End Program Management Report • Internal Auditors Update (Grant Thornton) • Performance Audit Reports - External Agencies • End of Financial Year Presentation • Annual Financial Statements 2015-16 • Surf Coast Shire Performance Statement 2015 – 2016 • Victorian Auditor General's Office (VAGO) Update • Policy Matrix • SCS-005 Strategic Asset Management Policy • SCS-025 Capital Works Community Engagement Policy • SCS-014 Workplace Health and Safety Policy • MPP 009 Business Continuity Procedure • Audit and Risk Committee Annual Report 2015/16 • Committee Self-Assessment Questionnaire • Fraud Prevention Strategies and Programs • Legislative Update • Council Controls relating to Councillor Costs • Compliance Checklist • Next Meeting & Proposed Agenda Outline 	<ul style="list-style-type: none"> • Outstanding Issues & Actions Report • Chief Executive Officer's Update • Managing Risk Associated with Trees - Presentation • Business Improvement Program • Workplace Health and Safety Report • Enterprise Risk Management Report February 2017 • Grant Thornton Internal Auditor Status Report • External Auditor Update (Victorian Auditor General's Office) • Performance Audit Report November - January • Quarterly Financial Report - December • Program Status Report - October to December 2016 Quarter • Fraud and Corruption Strategies • Key Audit Themes 2015-16 • Mandatory Reporting to IBAC • Future Role of Audit and Risk Committees - Local Government Act Review • Transition to New Internal Audit Contract March 2018 • Next Meeting Date and Proposed Agenda
November 2016	May 2017
<ul style="list-style-type: none"> • Outstanding Issues & Actions Report • Chief Executive Officer's Update • Business Improvement Program • Work Health & Safety Report • Enterprise Risk Management Report • External Auditor Update (Victorian Auditor General's Office) • Performance Audit Reports - External Agencies • Quarterly Financial Report - September 2016 • Program Status Report July to September Quarter 2016 • SCS-002 Councillor Code of Conduct - Review • Review of Audit Committee Charter • Audit Committee Independent Members - Expressions of Interest • Next Meeting, Proposed Agenda Outline and Schedule 2017 • Grant Thornton Internal Audit Status Report and Update 	<ul style="list-style-type: none"> • Outstanding Issues & Actions Report • Chief Executive Officer's Update • Business Improvement Program • Road Management Plan Update • Tree Risk Management Plan Update • Digital Transformation • Workplace Health & Safety Report - Quarter 3 2016-17 • Enterprise Risk Management Report - May 2017 • Internal Auditor Status Report (Grant Thornton) • Strategic Internal Audit Plan – Financial Year 2018 • External Auditor Update (Victorian Auditor General's Office) • Performance Audit Report February - April 2017 • Quarterly Financial Report - March 2017 • Monthly Finance Report - March 2017 • Draft Budget 2017-18 & Long Term Financial Plan Update • Program Status Report - January to March 2017 • SCS-014 Workplace Health & Safety Policy • SCS-016 Investment Policy • Draft MPP-001 Asset Accounting Policy • Management Policies for Review • Compliance with Legislation, Policy & Procedures • Letter to Grant Thornton • Gifts & Hospitality Register & Councillor Entitlements, Education & Other Expenses Report • Development of the Council Plan 2017-2021 • Transparency of Local Government Decision Making • Committee Work Plan 2017-2018 • Next Meeting & Proposed Agenda Outline

Local Laws

As at 30 June 2017, the following local laws were in place and available on our website or for inspection at the Council office during normal business hours.

No. 1 of 2011 – Community Amenity

This local law:

- commenced on 14 December 2011;
- unless revoked sooner, ceases to operate on 14 December 2021; and
- operates throughout the whole municipal district.

The purpose of this local law is to provide for the peace, order and good government of the Surf Coast Shire by:

- (1) Regulating and controlling uses and activities on Council land and roads so that the Council is aware of uses or activities which may:
 - a. be detrimental to the amenity of the area or the enjoyment of facilities on land or roads;
 - b. cause damage to Council and community assets;
 - c. create a danger or expose others to risk;
 - d. interfere with the safety and convenience of people travelling on or using Council land or roads; or
 - e. impede free and safe access for people, in particular those with sight and movement impairment or disabilities.
- (2) Managing, regulating and controlling activities and uses on any land which:
 - a. may be dangerous, cause a nuisance or be detrimental to the amenity of the area or the environment;
 - b. are directed at maintaining a healthy and safe environment for residents and visitors; or
 - c. promote community expectations and demands about their desired lifestyle and the availability of goods and services provided to them.
- (3) Identifying activities and uses that are not permitted so as to achieve the purposes in subparagraphs (1) and (2).
- (4) Providing for the administration of Council's powers and functions.

No. 2 of 2016 – Council Meeting Procedures and Common Seal

This local law:

- repealed Local Law No. 2 of 2011;
- commenced on 1 September 2016;
- ceases to operate on the 10th anniversary of its commencement unless otherwise revoked.

The purpose of this local law is to facilitate good governance by:

- (1) Regulating proceedings for the election of the Mayor.
- (2) Regulating proceedings of Ordinary and Special meetings of Council.
- (3) Regulating proceedings of special committees and other meetings conducted by or on behalf of Council, where Council has resolved that the provisions of this local law are to apply.
- (4) Promoting and encouraging community participation in the system of local government, by providing mechanisms within the meeting arrangements for the Council to ascertain the community's views and expectations.
- (5) Regulating and controlling the use of Council's Common Seal.

The review of Local Law No. 2 commenced during 2015-16 with the development of a community impact statement. This focused on helping community members better understand the local law, including how it meets legislative requirements, and the proposed changes. Following public exhibition and gazettal, the updated version was adopted by Council on 26 July 2016, for implementation on 1 September 2016.

Legislative compliance

This section reports on our statutory requirements under relevant Acts.

Best Value Principles

In accordance with Section 208B(f) of the *Local Government Act 1989*, the organisation must report, at least once every year, on what has been done to realise best value principles.

Our regular business planning and performance processes encompass best value principles and continuous improvement. As outlined in the *Corporate Governance* section, Council's efforts in business improvement and service efficiency are led by the Business Improvement department, which during 2016-17 has consolidated and built on our best value approach.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* was developed to formally recognise, promote and value the role of carers. It provides a legislative framework and principles to support organisations in better understanding and responding to their responsibilities in relation to employees and clients in care relationships.

In recognising our responsibilities under the Act, we have implemented a range of measures to ensure:

- employees, clients and others in care relationships have an awareness and understanding of care relationship principles; and
- services and care plans are developed and delivered to reflect these principles.

During 2016-17, these measures included:

- promoting and implementing the CHSP (Commonwealth Home Support Program) and continuing to advocate for carers to be involved in the care planning process;
- increasing participation in the Café-Style Support program focused on supporting carers and isolated individuals;
- promoting respite care services, both broadly in newsletters and individually through assessment visits, to increase access and knowledge of support for those in caring roles;
- promoting the role of carers and the diversity of care relationships via newsletters and brochures;
- ensuring carers' rights are recognised and incorporated into the core principles guiding our service provision and coordination;
- recognising carers as an important group for consultation and engagement in the development of our positive ageing strategy;
- increasing employees' understanding of care relationships and carers' rights through information provision and professional development including CCW (Community Care Worker) training in the Wellness and Reablement approach;
- embedding processes into our Rural RAS (Regional Assessment Service) assessment practice, to encourage carers to participate in the development of care plans and services, which meet their needs as well as the needs of those they care for;
- working collaboratively with carers of our NDIS clients to include them in the individual's service delivery and care plans.

Child Safe Standards

Child Safe Standards are intended to improve the way organisations prevent and respond to child abuse, by embedding the protection of children into everyday thinking and practice.

As a Category 1 organisation, Council undertook significant work in this area during 2016-17. The key focus over this period has been to:

- Commence a review of Council's policy for 'Police' and 'Working with Children' checks, including the development of a business case to support the purchase of a software program that will assist our compliance with the legislation;
- Hold information sessions for managers, coordinators and team leaders at team meetings;
- Purchase iLearn module, an online training package on Child Safe standards;
- Implement training for key personnel through the Child Wise 'Speak Up' program;
- Embed the Child Safe Standards in all staff Position Descriptions;
- Commence review of recruitment and induction processes to ensure they align with the standards;
- Develop a reporting process for early years and youth services;
- Encourage Child Safe Standards to be an agenda item in all team meetings;
- Undertake individual team review of services agreements, policy and procedures to ensure that they are compliant with Child Safe Standards.

Disability Act 2006

The *Victorian Disability Act 2006* aims to reaffirm and strengthen the rights and responsibilities of people with disability, which includes recognising the role that government and community support plays in achieving this.

Under the Act, local councils and other public sector bodies are required to develop their own disability action plans, which set out how they will:

- remove barriers faced by people with disability in accessing goods, services and facilities;
- remove barriers faced by people with disability in obtaining and maintaining employment;
- promote the inclusion and participation in the community of people with disability; and
- achieve changes in attitudes and practices, which discriminate against people with disability.

We are committed to access and inclusion for all to build healthy, well connected communities where everyone can participate. This goal is reflected in our *Accessible and Inclusive Surf Coast Shire: Strategic Plan 2014-24*, which was adopted in January 2015 and lodged with the Australian Human Rights Commission, as required under the *Commonwealth Disability Discrimination Act 1992*.

Council has progressed towards the goals in the strategic plan and has recently developed new actions for the 2017-2019 period. The past year marked a number of achievements including:

- Further embedding universal access principles in projects and services. A key example is the design of the Kurumbee Myaring Community Centre applying universal design standards including adult change tables.
- Increasing staff members' understanding, via professional development, of universal design principles and their application across built and natural environments.

- All abilities play facility constructed at Lions Park Playground in Anglesea, which includes a timber boat that can be accessed via a jetty ramp.
- Promoting and supporting All Aboard disAbility Services which provide opportunities for people with a disability to participate in meaningful community activities and work experience close to where they live.
- Conducting an accessibility review of 55 Council-owned or managed community facilities including recreation facilities, community houses, seniors centres, art spaces and parks and outdoor reserves.
- Development and distribution of a mobility access map for the township of Winchelsea.
- Adoption of a Workplace Diversity Commitment that focuses on increasing the representation of employees with a disability within Council.
- People with a disability were supported to participate in the Surf Coast Shire Art Calendar exhibition and competition and Surf Coast Arts Trail.
- Partnering with the community and Council's All Abilities Advisory Committee to deliver a balloon football event in Winchelsea to celebrate International Day of People with Disability.

Domestic Animals Act 1994

The *Surf Coast Shire Domestic Animal Management Plan* came into effect from June 2013. Developed in accordance with the requirements and responsibilities of the *Domestic Animals Act 1994* (Section 68A), *Surf Coast Shire Council Community Amenity Local Law No. 1 of 2011* and other relevant policies, it outlines a range of domestic animal management strategies, actions and recommendations.

These aim to balance animal management and community interests, while providing scope to accommodate new requirements. The need to address animal safety and wellbeing during a disaster is covered by the plan's *Disaster Planning for Pets within Surf Coast Shire* section.

While the plan is scheduled for a full review in 2017, the current plan is reviewed annually pursuant to the *Domestic Animals Act 1994*. The 2016 review that was undertaken was adopted and endorsed by Council on 22 November 2016.

Equal Opportunity Act 2010

In keeping with our legislative requirements under the *Equal Opportunity Act 2010*, we have an Equal Employment Opportunity Program in place to eliminate discrimination and promote equal opportunity in relation to employment matters.

The program focuses on ensuring fair, equitable and non-discriminatory consideration is given to all job applicants and employees regardless of race, colour, sex, marital status, parenthood, physical and mental impairment, age, religious or political affiliation, gender identity and sexual orientation. This includes providing a workplace free from bullying and harassment.

Information about the program's outcomes during 2016-17 is addressed in this section under 'Workplace Diversity' in *People Matters*.

Food Act 1984

In accordance with Section 7E of the *Food Act 1984*, we are required to publish a summary of any ministerial directions received during the financial year in the Annual Report. We received no such ministerial directions during 2016-17.

Freedom of Information Act 1982

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982 (the Act)*, Council is required to publish certain statements in its Annual Report or separately, such as on its website, concerning its functions and information available.

Council provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

The objectives of the Act are to:

- extend as far as possible the right of the community to access information, noting that access may be limited by exemptions, e.g. to protect essential public interests and private and business affairs;
- ensure public bodies publish information concerning the documents they hold;
- provide an opportunity for people to request that inaccurate, incomplete, out-of-date or misleading information in their personal records be amended;
- provide an opportunity for people to appeal against a decision not to give access to the information or not to amend a personal record.

Access to documents may be obtained as detailed in section 17 of the Act as follows, by application, which should:

- be in writing;
- identify as clearly as possible the document being requested;
- be accompanied by the appropriate application fee, although the fee may be waived under certain circumstances.

The application fee from 1 July 2016 was set at \$27.90. Access charges may also apply once documents have been processed and a decision on access is made (eg photocopying and search and retrieval charges).

More information, including an application form, is available on our website at https://www.surfcoast.vic.gov.au/A-Z_Listing/F/Freedom_of_Information

Principal Officer: Keith Baillie, CEO

Table 22: Freedom of information requests and outcomes 2016-17

Requests received	2014-15	2015-16	2016-17
Personal requests	6	14	4
Non-personal requests	4	2	5
Total requests	10	16	9
Requests transferred from another agency	0	0	0
Request outcomes			
Access granted in full	3	0	2
Access granted in part	1	9	5
Access denied in full	1	0	0
Other			
Withdrawn	3	0	1
Not proceeded with	0	1	0
Act does not apply	0	2	0
Not processed	0	0	0
No documents	0	0	1
Outside the Act	0	3	0
Not yet finalised	2	1	0
Outcomes of requests outstanding from previous reporting period			
All requests outstanding	0	0	0

Privacy and Data Protection Act 2014

Under the *Privacy and Data Protection Act 2014*, we are required to comply with privacy principles relating to the collection, management and use of an individual's personal information. We achieve this through the implementation of our privacy policy and related procedures, coordinated by the Privacy Officer. Information about the privacy policy is published on the website and is also available upon request.

During 2016-17, Council received 46 requests relating to information privacy matters. These concerned information provided in relation to the collection, use and disclosure of an individual's personal information, as outlined in the Act, for:

- land ownership information requests, or
- rates and property ownership information requests from government agencies.

Table 23: Information privacy requests and outcomes 2016-17

Requests received	2014-15	2015-16	2016-17
Requests for property owner details under the <i>Fences Act 1968</i>	199	297	236
Requests for property owner details – building protection work	12	40	13
Personal requests	33	21	33
Non-personal requests	7	19	13
Total information privacy requests	40	40	46
Requests transferred from another agency	0	0	0

Protected Disclosure Act 2012

The *Protected Disclosure Act 2012* aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

In accordance with Section 69 of the Act, the organisation must include information in the Annual Report about how to access procedures established under Part 9 of the Act, and about the number and types of protected disclosures investigated during the financial year.

Procedures on how to make a disclosure are publicly available on our website.

During 2016-17:

- no disclosure was made to officers appointed to receive disclosures;
- no disclosure was referred to the Independent Broad-based Anti-corruption Commission (IBAC);
- no disclosed matter was referred by the Ombudsman to Council;
- no disclosed matter was referred to the Ombudsman for investigation;
- no investigation was taken over by the Ombudsman from Council;
- no requests were made to the Ombudsman to investigate disclosed matters under the *Protected Disclosure Act 2012*;
- there were no disclosed matters that Council declined to investigate; and
- there were no disclosed matters that were substantiated on investigation and no action/s required to be taken on completion of an investigation.

In December 2016, a new requirement for the CEO to report suspected corrupt conduct to IBAC was introduced. Council has developed an internal process, which was approved by the Audit and Risk Committee. No such disclosures have been necessary.

Road Management Act 2004

In accordance with Section 22 of the *Road Management Act 2004*, the organisation must publish a copy or summary of any ministerial direction in the Annual Report. We received no such ministerial directions during 2016-17.

Documents available for public inspection

Following is a summary of the documents available for public inspection, in accordance with Section 12 of the *Local Government (General) Regulations 2015* and Section 222 of the *Local Government Act 1989*. Inspection of these documents can be arranged by contacting the Governance Team Leader on (03) 5261 0600.

A Council must make available for public inspection documents containing the following prescribed matters:

- a) A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any councillor or member of staff in the previous 12 months, including:
 - (i) the name of the councillor or member of staff;
 - (ii) the dates on which the travel began and ended;
 - (iii) the destination of the travel;
 - (iv) the purpose of the travel; and
 - (v) the total cost of the travel, including accommodation costs.
- b) The agendas for, and minutes of, ordinary and special meetings held in the previous 12 months, which are kept under Section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- c) The minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- a) A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under Sections 86(6) and 98(6), respectively, of the Act.
- b) A document containing details of all leases involving land, which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- c) A register maintained under Section 224(1A) of the Act of authorised officers appointed under that section.
- d) A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Publications

In addition to the statutory documents that Council must make available for public inspection, Council also publishes a range of other documents on the website including budgets, reports, strategies, plans and policies. These are available to view or download from the website and can be made available in hardcopy on request. Fees may be applicable for inspecting and making copies of certain documents.

You can read more at the [Reports, Plans and Documents](http://www.surfcoast.vic.gov.au) page of Councils website www.surfcoast.vic.gov.au

Council also regularly invites community input into the development of various plans and strategies. These opportunities are advertised on the website and in local newspapers.

Grants and Donations

External Funding

During 2016-17, Council was successful in obtaining external funding for a number of important community infrastructure projects and other initiatives. These included the Djila Tjarri Park skate and play zone, the Kurrabee Myaring Community Centre in Torquay North, the Winchelsea Town Centre Beautification and a variety of important road projects, including the Great Ocean Road, Horseshoe Bend/South Beach Road in Torquay and Cape Otway Road in Moriac.

Major funding sources included various federal and state government grant programs. The *Financial Performance* section of this report contains more information about grants and other external funding received during the year.

Community Grants

Our bi-annual *Small Grants* program supports local community groups and organisations in achieving their goals by providing up to \$1,000 to fund initiatives to:

- increase community involvement for people of all ages and abilities;
- strengthen collaboration between groups and organisations;
- encourage new opportunities; and/or
- help to fill a gap in the current provision of services.

In 2016-17, the program disbursed grants totalling \$66,753 through funding rounds in September 2016 and March 2017. Full details are contained in the following tables.

Table 24: Small Grants Program recipients – September 2016

Organisation/Group	Project	Amount funded \$
Anglesea Art House	Purchase and installation of hanging system	1,000
Anglesea Playgroup	Mini Maestros	750
Barwon Valley Pony Club	Show Jump Course Rejuvenation	1,000
Friends of Lorne	Lorne Heritage Walk Guide	1,188
Geelong Legacy Club	Torquay Laurel Club - Christmas Luncheon	1,000
Geelong Mountain Bike Club	Trail Group Initiative	2,000
Growing Winchelsea	Growing Winchelsea Community Variable Message Sign	5,000
Jan Juc Coast Action	Taking the Surf Coast Nature Search to the public	1,000
Jan Juc Surf Life Saving Club	Nipper Development Program	1,000
Lions Club of Anglesea	Carols by Candlelight reprinting of song book	1,000

Organisation/Group	Project	Amount funded \$
Lorne Aireys Inlet P-12 College	SURF Art Box Murals Project	2,000
Lorne Community Hospital	“Sea, Tree, Weave”	1,000
Lorne Community Hospital	Community compost project	850
Moriac & District Community Association	New Moriac Community Group – Newsletter and Website	3,090
Mount Duneed Progress Association	Digitising and indexing of community records	514
Neighbourhood Watch Winchelsea	Good Neighbour School’s Day	1,000
Rotary Club of Torquay	Purchase of laptop computer	1,000
Southern District Table Tennis Association	Purchase table tennis table and club promotion	720
Surf Coast Arts Inc	Bellbrae Heart Space Community Sculpture Project	1,500
Surf Coast Secondary College	SURF Art Box Murals Project	2,000
Surf Coast Touch Football Association	Competition and Administration Project	1,000
Torquay Museum Without Walls Inc	Connecting Memories Project	1,836
Torquay Seniors Exercise Group	Golden Girls Groovin’ and Movin’	1,000
Torquay Theatre Troupe	“Humble Boy” by Charlotte Jones – a play	1,000
Total grants disbursed		33,448

Table 25: Small Grants Program recipients – March 2017

Organisation/Group	Project	Amount funded \$
Anglesea & District Community House	Engage a tutor to run a series of community rock choir workshops	1,000
Anglesea & District Community House	Anglesea community garden - purchase materials to create a garden mosaic	480
Anglesea Netball Club	Purchase a defibrillator unit	1,000
Bellbrae Residents Association	Install relocatable cupboards to store African drums and other equipment at Heart Space	765
Cancer Council Victoria	Surf Coast Relay for Life - Purchase decorations for Gilbert Street to support Relay for Life campaign	1,000
Freshwater Creek Riding Club	Purchase and paint two portable jumps	945
Freshwater Creek Steiner School	Purchase a defibrillator unit	1,000
Greater Galaxy Football Club	Purchase balls, portable goals, domes, bibs and gloves to support junior soccer program	1,000
Lions Club of Lorne	Purchase signage for the Lions ‘Den’ to improve visibility and access	1,000
Lions Club of Torquay	Purchase a laptop and software to support Torquay Lions Club community project	1,000
Lions Club of Torquay	Purchase and install a hearing loop in the Anglican Parish Church	1,000
Lorne Bowls Club	Purchase transportable bowls boxes for bare foot bowling program	800
Lorne Historical Society	Purchase a TV, wall mount and Apple TV device to display large format images	2,915

Organisation/Group	Project	Amount funded \$
Lorne Men's Shed	Purchase and install a kitchen range hood	1,000
Lorne Netball Club	Purchase goal post protection padding	1,000
Ocean Mind Inc	To support the "Wave Youth Project". A new surf therapy program, supporting disengaged youth.	2,784
Parkrun Inc	Purchase electronic equipment and first aid kit to establish "Parkrun Torquay"	2,400
Spring Creek Community House	Torquay Women's Sharing Shed - Purchase work benches, tables, cupboard, tools and safety equipment.	2,000
Surf Coast Arts Inc	Riverlee Arts Group - Purchase panes, cables and tubing to enable hanging of art work in the Hinterlands	1,000
Surf Coast Energy Group	Quay Residents Association - Purchase and install 2 bench seats at the Quay Reserve	2,000
Torquay Historical Society	Purchase a notebook laptop to record digital and oral history	939
Torquay Men's Shed	Purchase knives and blender suitable for Torquay Men's Shed members to use in cooking program at Torquay College	978
Torquay Netball Club	Purchase signage, balls, bibs, whistles, ground rope and cones to support Net Set Go Program.	1,000
Torquay Surf Life Saving Club	Purchase an iPad and waterproof casing to digitise records from the beach and allow integration with emergency management	1,000
U3A Torquay	Purchase of iPad Pro to run computer courses for Seniors	1,299
Winchelsea Community House	Replace play equipment (Fort) in occasional care outdoor play area	1,000
Writers Victoria	Literacy workshop to engage local writers to connect with Surf Coast Arts Trail	1,000
Total grants disbursed		33,305

Event Grants

Our Event Grants program recognises the important role events play in shaping Surf Coast Shire's identity, prosperity and vitality.

The program typically opens in September each year and is available to not-for-profit and commercial event organisers holding events in Surf Coast Shire, enabling them to apply under different streams depending on size and focus as follows:

Community events that are held at any time of the year can seek funding for up to \$5,000.

Major events held in the off-peak season (post-Easter to 15 December) can apply for funding up to \$10,000.

Signature events held in the off-peak season (post-Easter to 15 December) can apply for funding over \$10,000 and are eligible for consideration of multiple-year funding.

In 2016-17, Council allocated \$105,500 towards funding events as shown in Table 26.

Table 26: Event Grants Program recipients 2016-17

Organisation/Group	Project	Amount funded \$
1929 Studios	Swing Dancing	1,000
Adventurethon Australia	Adventurethon Anglesea	8000
Aireys Inlet Tourism & Traders Association	Aireys Inlet Open Mic	10,000
Aireys Inlet Tourism & Traders Association	Winter in Aireys	3,500
Amy Gillett Foundation	Amys Gran Fondo	10,000
Anglesea Surf Life Saving Club	Rock 2 Ramp Ocean Swim	500
Beam 17 Holdings	Eat Local Month	6,000
Cameron Wade	By the Meadow	3,000
Deans Marsh Community Cottage	Deans Marsh Community Festival	3,000
Deans Marsh Community Cottage	Deans Marsh Life Saving	1,000
Geelong District Veteran Golfers Association	2016 State Championships	1,000
Geocaching Melbourne	Surf Coast Shire Geocaching Event 2016	6,000
Growing Winchelsea	Hunt & Gather Festival	8,000
Iskcon	Festival of Colour Hari Krishna	2,000
Jan Juc Surf Life Saving Club	Danger 1000	500
Lorne Film	Lorne Film 2016	4,000
Rapid Ascent	Surf Coast Century	10,000
Sports Media & Entertainment	RACV Great Ocean Road Otway Classic	8,000
Torquay Commerce & Tourism	Drink Art Food Torquay (DAFT)	7,000
Tour De Trails	Trail Marathon and Afterglow Series	10,000
YMCA Camping	Kids Activity Outdoors (KAOS)	3,000
Total grants disbursed		105,500

Table 27: Other donations 2016-17

Organisation	Amount \$
Aireys Inlet Tourism & Traders Association	2,000
Anglesea Business & Tourism Association	2,000
Barwon Network of Neighbourhood Centres Inc.	2,000
Barwon South West Waste & Resource Recovery Group	16,450
Barwon Sports Academy Inc. - G21 Sports Pillar	4,971
Business Events Victoria Inc. - AIME trade show event	15,233
Chris John Management - Seniors Festival Performance	1,300
City of Greater Geelong - Aquatic Strategy Review	5,000
City of Greater Geelong - Livestock Saleyards Market Analysis	9,091
Committee for Lorne - Community Aspirations Stage 2	20,000
Community Houses	25,000
Cricket Victoria - G21 Barwon Regional Cricket Strategy	1,880
Go Traffic - ANZAC Day Service Traffic Management	4,300
Growing Winchelsea	2,000
Lorne Business & Tourism Association	2,000
Lorne SES	6,734
Modewarre Hall & Reserve Committee of Management - ANZAC Day Service Contribution	1,000
Moriac Pre-School Centre	4,000
Mt Gellibrand Fire Tower Management Contribution	1,500
Music Workshop - Globe Theatre Audio Visual Upgrade	16,760
Senior Citizen Centres	12,324
Surf Coast Toy Library Inc.	1,500
Torquay Commerce & Tourism Association	2,000
Torquay Marine Rescue Service - Rescue Equipment	7,500
Torquay Primary School Stadium Management - Stadium Joint User Agreement	13,843
Torquay RSL Sub Branch - ANZAC Day Service Contribution	10,000
Torquay SES	13,046
Winchelsea RSL Sub Branch - ANZAC Day Service Contribution	2,000
Winchelsea SES	13,046
Total	218,478

Table 28: Council memberships and subscriptions 2016-17

Organisation	Amount \$
ANSTAT - Subscription	1,915
Community Child Care Association - Membership	270
Compelling Economics - Subscription	17,265
Construction Material Processors Association - Membership	2,375
Corporate Scorecard - Subscription	420
Early Childhood Australia - Membership	189
Early Learning Association Australia - Membership	2,031
Educa - Subscription	1,558
Family Day Care Australia - Membership	145
G21 - Geelong Region Alliance	58,659
Geelong Regional Library Corporation	678,574
Great Ocean Road Regional Tourism Board	151,736
Green Magazine - Subscription	81
ID Consulting - Subscription	30,500
Local Government Financial Professionals (FinPro) - Membership	650
Local Government Infrastructure Design Association - Membership	3,000
Maddocks Lawyers - Subscription	3,490
Mind Tools - Subscription	153
Municipal Association of Victoria - Membership	29,295
Municipal Association of Victoria - SAI Global Subscription	3,796

Organisation	Amount \$
Municipal Association of Victoria Procurement - Leap Program Subscription	9,000
Municipal Association of Victoria Technology - Membership	1,544
Museums Australia - Membership	200
Organic Gardening - Subscription	86
Our Community - Smarty Grants - Membership	364
Parks and Leisure Australia - Membership	1,215
Planning Institute Australia - Subscription	145
Portner Press - Health and Safety Update Subscription	280
Records and Information Management Professionals Association - Membership	332
School Crossing Victoria - Membership	95
Surf Coast Energy Group - Membership	45
The Australian Local Government Job Directory - Subscription	890
The Diggers Club - Membership	63
TurfCraft - Subscription	52
Victorian Maternal & Child Health Coordination Group - Subscription	75
Victorian Planning Reports - Subscription	1,824
Youth Affairs Council of Victoria - Membership	195
Total	1,002,507

Report of Operations

Governance and Management Checklist

Service Performance Indicators

Performance Statement

Certification of Performance Statement

VAGO Audit Opinion – Performance Statement

Financial Performance of Services and Delivery of Major Initiatives

Developer Contribution Plans

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Governance and Management Checklist

The following are the results in the prescribed form of Council's assessment against the prescribed Governance and Management Checklist as required by the *Local Government (Planning and Reporting) Regulations 2014*.

Governance and Management Items	Assessment	
1. Community engagement policy (Policy outlining Council's commitment to engaging with the community on matters of public interest)	Policy Date of operation of current policy: 22 March 2016	☑
2. Community engagement guidelines (Guidelines to assist staff to determine when and how to engage with the community)	Guidelines Date of operation of current guidelines: 20 October 2010	☑
3. Strategic Resource Plan (Plan under Section 126 of the <i>Local Government Act 1989</i> outlining the financial and non-financial resources required for at least the next four financial years)	Adopted in accordance with Section 126 of the Act Date of adoption: 27 June 2017	☑
4. Annual budget (Plan under Section 130 of the <i>Local Government Act 1989</i> setting out the services to be provided and initiatives to be undertaken over the next 12 months, and the funding and other resources required)	Adopted in accordance with Section 130 of the Act Date of adoption: 27 June 2017	☑
5. Asset management plans (Plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Plans Dates of operation of current plans: Roads - 29 April 2010 Drainage - 10 July 2006 Parks - 23 May 2006 Fleet - 6 July 2006 Building - 2 February 2006 Waste - 22 October 2012	☑
6. Rating strategy (Strategy setting out the rating structure of Council to levy rates and charges)	Strategy Date of operation of current strategy: 19 April 2016	☑
7. Risk policy (Policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Policy Date of operation of current policy: 23 August 2016	☑
8. Fraud policy (Policy outlining Council's commitment and approach to minimising the risk of fraud)	Policy Date of operation of current policy: 23 August 2016	☑

Governance and Management Items	Assessment	
9. Municipal emergency management plan (Plan under Section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the Act Date of preparation: 24 January 2017	<input checked="" type="checkbox"/>
10. Procurement policy (policy under Section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the Act Date of approval: 23 August 2017	<input checked="" type="checkbox"/>
11. Business continuity plan (Plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of operation of current plan: 13 July 2017	<input checked="" type="checkbox"/>
12. Disaster recovery plan (Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Plan Date of operation of current plan: 16 April 2015	<input checked="" type="checkbox"/>
13. Risk management framework (Framework outlining Council's approach to managing risks to Council's operations)	Framework Date of operation of current framework: 15 August 2016	<input checked="" type="checkbox"/>
14. Audit and Risk Committee (Advisory committee of Council under Section 139 of the <i>Local Government Act 1989</i> whose role is to oversee the integrity of Council's financial reporting, processes to manage risks to Council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with Section 139 of the Act Date of establishment: 3 May 2014	<input checked="" type="checkbox"/>
15. Internal audit (Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Engaged Date of engagement of current provider: 17 April 2013	<input checked="" type="checkbox"/>
16. Performance reporting framework (A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the <i>Local Government Act 1989</i>)	Framework Date of operation of current framework: 1 July 2014	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment	
17. Council Plan reporting (Report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Report Reporting dates: 23 August 2016 28 February 2017	<input checked="" type="checkbox"/>
18. Financial reporting (Quarterly statements to Council under Section 138 of the <i>Local Government Act 1989</i> comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with Section 138(1) of the Act Statement presentation dates: 13 September 2016 22 November 2016 26 April 2017 26 April 2017	<input checked="" type="checkbox"/>
19. Risk reporting (Six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring, and risk minimisation strategies)	Reports Report dates: 13 September 2016 26 April 2017	<input checked="" type="checkbox"/>
20. Performance reporting (Six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the <i>Local Government Act 1989</i>)	Reports Report dates: 4 October 2016 28 February 2017	<input checked="" type="checkbox"/>
21. Annual report (Annual report to the community, under Sections 131, 132 and 133 of the <i>Local Government Act 1989</i> , containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with Section 134 of the Act Date of consideration: 4 October 2016	<input checked="" type="checkbox"/>
22. Councillor Code of Conduct (Code under Section 76C of the <i>Local Government Act 1989</i> setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Reviewed in accordance with Section 76C of the Act Date reviewed: 24 January 2017	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment	
<p>23. Delegations (A document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)</p>	<p>Reviewed in accordance with Section 98(6) of the Act Date of review: Instruments of Delegation Adopted by Council 23 May 2017</p> <ul style="list-style-type: none"> • S5 Council to CEO • S6 Council to Staff • C5 Council to Planning Committee <p>Instruments of Delegation Adopted by Council 26 April 2017</p> <ul style="list-style-type: none"> • The Instrument of Delegation from Council to Hearing of Submissions Committee <p>Instruments of Delegation reviewed and signed by the CEO 24 April 2017</p> <ul style="list-style-type: none"> • S7 CEO to Staff • S13 CEO to Staff • S14 VicSmart Application CEO to Staff 	<input checked="" type="checkbox"/>
<p>24. Meeting procedures (A local law governing the conduct of meetings of Council and special committees)</p>	<p>Meeting procedures local law made in accordance with Section 91(1) of the Act Date local law made: 26 July 2016</p>	<input checked="" type="checkbox"/>
<p>I certify that this information presents fairly the status of Council's governance and management arrangements.</p>		
<p style="text-align: center;"></p> <p>Keith Baillie Chief Executive Officer Dated: 15 September 2017</p>	<p style="text-align: center;"></p> <p>Cr Brian McKitterick Mayor Dated: 15 September 2017</p>	

Service Performance Indicators

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Comments	
<i>Service/indicator/measure</i>	2015	2016	2017		
Aquatic Facilities					
Satisfaction					
AF1	<i>User satisfaction with aquatic facilities (optional)</i> [User satisfaction with how council has performed on provision of aquatic facilities]	0.00	0.00	0.00	A customer satisfaction survey was not conducted during 2016 - 2017.
Service standard					
AF2	<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	1.00	0.00	1.00	Health inspections of Council operated aquatic facilities are required to be conducted once every calendar year. The last inspection of the Winchelsea Pool coincided with the opening of the pool in December 2016.
Health and Safety					
AF3	<i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	There were no reportable incidents during 2016 - 2017.
Service cost					
AF4	<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$0.00	\$0.00	\$0.00	Council does not have an indoor aquatic centre.
Service Cost					
AF5	<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$15.09	\$8.40	\$8.13	No comment provided as there is no material variation.
Utilisation					
AF6	<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	0.27	0.24	0.23	Council operates an outdoor pool at Winchelsea on a seasonal basis. Utilisation is influenced by fluctuations in weather conditions.

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Comments	
<i>Service/indicator/measure</i>	2015	2016	2017		
Animal Management					
Timeliness					
AM1	<i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	0.00	1.00	1.00	Current practice is to initiate action on animal management requests within 1 day.
Service standard					
AM2	<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	87.00%	85.48%	91.07%	No comment provided as there is no material variation.
Service cost					
AM3	<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$57.18	\$55.96	\$57.03	No comment provided as there is no material variation.
Health and safety					
AM4	<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	3.00	0.00	0.00	No prosecutions were initiated during 2016 - 2017.
Food Safety					
Timeliness					
FS1	<i>Time taken to action food complaints</i>	0.00	1.55	2.07	From 1 July 2016, 'Time taken to action food complaints' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services and may result in some variances year on year. 2016 results show an increase of 11 complaints from the previous reporting period. This together with no corresponding

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
				increase in resourcing has resulted in a slight decrease in service responsiveness. Of the 42 complaints received and investigated, 31 were found to be unjustified. Complaints were spread across the year and various locations. Performance is still in line with the expected range.
<p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p> <p>Service standard</p> <p>FS2 <i>Food safety assessments</i> 105.00%</p> <p>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</p> <p>104.09%</p> <p>107.04%</p> <p>No comment provided as there is no material variation.</p>				
<p>Service cost</p> <p>FS3 <i>Cost of food safety service</i> \$743.14</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p> <p>\$521.55</p> <p>\$510.29</p> <p>No comment provided as there is no material variation.</p>				
<p>Health and safety</p> <p>FS4 <i>Critical and major non-compliance outcome notifications</i> 100.00%</p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of</p> <p>98.39%</p> <p>99.37%</p> <p>From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on</p>				

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100				year.
Governance				
Transparency				
G1 <i>Council decisions made at meetings closed to the public</i>	6.00%	13.90%	14.73%	The increase from 2016 to 2017 is due to the increase in the number of contracts awarded and the new requirement to adopt confidential assembly of councillor records in the confidential section of meetings.
[Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100				
Consultation and engagement				
G2 <i>Satisfaction with community consultation and engagement</i>	60.00	54.00	59.00	Community satisfaction with community consultation and engagement has returned to 2015 levels and reflects Council's commitment to engaging the community in decision making processes where possible.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement				
Attendance				
G3 <i>Councillor attendance at council meetings</i>	88.00%	83.95%	81.48%	No material variation
[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100				
Service cost				
G4 <i>Cost of governance</i>	\$42,184	\$44,127	\$44,888	No material variation

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
<p>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p> <p>Satisfaction</p> <p>G5 <i>Satisfaction with council decisions</i></p> <p>58.00</p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>		50.00	53.00	Council is increasingly using deliberative engagement processes to improve community involvement in Council's decision making process wherever possible and communicating decisions through various channels.
Home and Community Care (HACC)				
Timeliness				
<p>HC1 <i>Time taken to commence the HACC service</i></p> <p>0.00</p> <p>[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]</p>		21.91	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service standard				
<p>HC2 <i>Compliance with Community Care Common Standards</i></p> <p>78.00%</p> <p>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</p>		100.00%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost				
<p>HC3 <i>Cost of domestic care service</i></p> <p>\$0.00</p> <p>[Cost of the domestic care service / Hours of domestic care service provided]</p>		\$69.42	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost				
<p>HC4 <i>Cost of personal care service</i></p> <p>\$0.00</p> <p>[Cost of the personal care service / Hours of personal care service provided]</p>		\$62.38	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
Service cost				
HC5 <i>Cost of respite care service</i>	\$0.00	\$67.68	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the respite care service / Hours of respite care service provided]				
Participation				
HC6 <i>Participation in HACC service</i>	27.00%	26.99%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100				
Participation				
HC7 <i>Participation in HACC service by CALD people</i>	13.00%	20.75%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
Libraries				
Utilisation				
LB1 <i>Library collection usage</i>	8.84	8.92	8.94	No comment provided as there is no material variation.
[Number of library collection item loans / Number of library collection items]				
Resource standard				
LB2 <i>Standard of library collection</i>	85.00%	77.92%	76.80%	No comment provided as there is no material variation.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100				
Service cost				
LB3 <i>Cost of library service</i>	\$4.31	\$5.27	\$5.36	No comment provided as there is no material variation.
[Direct cost of the library service / Number of visits]				
Participation				
LB4 <i>Active library members</i>	19.00%	19.88%	19.43%	No comment provided as there is no material variation.
[Number of active library members / Municipal population] x100				
Maternal and Child Health (MCH)				
Satisfaction				

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
MC1 <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100 Service standard	98.00%	101.76%	98.45%	No comment provided as there is no material variation.
MC2 <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100 Service cost	94.00%	97.06%	99.07%	No comment provided as there is no material variation.
MC3 <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses] Participation	\$0.00	\$88.06	\$82.62	No comment provided as there is no material variation.
MC4 <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation	72.00%	74.77%	78.42%	No comment provided as there is no material variation.
MC5 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	76.00%	68.00%	81.25%	Higher participation rates in the "8 months and under" key age and stage checks has contributed to the significant percentage increase for this reporting period.
Roads				
Satisfaction of use				
R1 <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	22.63	17.68	39.51	Significant weather events in September 2016 and April 2017 contributed to an increase in customer requests during this period as did the commencement of a new administrative practice to record all requests received via other channels in the Customer Request Management (CRM)

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
				system.
Condition				
R2 <i>Sealed local roads maintained to condition standards</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	99.65%	100.00%	No comment provided as there is no material variation.
Service cost				
R3 <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$27.06	\$59.75	\$29.78	The 2016 - 2017 reconstruction program focussed on implementing a low cost reconstruction solution to 2 roads and is based on a small reconstruction area of only 7,387 square metres. and a minor rehabilitation scope.
Service Cost				
R4 <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$8.23	\$8.84	\$6.38	The 2016 - 2017 program focussed on more reseals and less overlays resulting in reduced annual costs.
Satisfaction				
R5 <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.00	61.00	61.00	No comment provided as there is no material variation.
Statutory Planning				
Timeliness				
SP1 <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	76.00	90.00	48.00	Council has committed to a Planning Reform aimed at improving service performance. Results indicate a significant improvement in performance based on recent years.
Service standard				

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Comments	
<i>Service/indicator/measure</i>	2015	2016	2017		
SP2	<i>Planning applications decided within required time frames</i>	65.00%	56.02%	71.02%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year. Council has committed to a Planning Reform aimed at improving service performance. Results indicate a significant improvement in performance based on recent years.
	[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100				
	Service cost				
SP3	<i>Cost of statutory planning service</i>	\$1,748	\$1,472	\$1,142	Council has committed to a Planning Reform aimed at improving service performance. Results indicate a significant improvement in performance based on recent years.
	[Direct cost of the statutory planning service / Number of planning applications received]				
	Decision making				
SP4	<i>Council planning decisions upheld at VCAT</i>	75.00%	76.47%	80.95%	No comment provided as there is no material variation
	[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				
Waste Collection					
	Satisfaction				
WC1	<i>Kerbside bin collection requests</i>	73.80	68.46	88.94	No specific reason for the increase has been identified however result is consistent with the percentage increase in the number of missed services. Potentially linked to seasonal population fluctuations
	[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000				

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Comments	
<i>Service/indicator/measure</i>	2015	2016	2017		
Service standard					
WC2	<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.35	3.40	4.39	No specific reason for the increase has been identified however result is consistent with the percentage increase in the number of kerbside bin collection requests . Potentially linked to seasonal population fluctuations.
Service cost					
WC3	<i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$39.90	\$83.65	\$86.36	No comment provided as there is no material variation.
Service cost					
WC4	<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$29.77	\$31.26	\$30.92	No comment provided as there is no material variation.
Waste diversion					
WC5	<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	55.00%	54.26%	54.76%	No comment provided as there is no material variation.
Economic Development (optional)					
Participation					
ED1	<i>Participation in business development activities</i> [Number of businesses with an ABN in the municipality that participate in a business development activity / Number of businesses with an ABN in the municipality] x100	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for reporting
Service standard					
ED2	<i>Delivery of planned business development activities</i> [Number of business development activities delivered / Number of	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for reporting

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
planned business development activities] x100				
Service cost				
ED3 <i>Cost of economic development service</i> [Direct cost of delivering the economic development service / Number of businesses with an ABN in the municipality]	\$0.00	\$0.00	\$0.00	Optional service measure, data has not been collected for reporting
Economic activity				
ED4 <i>Percent change in number of businesses</i> [Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] x100	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for reporting
Immunisation (optional)				
Satisfaction				
I1 <i>User satisfaction with immunisation service</i> [User satisfaction with how council has performed on provision of children immunisation service]	0.00	0.00	0.00	Optional service measure, data has not been collected for reporting
Service standard				
I2 <i>Vaccination of children by council</i> [Percentage of children fully vaccinated by council]	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for reporting
I3 <i>Return of consent cards by secondary school children</i> [Number of secondary school consent cards returned / Total number of secondary school children] x100	0.00%	0.00%	0.00%	No comment provided as there is no material variation
Service cost				
I4 <i>Cost of immunisation service</i> [Direct cost of immunisation service / Total number of vaccinations]	\$0.00	\$0.00	\$0.00	Optional service measure, data has not been collected for reporting
Participation				
I5 <i>Vaccination of children</i> [Percentage of children who	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Comments	
<i>Service/indicator/measure</i>	2015	2016	2017		
I6	are fully vaccinated in each age group] <i>Vaccination of secondary school children</i> [Number of secondary school children fully vaccinated by council / Total number of secondary school children] x100	0.00%	0.00%	0.00%	reporting Optional service measure, data has not been collected for reporting
Sports Grounds (optional)					
Utilisation					
SG1	<i>Structured activities on sports fields</i> [Number of structured activities / Total number of sports fields]	0.00	0.00	0.00	Optional service measure, data has not been collected for reporting
Condition					
SG2	<i>Condition of sports fields</i> [Number of days sports fields are unavailable for structured activities due to condition excluding maintenance and reconstruction/redevelopment / Total number of sports fields]	0.00	0.00	0.00	Optional service measure, data has not been collected for reporting
Service cost					
SG3	<i>Cost of sports grounds</i> [Direct cost of sports grounds / Total number of sports fields]	\$0.00	\$0.00	\$0.00	Optional service measure, data has not been collected for reporting
Availability					
SG4	<i>Population per sports field</i> [Municipal population / Total number of sports fields]	0.00	0.00	0.00	Optional service measure, data has not been collected for reporting
Street Sweeping (optional)					
Satisfaction					
SS1	<i>Street sweeping requests</i> [Number of street sweeping requests / Total number of sealed local road households subject to a street sweeping service]	0.00	0.00	0.00	Optional service measure, data has not been collected for reporting
Service standard					
SS2	<i>Frequency of sealed local road sweeping</i> [Number of kilometres of sealed local roads swept / Total kilometres of local	0.00	0.00	0.00	No comment provided as there is no material variation No comment provided as there is no material variation

REPORT OF OPERATIONS				
Service Performance Indicators	Results	Results	Results	Comments
<i>Service/indicator/measure</i>	2015	2016	2017	
sealed local roads required to be swept]				
Service cost				
SS3 <i>Cost of street sweeping service</i> [Direct cost of street sweeping service / Total kilometres of sealed local roads required to be swept]	\$0.00	\$0.00	\$0.00	Optional service measure, data has not been collected for reporting
Environmental and flooding risk				
SS4 <i>Routine cleaning of sealed local road pits</i> [Number of sealed local road pits requiring cleaning following routine inspection / Total number of sealed local road pits inspected] x100	0.00%	0.00%	0.00%	Optional service measure, data has not been collected for reporting

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Surf Coast Shire Council

Performance Statement

For the year ended 30 June 2017

Performance Statement

For the year ended 30 June 2017

Description of municipality

Surf Coast Shire is located in south-western Victoria, 120km from Melbourne, 21km south of Geelong and covers 1,560 square kilometres.

Its proximity to the Princes Highway and Geelong Ring Road provides convenient road access to enhance the shire's appeal as a lifestyle, holiday, tourist and business destination.

Residents enjoy a high-quality lifestyle combining coastal, bushland and rural elements across nine distinct townships: Aireys Inlet, Anglesea, Deans Marsh, Fairhaven, Jan Juc, Lorne, Moriac, Torquay and Winchelsea.

Surf Coast Shire has been recognised as one of Victoria's fastest growing municipalities for more than a decade. The combination of lifestyle and proximity to Melbourne has seen the permanent population grow from 20,872 in 2001 to an estimated 30,445 in 2017.

Surf Coast Shire's economy continues to experience strong growth with the top employment sectors including tourism, the surfing industry, accommodation and food services, construction and retail trade. With its rich agricultural and aesthetic attributes, the hinterland is increasingly contributing to the shire's economic development, particularly via local food and niche tourism opportunities.

The demands on Council to deliver essential infrastructure and community services will continue to increase in line with the needs of Surf Coast Shire's rapidly growing, changing community.

Sustainable Capacity Indicators

For the year ended 30 June 2017

<i>Indicator/measure</i>	Results			Material Variations
	2015	2016	2017	
Population				
<i>Expenses per head of municipal population</i>	\$1,985.11	\$2,124.43	\$2,164.33	No comment provided as there is no material variation.
[Total expenses / Municipal population]				
<i>Infrastructure per head of municipal population</i>	\$9,905.90	\$12,078.85	\$12,763.54	No comment provided as there is no material variation.
[Value of infrastructure / Municipal population]				
<i>Population density per length of road</i>	25.80	26.05	29.08	The ABS estimated residential population of Surf Coast Shire released on 28 July 2017 showed a 2.72% population increase from 29,639 in 2015 to 30,445 in 2016. In addition the length of local roads (sealed and unsealed) has decreased due to the incorrect inclusion of Council Car Parks in previous years reporting and the reclassification and / or removal of a number of unconstructed roads.
[Municipal population / Kilometres of local roads]				
Own-source revenue				
<i>Own-source revenue per head of municipal population</i>	\$1,721.18	\$1,866.14	\$1,821.58	No comment provided as there is no material variation.
[Own-source revenue / Municipal population]				
Recurrent grants				
<i>Recurrent grants per head of municipal population</i>	\$333.35	\$263.85	\$391.69	During 2017 Council received an advance payment of its 2018 Grants Commission grant of \$1.95m. Councils Roads to Recovery grant allocation increased by \$303,000 from the prior year.
[Recurrent grants / Municipal population]				
Disadvantage				
<i>Relative socio-economic disadvantage</i>	10.00	10.00	10.00	No comment provided as there is no material variation.
[Index of Relative Socio-economic Disadvantage by decile]				

Definitions

"adjusted underlying revenue" means total income other than:

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

"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 30 June 2017

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Aquatic facilities				
Utilisation				
<i>Utilisation of aquatic facilities</i>	0.27	0.24	0.23	Council operates an outdoor pool at Winchelsea on a seasonal basis. Utilisation is influenced by fluctuations in weather conditions.
[Number of visits to aquatic facilities / Municipal population]				
Animal management				
Health and safety				
<i>Animal management prosecutions</i>	3.00	0.00	0.00	No prosecutions were initiated during 2016 - 2017.
[Number of successful animal management prosecutions]				
Food safety				
Health and safety				
<i>Critical and major non-compliance notifications</i>	100.00%	98.39%	99.37%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.
[Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100				
Governance				
Satisfaction				
<i>Satisfaction with council decisions</i>	58.00	50.00	53.00	Council is increasingly using deliberative engagement processes to improve community involvement in Council's decision making process wherever possible and communicating decisions through various channels.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]				
Home and community care				
Participation				
<i>Participation in HACC service</i>	27.00%	26.99%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100				

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Participation <i>Participation in HACC service by CALD people</i>	13.00%	20.75%	N/A	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100				
Libraries				
Participation <i>Active library members</i>	19.00%	19.88%	19.43%	No comment provided as there is no material variation.
[Number of active library members / Municipal population] x100				
Maternal and child health				
Participation <i>Participation in the MCH service</i>	72.00%	74.77%	78.42%	No comment provided as there is no material variation.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100				
Participation <i>Participation in the MCH service by Aboriginal children</i>	76.00%	68.00%	81.25%	Higher participation rates in the "8 months and under" key age and stage checks has contributed to the significant percentage increase for this reporting period.
[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				
Roads				
Satisfaction <i>Satisfaction with sealed local roads</i>	65.00	61.00	61.00	No comment provided as there is no material variation.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]				
Statutory Planning				

Service/indicator/measure	Results			Material Variations
	2015	2016	2017	
Decision making <i>Council planning decisions upheld at VCAT</i>	75.00%	76.47%	80.95%	No comment provided as there is no material variation.
[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				
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i>	55.00%	54.26%	54.76%	No comment provided as there is no material variation.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100				

Definitions

- "Aboriginal child" means a child who is an Aboriginal person
- "Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006
- "active library member" means a member of a library who has borrowed a book from the library
- "annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- "CALD" means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
- "class 1 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act
- "class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act
- "Community Care Common Standards" means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
- "critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- "food premises" has the same meaning as in the *Food Act 1984*
- "HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth
- "HACC service" means home help, personal care or community respite provided under the HACC program
- "local road" means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
- "major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- "population" means the resident population estimated by council
- "target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
- "WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*

Financial Performance Indicators

For the year ended 30 June 2017

Dimension/indicator/measure	Results			Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	
Efficiency							
Revenue level							
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$2,012.67	\$2,104.52	\$2,150.50	\$2,176.05	\$2,228.86	\$2,287.26	\$2,346.72
No comment provided as there is no material variation.							
Expenditure level							
Expenses per property assessment [Total expenses / Number of property assessments]	\$2,741.90	\$2,878.00	\$3,096.18	\$3,129.91	\$3,012.83	\$2,943.17	\$3,052.77
No comment provided as there is no material variation.							
Workforce turnover							
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8.56%	6.26%	6.98%	0.00%	0.00%	0.00%	0.00%
The number of resignations and terminations increased by 3. Council does not forecast resignations or terminations in its Annual Budget.							
Liquidity							
Working capital							
Current assets compared to current liabilities [Current assets / Current liabilities] x100	262.40%	252.55%	269.83%	341.93%	336.91%	282.21%	366.30%
Council's cash reserves were higher in 2016-17 compared to 2015-16 due to a number of large projects to be carried forward into the next financial year, plus the early receipt of 50% of the 2017-18 grants commission allocation. Council's Trade payables were higher in 2016-17 due to high operational and project activity at the end of the financial year. This is expected to return to normal levels in 2017-18. Movements							

Dimension/indicator/measure	Results					Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021				
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	-66.02%	-63.44%	-82.94%	20.80%	40.14%	72.05%	87.52%	in future years are mainly due to movements in Council's landfill provision and related cash reserves as major works are carried out to increase the life expectancy of the Anglesea landfill.			
Obligations Asset renewal Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	63.17%	52.39%	43.71%	49.59%	52.20%	54.26%	53.41%	Council's Term deposits with an original maturity of less than 90 days decreased in 2017 compared to 2016, however it is offset by an increase in its Term deposits with an original maturity of greater than 90 days (Other Financial Assets) to see an overall increase in value the Term Deposits it holds of \$7.3m to meet both short and long term cash requirements. Movements in future years are mainly due to Council holding higher amounts of unrestricted cash. This is mainly due increases to in Council's waste cash reserve in anticipation of future capital requirements, and that Council is not forecasting carry-forward capital works (restricted cash) in future years.			
Loans and borrowings								\$1,364M of renewal works were not completed during the 16-17 financial year and will be carried over to the 17-18 financial year. Going forward, Council has forecast a stable program of renewal works.			

Dimension/indicator/measure	Results					Forecasts					Material Variations
	2015	2016	2017	2018	2019	2020	2021				
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	37.71%	34.10%	31.34%	34.99%	31.81%	28.66%	25.56%	Council will borrow \$3m in 2017/18 to fund the completion of the Kurrumbee Myaring Community Centre. No further borrowings are currently forecast.			
Loans and borrowings Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.99%	3.74%	3.58%	3.46%	4.11%	3.94%	3.77%	Council will borrow \$3m in 2017/18 to fund the completion of the Kurrumbee Myaring Community Centre. No further borrowings are currently forecast.			
Indebtedness Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	59.94%	51.22%	46.72%	49.73%	46.94%	38.02%	34.85%	Non-current liabilities lower in 2018/19 due to reduction of landfill provision in that year due to capital works			
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	6.17%	3.59%	6.70%	-3.89%	2.96%	7.21%	5.70%	Councils adjusted underlying revenue increased by \$10.367m due mainly to an increase in rates of \$2.07m, Operating grants of \$4.073m and user and statutory fees of \$1.03m. Non-monetary contributions from developers and capital grants are expected to be higher in 2017/18 than in 2016/17			
Stability Rates concentration Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100 Rates effort	71.06%	73.29%	67.48%	75.07%	74.60%	74.93%	75.32%	Non-monetary contributions from developers and capital grants are expected to be higher in 2017/18 than in 2016/17 No comment provided as there is no material			

Dimension/indicator/measure	Results			Forecasts			Material Variations
	2015	2016	2017	2018	2019	2020	
Rates compared to property values	0.33%	0.34%	0.33%	0.34%	0.34%	0.35%	0.36% variation.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100							

Definitions

"adjusted underlying revenue" means total income other than:

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

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

"rate revenue" means revenue from general rates, municipal charges, service rates and service charges

"recurrent grant" means a grant other than a non-recurrent grant

"residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties

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

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

Other Information

For the year ended 30 June 2017

1. Basis of preparation

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

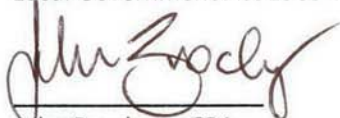
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 22 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Statement

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.



John Brockway CPA

Principal Accounting Officer

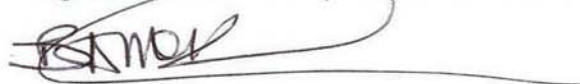
Dated: 12 September, 2017

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

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

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

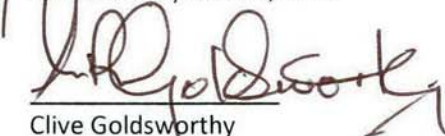
We have been authorised by the council and by the Local Government (Planning and Reporting) Regulations 2014 to certify this performance statement in its final form.



Brian McKitterick

Mayor

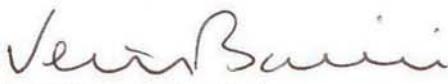
Dated: 12 September, 2017



Clive Goldsworthy

Councillor

Dated: 12 September, 2017



Keith Baillie

Chief Executive Officer

Dated: 12 September, 2017

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

Opinion I have audited the accompanying performance statement of Surf Coast Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2017
- sustainable capacity indicators for the year ended 30 June 2017
- service performance indicators for the year ended 30 June 2017
- financial performance indicators for the year ended 30 June 2017
- other information and
- the certification of the performance statement.

In my opinion, the performance statement of Surf Coast Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the *Auditor's responsibilities for the audit of the performance statement* section of my report.

My independence is established by the *Constitution Act 1975*. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Councillors' responsibilities for the performance statement The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989* and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the performance statement

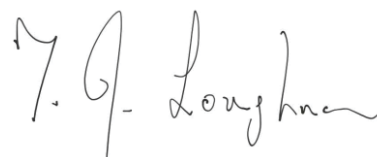
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or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

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

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

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

MELBOURNE
14 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria

Financial Performance of Services and Delivery of Major Initiatives

Theme 1: Environment

Strategic Indicators

The following statement reviews the performance of Council against the *Council Plan*, including results achieved in relation to the strategic indicators articulated in the *Council Plan*.

Strategic Indicator	Result	Comments
Waste Diversion Kerbside collection waste diverted from landfill (Percentage of garbage, recyclables and green organics collected from kerbside bins that is diverted from landfill).	54.76%	No comment provided as there is no material variation.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 budget.

Major Initiatives	Progress
Solar Improvement Program Council Civic Office (Actual: \$132,668 Budget: \$132,668)	Complete with solar now installed on the Council Civic Office.

Services

The following statement provides information in relation to the services funded in the 2016-17 budget.

Description of Service Provided	Net Cost <u>Amended Budget</u> Variance \$'000
Environment This service ensures that Council complies with Victorian and Commonwealth Government legislative requirements regarding the environment, including: native vegetation; listed species and ecological communities; pest plants and animals; and statutory planning referrals. A wide range of Council Plan strategies related to pest plant and animal management, sustainability, environmental leadership and climate change are also delivered. The unit is the designated land manager for Council's many nature reserves (including the world famous Bells Beach Surfing Recreation Reserve), 1500km of rural roadsides and also some waterways. The unit provides specialist environmental and sustainability advice internally to Council and externally to community groups, local businesses, agencies and members of the public.	1,137 <u>1,149</u> <u>12</u>

<p>Open Space Planning</p> <p>The open space activities of Council include ensuring that the management of public open space is conducted with a focus on environmental planning. The Open Space Planning unit is responsible for maintaining and planning the development of public open space.</p>	<p>171</p> <p><u>179</u></p> <p>8</p>
<p>Waste Management</p> <p>The Waste Management function involves management of Council's landfill and transfer stations, waste collection including kerbside rubbish collection and street cleaning and maintenance of street litter bins. The Waste Management unit has a strong focus on community education and waste services planning. Revenue in this area is generated mainly from waste disposal fees.</p>	<p>(3,165)</p> <p><u>(2,685)</u></p> <p>480</p>

Theme 2: Governance

Strategic Indicators

The following statement reviews the performance of Council against the *Council Plan*, including results achieved in relation to the strategic indicators articulated in the *Council Plan*.

Strategic Indicator	Result	Comments
Satisfaction Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community)	53	Council is increasingly using deliberative engagement processes to improve community involvement in Council's decision-making process wherever possible and communicating decisions through various channels.
Health and safety Animal management prosecutions (Number of successful animal management prosecutions)	0	No prosecutions were initiated during 2016 - 2017.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 budget.

Major Initiatives	Progress
Digital Transformation Project Leader (Actual: \$37,962 Budget: \$150,000)	Implementation of initiative commenced in second half of 2016-17 with the development of digital strategy underway. Initiative will continue into 2017-18 as part of the broader digital transformation program outlined in the 2017-18 budget.
Council System Improvements (Actual: \$5,889 Budget: \$132,000)	Budget and scope transferred and completed under the Solar Improvement Program (Council Civic Office) and scope progressing for the New Planning System Efficiency Improvements (refer theme 5 section).
Business Improvement Officer (Actual: \$87,997 Budget: \$108,000)	This business case role continues to deliver savings to Council in line with the long-term financial plan and budget. Remaining budget is carried forward into 2017-18.
Activity Based Working Project (Actual: \$43,663 Budget: \$50,000)	Implementation plan for activity based working under review. Budget of \$6,337 carried forward into 2017-18 to complete project.

Services

The following statement provides information in relation to the services funded in the 2016-17 budget.

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
<p>Councillors, Council Support & Executive Services This area of governance includes the Mayor, Councillors, Chief Executive Officer and Executive Management Team and associated support which cannot be easily attributed to the direct service provision areas.</p>	<p>2,092</p> <p><u>2,186</u></p> <p>94</p>
<p>Information Services This service includes two main sections, Information Technology (incl. Geospatial Information systems) and Records Management. The Information Technology area supports the organisations requirements for computer services (incl. provision, support, maintenance, licencing and infrastructure), communications (fixed, mobile and data) and geospatial mapping facilities for council and external uses. The Records Management area manages document compliance (incl. creating, capturing, classifying and archival maintenance), and processing of incoming and outgoing correspondence. The Information Services unit has the responsibility to support the organisation with a cost effective and efficient technology service which seeks to improve the performance of the organisation.</p>	<p>2,211</p> <p><u>2,271</u></p> <p>60</p>
<p>Corporate Planning This service provides development of organisational policy, strategy, systems, and support in the areas of corporate planning, community satisfaction data, performance measurement and reporting.</p>	<p>790</p> <p><u>824</u></p> <p>34</p>
<p>Financial Management This service provides financial services to both internal and external customers of the organisation. The unit is responsible for ensuring that Council complies with its statutory obligations in regard to financial planning and reporting as well as provision of accounting services and management of Council funds. Duties include managing creditors, payroll and financial reporting. The Financial Management unit plays an integral part in Council's long term financial planning processes, the formulation of Council's annual budget, and the regular reporting of Council's financial performance. This function also includes management of the raising and collection of Council's primary revenue source, rates and charges. Revenue in this area is generated mainly from pensioner rate concession and debt collection recoupments. The early receipt of half the 2017-18 grant commission (\$1.9m) in 2016-17 contributed to the annual variance.</p>	<p>(2,535)</p> <p><u>(507)</u></p> <p>2,028</p>
<p>Risk Management and Legal Services This service involves overseeing Council's risk management system, including provision of support to the organisation in regard to managing risks, insurance policies and business continuity.</p>	<p>621</p> <p><u>659</u></p> <p>38</p>

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
<p>People and Culture</p> <p>This service is responsible for supporting the organisation with strategic and operational human resources management and includes learning and development and occupational health and safety. The activities of the unit include developing and implementing strategies, policies and procedures that promote high level human resources and industrial relations services. The unit also supports the organisation in attracting new staff, retaining existing staff and the ongoing development of the skills within Council's work force.</p>	<p>1,254</p> <p><u>1,443</u></p> <p>189</p>
<p>Communications and Community Engagement</p> <p>This service is responsible for coordinating Council communications, including liaising with media, formulating press releases, preparing publications and delivering digital communication. The unit also provides support to the Mayor and Councillors in regard to media matters. Council's community engagement activity is led and supported by the unit.</p>	<p>822</p> <p><u>948</u></p> <p>126</p>
<p>Customer Service</p> <p>This service is responsible for coordinating Council's front of house customer services activities, including attending to customer phone and face to face enquiries.</p>	<p>595</p> <p><u>620</u></p> <p>25</p>
<p>Governance</p> <p>This service provides statutory and corporate support to the organisation in the development and review of organisational policies and procedures, Council meeting administration, ensuring compliance with legislative requirements, managing Freedom of Information and privacy requests, procurement and contracts, Council property administration, legal services, maintenance of public registers, Council election services and management of delegations and authorisations.</p>	<p>622</p> <p><u>635</u></p> <p>13</p>
<p>Development Compliance and Local Laws</p> <p>This service includes animal management, traffic management, permits for footpath trading, local law enforcement and State Government agencies enforcement activities, Building development controls function and planning enforcement. This service provides staff at school crossings to ensure that all pedestrians are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing animal management services including a cat trapping program, a dog and cat collection service, a lost and found notification service, a pound service, a registration and administration service, an after-hours service and an emergency service. Revenue in this area is generated mainly from the issuance of infringement notices.</p>	<p>448</p> <p><u>428</u></p> <p>(20)</p>
<p>Business Improvement</p> <p>This service leads Council's efforts to identify and implement business improvement opportunities in order to deliver financial, service and other benefits. In particular, realising financial gains is important to ensure Council can deliver and maintain the services and new infrastructure required by our growing community.</p>	<p>289</p> <p><u>286</u></p> <p>(3)</p>

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
<p>Program Management Office This service provides leadership, analysis and support for Council's program of projects. This includes a standardised and integrated approach to project management across the organisation to ensure the successful delivery of Council's annual program. It has accountability for the successful management of all program management processes, systems and functions, including the Project Delivery Framework, Project Delivery Process and Program Status Report for all capital and operational projects. Project management costs are included in project budgets enabling resources to be scaled up and down with the changing size of the program.</p>	<p>394 <u>251</u> (143)</p>

Theme 3: Communities

Strategic Indicators

The following statement reviews the performance of Council against the *Council Plan*, including results achieved in relation to the strategic indicators articulated in the *Council Plan*.

Strategic Indicator	Result	Comments
<p>Library Participation</p> <p>Active library members (Percentage of the municipal population that are active library members)</p>	19.43%	No comment provided as there is no material variation.
<p>Maternal and Child Health Participation</p> <p>Participation in the MCH service (Percentage of children enrolled who participate in the MCH service)</p>	78.42%	No comment provided as there is no material variation.
<p>Maternal and Child Health Participation</p> <p>Participation in MCH service by Aboriginal children (Percentage of Aboriginal children enrolled who participate in the MCH service)</p>	81.25%	Higher participation rates in the "8 months and under" key age and stage checks has contributed to the significant percentage increase for this reporting period.
<p>Home and Community Care Participation</p> <p>Participation in HACC service (Percentage of the municipal target population who receive a HACC service)</p>	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
<p>Home and Community Care Participation</p> <p>Participation in HACC service by CALD people (Percentage of the municipal target population in relation to CALD people who receive a HACC service)</p>	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

Strategic Indicator	Result	Comments
<p>Food Health and Safety</p> <p>Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council)</p>	99.37%	<p>From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year.</p> <p>No further comment provided as there is no material variation.</p>

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 budget.

Major Initiatives	Progress
Not applicable for 2016-17	

Services

The following statement provides information in relation to the services funded in the 2016-17 budget.

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
<p>Recreation Planning</p> <p>This service provides a varied program of arts and cultural activities. Council develops policies and strategies to facilitate art practice often in partnership with community members. The function is also responsible for the provision of library services and manages a service agreement with the Geelong Regional Library. Library services are provided at Torquay and across the municipality with a mobile service.</p>	<p>586</p> <p><u>694</u></p> <p>108</p>
<p>Library & Arts Development</p> <p>This service provides a varied program of arts and cultural activities. Council plans and develops arts and cultural infrastructure and develops policies and strategies to facilitate art practice. The function is also responsible for the provision of library services and manages a service agreement with the Geelong Regional Library. Library services are provided at Torquay and across the municipality with a mobile service.</p>	<p>816</p> <p><u>838</u></p> <p>22</p>

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
<p>Early Years</p> <p>This service provides family oriented support services including kindergartens, toy libraries, maternal and child health, youth services, family day care, vacation and occasional care programs. The unit also supports playgroups, visiting specialists and through community engagement provision of access to facilities and services. Revenue in this area is generated mainly from government grants received and user service fees.</p>	<p>499</p> <p><u>847</u></p> <p>348</p>
<p>Positive Ageing</p> <p>This service provides a range of home and community care and social support services for older people and people with a disability to assist them to remain independent and active participants in the community. Services include in-home assessment, home delivered and community meals, in-home domestic respite and personal care, home maintenance and modifications, senior citizens, café style support programs, service coordination, and community development activities. Revenue in this area is generated mainly from government grants and user service fees.</p>	<p>793</p> <p><u>973</u></p> <p>180</p>
<p>Community Emergency Management</p> <p>This service assists community and Council plan for, respond to and recover from all potential emergencies and their consequences. This includes coordinating arrangements for the utilisation and implementation of Council resources in response to emergencies and arrangements for the provision of assistance to the community during recovery from emergencies. The unit prepares and maintains fire and other emergency management plans integrated with other local, regional and state plans. The unit also delivers fire prevention programs under the CFA Act and community resilience outreach programs with high risk communities.</p>	<p>611</p> <p><u>636</u></p> <p>25</p>
<p>Environmental Health</p> <p>This service provides public and environmental health protection services to the community and ensures Council complies with its legislative duties. Services include: food safety - registration and monitoring compliance of food, accommodation, caravan parks and health (hairdressers, tattooist, beauty etc.) businesses; Inspection and issuing permits for wastewater treatment systems and septic tanks; Investigations of public health complaints such as nuisances, food safety, pest control, noise, emissions, odour, pollution, asbestos, water quality; Customer Services/Expert Advice on public and environmental health matters; Public health emergency response; and Childhood and School Immunisation Services. Revenue in this area is generated mainly from health registration fees.</p>	<p>427</p> <p><u>489</u></p> <p>62</p>
<p>Facilities and Open Space Operations</p> <p>This service maintains and renews a wide range of Council facilities and associated infrastructure (e.g. recreation, early years, public toilets, community halls). It is responsible for managing and programming several sports and multi-purpose community facilities including pool facilities, which provide a source of income through user fees. The unit also maintains and develops Council's parks and open space assets (e.g. recreation reserves, playgrounds, skate parks, trees, nature reserves).</p>	<p>6,526</p> <p><u>6,576</u></p> <p>50</p>

Theme 4: Infrastructure

Strategic Indicators

The following statement reviews the performance of Council against the *Council Plan*, including results achieved in relation to the strategic indicators articulated in the *Council Plan*.

Strategic Indicator	Result	Comments
Roads Satisfaction Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads)	61	No comment provided as there is no material variation.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 budget.

Major Initiatives	Progress
Street Light Upgrade Program (Actual: \$146,688 Budget: \$200,000)	The Street Light Upgrade Program has a \$200,000 budget (\$100,000 from 2015-16 and \$100,000 from 2016-17). These funds are currently being utilised to upgrade existing street lighting to LED. The remaining budget will be carried forward into 2017-18 to complete remaining scope.

Services

The following statement provides information in relation to the services funded in the 2016-17 budget.

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
Gherang Gravel Pits Revenue in this service area relates to gravel pit royalties. Expenditure relating to this service relates to Crown royalty and leasing costs, maintenance, management and associated fees.	(404) <u>(284)</u> 120
Civil Works This service is responsible for the construction, maintenance and day-to-day operation of Council's sealed and unsealed road network, ensuring that it can	4,081 <u>3,768</u>

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
support day-to-day activities including businesses moving customers, supplies and products across the Shire. The Civil Works team also maintains drains and footpaths and other civil infrastructure. In undertaking these responsibilities, the unit is also required to source and manage contracting services to assist with the completion of works, regularly review the standard and cost of materials, and to keep up to date with improved work practices.	(313)
<p>Assets Management</p> <p>This service is responsible for integrated and prioritised capital works planning. This includes development and implementation of asset management plans for planning for the expansion of Council's asset portfolio for the needs of a growing population, as well as planning the renewal management of Council's existing Infrastructure. In addition the function manages and maintains Council's fleet portfolio.</p>	<p>(507)</p> <p><u>(314)</u></p> <p>193</p>
<p>Engineering Services</p> <p>This service is responsible for the design of traffic and drainage infrastructure projects as well as subdivision design approval and works inspections. They also manage traffic management, street lighting and bus shelters throughout the Shire. Revenue in this area is generated mainly from government grants received and user service fees.</p>	<p>913</p> <p><u>965</u></p> <p>52</p>

Theme 5: Development and Growth

Strategic Indicators

The following statement reviews the performance of Council against the *Council Plan*, including results achieved in relation to the strategic indicators articulated in the *Council Plan*.

Strategic Indicator	Result	Comments
Statutory Planning Decision Making Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside)	80.95%	No comment provided as there is no material variation.

Major Initiatives

The following statement reviews the progress of Council in relation to major initiatives identified in the 2016-17 budget.

Major Initiatives	Progress
New Planning System – Efficiency & Service Delivery (Actual: \$104,461.69 Budget: \$201,215)	Project implementation is progressing with works expected to be completed during 2017-18.

Services

The following statement provides information in relation to the services funded in the 2016-17 budget.

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
Planning and Development This service is responsible for building and strategic and statutory planning . It includes processing all planning applications, providing advice and assessing development proposals which require a planning permit, and representing Council at the Victorian Civil and Administrative Tribunal where necessary. It is also responsible for monitoring Council's planning scheme, developing land use policy and preparing and processing amendments to the Planning Scheme. Review of policies and strategies relating to urban design issues are also processed under this function. Revenue in this area is generated mainly from government grants received and user service fees.	1,722 <u>1,893</u> 171
Economic Development and Tourism The Economic Development and Tourism service is responsible for business engagement and support, grants administration, tourism marketing, visitor	1,676 <u>1,840</u>

Description of Services Provided	Net Cost <u>Amended Budget</u> Variance \$'000
centres, event facilitation and the Australia National Surfing Museum. It includes supporting existing business, attracting new business, providing economic data, grants administration, developing business profiles and contributing to local trader groups. Tourism development functions include promoting the conference market, product development and marketing and funding Great Ocean Road Regional Tourism. The service also facilitates a range of small to internationally recognised events via our event liaison team and provides an event grants funding program. Four visitor centres and the Australian National Surfing Museum service and distribute information to visitors. Revenue in this area is generated mainly from Museum and Visitor Information Centre sales.	164

Developer Contribution Plans

Torquay Jan Juc Developer Contributions Plan

Background

In response to development pressures, Surf Coast Shire Council prepared the Torquay-Jan Juc Developer Contribution Plan (DCP) to plan and deliver infrastructure needed by the community. At its Ordinary Council Meeting on 25 May 2011, Council adopted Amendment C57 to the *Surf Coast Shire Planning Scheme* to include the DCP. Council has also considered its need to make contributions to the DCP. These contributions are incorporated into Council's Long-Term Financial Plan.

The DCP is designed to establish the strategic delivery of infrastructure required for the future growth of Torquay and Jan Juc. It notes that urban development will demand and make use of many infrastructure items over time, including road, pathway, open space and community facility projects. The cost of these will be significant.

As development in Torquay and Jan Juc progresses, each developer is required to build on-site infrastructure, generally through site-specific permit conditions. In addition, there are off-site or shared works which also need to be constructed. These infrastructure projects include a series of road, pathway, open space and community facility projects that will be shared by a number of developments, as well as the existing community.

The purpose of this DCP is to ensure that the cost of providing new infrastructure is shared between developers and the wider community on a fair and reasonable basis. Fairness requires that costs be apportioned according to share of usage of the required infrastructure. Projects will be funded by a combination of developer levies, Council funds and, where possible, grant contributions.

Overview

The Torquay-Jan Juc DCP includes 45 projects; 38 on Council-owned or managed land and seven on land managed by the Great Ocean Road Coast Committee (GORCC). Council is the collection agency for all projects, including those on GORCC land.

Status

As at 30 June 2017, of the 38 projects to be delivered by Council, 9 projects had been completed, 18 were in progress and 11 were yet to commence.

Agency	Status	30 June 2015	30 June 2016	30 June 2017
Council Projects	Not Started	16	15	11
	In Progress	15	14	18
	Completed	7	9	9
GORCC Projects	Not Started	4	1	0
	In Progress	1	3	3
	Completed	2	3	4

Total developer contributions received to 30 June 2017: \$4,770,561.43

The following table shows Council expenditure on DCP Projects to 30 June 2017.

Funding Source	Delivery as at 30 June 2016	2016-17 Expenditure	Delivery as at 30 June 2017
Council Funds	\$5,332,111	\$4,990,397	\$10,322,508
Developer Contributions	\$943,949	\$1,191,304	\$2,135,253
Grants or Other Contributions	\$10,014,151	\$491,504	\$10,505,655
Total Project Expenditure	\$16,290,211	\$6,673,205	\$22,963,416

Briody Drive West Upgrade Developer Contributions Plan

Background

The Torquay Jan Juc Structure Plan 2007 promotes the redevelopment of the Briody low-density residential estate to conventional residential densities. The eastern part of this estate has already been rezoned and partially redeveloped. As part of this rezoning, Briody Drive needs to be upgraded to full seal with kerb and channel between Messmate Road and Illawong Drive. This infrastructure upgrade is not included in the Torquay Jan Juc Developer Contributions Plan

Overview

The Briody Drive West Upgrade DCP was gazetted in December 2012 and will collect levies for the sole purpose to finance part of the upgrade of Briody Drive West, between Illawong Drive and Messmate Road, Torquay.

Status

As at 30 June 2017, development had not commenced in the area and the project had not been delivered.

MINISTERIAL REPORTING REQUIREMENTS

Table 1 - Total DCP levies received in 2016/17

DCP name and year approved	Levies received in 2016/17 financial year (\$)
Torquay/Jan JucDCP, approved 2011	590,904
Briody Drive West Upgrade DCP, approved 2012	-
Total	590,904

Table 2 - DCP land, works, services or facilities accepted as works-in-kind in 2016/17

DCP name and year approved	Project Description	Item Purpose	Project Value (\$)
NIL - no DCP land, works, services or facilities accepted as works-in-kind in 2016/17			-
Total			-

Table 3 - Total DCP contributions received and expended to date (for DCPs approved after 1 June 2016)

DCP name and year approved	Total Levies Expended (\$)	Total Works-in-Kind Accepted (\$)	Total DCP Contributions received (levies and works-in-kind) (\$)
NIL - No DCP's approved after 1 June 2016	-	-	-
Total	-	-	-

Table 4 - Land, works, services or facilities delivered in 2016/17 from DCP levies collected

DCP name and year approved	Project Description	DCP funds expended (\$)	Works-in-Kind Accepted (\$)	Council's Contribution (\$)	Other Contributions (\$)	Total Project Expenditure (\$)	Percentage of Item delivered (%)
Torquay/Jan JucDCP, approved 2011	Civic precinct active recreation facilities	-	-	1,549,974	-	1,549,974	73%
Torquay/Jan JucDCP, approved 2011	Upgrade Deep Creek linear reserve	-	-	22,197	-	22,197	11%
Torquay/Jan JucDCP, approved 2011	Construct pathways through the Torquay North open space network	-	-	45,323	-	45,323	27%
Torquay/Jan JucDCP, approved 2011	Upgrade Grass Tree Park	-	-	21,562	-	21,562	53%
Torquay/Jan JucDCP, approved 2011	Construct regional bike route (2) through Torquay	-	-	28,086	-	28,086	97%
Torquay/Jan JucDCP, approved 2011	Construct an Early Learning Centre in Torquay North	159,825	-	2,810,528	-	2,970,353	35%
Torquay/Jan JucDCP, approved 2011	Surf Coast Highway / South Beach Rd intersection upgrade	800,000	-	-	-	800,000	43%
Torquay/Jan JucDCP, approved 2011	Civic precinct active recreation facilities Upgrade Jan Juc linear reserve	-	-	477,129	21,750	498,879	72%
Torquay/Jan JucDCP, approved 2011	Construct a 3 court stadium in the Torquay North CCP	-	-	8,500	-	8,500	59%
Torquay/Jan JucDCP, approved 2011	Horsehoe Bend / South Beach Road intersection upgrade	6,855	-	-	169,754	176,609	45%
Torquay/Jan JucDCP, approved 2011	Upgrade Bells Beach recreation reserve	-	-	9,537	-	55,763	6%
Torquay/Jan JucDCP, approved 2011	Construct regional bike route (1) through Torquay	24,225	-	-	-	24,225	55%
Torquay/Jan JucDCP, approved 2011	Widen Coombes Road	60,800	-	-	-	60,800	1%
Torquay/Jan JucDCP, approved 2011	Surf Coast Highway / Beach Rd intersection upgrade	139,599	-	-	-	139,599	11%
Torquay/Jan JucDCP, approved 2011	Construct regional bike route (1) through Torquay	-	-	-	300,000	300,000	68%
Total		1,191,304	-	4,950,397	491,504	6,719,431	

Financial Performance Report

Financial Statements

Certification of Financial Statements

VAGO Audit Opinion – Financial Statements

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**SURF COAST SHIRE COUNCIL
ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2017

Surf Coast Shire Council
Financial Report
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Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	47,847	45,777
Statutory fees and fines	4	1,706	1,297
User fees	5	6,226	5,605
Grants - operating	6	9,921	5,848
Grants - capital	6	3,236	4,202
Contributions - monetary	7	3,532	3,170
Contributions - non monetary	7	10,718	9,970
Other income	9	1,874	1,329
Total income		85,060	77,198
Expenses			
Employee costs	10	(27,815)	(26,317)
Materials and services	11	(24,740)	(20,399)
Bad and doubtful debts	12	(146)	(518)
Depreciation	13	(10,994)	(10,629)
Borrowing costs	14	(1,077)	(1,122)
Net loss on disposal of property, infrastructure, plant and equipment	8	(2,115)	(1,405)
Share of net losses of Geelong Regional Library Corporation	16	(80)	(43)
Other expenses	15	(1,121)	(1,050)
Total expenses		(68,088)	(61,483)
Surplus for the year		16,972	15,715
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	29(a)	44,851	58,271
Total comprehensive result		61,823	73,986

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

Balance Sheet
As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	2,414	6,977
Other financial assets	18	36,380	23,600
Trade and other receivables	19	3,843	2,577
Inventories	20	270	232
Non-current assets classified as held for sale	21	-	281
Other assets	22	562	654
Total current assets		43,469	34,321
Non-current assets			
Trade and other receivables	19	68	125
Investments in Geelong Regional Library Corporation	16	457	537
Other financial assets	18	-	1,000
Property, infrastructure, plant and equipment	23	516,322	456,885
Total non-current assets		516,847	458,547
Total assets		560,316	492,868
Liabilities			
Current liabilities			
Trade and other payables	24	6,619	3,172
Trust funds and deposits	25	2,651	1,672
Provisions	26	6,028	8,033
Interest-bearing loans and borrowings	27	675	628
Other Liabilities	28	137	85
Total current liabilities		16,110	13,590
Non-current liabilities			
Provisions	26	11,648	11,986
Interest-bearing loans and borrowings	27	14,262	14,936
Total non-current liabilities		25,910	26,922
Total liabilities		42,020	40,512
Net assets		518,296	452,356
Equity			
Accumulated surplus		204,291	187,235
Revaluation reserves	29	281,200	236,349
Other reserves	29	32,805	28,772
Total Equity		518,296	452,356

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

Statement of Changes in Equity For the Year Ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserves \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		452,356	187,235	236,349	28,772
Adjustment to opening accumulated surplus : Recognition of previously unrecognised Land assets *		4,117	4,117	-	-
Surplus for the year		16,972	16,972	-	-
Net asset revaluation increment	29(a)	44,851	-	44,851	-
Transfers to other reserves	29(b)	-	(32,511)	-	32,511
Transfers from other reserves	29(b)	-	28,478	-	(28,478)
Balance at end of the financial year		518,296	204,291	281,200	32,805
2016					
Balance at beginning of the financial year		378,571	176,720	178,078	23,773
Adjustment to opening accumulated surplus		(201)	(201)	-	-
Surplus for the year		15,715	15,715	-	-
Net asset revaluation Increment	29(a)	58,271	-	58,271	-
Transfers to other reserves	29(b)	-	(19,574)	-	19,574
Transfers from other reserves	29(b)	-	14,575	-	(14,575)
Balance at end of the financial year		452,356	187,235	236,349	28,772

* As these Land assets relate to existing assets not previously recognised, corrections were made to the balance of accumulated surplus for the year ended 30 June 2017.

Statement of Cash Flows
For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		47,733	46,437
Statutory fees and fines		1,700	1,690
User fees		6,538	6,176
Grants - operating		10,269	6,013
Grants - capital		3,375	4,365
Contributions - monetary		3,532	3,170
Interest received		1,800	1,383
Trust funds and deposits taken		6,534	6,112
Net GST refund		2,063	2,589
Employee costs		(27,357)	(26,566)
Materials and services		(29,131)	(25,141)
Trust funds and deposits repaid		(5,555)	(5,762)
Net cash provided by operating activities	30	<u>21,501</u>	<u>20,466</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(13,275)	(13,519)
Proceeds from sale of property, infrastructure, plant and equipment	8	696	484
Payments for investments		(72,880)	(56,800)
Proceeds from sale of investments		61,100	52,450
Net cash (used in) investing activities		<u>(24,359)</u>	<u>(17,385)</u>
Cash flows from financing activities			
Finance costs		(1,078)	(1,121)
Repayment of borrowings		(627)	(585)
Net cash (used in) financing activities		<u>(1,705)</u>	<u>(1,706)</u>
Net increase/(decrease) in cash and cash equivalents		(4,563)	1,375
Cash and cash equivalents at the beginning of the financial year		6,977	5,602
Cash and cash equivalents at the end of the financial year	17	<u>2,414</u>	<u>6,977</u>
Refer to Financing arrangements	31		
Refer to Restrictions on cash assets	17		

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

**Statement of Capital Works
For the Year Ended 30 June 2017**

	Note	2017 \$'000	2016 \$'000
Property			
Land		5	500
Total land		<u>5</u>	<u>500</u>
Buildings		3,193	1,631
Total buildings		<u>3,193</u>	<u>1,631</u>
Total property		<u>3,198</u>	<u>2,131</u>
Plant and equipment			
Plant, machinery and equipment		1,111	1,262
Fixtures, fittings, and furniture		37	20
Computers and telecommunications		245	190
Total plant and equipment		<u>1,393</u>	<u>1,472</u>
Infrastructure			
Roads		4,169	4,222
Bridges		14	76
Footpaths and cycleways		477	780
Drainage and sewerage		647	752
Recreational, leisure and community facilities		1,736	2,757
Parks, open space and streetscapes		1,359	1,095
Off street car parks		94	235
Total infrastructure		<u>8,496</u>	<u>9,917</u>
Total capital works expenditure		<u>13,087</u>	<u>13,520</u>
Represented by:			
New asset expenditure		6,420	6,218
Asset renewal expenditure		4,806	5,568
Asset expansion expenditure		496	418
Asset upgrade expenditure		1,365	1,316
Total capital works expenditure		<u>13,087</u>	<u>13,520</u>

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

Introduction

The Surf Coast Shire was established by an Order of the Governor in Council on 9 March 1994 and is a body corporate. The Council's main office is located at 1 Merrijig Drive, Torquay.

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 (l))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of employee provisions (refer to note 1 (r))
- the determination of landfill provision (refer to note 1(s))

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) 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. The following special committees are not included in this financial report as their aggregate income is immaterial and they prepare their own financial reports separately :

Deans Marsh Public Hall and Memorial Park Committee of Management
Stribling Reserve Committee of Management
Anderson Roadknight Reserve Committee of Management
Eastern Reserve Committee of Management
Modewarre Memorial Hall and Reserve Committee of Management
Connewarre Reserve Committee of Management
Globe Theatre Committee of Management
Anglesea Bike Park

Note 1 Significant accounting policies (cont.)

(d) 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.

(e) Revenue recognition

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

Rates and Charges

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

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.

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.)

(f) Fair value measurement

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

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

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

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

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

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

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

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

Receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(i) Other financial assets

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

(j) Inventories

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

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

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

Note 1 Significant accounting policies (cont.)

(l) 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 price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use 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 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

Land under roads

Land under roads acquired after 30 June 2008 is brought to account using a cost basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

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

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, apart from the plant and machinery class which is reducing balance.

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

Note 1 Significant accounting policies (cont.)

(m) Depreciation property, infrastructure and plant and equipment (cont'd)

Asset recognition thresholds and depreciation periods		Depreciation Period	Threshold Limit \$'000
Heritage Buildings		100 - 150 year	1
Buildings - Complex	Structure	100 years	1
	Roof	50 years	1
	Fit Out	25 years	1
	Services	20 years	1
Buildings - Simple		40 years	1
Plant, machinery and equipment		2 - 15 years	1
Fixtures, fittings and furniture		3 - 10 years	1
Computers and telecommunications		3 - 10 years	1
Sealed Road Pavements	High Traffic	90 years	1
	Low Traffic	100 years	1
	Concrete	40 years	1
Unsealed Road Pavements		16 years	1
	High Traffic	20 - 25 years	1
	Low Traffic	15 - 18 years	1
Seals	Spray Seal	25 - 30 years	1
	Asphalt	70 years	1
Road Kerb and Channel		25 - 80 years	1
Bridges and Major Culverts	Timber Bridges	40 years	1
		80 - 140 years	1
Footpaths and Cycleways	Other Bridges		
	Concrete	65 years	1
	Asphalt	30 years	1
	Brick	50 years	1
	Gravel	20 years	1
		80 - 150 years	1
Drainage and Sewerage	Drainage		
	Sewerage	80 years	1
	Septic Tanks	30 years	1
Recreation, leisure and community facilities		10 - 40 years	1
Parks, Open Spaces and streetscapes		10 - 50 years	1
Off Street car parks	Sealed Pavement	100 years	1
	Unsealed Pavement	20 years	1
	Sealed Pavement	15 - 30 years	1

(n) Repairs and maintenance

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

(o) Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Note 1 Significant accounting policies (cont.)

(p) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

(q) Borrowings

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

Borrowing costs

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

Borrowing costs include interest on bank overdrafts and interest on borrowings.

(r) Employee costs and benefits

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

Wages and salaries and annual leave

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

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at 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.

(s) Landfill rehabilitation provision

Council is obligated to restore the Anglesea site to a particular standard. The forecast life of the Anglesea 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.

Note 1 Significant accounting policies (cont.)

(t) 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.

(u) Goods and Services Tax (GST)

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

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

(v) Financial guarantees

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

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending accounting standards

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has a number of operating leases that will be impacted as a result of this change. This will see assets and liabilities of approximately \$1,157,000 recognised.

Income for Not-for-Profit entities (AASB 1058) (applies 2019/20)

Where a transaction does not meet the requirements to be accounted for under AASB 15 Council will need to assess whether the transaction should be accounted for under AASB 1058. It is expected that Council will need to recognise its volunteer services and consider performance obligations on future grants received.

(y) 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 the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 14th June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	47,837	47,847	10	
Statutory fees and fines	1,525	1,706	181	1
User fees	5,771	6,226	455	2
Grants - operating	7,526	9,921	2,395	3
Grants - capital	2,509	3,236	727	4
Contributions - monetary	2,693	3,532	839	5
Contributions - non monetary	7,840	10,718	2,878	6
Other income	792	1,874	1,082	7
Total income	76,493	85,060	8,567	
Expenses				
Employee costs	27,567	27,815	(248)	8
Materials and services	26,237	24,740	1,497	9
Bad and doubtful debts	79	146	(67)	10
Depreciation	11,338	10,994	344	11
Borrowing costs	1,077	1,077	-	
Net loss on disposal of property, infrastructure, plant and equipment	1,326	2,115	(789)	12
Share of net losses of Geelong Regional Library Corporation	-	80	(80)	
Other expenses	1,103	1,121	(18)	
Total expenses	68,727	68,088	639	
Surplus for the year	7,766	16,972	9,206	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines (income)	Planning Fees higher than budgeted mainly due to increasing fees and higher number of applications \$155k, Other Statutory fees higher than budget mainly due to higher election fines received from the VEC and higher number of subdivision applications \$99k, partially offset by fines and penalty revenue lower than budgeted due to lower resourcing than budgeted in the local laws area (\$73k)
2	User Fees	Waste and Recycling charges higher than budget due to higher drop-off rates at transfer stations \$428k, higher Gravel Pit royalties due to increased gravel extraction \$101k, lower other user charges (\$74k) mostly related to aged and family services.
3	Grants - Operating	Early Receipt of 50% of the Victorian Grants Commission 2017/18 allocation \$1,915k, higher aged and family services grants \$378k, higher kindergarten grants \$134k, lower other grants (\$32k).
4	Grants - Capital	Additional Grant Funds received, made up of \$286k transport projects, \$205k recreation Projects, \$203k building projects, and \$33k for other projects.
5	Contributions - monetary	Contributions and recoupments to projects higher than budgeted, made up of: Merrijig Drive Construction \$400k, Anglesea Bowls Club \$250k, Powercor Road Reinstatements \$239k, Spring Creek Precinct Structure Plan \$175k, Regional Motorcycle facility \$100k, and other project related Contributions and recoupments \$138k. Operating contributions and recoupments lower than budget due to lower subdivider contributions (\$659k), partially offset by higher recoupment of valuation fees from the State Revenue Office \$118k, and higher other contributions \$78k.
6	Contributions - non monetary	Higher contributed assets from developers due to increased development activity \$2,878k.
7	Other Income	Higher other income due to Landfill Rehabilitation Provision adjustment \$853k, higher interest revenue earned on investments \$383k, interest on property rates budgeted as other income now reflected in rates and charges (\$145k), and lower other income (\$9k)
8	Employee costs	Higher internal project management costs on operational projects (\$251k) which was budgeted entirely in capital projects, higher expensed labour on capital projects (\$119k), partially offset by lower training costs \$105k, lower workcover premium \$82k, and lower other costs \$20k
9	Materials and services	Project spend lower than budgeted \$1,189k, mainly due to delayed project spend (Municipal Emergency Program \$200k, Council Systems Improvements \$195k, Environmental Initiatives \$191k, Land Remediation \$88k, Coastal Management Plan implementation \$60k, and Torquay Jan Juc DCP Review \$55k), and lower project spend than budgeted (Regional Motorcycle facility \$90k, Project Contingency \$70k). Plus, Operating spend lower than budgeted \$296k, due to lower debt collection costs \$143k (partially offset by lower revenue), lower grants and contributions expended \$98k, lower revaluation costs \$94k, lower fuel costs \$81k, lower software costs \$79k, and other costs lower than budgeted \$150k, partially offset by higher Contractor costs (\$349k) - mainly in Open Space and Facilities (\$167k), Waste Operations (\$110k)
10	Bad and doubtful debts	Bad debts higher than budgeted due to procedural review of aged infringement debtors
11	Depreciation	Lower depreciation on Footpaths and Cycleways resulting from asset revaluations in 2015/16 \$222k, lower depreciation on Plant and Equipment due to delay in purchasing of assets \$173k, and lower depreciation on Open Space Assets \$141k and Information Technology Assets \$100k, partially offset by higher depreciation on buildings (\$135k) and drainage assets (\$102k) due to asset revaluations, and higher depreciation on other asset categories (\$55k).
12	Net loss on disposal of property, infrastructure, plant and equipment	Higher Asset Write offs (\$1,162k) mainly due to asset upgrade and renewal projects, partially offset by higher gains from sale of equipment \$347k, and sale of land \$26k

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land	850	5	(845)	1
Total Land	<u>850</u>	<u>5</u>	<u>(845)</u>	
Buildings	3,587	3,193	(394)	2
Total Buildings	<u>3,587</u>	<u>3,193</u>	<u>(394)</u>	
Total Property	<u>4,437</u>	<u>3,198</u>	<u>(1,239)</u>	
Plant and Equipment				
Plant, machinery and equipment	1,074	1,111	37	
Fixtures, fittings and furniture	20	37	17	
Computers and telecommunications	450	245	(205)	3
Total Plant and Equipment	<u>1,544</u>	<u>1,393</u>	<u>(151)</u>	
Infrastructure				
Roads	5,791	4,169	(1,622)	4
Bridges	45	14	(31)	
Footpaths and cycleways	483	477	(6)	
Drainage and Sewerage	650	647	(3)	
Recreational, leisure and community facilities	912	1,736	824	5
Parks, open space and streetscapes	3,274	1,359	(1,915)	6
Off street car parks	-	94	94	7
Total Infrastructure	<u>11,155</u>	<u>8,496</u>	<u>(2,659)</u>	
Total Capital Works Expenditure	<u>17,136</u>	<u>13,087</u>	<u>(4,049)</u>	
Represented by:				
New asset expenditure	7,586	6,420	(1,166)	
Asset renewal expenditure	5,854	4,806	(1,048)	
Asset expansion expenditure	-	496	496	
Asset upgrade expenditure	3,696	1,365	(2,331)	
Total Capital Works Expenditure	<u>17,136</u>	<u>13,087</u>	<u>(4,049)</u>	

The budget has been realigned to include contingency allocation of the capital works program.

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

Variance Ref	Item	Explanation
1	Land	Delayed purchase of land due to ongoing negotiations.
2	Buildings	Building Renewal scope completed under budget (\$129k). Other variances related to timing of project implementation on: Spring Creek Recreation Master Plan Stage 2 Netball Facility Upgrade (\$421k); Anglesea Arthouse Sheds Renewal (\$109k), Anglesea Cricket Pavilion Upgrade Stage 1 (\$95k). In addition there was (\$173k) of non-capital expenditure in the program. The multi-year project spend was offset by additional spend on new projects approved by Council resolution including: Kurrabee Myaring Community Centre \$468k, Solar Towns Project \$39k, Torquay Lions/Rotary Shed \$29k, and Torquay Indoor Stadium planning \$18k
3	Computers and telecommunications	Council entered into an operating lease for computers resulting in reduced computer replacement expenditure (\$147k). In addition, a number of projects are underway as part of Councils digital transformation strategy resulting in a number of carried forward projects including: Civica Online Requisitions & Accounts Payable Workflow (\$27k), Trapeze Software (\$22k) and Authority Software Upgrade (\$10k). Additional expenditure on new projects approved by Council resolution during 2016/17 included: Trapeze Software \$43k.
4	Roads	A number of projects were completed under budget including: Sealed Road and Kerb Renewal Program (\$577k), Regional Bike Route Horseshoe Bend Road (\$23k), Coombes Road Widening (\$6k) and Winchelsea Transfer Station Entry (\$3k). Other delayed expenditure due to timing of project implementation: Horseshoe Bend South Beach Road Intersection (\$404k), Darian Road Reconstruction (\$281k), Cape Otway Road Widening (\$135k), Realign Anglesea Transfer Station (\$129k), Lorne School Traffic Management Upgrade (\$129k), Road Safety Program (\$71k), Beal and Trebeck Court Road Construction (\$58k) and Hopkins Street Construction & Seal (\$45k). Additional expenditure on new projects approved by Council resolution during 2016/17 included: Disaster Relief projects \$100k, Anglesea Landfill Construction \$98k, Fischer Street and Beach Road Roundabout \$38k.
5	Recreational, leisure and community facilities	Projects incorporated into the amended budget during 2016/17 included: The Civic Centre Precinct Playzone Banyul \$595k, Grenville Oval \$440k, Anglesea Tennis Courts Synthetic Surface \$123k, Aireys Inlet Tennis Courts Resurfacing \$50k and Spring Creek Tennis Courts Renewal \$9k. Savings on projects included: Aireys Inlet Reserve Playground (\$69k), Playground Strategy Implementation (\$47k), Gnarwarre Tennis Courts Renewal (\$28k), Playground Equipment Renewal (\$7k), Bob Pettitt Reserve Playground Renewal (\$3k) and Bike Park Renewal (\$3k). In addition there was (\$202k) of non-capital expenditure in the program.
6	Parks, open space and streetscapes	The following projects are not yet complete and will be carried forward into 2017/18 : Blackgate Road Horseshoe Bend Road (\$728k), Tarpomatic Alternate Daily Cover System (\$329k), Anglesea Transfer Station Upgrade (\$154k), Anglesea Landfill Fence Replacement (\$110k), Winchelsea Entrance Sculptures (\$85k), Deep Creek Linear Reserve (\$57k), Grass Tree Park Upgrade (\$33k), Winchelsea Beautification Town Centre (\$24k), Grenville Oval Road (\$16k) and Bells Beach Recreation Reserve Upgrade (\$13k). In addition there was (\$288k) of non-capital expenditure in the program.
7	Off street car parks	No budget was assigned in the 2016/17 budget for Off Street Car Parks specifically, with the budget incorporated into Roads projects. During the financial year, capital expenditure was completed as part of the road program scope including: Winchelsea Transfer Station Sealed Entry (\$44k), Horseshoe Bend Road Widening South of South Beach Road PC03 (\$23k), Deans Marsh Recreation Reserve and Community Centre Car Park Gravel Re-sheet (\$12k) and Jan Juc Creek Reserve Apex Car Park (\$9k).

	2017 \$'000	2016 \$'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 the total market value of the land and buildings and other improvements.</p> <p>The valuation base used to calculate general rates for 2016/17 was \$14,093 million (2015/16 \$13,093 million). The 2016/17 rate in the dollar was 0.0024591 (2015/16, 0.0025457).</p>		
General Rates	36,679	35,514
Municipal charge	4,175	3,995
Waste management charge	6,355	6,006
Special rates and charges	187	-
Supplementary rates and rate adjustments	326	122
Interest on rates and charges	125	140
Total rates and charges	47,847	45,777
<p>The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.</p>		
Note 4 Statutory fees and fines		
Infringements and costs	730	619
Town planning fees	494	277
Land information certificates	41	42
Subdivision fees	331	266
Other statutory fees and fines	110	93
Total statutory fees and fines	1,706	1,297
Note 5 User fees		
Aged and health services	490	552
Leisure centre and recreation	914	908
Child care/children's programs	747	600
Registration and other permits	584	527
Building services	81	85
Waste management services	2,366	1,885
Royalties	424	414
Gravel pits	112	94
Lease rentals	68	79
Other fees and charges	440	461
Total user fees	6,226	5,605

	2017 \$'000	2016 \$'000
Note 6 Grants		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	8,422	4,473
State funded grants	4,735	5,577
Total grants received	13,157	10,050
Operating Grants		
Recurrent - Commonwealth Government		
Grants Commission	5,617	1,791
Family day care	45	51
Home and community care	415	558
Other	58	89
Recurrent - State Government		
Home and community care	1,212	1,240
School crossing supervisors	42	41
Maternal and child health	249	212
Community safety	240	274
Kindergartens	1,514	1,186
Environmental planning	23	23
Youth Services	102	101
Other	121	86
Total recurrent operating grants	9,638	5,652
Non-recurrent - State Government		
Community safety	138	-
Environmental planning	40	15
Home and community care	-	6
Other	105	174
Family and children	-	1
Total non-recurrent operating grants	283	196
Total operating grants	9,921	5,848
Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,287	1,984
Total recurrent capital grants	2,287	1,984
Non-recurrent - State Government		
Buildings	273	175
Community Safety	-	60
Roads	336	272
Tourism	-	50
Recreation	305	1,274
Waste management	-	167
Other	20	70
Environmental Planning	15	150
Total non-recurrent capital grants	949	2,218
Total capital grants	3,236	4,202
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,951	1,781
Received during the financial year and remained unspent at balance date	790	432
Received in prior years and spent during the financial year	(1,782)	(262)
Balance at year end	959	1,951

	2017 \$'000	2016 \$'000
Note 7 Contributions		
Monetary	3,532	3,170
Non-monetary	10,718	9,970
Total contributions	14,250	13,140
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	996	868
Land under roads	214	579
Buildings	333	504
Roads	5,832	4,390
Other Infrastructure	3,343	3,629
	10,718	9,970
Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	696	484
Written down value of assets disposed	(2,811)	(1,889)
Total net loss on disposal of property, infrastructure, plant and equipment	(2,115)	(1,405)
Note 9 Other income		
Interest	1,021	903
Future landfill rehabilitation	853	426
Total other income	1,874	1,329
Note 10 (a) Employee costs		
Wages and salaries	23,598	22,269
WorkCover	480	489
Casual staff	710	708
Superannuation	2,261	2,144
Fringe benefits tax	244	247
Other	522	460
Total employee costs	27,815	26,317
Note 10 (b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	56	99
	56	99
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,412	1,408
Employer contributions - other funds	735	631
	2,147	2,039
Employer contributions payable at reporting date.	-	-
Refer to note 34 for further information relating to Council's superannuation obligations.		

	2017 \$'000	2016 \$'000
Note 11 Materials and services		
Contract payments	8,381	6,146
General maintenance	203	210
Utilities	1,230	1,135
Office administration	774	698
Information technology	906	684
Insurance	567	580
Consultants	2,084	1,536
Fuel	617	587
Grants, Contributions & Sponsorship	2,166	1,336
Materials	1,400	1,414
Sub-contractors	3,780	3,620
Royalties	1,192	1,213
Other	1,440	1,240
Total materials and services	24,740	20,399
Note 12 Bad and doubtful debts		
Infringement debtors	136	518
Rates debtors	8	-
Other debtors	2	-
Total bad and doubtful debts	146	518
Note 13 Depreciation		
Property	2,102	1,923
Plant and equipment	1,095	1,340
Infrastructure	7,798	7,366
Total depreciation	10,995	10,629
<i>Refer to note 23 for a more detailed breakdown of depreciation charges</i>		
Note 14 Borrowing costs		
Interest - Borrowings	1,077	1,122
Total borrowing costs	1,077	1,122
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	43	41
Auditors' remuneration - Internal audit	79	47
Councillors' allowances	281	290
Operating lease rentals	718	672
Total other expenses	1,121	1,050

	2017 \$'000	2016 \$'000
Note 16 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Geelong Regional Library Corporation	457	537
<i>Background</i>		
The Geelong Regional Library Corporation (GRLC) was formed under the provisions of sections 196 and 197 of the Local Government Act, 1989 on 4 March 1997 to provide library services within the local government areas of: Borough of Queenscliffe, City of Greater Geelong, Golden Plains Shire and Surf Coast Shire. Council holds 3.85% (2016, 4.13%) of equity in the corporation. Council has one director on the Board of seven. Council has the ability to influence rather than control its operations.		
Fair value of Council's investment in Geelong Regional Library Corporation	<u>457</u>	<u>537</u>
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	537	580
Reported surplus/(deficit) for year	(80)	(43)
Council's share of accumulated surplus/(deficit) at end of year	<u>457</u>	<u>537</u>
Movement in carrying value of specific investment		
Carrying value of investment at start of year	537	580
Share of surplus/(deficit) for year	(80)	(43)
Carrying value of investment at end of year	<u>457</u>	<u>537</u>

	2017 \$'000	2016 \$'000
Note 17 Cash and cash equivalents and financial assets		
Cash on hand	5	5
Cash at bank	2,409	1,972
Term deposits (maturity less than 90 days)	-	5,000
Cash and cash equivalents	<u>2,414</u>	<u>6,977</u>
Term deposits (maturity greater than 90 days, refer note 18 Other financial assets)	36,380	24,600
Total cash and cash equivalents and financial assets	<u>38,794</u>	<u>31,577</u>
Council's cash and cash equivalents and financial assets are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:		
- Trust funds and deposits (Note 25)	2,651	1,672
- Reserve funds restricted for specific use (Note 29)	3,424	5,365
Total restricted funds	<u>6,075</u>	<u>7,037</u>
Total unrestricted cash and cash equivalents and financial assets	<u>32,719</u>	<u>24,540</u>
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Plant replacement	1,080	949
- Airey's Inlet aged care units	300	343
- Waste	4,322	6,196
- Gravel Pits	1,660	1,748
- Defined benefits superannuation	724	474
- Cash held to fund carried forward capital works	8,741	5,582
- Cash held to fund carried forward capital new initiatives	1,562	770
- Cash held to fund adopted strategy implementation	4,349	2,404
- Cash held to fund asset renewal	411	357
- Cash held to fund developer contribution council allocation	1,172	920
Total funds subject to intended allocations	<u>24,321</u>	<u>19,743</u>
Note 18 Other financial assets		
Term deposits - Current	36,380	23,600
Term deposits - Non-Current	-	1,000
Total other financial assets	<u>36,380</u>	<u>24,600</u>
Note 19 Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,457	1,343
Special rate assessment	34	30
Infringement debtors	423	434
Provision for doubtful debts - infringements	(79)	(96)
<i>Non statutory receivables</i>		
Net GST receivable	874	290
Other debtors	1,134	576
Total current trade and other receivables	<u>3,843</u>	<u>2,577</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	68	125
Total non-current trade and other receivables	<u>68</u>	<u>125</u>
Total trade and other receivables	<u>3,911</u>	<u>2,702</u>

	2017 \$'000	2016 \$'000
Note 19 Trade and other receivables (cont.)		
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)	683	434
Past due by up to 30 days	155	98
Past due between 31 and 180 days	296	44
Total trade & other receivables	1,134	576
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	96	163
New Provisions recognised/(used) during the year	(17)	(67)
Balance at end of year	79	96
Note 20 Inventories		
Inventories held for distribution	214	169
Inventories held for sale	56	63
Total inventories	270	232
Note 21 Non current assets classified as held for sale		
Land & Buildings	-	281
Total non current assets classified as held for sale	-	281
Note 22 Other assets		
Prepayments	201	226
Accrued income	361	428
Total other assets	562	654

Note 23 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposals	Transfers	Recognition of previously unrecognised Land assets	WDV 30 June 2017
Land	107,311	19	1,253	14,755	-	-	281	4,117	127,736
Buildings	53,540	601	286	23,772	(2,102)	(15)	71	-	76,153
Plant and Equipment	6,097	1,275	-	-	(1,095)	(557)	307	-	6,027
Infrastructure	286,265	5,396	9,179	6,324	(7,798)	(1,979)	2,636	-	300,023
Work in progress	3,672	5,985	-	-	-	(260)	(3,014)	-	6,383
	456,885	13,276	10,718	44,851	(10,995)	(2,811)	281	4,117	516,322

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	164	2,763	(71)	-	2,856
Plant and Equipment	307	116	(307)	-	116
Infrastructure	3,201	3,106	(2,636)	(260)	3,411
Total	3,672	5,985	(3,014)	(260)	6,383

Note 23 Property, infrastructure, plant and equipment (cont'd)

Land and Buildings	Note	Land Under Roads - specialised	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work In Progress	Total Property
At fair value 1 July 2016		3,386	98,917	5,008	107,311	79,047	12,656	91,703	164	199,178
Accumulated depreciation at 1 July 2016		-	-	-	-	(33,307)	(4,856)	(38,163)	-	(38,163)
Recognition of previously unrecognised Land assets		-	4,117	-	4,117	-	-	-	-	-
		3,386	103,034	5,008	111,428	45,740	7,800	53,540	164	161,015
Movements in fair value										
Acquisition of assets at fair value				19	19	266	335	601	2,763	3,383
Contributed assets		214	1,039	-	1,253	16	322	338	-	1,591
Revaluation increments/(decrements)			14,090	665	14,755	3,476	(1,567)	1,909	-	16,664
Fair value of assets disposed			-	-	-	-	(16)	(16)	-	(16)
Transfers			-	281	281	-	71	71	(71)	281
		214	15,129	965	16,308	3,758	(855)	2,903	2,692	21,903
Movements in accumulated depreciation										
Depreciation		-	-	-	-	(1,874)	(228)	(2,102)	-	(2,102)
Accumulated depreciation of disposals		-	-	-	-	-	1	1	-	1
Depreciation on Non-Monetary Contributions		-	-	-	-	(3)	(49)	(52)	-	(52)
Revaluation increments		-	-	-	-	19,331	2,532	21,863	-	21,863
Transfers		-	-	-	-	-	-	-	-	-
		-	-	-	-	17,454	2,256	19,710	-	19,710
At fair value 30 June 2017		3,600	118,163	5,973	127,736	82,805	11,801	94,606	2,856	225,198
Accumulated depreciation at 30 June 2017		-	-	-	-	(15,853)	(2,600)	(18,453)	-	(18,453)
		3,600	118,163	5,973	127,736	66,952	9,201	76,153	2,856	206,745

Note 23 Property, infrastructure, plant and equipment (cont'd)

Plant and Equipment	Note	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work in Progress	Total plant and equipment
At fair value 1 July 2016		7,890	1,220	2,857	307	12,274
Accumulated depreciation at 1 July 2016		(3,101)	(521)	(2,248)	-	(5,870)
		4,789	699	609	307	6,404
Movements in fair value						
Acquisition of assets at fair value		1,109	37	129	116	1,391
Contributed assets		-	-	-	-	-
Revaluation increments/decrements		-	-	-	-	-
Fair value of assets disposed		(1,403)	-	(117)	-	(1,520)
Transfers		-	-	307	(307)	-
		(294)	37	319	(191)	(129)
Movements in accumulated depreciation						
Depreciation		(642)	(122)	(331)	-	(1,095)
Accumulated depreciation of disposals		849	-	114	-	963
Transfers		-	-	-	-	-
		207	(122)	(217)	-	(132)
At fair value 30 June 2017		7,596	1,257	3,176	116	12,145
Accumulated depreciation at 30 June 2017		(2,894)	(643)	(2,465)	-	(6,002)
		4,702	614	711	116	6,143

Note 23 Property, infrastructure, plant and equipment (cont'd)

	Roads	Bridges	Footpaths and cycleways	Drainage and sewerage	Recreational, leisure and community	Parks open spaces and streetscapes	Off street car parks	Work In Progress	Total Infrastructure
Infrastructure									
At fair value 1 July 2016	238,198	6,171	25,621	67,178	17,493	13,711	5,650	3,201	377,223
Accumulated depreciation at 1 July 2016	(44,032)	(2,388)	(7,239)	(20,811)	(7,528)	(5,279)	(480)	-	(87,757)
	194,166	3,783	18,382	46,367	9,965	8,432	5,170	3,201	289,466
Movements in fair value									
Acquisition of assets at fair value	2,180	14	419	228	1,635	827	93	3,106	8,502
Contributed assets	5,832	-	787	1,995	-	303	262	-	9,179
Revaluation increments/(decrements)	(3,042)	122	-	-	-	-	(138)	-	(3,058)
Fair value of assets disposed	(2,206)	(16)	(193)	(152)	(870)	(326)	(17)	(260)	(4,040)
Transfers	1,474	(1,267)	377	230	1,212	488	122	(2,636)	-
	4,238	(1,147)	1,390	2,301	1,977	1,292	322	210	10,583
Movements in accumulated depreciation									
Depreciation	(4,466)	(66)	(419)	(849)	(1,093)	(786)	(119)	-	(7,798)
Revaluation increments/(decrements)	9,292	408	-	-	-	-	(318)	-	9,382
Accumulated depreciation of disposals	869	8	106	21	590	198	9	-	1,801
Transfers	(354)	374	-	(17)	(18)	20	(5)	-	-
	5,341	724	(313)	(845)	(521)	(568)	(433)	-	3,385
At fair value 30 June 2017	242,436	5,024	27,011	69,479	19,470	15,003	5,972	3,411	387,806
Accumulated depreciation at 30 June 2017	(38,691)	(1,664)	(7,552)	(21,656)	(8,049)	(5,847)	(913)	-	(84,372)
	203,745	3,360	19,459	47,823	11,421	9,156	5,059	3,411	303,434

Note 23 Property, infrastructure, plant and equipment cont'd

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer, Opteon (Land as at 31 December 2016 and Buildings as at 31 March 2017). 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 Under Roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

The date of the current valuation is detailed in the following table.

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

	Level 1	Level 2	Level 3 DoV
Land Under Roads - Specialised	-	-	3,600
Land - Specialised	-	-	118,412 31/12/2016
Land - Non Specialised	-	5,724	- 31/12/2016
Buildings - Specialised	-	-	66,952 31/12/2016
Buildings - Non Specialised	-	9,201	- 31/12/2016
Total	-	14,925	188,964

Valuation of infrastructure

Valuation of road and other structure assets has been determined in accordance with a valuation undertaken by independent valuer, Pavement Management Services and the Strategic Asset Manager, Mr John Bertoldi B E (Civil) as at 30 June 2017. Valuation of other infrastructure assets has been determined in accordance with a valuation undertaken by the Strategic Asset Manager, Mr John Bertoldi B E (Civil) as at 30 June 2017. The last revaluation for roads, pavement and other structures occurred in 2016 and the last revaluation for drainage occurred in 2016.

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

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

	Level 1	Level 2	Level 3 DoV
Roads	-	-	203,745 30/06/2017
Bridges	-	-	3,360 30/06/2017
Footpaths and cycleways	-	-	19,459 30/06/2016
Drainage and Sewerage	-	-	47,823 30/06/2016
Recreational, leisure and community facilities	-	-	11,421 30/06/2015
Parks, open space and streetscapes	-	-	9,156 30/06/2015
Off street car parks	-	-	5,059 30/06/2017
Total	-	-	300,023

Note 23 Property, infrastructure, plant and equipment cont'd

2017
\$'000

2016
\$'000

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.27 and \$2,343 per metre squared.

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 \$66 to \$13,907 per metre squared. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of 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 0 years to 150 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Reconciliation of specialised land

Land under roads	3,600	3,386
Parks and reserves	104,279	87,340
Public use	7,176	6,047
Waste	266	241
Car Parks	6,442	5,289
Total specialised land	121,763	102,303

	2017 \$'000	2016 \$'000
Note 24 Trade and other payables		
Trade payables	5,505	2,570
Accrued expenses	1,114	602
Total trade and other payables	6,619	3,172
Note 25 Trust funds and deposits		
Refundable deposits	1,703	1,495
Fire services levy	946	175
Other refundable deposits	2	2
Total trust funds and deposits	2,651	1,672

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.

Note 26 Provisions

	Landfill restoration \$ '000	Employee entitlements \$ '000	Total \$ '000
2017			
Balance at beginning of the financial year	14,175	5,844	20,019
Additional provisions/(reduction in provisions)	(265)	2,599	2,334
Amounts used	(1,814)	(2,261)	(4,075)
Increase/(decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	(587)	(15)	(602)
Balance at the end of the financial year	11,509	6,167	17,676
Weighted average discount rate in calculating the Landfill Provision	1.20%		
2016			
Balance at beginning of the financial year	14,669	5,446	20,115
Additional provisions/(reduction in provisions)	(1,338)	2,227	889
Amounts used	(68)	(1,904)	(1,972)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	912	75	987
Balance at the end of the financial year	14,175	5,844	20,019
Weighted average discount rate in calculating the Lanfill Provision	1.11%		
		2017	2016
		\$'000	\$'000
(a) Employee provisions			
Current provisions expected to be wholly settled within 12 months			
Annual leave		1,608	1,532
Long service leave		617	509
		2,225	2,041
Current provisions expected to be wholly settled after 12			
Annual leave		350	320
Long service leave		2,785	2,654
		3,135	2,974
Total current employee provisions		5,360	5,015
Non-current			
Long service leave		807	829
Total non-current employee provisions		807	829
Aggregate carrying amount of employee provisions:			
Current		5,360	5,015
Non-current		807	829
Total aggregate carrying amount of employee provisions		6,167	5,844

Note 26 Provisions (cont'd)

	2017 \$'000	2016 \$'000
(b) Land fill restoration		
Current	668	3,018
Non-current	10,841	11,157
Total future Landfill rehabilitation provision	<u>11,509</u>	<u>14,175</u>

Note 27 Interest-bearing loans and borrowings

Current		
Borrowings - secured (by Council's general rates)	667	621
Borrowings - unsecured	8	7
Total Current	<u>675</u>	<u>628</u>
Non-current		
Borrowings - secured (by Council's general rates)	14,235	14,902
Borrowings - unsecured	27	34
Total Non-current	<u>14,262</u>	<u>14,936</u>

a) The maturity profile for Council's borrowings is:

Not later than one year	675	628
Later than one year and not later than five years	6,915	3,009
Later than five years	7,347	11,927
	<u>14,937</u>	<u>15,564</u>

Note 28 Other Liabilities

Home Care packages	137	85
Total Current	<u>137</u>	<u>85</u>

Note 29 Reserves

	Balance at beginning of reporting period	Increment/ (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserves			
2017			
Property			
Land	61,819	14,755	76,574
Buildings	12,004	23,772	35,776
	<u>73,823</u>	<u>38,527</u>	<u>112,350</u>
Infrastructure			
Furniture & Equipment	32	-	32
Roads	128,720	6,250	134,970
Bridges	2,137	530	2,667
Footpaths and cycleways	9,182	-	9,182
Drainage and sewerage	15,678	-	15,678
Recreational, leisure and community facilities	2,364	-	2,364
Parks, open space and streetscapes	1,472	-	1,472
Off street carparks	2,816	(456)	2,360
Library	125	-	125
	<u>162,526</u>	<u>6,324</u>	<u>168,850</u>
Total asset revaluation reserves	<u>236,349</u>	<u>44,851</u>	<u>281,200</u>
2016			
Property			
Land	61,819	-	61,819
Buildings	12,004	-	12,004
	<u>73,823</u>	<u>-</u>	<u>73,823</u>
Infrastructure			
Roads	72,157	56,563	128,720
Bridges	2,247	(110)	2,137
Carparks	1,417	1,399	2,816
Furniture & Equipment	32	-	32
Footpaths and cycleways	8,615	567	9,182
Drainage and sewerage	15,826	(148)	15,678
Recreational, leisure and community facilities	2,364	-	2,364
Parks, open space and streetscapes	1,472	-	1,472
Library	125	-	125
	<u>104,255</u>	<u>58,271</u>	<u>162,526</u>
Total asset revaluation reserves	<u>178,078</u>	<u>58,271</u>	<u>236,349</u>

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

Note 29 Reserves (cont)

	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
(b) Other reserves				
2017				
Restricted				
Open space	817	152	(33)	936
Main drainage	216	9	(15)	210
Home Care Packages	85	52	-	137
Developer contributions	4,247	719	(2,825)	2,141
<i>Sub-total Restricted Reserves</i>	<i>5,365</i>	<i>932</i>	<i>(2,873)</i>	<i>3,424</i>
Allocated				
Plant replacement	949	1,215	(1,084)	1,080
Airey's Inlet aged care units	343	2	(45)	300
Waste	6,196	3,402	(5,276)	4,322
Gravel Pits	1,748	404	(492)	1,660
Defined benefits superannuation	474	250	-	724
Carried forward capital works	5,582	8,741	(5,582)	8,741
Carried forward new initiatives	770	1,592	(800)	1,562
Adopted strategy implementation	2,404	3,797	(1,852)	4,349
Asset renewal	357	6,583	(6,529)	411
Developer Contributions Council Allocation	920	2,117	(1,865)	1,172
Accumulated unallocated cash	3,664	3,476	(2,080)	5,060
<i>Sub-total Allocated Reserves</i>	<i>23,407</i>	<i>31,579</i>	<i>(25,605)</i>	<i>29,381</i>
Total Other reserves	28,772	32,511	(28,478)	32,805
2016				
Restricted				
Open space	1,411	119	(713)	817
Main drainage	216	-	-	216
Airey's Inlet units	338	5	-	343
Developer contributions	3,464	1,244	(461)	4,247
<i>Sub-total Restricted Reserves</i>	<i>5,429</i>	<i>1,368</i>	<i>(1,174)</i>	<i>5,623</i>
Allocated				
Plant replacement	1,078	-	(129)	949
Asset development	60	-	(60)	-
Waste	6,088	2,512	(2,404)	6,196
Gravel Pits	1,566	382	(200)	1,748
Defined benefits superannuation	274	200	-	474
Carried forward capital works	5,035	5,582	(5,035)	5,582
Carried forward new initiatives	1,108	770	(1,108)	770
Adopted strategy implementation	2,018	4,121	(3,735)	2,404
Asset renewal	68	326	(37)	357
Developer Contributions Council Allocation	-	920	-	920
Home Care Packages	-	85	-	85
Accumulated unallocated cash	1,049	3,308	(693)	3,664
<i>Sub-total Allocated Reserves</i>	<i>18,344</i>	<i>18,206</i>	<i>(13,401)</i>	<i>23,149</i>
Total Other reserves	23,773	19,574	(14,575)	28,772

Note 29 Reserves (cont)

(b) Other reserves (cont)

Councils restricted reserves are restricted by either an Act or contractual agreement that limits the use of funds. Councils allocated reserves contain funds that have been resolved by Council to be used in a particular manner.

The purpose of the Open Space reserve is to provide improved recreational facilities for the Surf Coast Shire, both of an active and passive nature. This reserve is for a restricted purpose per the Subdivision Act 1988

The purpose of the Main drainage reserve is to hold developer contributions for main drainage works at a later point than the initial development. They are tied to works within the catchment area from which funds were derived. This reserve is for a restricted purpose as per the Planning and Environment Act 1987

The purpose of the Airey's Inlet units reserve is as the funding source for the maintenance of social housing for disadvantaged low income earners. Four social housing units currently exist in Aireys Inlet. This reserve is for a restricted purpose as per the Housing Act 1983

The purpose of the Developer contributions reserve is to hold funds contributed by developers for specific works associated with subdivisions. Funds are contributed for infrastructure (footpaths, fencing, streetscapes etc) where it is deemed that these works should occur at a later point than the initial development. Funds are also held in this account for the Torquay/Jan Juc DCP. Funds collected are specifically identified for projects via s173 agreement or the Developer Contribution Plan

The purpose of the Plant replacement reserve is to establish a fund whereby Council's heavy plant can be replaced at the end of their useful lives. The changeover cost of small vehicles is also funded from this reserve.

The purpose of the Asset development reserve was to hold funds derived from the sale of Council land or buildings to ensure that they are applied to the creation of new Council assets or debt reduction and not used to enhance Council's operational outcomes. The balance of this reserve has been moved to the adopted strategy reserve during 15/16.

The purpose of the Waste reserve is to ensure that the full cost of the waste function is met by the waste charges (garbage charge and fee income from landfill) and that surpluses and deficits on an annual basis can be covered without any adverse impact on the balance of Council's budget.

The purpose of the Gravel pits reserve is to provide funding for road improvements for Council roads.

The purpose of the Defined benefits reserve is to reserve funds for future Defined Benefits Superannuation funding calls arising from shortfalls in the Local Government Defined Superannuation Benefits Fund

The purpose of the Carried forward capital works reserve is to act as a mechanism to carry over funding for capital works that are still in progress at year end.

The purpose of the Carry forward new initiatives reserve is to act as a mechanism to carry over funding for new initiatives that are still in progress at year end.

The purpose of the Adopted strategy reserve is to provide funding for projects in line with approved strategies adopted by Council and is funded from operations or grants received.

The purpose of the Asset renewal reserve is to provide funding based on the Asset Renewal Funding Strategy.

The purpose of the Developer contributions Council allocation reserve is to provide Council allocated funding based on the Torquay/Jan Juc Developer Plan

The purpose of the Home care packages reserve is to meet Council's obligation under new Commonwealth legislation to carry any unspent individual client funds into future periods.

The purpose of the Accumulated unallocated cash reserve is to separately identify Council's Unallocated Cash.

	2017 \$'000	2016 \$'000
Note 30 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	16,972	15,715
Depreciation	10,994	10,629
Profit/(loss) on disposal of property, infrastructure, plant and equipment	2,115	1,405
Contributions - Non-monetary assets	(10,718)	(9,970)
Finance costs	1,077	1,122
Share of net profits/(losses) of Geelong Regional Library Corporation	80	43
Opening adjustment to accumulated surplus	-	(201)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,208)	1,436
(Increase)/decrease in prepayments	25	21
Increase/(decrease) in accrued income	67	(181)
Increase/(decrease) in trade and other payables	3,447	53
(Decrease)/increase in trust funds and deposits	979	350
(Increase)/decrease in inventories	(38)	55
Increase/(Decrease) in provisions	(2,343)	(96)
Increase/(Decrease) in other liabilities	52	85
Net cash provided by/(used in) operating activities	<u>21,501</u>	<u>20,466</u>
Note 31 Financing arrangements		
Bank overdraft	2,300	2,300
Credit card facilities	100	100
Borrowings	14,937	15,564
Total facilities	<u>17,337</u>	<u>17,964</u>
Used facilities	<u>(14,957)</u>	<u>(15,584)</u>
Unused facilities	<u>2,380</u>	<u>2,380</u>

Note 32 Commitments

The Council has entered into the following commitments

2017	Not later than 1	Later than 1 year	Later than 2 years	Later than 5 years	Total
	year	and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	3,095	3,071	2,724	-	8,890
Cleaning contracts for council buildings	512	-	-	-	512
Other	356	111	101	-	568
Total	3,963	3,182	2,825	-	9,970
Capital					
Construction	4,036	-	-	-	4,036
Total	4,036	-	-	-	4,036

2016	Not later than 1	Later than 1 year	Later than 2 years	Later than 5 years	Total
	year	and not later than 2 years	and not later than 5 years		
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	3,216	2,643	4,795	-	10,654
Cleaning contracts for council buildings	447	447	-	-	894
Other	316	70	9	-	395
Total	3,979	3,160	4,804	-	11,943
Capital					
Construction	961	-	-	-	961
Total	961	-	-	-	961

	2017 \$'000	2016 \$'000
Note 33 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	680	574
Later than one year and not later than five years	655	507
Later than five years	266	261
	<u>1,601</u>	<u>1,342</u>
(b) Operating lease receivables		
At the reporting date, the Council had the following lease receivables under non-cancellable operating leases for the lease of Council Land and Buildings.		
Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	63	58
Later than one year and not later than five years	173	186
Later than five years	289	318
	<u>525</u>	<u>562</u>

Note 34 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 2017, 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 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

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

Note 34 Superannuation (cont'd)

Vision Super has advised that the estimated VBI at June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 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 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at 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.

2016 Interim actuarial investigation surplus amounts

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

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

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$55,913.

Note 35 Contingent liabilities and contingent assets

Contingent liabilities

Defined benefits

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 34. 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.

Aged Care Units

Council has an obligation to re-purchase occupancy rights in respect of three aged care units. The rights must be re-purchased at a cost of 90% of the market value of the unit at the time the resident vacates the unit or deceases. At balance date the aggregate value of the obligation is estimated at \$565,979 (2015/16 \$687,550 for four units). The timing for re-purchase of these rights is uncertain.

Landfill site rehabilitation

Council operates a landfill at Anglesea. Council will have to carry out site rehabilitation works in the future. At balance date Council provided a Bank Guarantee to State of Victoria - Environment Protection Authority. The guarantee provides financial assurance up to \$545,000 for remedial action as defined in section 3.1 EPA Publication 777 Determination of financial assurance for Landfills, September 2001.

Guarantees for loans to other entities

Council has provided contract performance guarantees. The details and extent of Council exposure at the reporting date are as follows:

	2017	2016
	\$'000	\$'000
<i>Contract Performance:</i>		
Department of Minerals and Energy	20	20
Department of Energy and Resources	50	50
	<u>70</u>	<u>70</u>

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee

Note 36 Financial Instruments

(a) Objectives and policies

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

(b) Market risk

Market risk is the risk that the fair value or future cash flows of 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. 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

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

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

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

Note 36 Financial instruments (cont'd)

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

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

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

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

e) Fair value

Unless otherwise stated, the carrying amount of financial instruments 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 + 0.25% and -0.25% in market interest rates (AUD) from year-end rates of 1.50%.

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.

	2017 No.
Note 37 Related party disclosures	
(i) Key Management Personnel	
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:	
Councillors	
Councillor Brian McKitterick - Mayor (8/11/2016 to current)	
Councillor Rose Hodge - Mayor (01/07/2016 to 22/10/2016)	
Councillor Margot Smith	
Councillor Clive Goldsworthy	
Councillor David Bell	
Councillor Heather Wellington	
Councillor Carol McGregor	
Councillor Libby Coker (03/11/2016 to current)	
Councillor Martin Duke (03/11/2016 to current)	
Councillor Eve Fisher (01/07/2016 to 22/10/2016)	
Total Number of Councillors	10
Chief Executive Officer and other Key Management Personnel	
Keith Baillie	
Anne Howard	
Chris Pike	
Kate Sullivan (01/07/2016 to 02/11/2016)	
Phil Rowland (02/11/2016 to 01/05/2017)	
Ransce Salan (01/05/2017 to current)	
Total Number of Other Key Management Personnel	6
Total Key Management Personnel	<u>16</u>
(ii) Remuneration of Key Management Personnel	2017 \$,000
Total remuneration of key management personnel was as follows:	
Short-term benefits	1,097
Post-employment benefits	77
Other Long-term benefits	19
Termination benefits	-
	<u>1,193</u>
The numbers of key management personnel whose total remuneration from Council and any related entities fall within the following bands :	
	2017 No.
\$1 - \$9,999	1
\$10,000 - \$19,999	2
\$20,000 - \$29,999	6
\$40,000 - \$49,999	1
\$60,000 - \$69,999	1
\$70,000 - \$79,999	1
\$110,000 - \$119,999	1
\$120,000 - \$129,999	-
\$200,000 - \$209,999	2
\$260,000 - \$269,999	-
\$280,000 - \$289,999	1
	<u>16</u>

Note 37 Related party transactions (cont'd)

(iv) Transactions with related parties

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

-

(v) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties

-

(vi) Loans to/from related parties

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

-

(vii) Commitments to/from related parties

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

-

Note 38 Senior Officer Remuneration

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

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

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

	2017	2016
Income Range:	No.	No.
Less than \$142,000	1	2
\$142,000 - \$149,999	6	5
	7	7

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

975

1,003

Note 39 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.



John Brockway CPA
Principal Accounting Officer

Date : 12 September 2017
Torquay

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

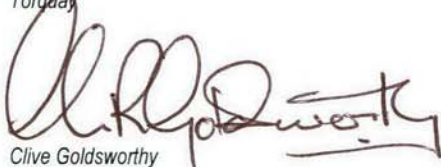
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



Brian McKiterick
Councillor

Date : 12 September 2017
Torquay



Clive Goldsworthy
Councillor

Date : 12 September 2017
Torquay



Keith Baillie
Chief Executive Officer

Date : 12 September 2017
Torquay

Independent Auditor's Report

To the Councillors of Surf Coast Shire Council

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

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

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

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

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



MELBOURNE
14 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria