

# ANNUAL REPORT

## 2016/17

*Hepburn*

SHIRE COUNCIL

# HEPBURN SHIRE



# WELCOME TO THE REPORT OF OPERATIONS 2016/17



Council is committed to transparent reporting and accountability to the community.

The Report of Operations 2016/17 is an important means of informing the Hepburn Shire community about our operations and performance over the past financial year.



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# OUR VISION & MISSION

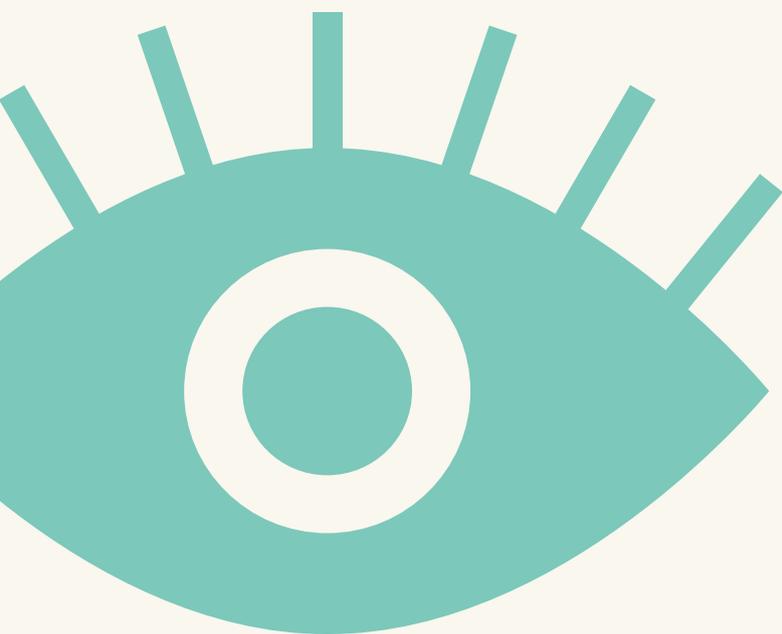
## OUR VISION

At the commencement of the Council term, Councillors and the Executive team participated in a strategic planning workshop in order to develop a renewed vision for the organisation that would drive the development of the Council Plan and assist in fulfilling Council's obligations and the expectations of the community.

Council has set a vision that in many respects is simple, however will require a significant effort from the entire organisation as we seek to provide excellent service delivery for our community. We aspire for all Council Staff and the community to refer to Hepburn Shire Council as 'Our Council'. This simple statement intimates a future state where a strong sense of pride in our organisation exists based on the excellent work we do for our community.

## OUR MISSION

Hepburn Shire Council will maintain, promote, protect and enhance the district's unique social, cultural, environmental and heritage characteristics. This will be achieved through effective, caring management and responsible governance. We will strive to gain maximum advantage for our community by protecting and enhancing our natural and built environment.

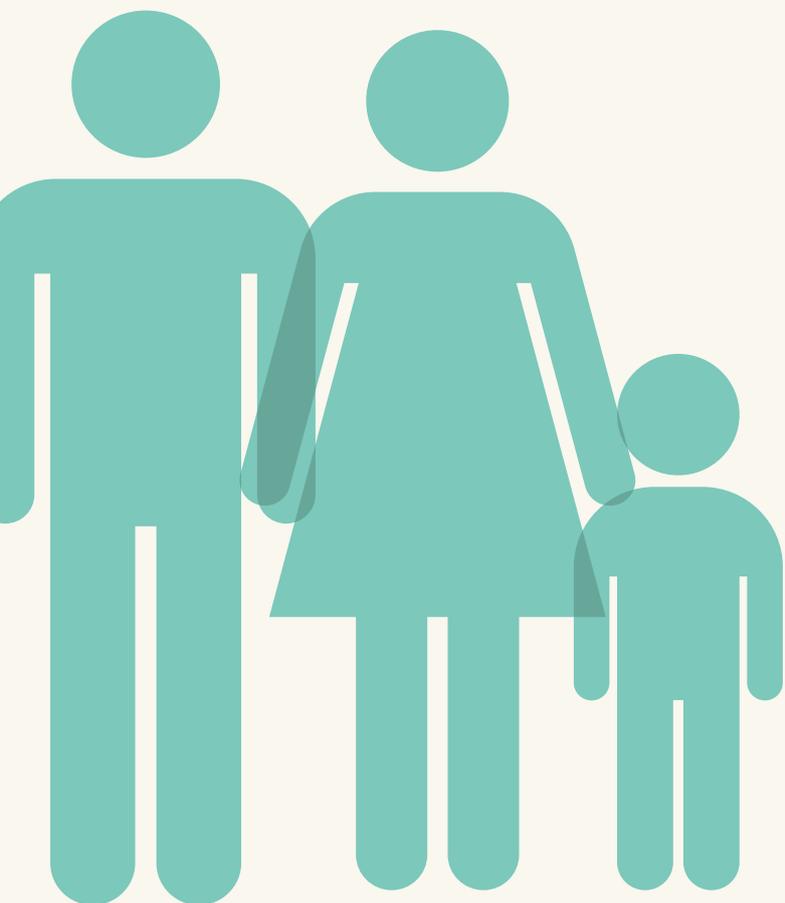


# SNAPSHOT OF COUNCIL



# HIGHLIGHTS OF THE YEAR

## ACTIVE & ENGAGED COMMUNITIES



## CRESWICK TRAILS PROJECT

In 2016/17, Council was successful in securing \$2.56 million in funding from the Victorian Government for the Creswick Trails project. The project will deliver around 100 kilometres of purpose-built trail, a trailhead at Hammon Park and a regionally significant Pump Track.

This project will establish Creswick Trails as an iconic mountain biking destination that is suitable for two or three day rides and return visits. It will provide an economic boost and great social benefit to the township of Creswick and surrounds.

Since Regional Development Victoria announced the State Government funding, work has commenced to finalise the funding agreement and prepare for early stages of implementation. Work being undertaken includes:

- Drafting of the funding agreement
- Development of the Project Management Plan
- Scoping documentation for a master-plan of Hammon Park
- Establishing partnerships.

Stakeholders will be invited to participate in the User Reference Group that will be held regularly during the project life. Regular updates will be provided to the community.



## GLENLYON HALL AND STREETScape WORKS

The Glenlyon Hall is located on a prominent site at the south-eastern corner of Barkly Street and Morton Street in Glenlyon. Barkly Street is a beautiful tree-lined boulevard with significant streetscape value. It is the “main street” of Glenlyon and anchors the township, as well as contributing greatly to the experience of travelling through the township. The Glenlyon Hall is the heart of the community and a place where locals gather for community events.

A diverse group of organisations meet regularly in the Hall, including Landcare, CFA, Glenlyon Playgroup, Spinners and Weavers and the Craft Group. The Hall is also the heart of an extended community with residents of towns such as Wheatsheaf, Coomoorra, Porcupine Ridge, and Denver considering the Glenlyon Shire Hall to be their hall too.

The project is a partnership between Council, the Glenlyon Progress Association (GPA), Daylesford Community Bank and Regional Development Victoria. The GPA is the Committee of Management for the Department of Environment Land Water and Planning for the old Shire Hall and Council for the streetscape works. Council has received external funds for the project and the GPA is project managing the works to the Hall. Council and the GPA have entered into a Project and Funding Agreement that sets out works to be completed and project milestones.

Upgrading the Hall, its forecourt and broader surrounds to meet current building standards and risk management will generate a wider use of the Hall, promoting increased visitation and greater use of facilities (hiring of hall and/or commercial kitchen). Additional funds generated will be deployed in further redevelopment of the building and its immediate precinct, providing improved and increased services for local residents.



## ENGAGING WITH YOUNG PEOPLE

Engaging with young people in our shire has been a focus for Council over a number of years. The Hepburn Shire Youth Strategy 2016-21 was developed with extensive input from young people to help determine what services, projects and activities would add meaning to the lives of young people throughout the shire. In 2016/17, we launched the "Hepburn Teen Squad" Instagram page to create a digital community that connects young people to Council and services and activities in our community. The Instagram page also hosts competitions and keeps young people informed of events around the shire.

Council has provided 10 young people in years 9 and 10 with the unique opportunity to become involved in the Western Bulldogs Leadership Program. The Program offers young people with the opportunity to build confidence, make new friends and develop skills that will enable them to become future leaders in their community.

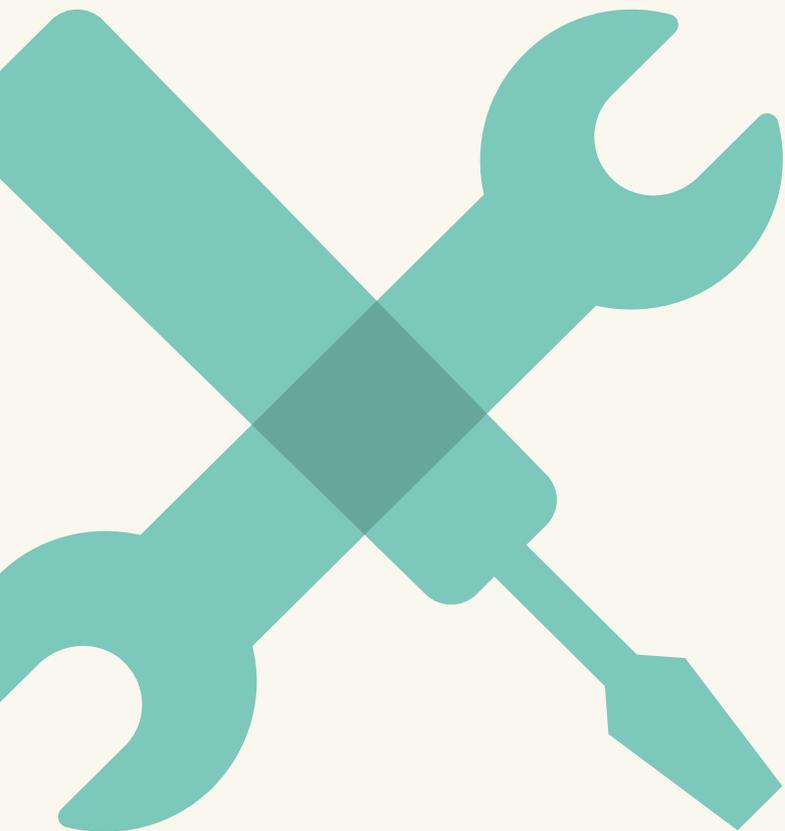
In addition to these initiatives, in 2016/17 Council also helped facilitate:

- Sponsorship of Hepburn Health Service and Daylesford Secondary Colleges "The Cook, The Chef and Us" program to engage at risk young people
- Two FreeZA events - Guardians of the Galaxy - Youth Outdoor Movie in Trentham and Rural LGBTIQ Youth Fantasy Ball in Daylesford
- Introduction of a comprehensive work experience program with Daylesford Secondary College.



Cr Don Henderson, Mayor Cr Sebastian Klein and Cr Kate Redwood AM with some of the participants of the Western Bulldogs Leadership program

# QUALITY COMMUNITY INFRASTRUCTURE



## LAKE DAYLESFORD RESURRECTION PROJECT

The Lake Daylesford project is focused on making the lake precinct a better place for locals and tourists to visit. The project is being funded by Regional Development Victoria (\$250,000 grant), Council (\$130,000 funding) and Victorian Mineral Springs Reserves Grants Program (Department of Environment, Land, Water and Planning - \$35,000 grant).

The works are designed to enhance the user and visitor experience with improvements to signage, path surfaces, public toilets and the lake foreshore. A substantial amount of work has already been done to improve paths, seating, signage, the Perrins Street jetty surrounds, weed control and revegetation, tree and other plantings. A new boardwalk was built around the southern part of the lake to ensure better access, particularly during the winter months.

The Friends of Lake Daylesford group and the wider community have been involved in community consultation sessions held every month at the Lake since improvement works commenced in 2016. These sessions have given the community the opportunity to hear about completed works and future scheduled works from project managers involved in scoping and delivering the project, as well as getting feedback from the community and discussing other opportunities at the Lake.



Walking track at Lake Daylesford



Lake Daylesford Boardwalk



View of the Lake from the landscaped Bridport Street area

### IMPROVING PUBLIC TOILET CLEANING

After considerable planning throughout late 2016 and early 2017, Council is now delivering cleaning services of its buildings and public amenities by in-house employees. There are over 40 cleaning locations in Daylesford, Glenlyon, Trentham, Dean, Smeaton, Newlyn, Creswick and Clunes, and facilities cleaned range from:

- Offices - Town Hall, Duke Street, Daylesford Depot
- Libraries - Trentham, Daylesford, Clunes
- Community Spaces - Mechanics Hall Trentham, Clunes Sports Stadium
- Recreation Public Amenities
- Visitor Information Centres - Creswick, Daylesford.

It requires over 200 hours each week to clean these facilities. We have introduced a colour code system for cleaning which includes buckets, mops, cloths and brooms. This reduces the risk of cross-contamination by identifying the use of equipment in different departments and surface areas.

We are also in the process of developing a Public Toilets Strategy 2017, along with securing a budget allocation to upgrade many of our current amenities. The improvement in the quality of public toilets has been significant and we have received positive feedback from the community.



Clunes Public Toilets



Hepburn Shire Council's Cleaning Team



Creswick Public Toilets

## FLOOD RECOVERY WORKS

In September/October 2016, the region experienced a severe flood event. A number of road, drains and bridges were heavily impacted. These events were approved as eligible for funding through the Natural Disaster Relief Recovery Arrangements (NDRRA). Immediately following the rain events, Council officers commenced an audit of infrastructure damage using iPad technology and a software application that was set up specifically for the audit of flood damage. Urgent safety related repairs were noted and where necessary, immediate works were completed. In some cases, these works were temporary in nature.

Council established a small team to manage the post impact assessment of damaged infrastructure, coordinate and manage the repair works, provide regular reports to other agencies and work with NDRRA and their assessment team. Council also activated the Exceptional Circumstances (Force Majeure) clause of the Hepburn Shire Council Road Management Plan to manage Council's risk exposure. This allowed an appropriate assessment, prioritisation and response to community risks and hazards in the context of the exceptional rain event.

The flood recovery program (road infrastructure and bridges) was initially assessed to cost \$4 million based on a broad overview of damage sustained throughout the Shire. As further assessment of the damage was carried out, we confirmed the recovery program was likely to cost in the order of \$10 million. The total cost of flood recovery works was \$9,601,790.20.



A Shire road affected by flooding



Lake Daylesford



Hepburn Mineral Springs Reserve



Creswick Creek

# SUSTAINABLE ENVIRONMENT & A VIBRANT ECONOMY



## TURNING WASTE INTO ENERGY

For over three years, Council has reviewed various waste to energy solutions with the aim of transforming organic waste (otherwise sent to landfill) into a valuable fuel resource. We have identified a small scale, renewable energy solution which demonstrates clear economic, social and environmental benefits. This solution has the potential to be a catalyst for the growth of sustainable energy jobs in Victoria.

In 2017, the Hon. Lily D'Ambrosio, Minister for Energy, Environment and Climate Change, announced funding of \$650,000 for the first stage of the project. The waste to energy system will divert more than 2,000 tonnes of food waste from landfill. Council and the community benefit from reduced waste management costs, greenhouse gas emissions and sustainable job opportunities.

Phase two of the project will involve developing a sorting system to process municipal organic waste to increase the organic waste processed to 10,000 tonnes annually from across the region. The aim is to inject methane directly into the gas network. This will provide the possibility of generating both power and heat behind the meter.

Net metering arrangements can be implemented for participating remote sites in partnership with energy retailers. As a result, 1/2 million tonnes of greenhouse gas emissions will be avoided over 20 years from fossil fuel use and landfill methane emissions. In conjunction with other sustainability initiatives, this will allow Council to become carbon neutral by 2021.



Hon. Lily D'Ambrosio, Minister for Energy, Environment and Climate Change and Mary -Anne Thomas MP, Member for Macedon, viewing a waste to energy unit]



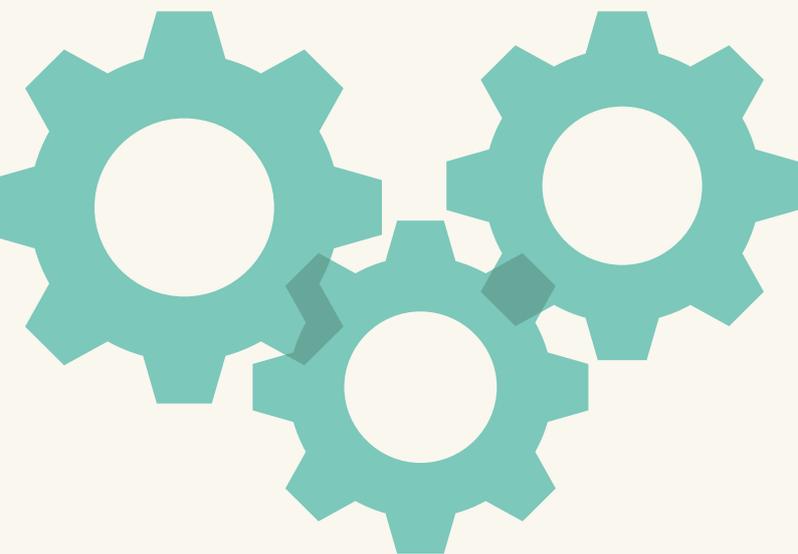
Economic Development Strategy 2016-21

## ECONOMIC DEVELOPMENT STRATEGY

The Economic Development Strategy takes a direct and proactive approach to supporting economic activity within the shire. The strategy sets out Council's economic priorities for the coming five years. The projects and initiatives outlined in the strategy are the result of extensive research, consultation and innovative thinking.

The development of the strategy was an extensive process that began with analysis of the key economic factors influencing the Shire. With this understanding in place, it was determined that five pillars for growth should underpin the strategy outcomes - Produce, Trade, Live, Grow and Visit. The aim of the Strategy is to provide a roadmap for Council to work in partnership with stakeholders to develop and enhance the local economy, and ensure Hepburn Shire remains an attractive location for different types of economic activity.

# SUSTAINABLE FINANCIAL MANAGEMENT & INNOVATIVE CORPORATE SYSTEMS



## STREAMLINING CUSTOMER SERVICE REQUESTS AND FAQ SYSTEM

The previous Customer Request Management System (CRMS) was not easy to use and only accessible from a desktop computer. Many requests remained open for extended periods of time and it was inefficient to input new requests and record action taken against existing requests, leading to poor management of requests and negative customer satisfaction. A new web-based request system ("Closing the Loop") was developed and implemented in-house to enable better management of customer requests. In June 2017, Council went live with the customer request system on the website. Customers can now log their requests directly into the system, add photos and documents and get informed when requests are closed.

Council is seeing more requests being logged, and the average request close time is nine days. Staff are finding the Closing the Loop system user-friendly, which enables better record keeping and timely action. There is continual improvement in how we respond to request and we plan to report on our average days to respond to requests. In a future move, we will set targets for timeframes to respond to requests.

The FAQ system has been in place since early 2016 and allows staff to respond to over 500 questions quickly and consistently, improving the customer experience across our customer service sites. Within the next year, FAQs flagged as public will be made available to the community on our website. This will enable the public to search the FAQ repository for answers to commonly asked questions.

## REDUCING COUNCIL DEBT

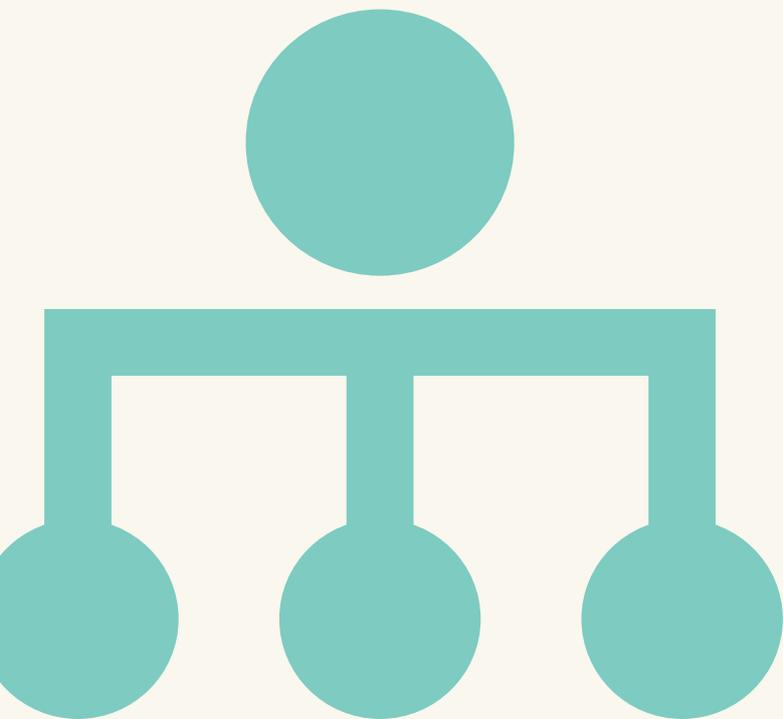
Through prudent fiscal management and a focus on efficiency, both internally and in what we procure, Council has achieved significant operational savings each year of the Council Plan 2013-2017. In both June 2014 and June 2015, Council resolved to allocate savings to make additional debt reduction payments. In June 2016 Council, resolved to allocate savings to a Debt Management discretionary financial reserve to reduce future borrowings.

Sustainable Financial Management and Innovative Corporate Systems was a Strategic Objective of the Council Plan 2013-2017. Through the implementation of sustainable financial practices and policies, Council can ensure the long term financial sustainability of the Shire. Using debt to fund projects has the benefit of spreading the cost over multiple years and increasing inter generational equity. Inefficient debt and cash use can result in unnecessary costs. Minimising debt drawn down helps to minimise operating costs. Putting aside money regularly into a Debt Management Reserve is a useful mechanism to achieve this.

Savings that have been identified in 2016/17 will be used to improve Council's financial position and reduce financing costs over the long-term. Council set aside \$392,000 in the Debt Management Reserve to reduce future borrowings during the 2016/17 year.



# HIGH PERFORMING ORGANISATION



## THE HEPBURN HUB AT THE REX

In 2013, Council began the process of scoping the Hepburn Hub project, a new multipurpose community and council facility to help deliver improved services Shire wide. The proposal was to consolidate council offices and services into the one location, replacing the current situation where buildings were spread across the Shire, non-compliant, unsustainable and operationally inefficient. The building will provide a community library, community spaces and council offices. In 2014, proposed sites for the Hepburn were presented to the community for feedback. The Daylesford Town Hall site was chosen as the preferred site and the community was consulted on concept plans for the Hub.

In August 2016, an opportunity emerged for Council to acquire The Rex to develop the Hepburn Hub. In late 2016, the development of designs for The Rex commenced, based on previous consultations with the community. Designs for the Hub are complete and have been made available to the community.

The Hepburn Hub at The Rex will include important community spaces, such as the library, cinema/auditorium and café, making it a true community hub. The provision of public toilets is also a priority as part of this project.

The Rex library seeks to provide more library facilities in a central space. This space will be a vibrant, inviting and comfortable place to visit. It will become a central hub of activity for community and Council. The current library is too small to cater for the level of visitation it receives. The new library will provide double the amount of space available and will be warm, light filled, vibrant and accessible.

The Rex cinema/auditorium will be located on the first floor of The Rex complex, reinstating the first-floor use to what it once was. The new cinema seats 73 patrons, including wheelchair accessible spaces, and will be an insertion in to the volume of the first floor, sitting back from the original balcony to allow the original space to still be apparent.

The sustainability aspects of The Rex project are key to its success. Some of these initiatives include natural light and north winter sun penetration through lightwells, fresh-air supply supplemented with natural ventilation, hydronic radiator heating and enhanced thermal insulation on the roof of the building to minimise heat-loss, gas consumption and energy running costs throughout the year while improving internal comfort.

A building permit has been issued and construction is due to commence in October 2017, taking approximately 6 to 9 months to complete.



## IMPROVING THE WAY WE COMMUNICATE

In the changing communication environment, councils face the challenge of how to effectively deliver their message. In Hepburn Shire, this is made difficult by the many isolated and rural communities scattered throughout our shire, some with poor mobile and internet connectivity. Over the past four years we have fundamentally changed the way we communicate with the community. The community are now seeking more interactive and timely methods of communication, including the use of social media tools like Facebook, Instagram and YouTube.

Meaningful two-way communication ensures we understand what is important to the community and helps us make better decisions. We have launched a new website and brand, introduced social media platforms and commenced using new and innovative ways of engaging with our communities (eg. OurSay online forum). Over the last 2 years we have launched three Facebook pages, two Instagram pages and a YouTube channel.

The corporate website will remain Council’s most important digital platform and will continue to have a strong strategic relationship to our social media sites. We will continue to review the website and add

functionality (eg. more online forms). The public FAQ system, which will be launched next year, will give the community access to a huge repository of information on council services.

Council also continues to publish two editions of the Shire News each year and this is another way we have improved communication with our residents and ratepayers. In addition, a Communications Strategy is being developed. The strategy will look at how we can improve engagement, particularly given changes in digital technology. It will guide how we transition to a digital-first audience and how we measure our success. When complete, the Communications Strategy will outline how we can generate more interactive and timely communication with the community.

Communicating with the community on specific projects through on-site consultations is also an important engagement tool. Lake Daylesford, Hepburn Mineral Springs Reserve and Calemben Park are examples of projects where we meet regularly with the community at the project location to discuss progress and future works.



# **THE YEAR IN REVIEW**



# MESSAGE FROM THE MAYOR



**Cr Sebastian Klein**  
Mayor

**Well what an honour it has been to be asked by my fellow Councillors to be Mayor in the first year of the 2016-2020 Council term. The opportunity to sit in the chair and be the face of Council for the year has been greatly appreciated.**

This year has been a great chance to represent community priorities like climate change, sealing urban roads and waste reduction. But it has also been an opportunity to shift the focus and culture of the Council itself.

We have been striving hard together to strike the tone of the coming four years – in terms of how we Councillors, and the senior management team, will work between the organisation as a whole and our residents. We aim to lift the bar and deliver a Council that staff, Councillors and community members can all take ownership of. Our ambition is that as time goes on we come to view Hepburn Shire as Our Council.

For the community, this means proactively taking part in Council activities, providing feedback critical to service improvements and understanding the functions and limitations of Council. For Councillors this means effectively and respectfully facilitating the vision, goals and relationships between communities and Council. For staff, it speaks to taking pride in what they do, always looking for improvements and engaging in an open, inclusive dialogue with communities.

With this attitude as the basis for the coming four years, we have been able to set in place a range of improvements to how we function and interact. These improvements fall under the banner of "Closing

the Loop". This program is based on software developed in house at a fraction of the cost of off-the-shelf technology, it will allow us to track and respond to community requests in a quicker and more conclusive fashion. It will also ensure that projects are monitored and managed much more closely throughout the year, and that eventually communities might gain a direct window into the functions and projects of Council.

Alongside this, Council has developed a vision for delivery of infrastructure and core services across the whole Shire. A foundation which has also allowed us to build on other community priorities such as action on reducing emissions, biodiversity, animals' management, recreation and walking and cycling paths and trails.

Lastly, thanks to Neil Newitt who served as Mayor for the start of this financial year so reliably in the last year of the last Council term.

Cr Sebastian Klein  
**Mayor**

# MESSAGE FROM THE CEO



**Aaron van Egmond**  
Chief Executive Officer

**I am pleased to present Council's Annual Report 2016/17. The Annual Report provides a detailed insight into Council's operation and performance.**

The areas of focus for the organisation in 2016/17 were delivering a new Council Plan, launching the "Closing the Loop" request system with our customers and improving safety in our workplaces.

Working with the new Council and the community on the Council Plan 2017-21 was an important project in 2016-17. The community were encouraged to get involved and this was an important part of the Council Planning process. The community had access to an online OurSay forum, drop-in sessions across the Shire and many different ways to contact us, both online and in person. From here, our focus for the next four years is on delivering on the projects and actions in the Council Plan

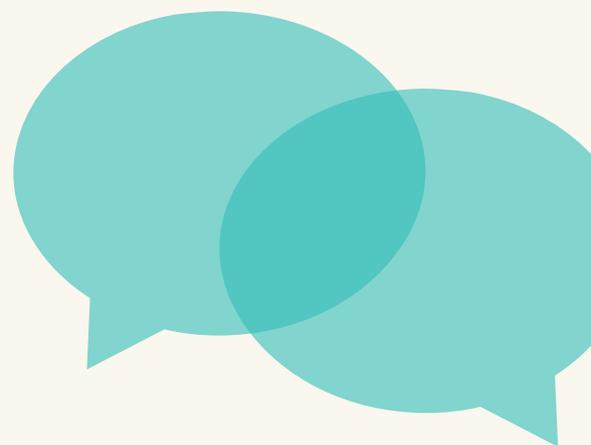
The launch of an improved customer request system used for internal and external customer requests has allowed for greater transparency and an ability to better close out actions. Customers have the ability to log requests online and to track the progress of their request using a unique customer number generated by the system. Over the last year we have continued to use and grow the FAQ system. This knowledge management system has

allowed us to improve the customer experience by providing more consistent information across our customer service sites and "first point resolution" in many more instances.

During 2016/17 we embarked on a three-year safety improvement project. We have been working hard to review our safety processes and practices. In May 2017, Council was part of the Municipal Association of Victoria (MAV) self-insurance licence that was issued by WorkSafe Victoria. We believe that Self Insurance will lead to better safety outcomes for both our staff and Council.

I would like to thank our Councillors who work hard to represent their respective communities.

Aaron van Egmond  
Chief Executive Officer



# OUR COUNCIL

## HEPBURN SHIRE

### SNAPSHOT

#### 2016 CENSUS INFORMATION

**Total Population** 15,330

**Male** 48.2%

**Female** 51.8%

**Median Age** 50

**Families** 3,962

**Average children per family (with children)** 1.8

**Average children per family (all families)** 0.6

**Private dwellings** 8,666

**Average people per dwelling** 2.2

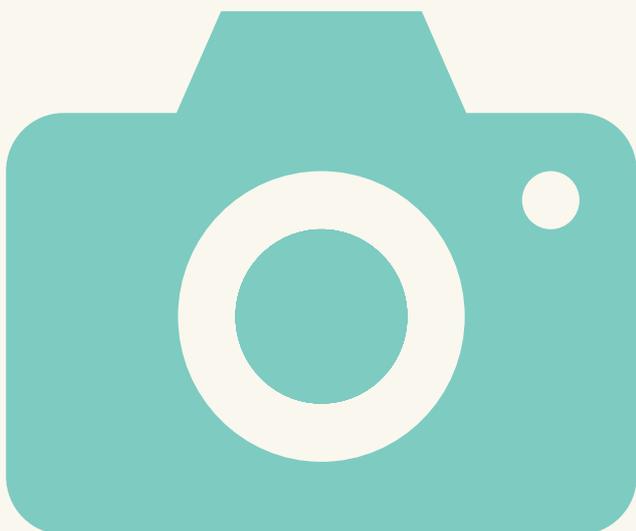
**Median weekly household income** \$996

**Median monthly mortgage repayments** \$1,300

**Median weekly rent** \$235

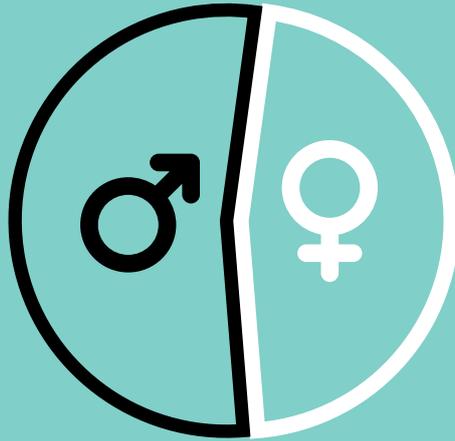
**Average motor vehicles per dwelling** 2

*Source: Australian Bureau of Statistics Census Data 2016*



**15,330**

HEPBURN  
RESIDENTS  
IN 2016



**\$996**

MEDIAN WEEKLY  
HOUSEHOLD  
INCOME



**50**

MEDIAN AGE

**7,941**  
FEMALES

**7,389**  
MALES



**8,666**

PRIVATE  
DWELLINGS



**3,962**

FAMILIES



**1.8**

CHILDREN  
PER FAMILY



**\$235**

MEDIAN  
WEEKLY  
RENT



**2.2**

AVERAGE  
PEOPLE PER  
DWELLING



**2**

AVERAGE  
MOTOR VEHICLES  
PER DWELLING



**\$1,300**

MEDIAN  
MONTHLY  
MORTGAGE  
REPAYMENTS

# COUNCILLORS



## BIRCH WARD

Cr Kate Redwood AM

0428 285 673

[kredwood@hepburn.vic.gov.au](mailto:kredwood@hepburn.vic.gov.au)

*BA, BSW Hons. and MBA studies Melbourne Business School.*

Cr Redwood was elected to Hepburn Shire Council in 2012. She was Deputy Mayor in 2014 and Mayor in 2015. She has represented Council on a range of committees including the Hepburn Shire Audit and Risk Committee from 2012 – 2016.

She has chaired the Hepburn Shire International Women's Day Committee since 2012 and is Council's current representative on the Daylesford Macedon Ranges Tourism Board. She is also a Director on the Hepburn Health Services Board and has chaired its Audit and Risk committee and currently its fundraising committee. She is a Director of Lifeworks Victoria and chairs its clinical governance committee. She is a member of the Committee of Management for Daylesford Neighbourhood Centre and for the Cornish Hill Committee of Management.

Cr Redwood has previously served two terms as a councillor for the City of Melbourne. She has held board positions with Melbourne Health (9 years),

State Trustees Limited (9 years) Walter and Eliza Hall Medical Research Institute (4 years) Orygen Youth Mental Health (3 years) and chaired the Yarra Melbourne Regional Library Board. She has held a range of senior management positions in health and community services organisations.

In 2013, Cr Redwood was awarded an Order of Australia, AM, for services to the Victorian community and a centenary medal in 2001 for services to local government and the community.



## BIRCH WARD

Cr Fiona Robson

0428 322 454

[frobson@hepburn.vic.gov.au](mailto:frobson@hepburn.vic.gov.au)

Cr Fiona Robson has expertise in community development, strategic planning and project management. She has worked in a large multinational corporation, small business, not-for-profits, education, health and local government, as well as volunteering with a variety of community initiatives.

Cr Robson has co-owned and co-operated a successful local small business, is married with two school-aged children and is the Manager of the Daylesford Neighbourhood Centre.

Cr Robson has a Bachelor of Science (Melbourne), a Graduate Certificate in International & Community Development (Deakin), is an Internationally Certified Project Manager (Project Management Institute) and is studying a Graduate Diploma in Communication (Deakin).



## CAMERON WARD

Cr Neil Newitt

5321 6423 / 0400 906 599

[nnewitt@hepburn.vic.gov.au](mailto:nnewitt@hepburn.vic.gov.au)

Cr Neil Newitt and his family decided to move permanently to Clunes in 2006 after many years as weekend visitors. Cr Newitt is a professional photographer and runs a gallery in Fraser Street, Clunes, and recently opened a wine bar in the expanded business.

Cr Newitt has thirty years experience as a professional photographer working in newspapers in Queensland and Victoria, including regional and metropolitan mastheads. Cr Newitt was a Senior Photographer and Pictorial Editor with The Age until 2005. Currently, Cr Newitt is a contributor to national media magazines. Since moving to Clunes, Cr Newitt has been involved with many community, tourism and economic development committees.



### COLIBAN WARD

**Cr Sebastian Klein**  
Mayor

0428 331 173  
sklein@hepburn.vic.gov.au

Being elected Mayor for the first year of a Council term is a great opportunity one that I have taken to with energy and enthusiasm as we have formulated a Council Plan, Budget and built our capacity to operate as a team.

Pursuing renewable energy, solutions to the climate crisis, action on biodiversity, and investment in diverse economic development, including our farming sector are critical strategic platforms for the 2016-2020 Council term.

However, these important directions are enabled by a high functioning organisation. That's why I'm determined to continue to work with the Councillors and staff of working on the business of Local Government to achieve an organisation that all of us, our communities included, can think of as "Our Council".

Beyond that I hope that my efforts to balance demanding personal and public lives are appreciated as I work to represent our many towns and communities right throughout the Shire.



### CRESWICK WARD

**Cr Don Henderson**

5345 2638 / 0427 559 684  
dhenderson@hepburn.vic.gov.au

Cr Don Henderson is a qualified carpenter and joiner, licensed asbestos remover and supervisor. Cr Henderson also has a long career in the trade union movement as a safety and industrial relations consultant, former Secretary Building Works Industrial Union and advisor for Australian Workers' Union (AWU). Cr Henderson was a founding Director of Tripstop group of companies.



### CRESWICK WARD

**Cr Greg May**

0409 251 743  
gmay@hepburn.vic.gov.au

Cr Greg May worked for many years in the telecommunications sector but in recent years has been an organic farmer producing vegetables and wine. He has a keen interest in sport and recreation throughout the Shire and enjoys involvement with local sporting clubs and community groups.



### HOLCOMBE WARD

**Cr John Cottrell**  
Deputy Mayor

0429 094 023  
jcottrell@hepburn.vic.gov.au

Cr Cottrell retired to Glenlyon in 2012, but retains roles as Chairman of the Powerwrap Limited Managed Investment Scheme Compliance Committee and Convenor/lecturer in Governance and Corporate Leadership in the Swinburne University of Technology MBA program. He is a Member of the Hepburn Shire Council Audit and Risk Advisory Committee (ARAC), Council Representative on Municipal Association of Victoria (MAV), and a Member of the MAV Professional Development Reference Group (PDRG).

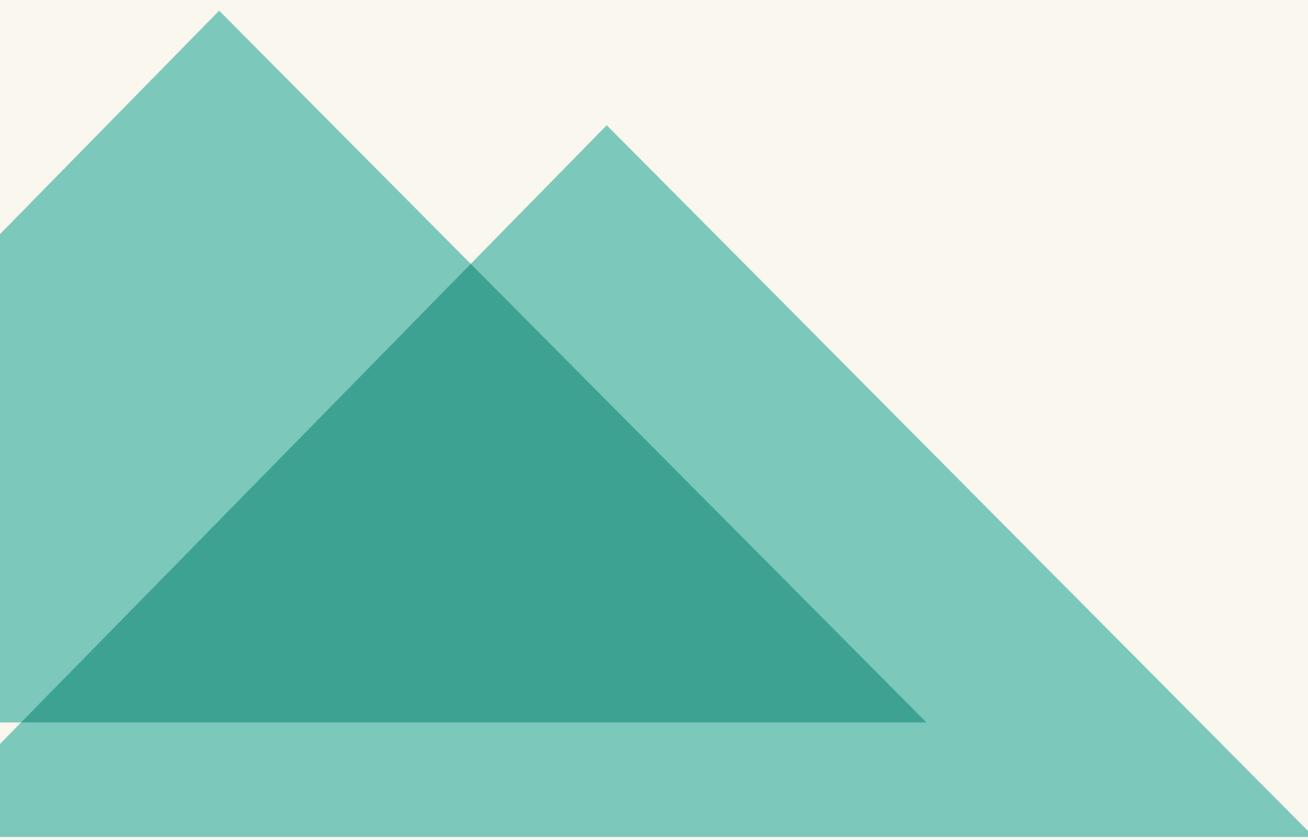
He served as a board member of Hepburn Health Service and the HSC Clinical Governance Committee 2013-16, and Audit & Risk Committee 2013-17. Cr Cottrell has broad experience in the investment funds management industry through a series of executive roles in public and private sector organisations. He holds an MSc from Swinburne University of Technology and is a graduate of the Australian Institute of Company Directors and Chartered Secretaries Australia (now Governance Institute of Australia).

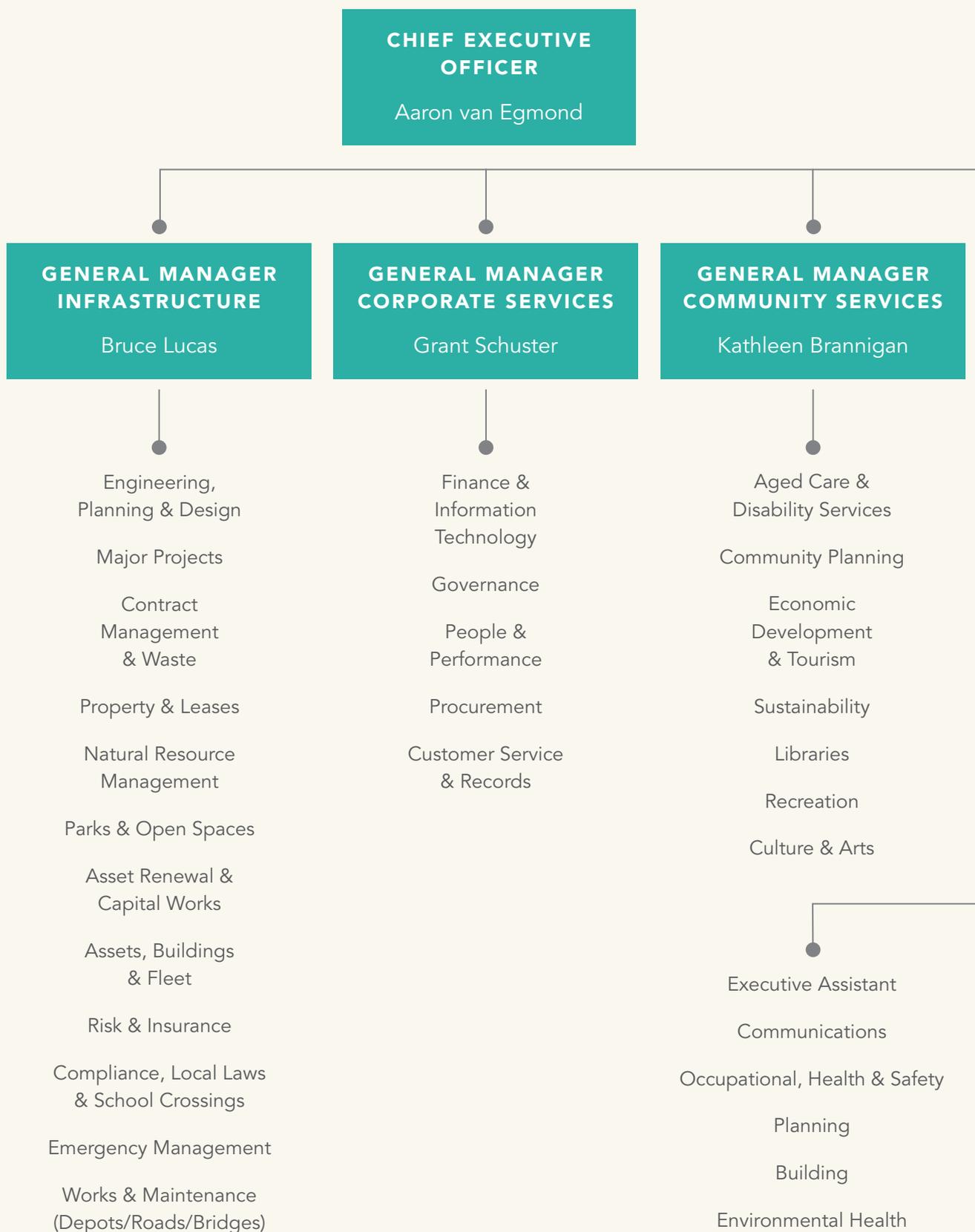


# OUR PEOPLE



# ORGANISATIONAL STRUCTURE





# EXECUTIVE TEAM



**Aaron Van Egmond**  
*Chief Executive Officer*

- Bachelor Business (Marketing and International Trade)
- Certificate IV (Business Excellence)

Aaron has 12 years of experience in local government with Towong Shire Council, prior to taking up the position of CEO with Hepburn Shire Council in May 2012. While at Towong Shire Council, Aaron performed the role of Director Development Services and was responsible for economic development, tourism, local laws, planning, building, environmental health, as well as major projects.

Prior to working in the Local Government sector, Aaron worked in the construction industry both as a project manager and within his own businesses focused on construction, maintenance and property development



**Bruce Lucas**  
*General Manager Infrastructure*

- Bachelor of Civil Engineering
- Associate Diploma Civil Engineering

Bruce joined Council in February 2012, having previously held the position of Manager Infrastructure with the Mount Alexander Shire Council, where he worked for 15 years. Bruce has extensive knowledge of local government engineering, asset management, emergency management, as well as effective management of operational and capital programs.

As General Manager Infrastructure, Bruce oversees infrastructure maintenance which includes all capital works undertaken in the Shire, and our Parks and Open Spaces team. He is also responsible for Council's assets and engineering services, which includes waste management, maintenance of Council buildings and assets, special projects, fleet management and technical services and Council's Community Safety team, which encompasses emergency management responsibilities.





**Grant Schuster**

*General Manager Corporate Services*

- Bachelor of Science (Honours)
- Master of Environment (Policy Communication and Governance)

Grant has been with Council since 2010. During this time he has held the positions of Manager Risk and Property and Manager Strategic Asset Management, prior to becoming General Manager Corporate Services in 2014. These previous roles coordinated and managed the risk, assets, property and local laws teams. Prior to Hepburn, Grant worked in the private sector providing risk management services, internal audit and sustainability and climate change consulting.

As the General Manager Corporate Services, Grant oversees the human resources, finance, records, information technology, governance and organisational development areas.



**Kathleen Brannigan**

*General Manager Community Services*

- Bachelor of Arts (Honours)
- Part completion Master of Social Policy

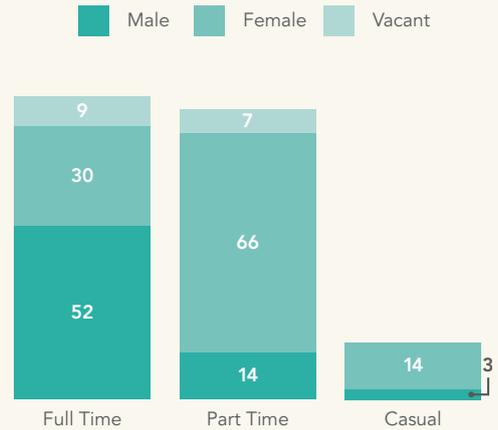
Kathleen joined Council in 2009 as the Manager Community Strengthening and filled the role of Acting General Manager Community Development from March 2011 prior to her appointment as General Manager Community Services in September 2011.

As the General Manager Community Services, Kathleen oversees the areas of aged and disability services, libraries, recreation, youth development, community planning, culture and arts, early years planning, economic development, tourism and events.

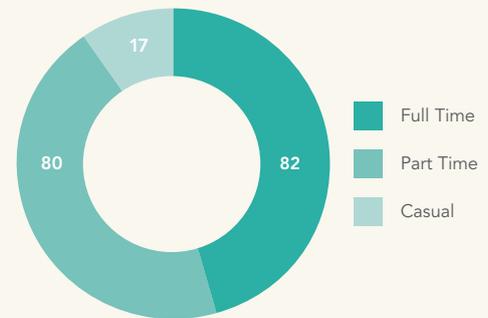
# OUR STAFF

## Number of Budgeted FTE by Business Area (Plus Funded Positions)

|  | TOTAL FTE     | FUNDED POSITIONS |
|--|---------------|------------------|
| Executive Services   | 3.8           |                  |
| Development Services (Planning, Building and Environmental Health)             | 10.36         | 0.6              |
| Community Services   | 1.59          |                  |
| Community and Economic Development   | 2.5           |                  |
| Aged and Disability Services   | 16            | 0.32             |
| Library Services   | 10.55         |                  |
| Corporate Services (HR, Records, Governance, Communications, Customer Service) | 11.95         |                  |
| Finance and IT Services  | 9.22          |                  |
| Infrastructure Services  | 2             |                  |
| Strategic Asset Management (Risk, Asset Management and Compliance)             | 11.75         |                  |
| Strategic Project Delivery (Engineering and Major Projects)                    | 7.26          |                  |
| Roads Maintenance  | 23            |                  |
| Parks and Gardens  | 11            |                  |
| <b>TOTAL</b>   | <b>120.98</b> | <b>0.92</b>      |
| <b>TOTAL</b>   | <b>121.9</b>  |                  |



Number of staff by gender and employment category



Number of staff by employment status

## Number of Actual FTE Staff and Gender Within Each Band

| WORKFORCE DATA               |            |            |             |             |             |             |             |            |             |              |
|------------------------------|------------|------------|-------------|-------------|-------------|-------------|-------------|------------|-------------|--------------|
| Structure                    | Band 1     | Band 2     | Band 3      | Band 4      | Band 5      | Band 6      | Band 7      | Band 8     | All other   | Total        |
| Classification               | FTE        | FTE        | FTE         | FTE         | FTE         | FTE         | FTE         | FTE        | FTE         | FTE          |
| Permanent Full Time – Female |            |            | 1           |             | 12          | 9           | 4           |            | 3           | <b>29.0</b>  |
| Permanent Full Time – Male   |            | 1          | 17          | 4           | 8           | 5           | 8           | 2          | 7           | <b>52.0</b>  |
| Permanent Part Time – Female | 1.4        | 6.59       | 3.44        | 6.48        | 5.89        | 1.8         | 0.92        |            |             | <b>26.5</b>  |
| Permanent Part Time – Male   | 0.2        | 1.11       |             | 1.03        | 0.63        | 3.73        |             | 0.63       |             | <b>7.3</b>   |
| Casual – Female              |            | 0.77       | 0.72        | 1.05        |             |             |             |            |             | <b>2.5</b>   |
| Casual – Male                | 0.09       | 0.45       | 1.08        |             |             |             |             |            |             | <b>1.6</b>   |
| <b>TOTAL</b>                 | <b>1.7</b> | <b>9.9</b> | <b>23.2</b> | <b>12.6</b> | <b>26.5</b> | <b>19.5</b> | <b>12.9</b> | <b>2.6</b> | <b>10.0</b> | <b>119.0</b> |

*Table excludes vacant positions or positions filled by contractors*

# EMPLOYEE ACHIEVEMENTS

Council values the contribution, dedication and loyalty of its long serving staff members. Service milestones are recognised and celebrated annually at a staff function where long serving staff members are presented with a certificate recognising their years of service, along with a small gift of appreciation.

The following staff reached a service milestone during the 2016/17 financial year:

## 20 YEARS

**Gayle McCarthy**  
PAG Coordinator Daylesford

## 15 YEARS

**Cheryl Frost**  
Community Care Support Worker

## 10 YEARS

**Alan Todd**  
Statutory Planner

**Justin Fiddes**  
Statutory Planner

**Carolyn Harriott**  
Statutory Planner

**Christine Wilberforce**  
Community Care Support Worker

**Robyn Hartmann**  
Administration Officer

**James Lowe**  
Team Leader Reserves & Public Parks



## CEO AWARDS

CEO Awards acknowledge staff who demonstrate an action or behaviour that strongly represents at least one of our organisational values.

Conducted on a quarterly basis, staff members are nominated by their peers for demonstrating the values of accountability, respect, excellence, trust or fun. In 2016/17, the organisation recognised six staff members who went above and beyond their day-to-day duties to assist their fellow team members and exhibit the organisation's values. The recipients received a CEO Award framed certificate and a gift voucher.

## LEADERSHIP DEVELOPMENT PROGRAM FOR COORDINATORS & EMERGING LEADERS

The first Emerging Leaders development program was run in 2015/16 and proved to be a successful way to develop Coordinators and other employees with leadership potential. This program was offered again in 2016/17 with sixteen employees taking part. The topics covered in this program include:

- Financial and Project Management
- Employee Code of Conduct and managing staff grievances
- Employment Law
- Community Engagement and Communication
- Occupational Health and Safety / Workcover and Return to Work
- Personal Development – personality style and Emotional Intelligence.

The feedback from the participants of this year's program has been very positive and they are utilising this new knowledge in their day-to-day work and supervision of staff.

## EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Council is committed to Equal Opportunity and diversity in its workplace and providing a workplace for staff that is free of all forms of discrimination, bullying and harassment. Our aim is to promote fairness and equity in our organisation where the rights of individuals are upheld and staff are treated with respect, fairness, equity and dignity.

The Equal Opportunity program includes a regular review of its Respectful Behaviours Policy and Responding to Workplace Bullying procedures. This policy is supported by workplace training and awareness programs for all new and existing employees.

This year, for the first time, the harassment and bullying awareness training was offered to indoor staff through the use of online, self-paced learning. This is a new initiative which safeguards a high standard, as each section of the training provides an assessment which requires 95% pass score before the learner can move to the next section of the training. Outdoor staff participated in face-to-face training provided by a specialist training organisation.

# OCCUPATIONAL HEALTH & SAFETY

**Council is committed to the ongoing identification, assessment and management of health and safety risks associated with the performance of Council functions and the delivery of services.**

In May 2017, the Municipal Association of Victoria (MAV) was granted a self-insurance licence by WorkSafe Victoria covering 31 Councils including Hepburn Shire Council. The MAV Workcare Self Insurance Scheme will lead to better health and safety outcomes for staff and significant cost savings for Council. The Scheme workers compensation and return to work programs will be administered by Jardine Lloyd Thompson Pty Ltd (JLT).

Council has embarked on a three-year safety improvement project including significant focus on strengthening the organisation’s safety management system which will include the use of mobile technology to give access to current safety information to field personnel.

A copy of Council’s Occupational Health and Safety Policy can be found on our website.

## REPORTED INCIDENTS & HAZARDS

Council is committed to providing a work environment that is safe and healthy for all employees, contractors, customers, visitors and the public.

The Occupational Health and Safety policy and procedures define the approach to achieve this commitment. We promptly investigate and respond to all incidents and accidents when they occur. This enables us to reduce the risk of recurring incidents and makes the Shire safer for everyone.

In 2016/17, as part of our improved approach to Occupational Health and Safety, Council has been reviewing safety processes and practices. One element of this approach has been to review our reporting of safety incidents, hazards and accidents. This improved awareness of safety activities has led to an increase in incident reporting. This year there were fifty-five reported incidents; an increase from last year. This reporting has been encouraged in order to develop a confidence in the safety reporting system and to support staff awareness of occupational health and safety responsibilities. Our aim is to review these incidents and potential hazards to reduce the risk of future incidents occurring, whilst continuing to encourage proactive reporting, investigation and improvements.

| 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 |
|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| 37      | 34      | 39      | 40      | 57      | 32      | 32      | 23      | 55      |

Reported Incidents and Hazards (internal reporting)

## WORKCOVER PREMIUM & CLAIMS COSTS

Unfortunately, Council's Workcover premiums have continued to rise with a number of employees unable to return to work. Our focus will continue to be on prevention of injuries and early intervention with the aim to aid return to work capability and minimise claim costs. Wherever possible we continue to be active with our sustainable Return to Work Program and we continue to provide reduced work hours and activities to assist employees to return to work and make a full recovery.



## STAFF WELLBEING

There have been a number of employee healthy living and health monitoring activities during 2016/17. In April 2017, a large number of staff had flu vaccinations. In June 2017, during Mens' Health Week, doctors from Daylesford provided information sessions and answered questions on men's health issues. The information mainly concentrated on common forms of cancer, as well as general health issues including sleep and mental well-being. These sessions were offered to all employees and were run at Town Hall and the Daylesford Depot. Staff from other locations also attended. A Job Task Analysis was undertaken on a number of roles within the organisation. The purpose of the Task Analysis was to identify the inherent physical job demands involved in a role, such that the employee can be accurately assessed against the demands, both during a pre-employment assessment and for fitness for duty assessments. Roles that were assessed included Information Technology, Customer Service and Libraries.

In addition to health monitoring, Council continues to provide weekly deliveries of fresh fruit at all locations.

# EMPLOYMENT AT HEPBURN SHIRE COUNCIL

## ATTRACTION & RETENTION

Recruitment during 2016/17 resulted in 21 positions being filled as they became vacant. We advertised 20 positions during the year, including positions for limited tenure and casual appointments, which attracted 352 applications. Our permanent employee turnover rate for 2016/17 was 15%.

## LEARNING & PROFESSIONAL DEVELOPMENT

Council offers study assistance for staff undertaking relevant undergraduate or postgraduate studies. In the past year, several staff chose to pursue tertiary studies and were successful in passing their chosen subjects. We also provide a comprehensive corporate learning program that supports a broad range of staff development needs. This is developed in alignment with strategic priorities, as well as in response to needs identified through the Performance Excellence Program (PEP) discussions and in support of the Occupational Health and Safety initiatives.

Corporate training delivered this year:

- Manual Handling
- Hearing Awareness
- Harassment and Bullying Awareness
- First Aid
- Mental Health First Aid
- CPR
- TRIM (Electronic Document Management System)
- Technology One (Finance and Customer Request System).
- Professional Development opportunities delivered:
- Community Engagement
- Emergency Management
- Traffic Management
- Health Requirements for Aged Care
- Introduction to Privacy in the Victorian Public Sector
- Food Safety.

## INDUCTION PROGRAM

Our induction program for all new employees has continued to provide an overview of our service areas and key responsibilities.

New employees have a site-specific induction and join a group of new starters in a comprehensive induction program which includes meeting the CEO, Executive Team and key Council staff, along with gaining a better understanding of our corporate policies, procedures and business processes.

## PERFORMANCE EXCELLENCE PROGRAM (PEP TALKS)

The annual staff performance appraisal and development program called the Performance Excellence Program (PEP Talk) continued this year.

This program is a point-in-time review during November each year, with a mid-year review undertaken in May. This focus provides a direct line of sight between the employee's individual performance and development plan, and their team's Business Plan and Council Plan objectives.

The PEP Talk program concentrates on achievements, challenges, opportunities and behaviours. The aim is to facilitate a conversation between supervisors and employees to gain meaningful information that can improve performance and workplace behaviours and to identify training needs.

## ENTERPRISE AGREEMENT

The 2013 Enterprise Agreement came to its conclusion at the end of 2016. Negotiations commenced for a new Enterprise Agreement in December 2016 and concluded in May 2017. Negotiations took place between the Australian Services Union, independent employee negotiators, the CEO and other key managers.

During this time, a range of employment conditions were reviewed and in some areas modified to improve work conditions and productivity.

Council's overall objective for the Agreement negotiation was to commence Council on a journey towards financial sustainability, with rate capping and community expectations in mind, whilst preserving jobs and conditions for employees.

Some of the initiatives that were negotiated and agreed to in the process include:

- Enterprise Agreement to extend for four years (2017-2020)
- Measurements to control pay increases over the life of the EA including closer management of the RDO's and time in lieu
- End of band payments remain in place for all current employees
- Additional compassionate leave on the death of a family member
- Additional personal leave once leave accrual has been exhausted
- Improved payments on redundancy
- Option to commence on the job rather than at the depot
- Maintenance allowances reviewed and updated.

All staff were encouraged to vote and a total of 116 votes were submitted.

The final voting outcome for the Hepburn Shire Council Enterprise Agreement (No.8) 2017, obtained a majority "Yes" vote of 87 votes with 29 "No" votes.

## FLEXIBLE WORK ARRANGEMENTS

Council is committed to providing flexible working arrangements that support employees to balance work and personal commitments. These conditions were not modified in the Enterprise Agreement discussions and still remain in place.

A number of arrangements are available to staff including:

- Job sharing
- Part time hours
- Purchased leave
- Working from home
- Paid maternity/paternity and adoption leave
- Individual flexible working arrangements
- Flexible Return to Work options from extended leave
- Rostered Days Off
- Blood Donor leave.

# TRENTON



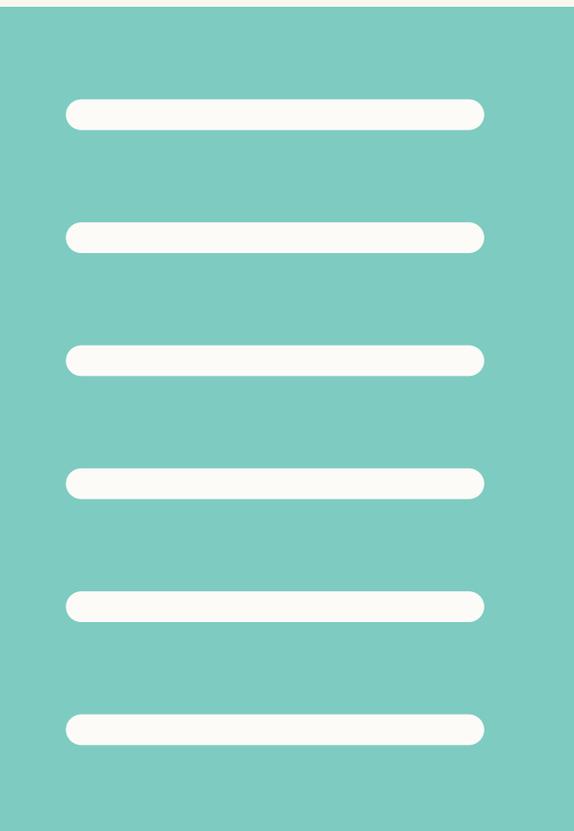
# PERFORMANCE

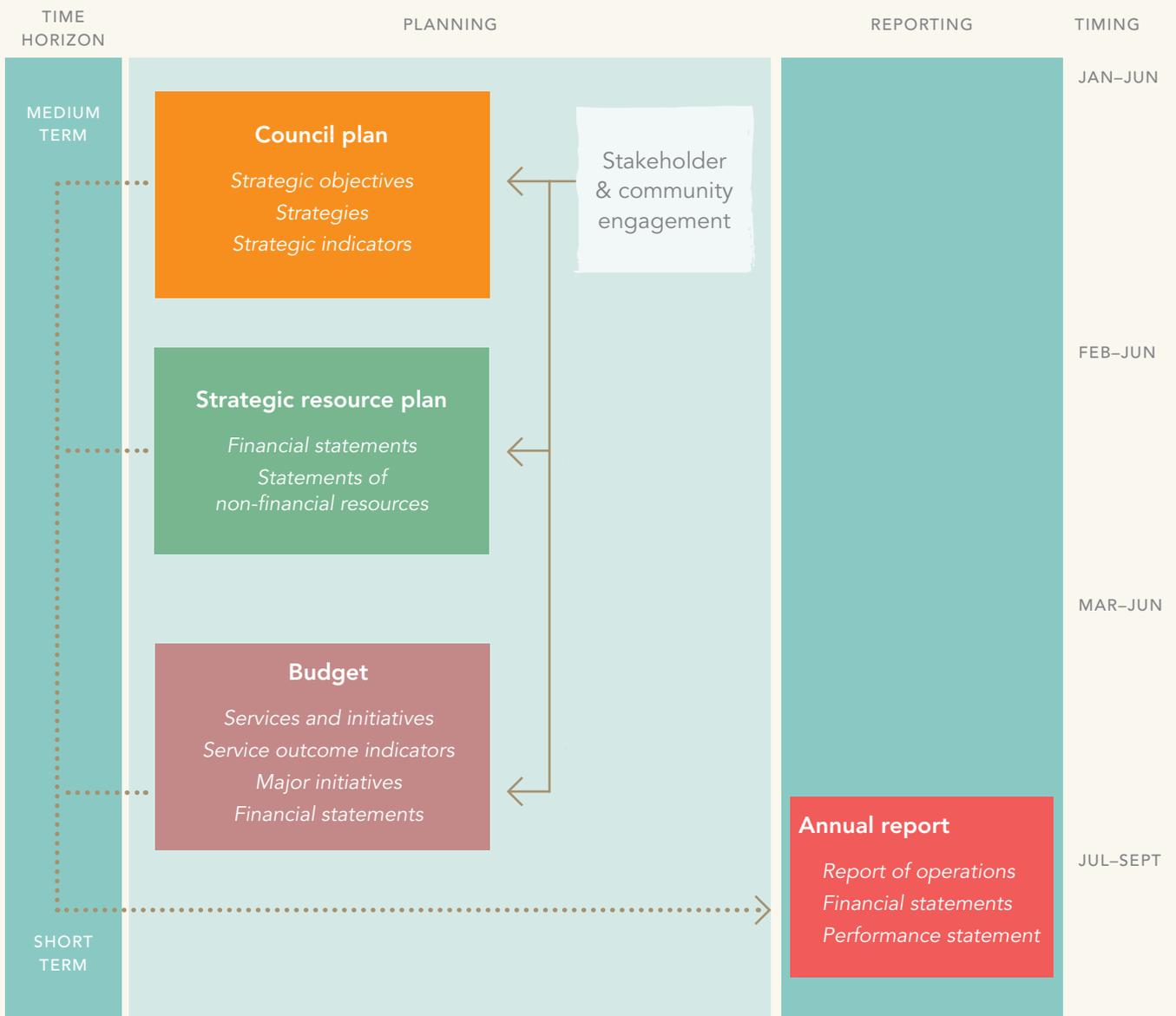


# PLANNING & ACCOUNTABILITY

The diagram below depicts the planning and accountability framework that applies to local government in Victoria.

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





# COUNCIL PLAN

Although we adopted a new Council Plan 2017/21, this report of operations reports on the previous Council Plan 2013/17.

The Council Plan 2013/17 includes strategic objectives, strategies for achieving these over the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan.

The following are the five strategic objectives as detailed in the Council Plan:



## ACTIVE & ENGAGED COMMUNITIES

In partnership with communities, Community Services will identify community priorities and work to deliver services, programs and projects that promote community health and well-being.



## QUALITY COMMUNITY INFRASTRUCTURE

Through understanding waste services and our asset portfolio the infrastructure team plan for, create and manage waste and recycling services and the timely replacement of public assets to maximise environmental sustainability, community safety, convenience and well-being.



## SUSTAINABLE ENVIRONMENT & A VIBRANT ECONOMY

Through balanced and progressive programs and processes we will encourage development that promotes economic diversity and prosperity while enhancing and preserving the natural and built environment of all Hepburn Shire.



### **SUSTAINABLE FINANCIAL MANAGEMENT & INNOVATIVE CORPORATE SYSTEMS**

Through innovation and technology Corporate Services provides the physical, operational, commercial and professional expertise that underpins the current and future direction of the municipality.



### **HIGH PERFORMING ORGANISATION**

The performance of our organisation will be greatly enhanced by the diligence of Councillors and dedication of our Staff in the continued pursuit of excellence. This will be evident by balanced decision making and improved delivery of works and services for the community. Our people are the key to delivering more with less in a challenging environment.

# PERFORMANCE

Council's performance for the 2016/17 year has been reported against each key strategic objective to demonstrate how we performed against the 2013/17 Council Plan

## ACTIVE & ENGAGED COMMUNITIES

### Active and Engaged Communities — Strategies & Actions

1. Work with and support communities and residents to implement community driven projects through community planning, provision of advice, information and community grants, acknowledging the significant contribution made by community volunteers.

| Action  | RESULT    |
|---|-----------|
| Prepare Community Planning Strategy and Policy  | Completed |
| Develop and implement Council's Public Art Policy   | Completed |
| Implement Daylesford and District Community Bus and investigate feasibility of additional community transport | Completed |
| Support community groups through provision of advice, information and community grants                        | Completed |

2. Engage our young people, invest in them now and create our community leaders for the future.

| Action   | RESULT    |
|--|-----------|
| Review and update the Youth Strategy             | Completed |
| Coordinate and deliver youth programs and events | Completed |
| Coordinate and deliver youth programs and events | Completed |

3. Improve and enhance the provision and management of infrastructure and services to support children and families.

| Action   | RESULT    |
|--|-----------|
| Develop and implement Municipal Early Years Plan | Completed |



## Active and Engaged Communities — Strategies & Actions

### 4. Implement a proactive and planned approach to the maintenance, renewal and upgrade of recreation assets.

| Action  | RESULT      |
|---|-------------|
| Clarify roles and responsibilities of Council and sporting groups and level of support Council will provide, including building, maintenance and renewal, oval maintenance, courts and amenity to ensure that equitable and consistent support is provided. | In progress |
| Annual hard court renewal program in Council budget   | Completed   |
| Service review of recreation facilities (Council swimming pools completed Year 1)   | Completed   |

### 5. Develop Hepburn's libraries as welcoming, multi-functional spaces that assist in the provision of integrated Council services and ensuring that vibrant and diverse programs and collections are maintained.

| Action                               | RESULT    |
|--------------------------------------|-----------|
| Promotion and marketing of libraries | Completed |

### 6. Provide high quality aged and disability services within the active service framework.

| Action  | RESULT      |
|---|-------------|
| Implement aged and disability services communication strategy                   | In progress |
| Review and Update Code Red, Vulnerable Clients, Emergency Policy and Procedures | Completed   |
| Implement Community Care Support traineeship program                            | Not Started |

## Active and Engaged Communities — Major Budget Initiatives

| Major Initiatives  | RESULT      |
|--|-------------|
| Develop a Community Hub for Trentham, combining the operations and services of the Trentham Neighbourhood Centre, Mechanics Institute Hall, Library and providing an increased Visitor Information service (\$1.3m first year) | In progress |

## Active and Engaged Communities — Strategic Indicators

| Strategic Activity           | Performance Measure                            | Performance Target   | Result  |
|------------------------------|--|--|---|
| Community Development        | Management of funding agreements               | No acquittals outstanding past due date                    | <b>Partially Met</b><br>2 outstanding acquittals at 30/06/2017  |
| Youth                        | Number of events and activities run by Council | Program participation rates 2% increase from previous year | <b>Met</b><br><b>FReeZA events</b> <ul style="list-style-type: none"> <li>Theatre Pop - Daylesford, 28/9/16 with 18 participants</li> <li>Christmas in Clunes - 16/12/16 - 100+</li> <li>Galaxy of the Guardians outdoor movie - Trentham - 20/1/17 - 19 participants</li> <li>Rural LGTIQA Youth Fantasy Ball - Daylesford - 13/3/17 - 31 participants</li> <li>3 School Holiday programs, including Ice Skating trip, Gaming Lounge in Trentham and Teen Movie in Clunes - 50+ participants</li> </ul> <b>Activities</b> <ul style="list-style-type: none"> <li>Work experience program - 2 students</li> <li>Western Bulldogs Leadership Program - 10 participants</li> <li>The Cook, The Chef and Us program with Daylesford SC and Hepburn Health Service - 16 participants</li> </ul> |
| Recreation                   | Increase usage of Council pools                | Increase usage of Council pools by 5%                      | <b>Not Met</b><br>Pool attendance is largely weather dependant. Attendance at our Daylesford, Trentham and Clunes pools decreased from 18,795 in 2015/2016 to 14,121 in 2016/2017. Attendance was still more than double that achieved in 2014/2015.  |
| Community Planning           | Completion of Community Plans                  | Complete one community plan per year                       | <b>Not Met</b><br>Extended staff handover period. Two plans are forecast to be completed by the end of 2017 calendar year.  |
| Libraries                    | Improve library book stock                     | 2 items of collection per capita                           | <b>Met</b><br>29,903 items, average 2.09 items per capita   |
| Aged and Disability Services | Hours of home and community care               | Meet funding agreement targets                             | <b>Substantially Met</b><br>Target hours – 28,957<br>Actual hours – 23,106 - 79.80%.  |

## Active and Engaged Communities — Service Performance Indicator Results

| Aquatic Facilities        |    |  |                 |                 |                 |  |
|---------------------------|----|--|-----------------|-----------------|-----------------|--|
| Service/Indicator/Measure |    |  | Results<br>2015 | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments   |
| <b>Service standard</b>   |    |  |                 |                 |                 |  |
| AF2                       | 29 | <i>Health inspections of aquatic facilities</i><br>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities] | 0               | 1               | 1.2             | One extra inspection in 2016/17.   |
| <b>Health and Safety</b>  |    |  |                 |                 |                 |  |
| AF3                       | 30 | <i>Reportable safety incidents at aquatic facilities</i><br>[Number of WorkSafe reportable aquatic facility safety incidents]                                      | 0               | 1               | 0               | No reportable incidents.   |
| <b>Service Cost</b>       |    |  |                 |                 |                 |  |
| AF5                       | 32 | <i>Cost of outdoor aquatic facilities</i><br>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]     | \$27.63         | \$9.88          | \$11.91         | Cost per visit increased due to the decline in utilisation. Net cost of aquatic facilities decreased this year.  |
| <b>Utilisation</b>        |    |  |                 |                 |                 |  |
| AF6                       | 33 | <i>Utilisation of aquatic facilities</i><br>[Number of visits to aquatic facilities / Municipal population]  | 0.4             | 1.3             | 0.91            | Pool attendance is largely weather dependant. Attendance at our Daylesford, Trentham and Clunes pools decreased from 18,795 in 2015/2016 to 14,121 in 2016/2017. Attendance was still more than double that achieved in 2014/2015. |

## Active and Engaged Communities — Service Performance Indicator Results

| Libraries Facilities      |    |  |                 |                 |                 |   |
|---------------------------|----|--|-----------------|-----------------|-----------------|---|
| Service/Indicator/Measure |    |  | Results<br>2015 | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments  |
| <b>Service standard</b>   |    |  |                 |                 |                 |   |
| LB1                       | 19 | Library collection usage<br>[Number of library collection item loans<br>/ Number of library collection items]  | 5.9             | 5.6             | 5.2             | Nationwide decline in loans over the past 5 years (ALIA). Library collection size is slightly smaller in 2016/17. |
| <b>Resource standard</b>  |    |  |                 |                 |                 |   |
| LB2                       | 20 | Standard of library collection<br>[Number of library collection items<br>purchased in the last 5 years / Number<br>of library collection items] x100 | 78.8%           | 80.3%           | 80.4%           |   |
| <b>Service Cost</b>       |    |  |                 |                 |                 |   |
| LB3                       | 21 | Cost of library service<br>[Direct cost of the library service /<br>Number of visits]  | \$4.21          | \$4.41          | \$4.06          |   |
| <b>Participation</b>      |    |  |                 |                 |                 |   |
| LB4                       | 22 | Active library members<br>[Number of active library members /<br>Municipal population] x100  | 25%             | 22%             | 21%             |   |

## Active and Engaged Communities — Service Performance Indicator Results

| Maternal and Child Health (MCH) |    |   |                 |                 |                 |   |
|---------------------------------|----|---|-----------------|-----------------|-----------------|---|
| Service/Indicator/Measure       |    |   | Results<br>2015 | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments  |
| <b>Service standard</b>         |    |   |                 |                 |                 |   |
| MC1                             | 49 | Participation in first MCH home visit<br>[Number of first MCH home visits /<br>Number of birth notifications received]<br>x100  | 91%             | 101%            | 107%            |   |
| <b>Service standard</b>         |    |   |                 |                 |                 |   |
| MC2                             | 50 | Infant enrolments in the MCH service<br>[Number of infants enrolled in the<br>MCH service (from birth notifications<br>received) / Number of birth<br>notifications received] x100  | 90%             | 100%            | 101%            |   |
| <b>Service Cost</b>             |    |   |                 |                 |                 |   |
| MC3                             | 51 | Cost of the MCH service<br>[Cost of the MCH service / Hours<br>worked by MCH nurses]  | Not<br>reported | \$92            | \$71            | Cost per hour decreased<br>due to a fixed contract cost<br>to Council combined with a<br>significant increase in hours<br>paid due to extended sick<br>leave which was back-filled<br>by other staff. |
| <b>Participation</b>            |    |   |                 |                 |                 |   |
| MC4                             | 52 | Participation in the MCH service<br>[Number of children who attend the<br>MCH service at least once (in the year)<br>/ Number of children enrolled in the<br>MCH service] x100  | 83%             | 79%             | 82%             |   |
| MC5                             | 53 | Participation in the MCH service by<br>Aboriginal children<br>[Number of Aboriginal children who<br>attend the MCH service at least once<br>(in the year) / Number of Aboriginal<br>children enrolled in the MCH service]<br>x100 | 88%             | 69%             | 84%             | Hepburn Shire has a small<br>Aboriginal community<br>and individual family<br>movements can impact<br>this indicator. This data<br>was provided by MAV.   |

# QUALITY COMMUNITY INFRASTRUCTURE

## Quality Community Infrastructure — Strategies & Actions

7. Improve the liveability and amenity of our Communities by delivering improved levels of service across all of Hepburn Shires streetscapes, Parks and Gardens through the introduction of planned work schedules for areas such as town entrances, park furniture, sporting ovals and public reserves.

| Action   | RESULT      |
|--|-------------|
| Develop & implement service standards for sporting ovals | In progress |

8. Effectively deliver the Capital works program to improve community infrastructure and facilities.

| Action  | RESULT      |
|---|-------------|
| Complete Capital Works forward design program | Completed   |
| Complete the Capital Works program            | In progress |

9. Improve sealed and unsealed local roads through the delivery of maintenance and improvement works.

| Action  | RESULT    |
|---|-----------|
| Review the Council's Road Management Plan   | Completed |
| Implement proactive inspection and repair of identified defects in accordance with the Road Management Plan | Completed |
| Implement resurfacing of the unsealed road network  | Completed |
| Implement resealing of the sealed road network  | Completed |



**10. Effectively manage Council's Asset portfolio in order to improve service levels while progressively closing the asset renewal gap.**

| Action  | RESULT      |
|---|-------------|
| Implement strategy to reduce the asset renewal gap        | Completed   |
| Review and update Asset Management Strategy               | In progress |
| Review and update 5 year Capital Works Programs           | Completed   |
| Develop Asset Management Plans for: Buildings, Open Space | In progress |

**11. Develop and Implement the Waste Management Strategy with a focus on converting Waste into Opportunity through education, technology and innovation**

| Action                  | RESULT    |
|-------------------------|-----------|
| Complete Waste Strategy | Completed |

**Quality Community Infrastructure — Major Budget Initiatives**

| Major Initiatives   | RESULT      |
|---|-------------|
| Deliver streetscape revitalisation and upgrades in line with the community developed plans in Trentham, Hepburn and Glenlyon (including Glenlyon Hall)            | In progress |
| Waste Management Facility Construction to enable more efficient handling of waste and recycling materials in line with the Waste and Resource Management Strategy | In progress |
| Lake Daylesford upgrade and renewal including landscaping, paths and facility works   | In progress |
| Increase to annual building renewal program including Clunes Town Hall restoration and public toilet refurbishments   | Completed   |

## Quality Community Infrastructure — Strategic Indicators

| Strategic Activity    | Performance Measure  | Performance Target   | Result   |
|-----------------------|--|--|--|
| Waste                 | Increase in recycling as a percentage of total waste       | 5% increase in recycling as a percentage of waste year on year | <b>Met</b><br>Significant reduction in waste to landfill (4650 tonnes 2015-16 4193 tonnes 2016-17) as a result of building materials recycling initiative.   |
| Assets                | Complete review of Road Management Plan                    | Review completed   | <b>Met</b><br>Next scheduled review was due in 2017 and was completed in June 2017.  |
| Assets                | Completion of capital works program                        | 90% Completion of capital works program                        | <b>Substantially Met</b><br>Council achieved 81% delivery of the corporate capital works program. A number of projects were not able to be commenced due to contingent external grant funding was not secured. |
| Assets                | Complete all forward design work prior to year of delivery | 100% of all design work completed prior to project delivery    | <b>Met</b><br>All forward design programs were completed.  |
| Parks and Gardens     | Customer requests actioned within agreed timeframes        | 90% closed   | <b>Met</b><br>It is estimated that 90% of all customer requests were actioned within agreed timeframes.  |
| Roads and Maintenance | Customer requests actioned within agreed timeframes        | 90% closed   | <b>Met</b><br>It is estimated that 90% of all customer requests were actioned within agreed timeframes.  |

## Quality Community Infrastructure — Service Performance Indicator Results

| Roads                      |    |   |                 |                 |                                  |   |
|----------------------------|----|---|-----------------|-----------------|----------------------------------|---|
| Service/Indicator/Measure  |    | Results<br>2015   | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments |   |
| <b>Satisfaction of use</b> |    |   |                 |                 |                                  |   |
| R1                         | 14 | Sealed local road requests<br>[Number of sealed local road requests<br>/ Kilometres of sealed local roads] x100   | 56              | 39              | 41                               |   |
| <b>Condition</b>           |    |   |                 |                 |                                  |   |
| R2                         | 15 | Sealed local roads below the<br>intervention level<br>[Number of kilometres of sealed local<br>roads below the renewal intervention<br>level set by Council / Kilometres of<br>sealed local roads] x100 | 98.5%           | 98.5%           | 98.6%                            | Full condition assessment<br>was undertaken in 2016-17<br>which confirmed the length<br>of sealed roads below<br>intervention.  |
| <b>Service Cost</b>        |    |   |                 |                 |                                  |   |
| R3                         | 16 | Cost of sealed local road<br>reconstruction<br>[Direct cost of sealed local road<br>reconstruction / Square metres of<br>sealed local roads reconstructed]  | \$43            | \$42            | \$46                             | Increase reflects additional<br>road infrastructure<br>(guardrails) in 16/17<br>program.  |
| R4                         | 17 | Cost of sealed local road resealing<br>[Direct cost of sealed local road<br>resealing / Square metres of sealed<br>local roads resealed]  | \$5.47          | \$4.39          | \$5.18                           |   |
| <b>Satisfaction</b>        |    |   |                 |                 |                                  |   |
| R5                         | 18 | Satisfaction with sealed local roads<br>[Community satisfaction rating out of<br>100 with how council has performed on<br>the condition of sealed local roads]  | 43              | 43              | 37                               | Decrease from last year<br>reflects flood damage on<br>both Council and VicRoads'<br>managed sealed roads<br>in September 2016. Most<br>repair work occurred later<br>in 2017 after the satisfaction<br>survey was conducted. |

## Quality Community Infrastructure — Service Performance Indicator Results

| <b>Waste Collection</b>          |    |  |                         |                         |                         |  |
|----------------------------------|----|--|-------------------------|-------------------------|-------------------------|--|
| <b>Service/Indicator/Measure</b> |    |  | <b>Results<br/>2015</b> | <b>Results<br/>2016</b> | <b>Results<br/>2017</b> | <b>Material Variations/<br/>Comments</b>   |
| <b>Satisfaction</b>              |    |  |                         |                         |                         |  |
| WC1                              | 23 | Kerbside bin collection requests<br>[Number of kerbside garbage and recycling bin collection requests /<br>Number of kerbside bin collection households] x1000   | 28                      | 58                      | 160                     | New truck drivers were engaged by contractor resulting in missed collections and therefore increasing the number of requests received. |
| <b>Service Standard</b>          |    |  |                         |                         |                         |  |
| WC2                              | 24 | Kerbside collection bins missed<br>[Number of kerbside garbage and recycling collection bins missed /<br>Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000                            | 2.1                     | 5.7                     | 10                      | New truck drivers were engaged by contractor resulting in missed collections.  |
| <b>Service Cost</b>              |    |  |                         |                         |                         |  |
| WC3                              | 25 | Cost of kerbside garbage bin collection service<br>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]   | \$103                   | \$98                    | \$97                    |  |
| WC4                              | 26 | Cost of kerbside recyclables collection service<br>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]   | \$49                    | \$48                    | \$67                    | Increase reflects current increase to recycling transport charge.  |
| <b>Waste Conversion</b>          |    |  |                         |                         |                         |  |
| WC5                              | 27 | Kerbside collection waste diverted from landfill<br>[Weight of recyclables and green organics collected from kerbside bins /<br>Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 40%                     | 41%                     | 43%                     | Continual improvement.   |



# SUSTAINABLE ENVIRONMENT & A VIBRANT ECONOMY

## Sustainable Environment and a Vibrant Economy — Strategies & Actions

### 12. Support and develop existing businesses within Hepburn Shire and continue to explore opportunities to diversify Hepburn Shire's economic base

| Action  | RESULT      |
|---|-------------|
| Develop and implement the Visitor Information Centre volunteer recruitment strategy | Completed   |
| Implement the Economic Development Strategy – Year 1 Action plan                    | In progress |
| Implement priority actions flowing from the Advancing Country Towns (ACT) program   | Completed   |

### 13. Review Council's Compliance and Development functions with a focus on improving safety and legislative compliance, reducing processing times and increasing levels of customer satisfaction

| Action   | RESULT    |
|--|-----------|
| Review and map planning permit process   | Completed |
| Update Council's Domestic Animal Management Plan   | Completed |
| Undertake all required inspections of registered food premises                                 | Completed |
| Review and map building permit process   | Completed |
| Complete and activate a Domestic Waste Water Management Plan (DWWMP) for Hepburn Shire Council | Completed |
| Undertake communication and education to raise awareness of the importance of safe practices   | Completed |

### 14. Monitor and update Council's planning scheme to meet the future needs of the community by providing a range of opportunities across the full suite of zones

| Action                                    | RESULT    |
|---|-----------|
| Undertake a review of the planning scheme | Completed |

### 15. Facilitate the development of a native flora, fauna and ecosystems protection strategy with a focus on the strategic revegetation to counteract incremental losses and invasion of weeds that threaten many native species

| Action   | RESULT      |
|--|-------------|
| Survey and map Hepburn Shire Council road reserves | In progress |



**16. Develop opportunities for increased renewable energy generation and minimisation of energy consumption within the Hepburn Shire Council in order to reduce our reliance on non-renewable energy generation**

| Action   | RESULT    |
|--|-----------|
| Develop a Bio Energy Feasibility Study                           | Completed |
| Convert to Energy Efficient Street lighting (funding contingent) | Completed |

**17. Review and analyse Council's current operating emergency management framework for preparation, response and recovery areas with a view to delivering improved outcomes for communities affected by emergencies and natural disasters**

| Action  | RESULT    |
|---|-----------|
| Review Council's current arrangements to inform a strategy to better address emerging changes in emergency management | Completed |

**18. Council will support and emphasise activities in the community and its own operations which embody the transition from business as usual to preparedness and resilience in the face of rising energy costs and a changing climate**

| Action  | RESULT      |
|---|-------------|
| Support Community groups through the provision of Sustainability Grants | Completed   |
| Implement Creswick and Clunes Flood Mitigation Strategies               | In progress |
| Review the Hepburn Shire Sustainability Strategy                        | Completed   |

**Sustainable Environment and a Vibrant Economy – Major Budget Initiative**

| Major Initiatives  | RESULT      |
|--|-------------|
| Deliver on the business case and design for waste to energy systems to incorporate two bio-mass fuelled cogeneration engines in the proposed Hepburn Hub. This will supply electricity and heating to the facility through an anaerobic digestion process, along with development of an organic waste processing plant at a Council transfer station (\$400,000 year one). | In progress |
| Continue to implement the Sustainability Strategy - Towards Zero program for renewable energy and energy reduction in Council and community buildings (\$115,000)  | Completed   |

## Sustainable Environment and a Vibrant Economy — Strategic Indicators

| Strategic Activity               | Performance Measure   | Performance Target  | Result  |
|----------------------------------|---|---|---|
| Economic Development and Tourism | Increase in visits to Visitor Information Centres                 | 2% increase year on year  | <b>Partially Met</b><br>2015/16 - 81,759<br>2016/17 - 82,577<br>Increase 1%   |
| Emergency Management/ Compliance | Compliance with CFA Act requirements —fire hazard clearance       | Compliance with CFA Act   | <b>Met</b><br>Council completed its fire hazard inspection and notice requirements in accordance with the CFA Act.  |
| Statutory Planning               | Increased proportion of planning permits processed within 60 days | 85% of planning permits issued within 60 days                           | <b>Substantially Met</b><br>82% within 60 days with overall processing days of 40 statutory days  |
| Strategic Planning               | Completion of outstanding strategic projects                      | Planning Scheme review completed  | <b>Partially Met</b><br>Planning amendment authorised by DELWP. The amendment documents have been written for exhibition.   |
| Building                         | Turnaround time for issuing permits                               | 80% of permits issued within prescribed time                            | <b>Substantially Met</b><br>74% issued within 21 days at an average processing time of 25 days.   |
| Sustainability                   | Reduce Council's carbon footprint                                 | 5% reduction in Council's carbon emissions                              | <b>Unable to Measure</b><br>Data will be available at the end of September.   |
| Natural Resource Management      | Completion of the roadside survey                                 | Survey completed  | <b>Substantially Met</b><br>Survey complete, with final data upload and training still to occur.  |
| Environmental Health             | Annual Inspection of all food premises                            | All required inspections of registered food premises completed annually | <b>Substantially Met</b><br>197 of the 294 inspections undertaken. 67% of inspections undertaken - target is 75%. Remaining inspection to be complete during calendar year. |

## Sustainable Environment and a Vibrant Economy — Service Performance Indicator Results

| Animal Management         |    |   |                 |                 |                 |  |
|---------------------------|----|---|-----------------|-----------------|-----------------|--|
| Service/Indicator/Measure |    |   | Results<br>2015 | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments   |
| <b>Timeliness</b>         |    |   |                 |                 |                 |  |
| AM1                       | 34 | Time taken to action animal management requests<br>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests] | Not reported    | 6.0             | 2.5             | Improvements in data capture and reporting.                              |
| <b>Service Standard</b>   |    |   |                 |                 |                 |  |
| AM2                       | 35 | Animals reclaimed<br>[Number of animals reclaimed / Number of animals collected] x100   | 39%             | 44%             | 30%             | Increase in the number of animals euthanised.                            |
| <b>Service Cost</b>       |    |   |                 |                 |                 |  |
| AM3                       | 36 | Cost of animal management service<br>[Direct cost of the animal management service / Number of registered animals]  | \$47            | \$35            | \$36            |  |
| <b>Health and safety</b>  |    |   |                 |                 |                 |  |
| AM4                       | 37 | Animal management prosecutions  | 0               | 0               | 0               | There were no successful or unsuccessful animal management prosecutions. |

## Sustainable Environment and a Vibrant Economy — Service Performance Indicator Results

| Food Safety               |    |   |              |              |              |   |
|---------------------------|----|---|--------------|--------------|--------------|---|
| Service/Indicator/Measure |    |   | Results 2015 | Results 2016 | Results 2017 | Material Variations/Comments  |
| <b>Timeliness</b>         |    |   |              |              |              |   |
| FS1                       | 38 | Time taken to action food complaints<br>[Number of days between receipt and first response action for all food complaints / Number of food complaints]  | Not reported | 5.7          | 1.2          | Improvements to Council practices have been implemented resulting in a significant reduction in average time.   |
| <b>Service Standard</b>   |    |   |              |              |              |   |
| FS2                       | 39 | Food safety assessments<br>[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 | 63%          | 48%          | 80%          | Increased focus on food safety assessments completed.   |
| <b>Service Cost</b>       |    |   |              |              |              |   |
| FS3                       | 40 | Cost of food safety service<br>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]   | \$284        | \$360        | \$377        |   |
| <b>Health and safety</b>  |    |   |              |              |              |   |
| FS4                       | 41 | Critical and major non-compliance outcome notifications<br>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100                           | 29%          | 50%          | 60%          | 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. More major non-compliances were followed up in 2016/2017. No critical non-compliances were identified. |

## Sustainable Environment and a Vibrant Economy — Service Performance Indicator Results

| Statutory Planning        |   |  |                 |                 |                 |  |
|---------------------------|---|--|-----------------|-----------------|-----------------|--|
| Service/Indicator/Measure |   |  | Results<br>2015 | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments   |
| <b>Timeliness</b>         |   |  |                 |                 |                 |  |
| SP1                       | 6 | Time taken to decide planning applications<br>[The median number of days between receipt of a planning application and a decision on the application]  | 35              | 38              | 39              |  |
| <b>Service Standard</b>   |   |  |                 |                 |                 |  |
| SP2                       | 7 | Planning applications decided within 60 days<br>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100  | 85%             | 82%             | 81%             |  |
| <b>Service Cost</b>       |   |  |                 |                 |                 |  |
| SP3                       | 8 | Cost of statutory planning service<br>[Direct cost of the statutory planning service / Number of planning applications received]   | \$1,600         | \$1,403         | \$1,685         | There was a 22% decrease in the number of planning applications received, while costs decreased by 6%. |
| <b>Decision Making</b>    |   |  |                 |                 |                 |  |
| SP4                       | 9 | Council planning decisions upheld at VCAT<br>[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 | 86%             | 40%             | 100%            | No Council decisions were set aside by VCAT.   |

# SUSTAINABLE FINANCIAL MANAGEMENT & INNOVATIVE CORPORATE SYSTEMS

## Sustainable Financial Management and Innovative Corporate Systems — Strategies & Actions

### 19. Implement sustainable financial practices and policies that guide the future financial direction of Council and ensure long term financial stability

| Action  | RESULT    |
|---|-----------|
| Development of the 10 year Financial Plan and conduct an annual review                    | Completed |
| Allocate a minimum of \$250,000 to cash each year to improve the working capital ratio    | Completed |
| Maintain a Victorian Auditor General's Office low risk sustainability assessment annually | Completed |

### 20. Continue to pursue alternate revenue streams and procurement efficiencies within Council's operating budget with a view to reducing the reliance on rate revenue

| Action   | RESULT    |
|--|-----------|
| Implementation of the Procurement Efficiency Program   | Completed |
| Increased rental return from Commercial leases   | Completed |
| Review the Procurement Policy annually to ensure best practice procurement methods and legislative compliance        | Completed |
| Partner with regional Councils to participate in collaborative purchasing to deliver best value procurement outcomes | Completed |

### 21. Improve Customer Service levels by ensuring improved reliability of Council's systems and increased innovation and efficiency through the utilisation of cutting edge technology and applications

| Action   | RESULT    |
|--|-----------|
| Installation of a new phone system ensuring improved customer service levels | Completed |

### 21. Create and maintain a customer service culture throughout the organisation that ensures the delivery of consistent and quality customer focused services whereby our customers are dealt with promptly, courteously, efficiently and effectively at all times

| Action  | RESULT      |
|---|-------------|
| Develop and implement a customer service charter that clearly articulates Council's customer service agreement with the community | In progress |



## Sustainable Financial Management and Innovative Corporate Systems — Major Budget Initiatives

| Major Initiatives   | RESULT    |
|---|-----------|
| Continued implementation of the Customer Service Excellence program including renewed Customer Request Management System and benchmarking of customer service levels. | Completed |
| Local Government Elections 2016 (\$171,000)   | Completed |

## Sustainable Financial Management and Innovative Corporate Systems — Strategic Indicators

| Strategic Activity                         | Performance Measure                 | Performance Target                                      | Result   |
|--|-------------------------------------|---|--|
| Finance                                    | Provide a budget and actual surplus | Operating surplus                                       | <b>Met</b><br>End of year surplus                      |
| Procurement                                | Deliver cost and efficiency savings | 1% of organisation cost                                 | <b>Met</b>   |
| Information Technology & Telecommunication | Help desk calls closed              | 90% closed  | <b>Met</b><br>Greater than 95% closed                  |
| Human Resources                            | Staff Turnover                      | Less than 10% staff turnover                            | <b>Not Met</b><br>Staff turnover was 15%               |
| Customer Service & Records                 | Customer Service                    | Equal to or greater than average for Small Rural Shires | <b>Not Met</b>   |
| Risk & Property                            | Improve the CMP rating              | CMP Rating improved by 2%                               | <b>Unable to Measure</b><br>Audit no longer undertaken |

# HIGH PERFORMING ORGANISATION

## High Performing Organisation — Strategies & Actions

**23. Work with our staff to develop an organisational culture of excellence utilising customised and relevant training that ensures increased job satisfaction and improved service delivery to the community**

| Action  | RESULT    |
|---|-----------|
| Develop and implement a Human Resource Strategy | Completed |
| Undertake Staff Climate (pulse surveys)         | Completed |

**24. Review Council's Organisational structure regularly to ensure that productivity is maximised whilst maintaining quality, cost effective services to the community**

| Action                                       | RESULT    |
|--|-----------|
| Develop and Implement Service Review Program | Completed |

**25. Respond to the changing needs of the Hepburn Shire Communities through the provision of timely, targeted and relevant internal and external communications, including advocacy on behalf of the community for important community concerns, projects and initiatives**

| Action  | RESULT    |
|---|-----------|
| Redevelop Council's website and review branding | Completed |
| Implement regular Council newsletter            | Completed |

**26. Improve the Occupational Health and Safety performance of Council through constant monitoring and identification of risks within the work environment**

| Action  | RESULT      |
|---|-------------|
| Develop and implement the Construction Site Audit Program | Completed   |
| Review and maintain organisation wide risk registers      | In progress |

**27. Review Council's future office accommodation needs with a view to improving service delivery, environmental efficiency and universal access while progressing the rationalisation of redundant Council assets.**

| Action   | RESULT      |
|--|-------------|
| Implement the Hepburn Council Services and Community Hub Business Case and Design project              | In progress |
| Undertake the sale of under utilised and surplus land and buildings in consultation with the community | In progress |



## High Performing Organisation — Major Budget Initiative

| Major Initiatives  | RESULT    |
|--|-----------|
| First year of the Hepburn Hub project to improve the service level in libraries and community spaces in Daylesford as well as achieving significant cost savings in delivery of staff-dependent services (\$8.05 million including acquisition of The Rex and 8 Duke Street) | Completed |
| Enhanced community participation in the Council Plan 2017 - 2021 development (\$60,000)  | Completed |

## High Performing Organisation — Strategic Indicators

| Strategic Activity | Performance Measure                   | Performance Target                                      | Result         |
|--------------------|---------------------------------------|---|----------------|
| Governance         | Overall Council Direction             | Equal to or greater than average for Small Rural Shires | <b>Not Met</b> |
| Communications     | Community Consultation and Engagement | Equal to or greater than average for Small Rural Shires | <b>Not Met</b> |
| Advocacy           | Advocacy on behalf of the community   | Equal to or greater than average for Small Rural Shires | <b>Not Met</b> |

## High Performing Organisation — Service Performance Indicator Results

| Governance                         |   |  |                 |                 |                                  |
|------------------------------------|---|--|-----------------|-----------------|----------------------------------|
| Service/Indicator/Measure          |   | Results<br>2015  | Results<br>2016 | Results<br>2017 | Material Variations/<br>Comments |
| <b>Transparency</b>                |   |  |                 |                 |                                  |
| G1                                 | 1 | Council decisions made at meetings closed to the public<br>[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 | 11%             | 12%             | 11%                              |
| <b>Consultation and engagement</b> |   |  |                 |                 |                                  |
| G2                                 | 2 | Satisfaction with community consultation and engagement<br>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement  | 43              | 49              | 47                               |

## Governance

### Attendance

|    |   |  |     |     |     |  |
|----|---|--|-----|-----|-----|--|
| G3 | 3 | Councillor attendance at council meetings<br>[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 | 98% | 93% | 96% |  |
|----|---|--|-----|-----|-----|--|

### Service cost

|    |   |   |          |          |          |  |
|----|---|---|----------|----------|----------|--|
| G4 | 4 | Cost of governance<br>[Direct cost of the governance service / Number of Councillors elected at the last Council general election]                                    | \$36,965 | \$36,856 | \$33,956 | Small reduction in cost due to election period during the year.  |
| G5 | 5 | Satisfaction with council decisions<br>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 43       | 48       | 45       | Decrease from last year due to ongoing discussions in relation to the Daylesford Community Cinema at time of survey. |



# **GOVERNANCE, MANAGEMENT & OTHER INFORMATION**



# GOVERNANCE

Hepburn Shire Council is constituted under the Local Government Act 1989 to provide leadership for the good governance of the municipal district and the local community.

## Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements
- Ensuring that resources are managed in a responsible and accountable manner
- Advocating the interests of the local community to other communities and governments
- Fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that we meet the community's needs. The community has many opportunities to provide input into Council's decision-making processes, including community consultation sessions and public forums (such as ward meetings and the ability to make submissions).

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

## COUNCIL MEETINGS

Council conducts open public meetings on the third Tuesday of each month, which are held at various locations throughout the Shire to ensure the community has the ability to attend. Councillors are also briefed on relevant issues during informal sessions.

Members of the community are welcome to attend Council meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit a question to the Council, or ask to address Council regarding an item.

For the 2016/17 year, Council held the following meetings:

- 12 ordinary council meetings
- 4 special council meetings.

The following table provides a summary of Councillor attendance at council meetings and special council meetings for the 2016/17 financial year.

| Councillors                                 | Council Meeting | Special Council Meeting | Total |
|---|-----------------|-------------------------|-------|
| *Cr Sebastian Klein (Mayor)                 | 11              | 4                       | 15    |
| *Cr Don Henderson                           | 12              | 4                       | 16    |
| #Cr Fiona Robson                            | 8               | 2                       | 10    |
| *Cr Greg May                                | 12              | 3                       | 15    |
| #Cr John Cottrell                           | 8               | 3                       | 11    |
| *Cr Kate Redwood AM                         | 12              | 4                       | 16    |
| *Cr Neil Newitt                             | 11              | 4                       | 15    |
| Prior to the 2016 October General Election. |                 |                         |       |
| @Cr Pierre Niclas                           | 4               | 1                       | 5     |
| @Cr Bill McClenaghan                        | 4               | 1                       | 5     |

\* Re-elected 20 October 2016

# Newly elected 20 October 2016

@ Term ended 20 October 2016

## SPECIAL COMMITTEES

The Local Government Act 1989 allows councils to establish one or more special committees consisting of:

- Councillors
- Council staff
- Other persons from the community
- Any combination of the above

The following table contains a list of all special committees established by Council that are in operation and the purpose for which each committee was established.

| Special Committee  | Purpose   |
|--|---|
| <b>Creswick Museum Special Committee</b>                           | To administer, manage and control the historic Creswick Museum building and collection of artworks and artefacts.   |
| <b>Dean Recreation Reserve and Tennis Courts Special Committee</b> | To manage, control, operate and maintain the Dean Recreation Reserve and Tennis Courts.   |
| <b>Drummond Hall Special Committee</b>                             | To manage, control, operate and maintain the Drummond Hall premises.  |
| <b>Glenlyon Recreation Reserve Special Committee</b>               | To administer, maintain and control the Glenlyon Recreation Reserve.  |
| <b>Lee Medlyn Home of Bottles Special Committee</b>                | To administer, manage and control the property of the Clunes Historic Medlyn Complex, the Lee Medlyn Bottle collection, the Eberhard Factory and other collectables and displays contained in the facility. |
| <b>Lyonville Hall Special Committee</b>                            | To manage, control, operate and maintain the Lyonville Hall.  |

## ADVISORY COMMITTEES

Council has a number of Advisory Committees. The purpose of these committees:

| Advisory Committees   | Purpose   |
|---|---|
| <b>Heritage Advisory Panel</b>  | Provide advice to assist Council make decisions on a range of heritage and related matters, as required.  |
| <b>International Women's Day Heather Mutimer Women's Honour Roll Organising Committee</b> | Provide advice to Council on the Internal Women's Day ( IWD) Women's Honour Roll nomination process.<br>Oversee the IWD Women's Honour Roll nomination process<br>Provide recommendations to Council as to who to induct to the Honour Roll and Organise the Heather Mutimer Women's Honour Roll event. |
| <b>Mineral Springs Reserves Advisory Committee</b>  | Provide advice to assist Council plan for, prioritise and implement maintenance works and major projects across all Mineral Springs Reserves within the given parameters and funding opportunities.   |
| <b>Public Art Panel</b>   | Provide advice to assist Council make decisions about public art projects and acquisitions.   |
| <b>Audit &amp; Risk Advisory Committee</b>  | Oversee and monitor effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.  |

## CODE OF CONDUCT

Prior to recent amendments, The Local Government Act 1989 required councils to develop and approve a Councillor Code of Conduct within 12 months after each general election.

**On 07 February 2017, council adopted a revised Councillor Code of Conduct which is designed to:**

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from council's stakeholders
- Assist the mayor and Councillors to discharge the responsibilities of their public office appropriately.

**In addition to setting out the Councillor Conduct Principles, the code also outlines:**

- Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest
- Roles and relationships
- Dispute resolution procedures.

Shortly after the 2016 General Election, Council adopted an amended Councillor Code of Conduct on 07 February 2017.

The new code has been signed by all Councillors to declare that they will abide by the code.

## CONFLICT OF INTEREST

Councillors are elected by the residents and ratepayers to act in the best interests of the community. This is a position of trust that requires Councillors to act in the public interest. When a council delegates its powers to a council officer or a committee, the committee or officer also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it.

Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and Committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from exercising their public duty. A register is maintained to record disclosed conflicts of interest. During 2016/17, eleven conflicts of interest were declared at Council meetings.

| Council Meeting Date | Councillor   | Conflict of Interest  |
|----------------------|--|---|
| 20 Sep 2016          | Cr Bill McClenaghan  | Indirect Interest- Carting water via Wheelers Hill Road, Musk   |
| 15 Nov 2016          | Cr Greg May  | Indirect Interest- Irrigation project which includes installations at the Newlyn Recreation Reserve.  |
| 20 Dec 2016          | Cr Sebastian Klein   | Indirect Interest- Public participation time- Trentham Hub  |
| 18 April 2017        | Cr Sebastian Klein   | Indirect Interest- Public submission regarding Trentham Hub   |
| 16 May 2017          | Cr Kate Redwood AM<br>Cr Fiona Robson                        | Indirect Interest- Management of Daylesford ARC<br>Indirect Interest- Management of Daylesford ARC  |
| 6 June 2017          | Cr John Cottrell<br>Cr Sebastian Klein                       | Direct Interest- Swords Road submission<br>Indirect Interest- Trentham Hub submission   |
| 20 June 2017         | Cr John Cottrell<br>Cr Sebastian Klein<br>Cr Sebastian Klein | Direct Interest- Swords Road submission<br>Indirect Interest- Trentham Hub discussion<br>Indirect Interest- 2017/18 budget- Trentham Hub question |

*Note: Conflicts of Interest declared at briefings not included.*

## COUNCILLOR ALLOWANCES

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

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of the municipality. Hepburn Shire Council is recognised as a category 1 council.

For the period 1 July 2015 to 23 November 2015, the Councillor annual allowance for a category 1 council (as defined by the Local Government Act 1989) was fixed at \$18,878 per annum and the allowance for the Mayor was \$56,402 per annum. The Minister for Local Government approved an annual adjustment of 2.5 per cent to take effect as from 1 December 2016.

The annual allowances were adjusted for the period 24 December 2015 to 30 June 2016 at \$19,350 per annum for the Councillor allowance and \$57,812 per annum for the Mayoral allowance. An amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5 per cent) is payable in addition to these amounts.

The following table contains a summary of the allowances paid to each Councillor during the year.

| Councillors                          | Allowance   |
|--------------------------------------|-------------|
| Cr Sebastian Klein (Mayor 2016/2017) | \$46,777.71 |
| Cr Neil Newitt (Mayor 2015/2016)     | \$35,119.10 |
| Cr Don Henderson                     | \$20,537.65 |
| Cr Kate Redwood AM                   | \$20,331.22 |
| Cr Greg May                          | \$20,537.65 |
| Cr John Cottrell                     | \$12,995.14 |
| Cr Fiona Robson                      | \$13,067.36 |
| Cr Bill McClenaghan                  | \$7,336.08  |
| Cr Pierre Niclas                     | \$7,336.08  |

## COUNCILLOR EXPENSES

In accordance with Section 75 of the Local Government Act 1989, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors.

The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties.

Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council. The details of the expenses for the 2015/16 year are set out in the following table.

| Councillors                             | Travel*     | Communication | Conferences & Training | Carer Expenses | Total       |
|---|-------------|---------------|------------------------|----------------|-------------|
| Cr Sebastian Klein<br>(Mayor 2016/2017) | \$11,040.00 | \$545.45      | \$1,560.03             | \$0.00         | \$13,145.86 |
| Cr Neil Newitt<br>(Mayor 2015/2016)     | \$8,389.04  | \$951.45      | \$564.48               | \$0.00         | \$9,904.97  |
| Cr John Cottrell                        | \$2,285.25  | \$138.18      | \$1,445.55             | \$0.00         | \$3,868.98  |
| Cr Don Henderson                        | \$0.00      | \$1,421.01    | \$599.48               | \$0.00         | \$2,020.49  |
| Cr Greg May                             | \$1,244.07  | \$447.19      | \$599.48               | \$0.00         | \$2,290.74  |
| Cr Kate Redwood                         | \$0.00      | \$832.36      | \$554.48               | \$0.00         | \$1,386.84  |
| Cr Fiona Robson                         | \$0.00      | \$167.09      | \$610.39               | \$548.31       | \$1,325.79  |
| <i>Prior to 2016 General Election</i>   |             |               |                        |                |             |
| Cr Bill McClenaghan                     | \$0.00      | \$0.00        | \$0.00                 | \$0.00         | \$0.00      |
| Cr Pierre Niclas                        | \$0.00      | \$91.02       | \$0.00                 | \$0.00         | \$91.02     |

*Note: Travel – Cost is inclusive of Mayoral vehicle allocation.*

# MANAGEMENT

**Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by Council.**

The Local Government Act requires Council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations.

Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

## **AUDIT & RISK ADVISORY COMMITTEE**

The Audit and Risk Advisory Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

### **Independent Members:**

- Ms Carol Pagnon
- Mr Robert Taylor
- Ms Rachelle Tippett
- Mr Robert Tommasini

### **Councillor Members:**

- Cr Sebastian Klein  
1 July 2016 to 15 November 2016
- Cr Don Henderson  
1 July 2016 to 30 June 2017
- Cr John Cottrell  
16 November 2016 to 30 June 2017

## ATTENDANCE AT COMMITTEE MEETINGS

1 July 2016 – 30 June 2017

| Attendee           | Meeting |
|--------------------|---------|
| Carol Pagnon*      | 3 of 4  |
| Robert Taylor*     | 3 of 4  |
| Rachelle Tippett   | 4 of 4  |
| Robert Tommasini   | 4 of 4  |
| Cr Don Henderson   | 3 of 4  |
| Cr John Cottrell   | 3 of 3  |
| Cr Sebastian Klein | 1 of 1  |

*\* In addition Carol Pagnon and Robert Taylor both attended a Councillor Briefing on 4 April 2017 and presented on the Audit Risk and Advisory Committee to Councillors.*

At these meetings the committee considers the following agenda items:

- Review of key risks and controls
- Summary of monthly finance reports
- Summary of monthly management reports
- Mid-year budget review
- Annual budget review
- Review of councillor expenses
- Internal audit reports issued
- External audit reports and management letters
- Review of compliance obligations
- Progress on internal and external audit recommendations
- Policy and procedure review
- Hepburn Hub Project Update
- Trentham Hub Project Update.

## INTERNAL AUDIT REVIEWS

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place. Internal audits are resourced by an external provider. A risk based three-year Internal Audit Plan is revised annually to ensure the audit resources remain focused on the appropriate areas.

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

The Internal Auditor attends each Audit and Risk Advisory Committee meeting to report on the status of the Internal Audit Plan, to provide an update on the implementation of audit recommendations and to present findings of completed reviews. All audit issues identified are risk rated. Recommendations are assigned to the responsible manager and tracked in Council's performance management system. 2016/17 was the second year of the three year internal audit contract with HLB Mann Judd (Vic) Pty Ltd.

### Internal Audit reviews conducted in 2016/17:

- HLB Mann Judd  
*Road Infrastructure Management Review*
- HLB Mann Judd  
*Risk Management Review (Operations and Implementation)*
- HLB Mann Judd  
*Review of Community Consultation and Engagement*
- HLB Mann Judd  
*Review of Cyber Security*
- HLB Mann Judd  
*Review of Rates Revenue*

## EXTERNAL AUDIT REVIEWS

Council is regularly audited by external bodies, in relation to compliance with regulatory requirements and external benchmarks.

Council is externally audited by the Victorian Auditor-General. For the 2016/17 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external audit management letter and responses are also provided to the Audit and Risk Advisory Committee.

### During 2016/17, Council underwent the following external audits:

- Victorian Auditor-General's Office  
*Annual Financial Report for Year ended 30 June 2016*
- Victorian Auditor-General's Office  
*Audit Strategy Year ending 30 June 2017*
- VicRoads  
*Information Protection Agreement (Standard) Annual Audit 2016/2017.*

## RISK MANAGEMENT

In July 2013, Council adopted its Risk Management Strategic Framework and Policy in line with current best practice in the management of business enterprise risks and current AS/NZS 31000 guidelines. The Risk Management Framework and Policy addresses items such as:

- Risk management culture and branding
- Communication and training
- Best practice in risk management
- Development and implementation of action plans for all high and urgent rated risks
- Responsibilities of and to internal and external stakeholders
- Risk registers and risk management software implementation
- The Council planning cycle, budget cycle and annual audit cycle
- A performance measurement system to determine the effectiveness of the framework.

## MAJOR CONTRACTS

Following is a list of major purchases for goods, services or works contracts in the 2016/17 financial year.

| Order Number | Supplier Name                            | Order Amount | Order Date | Order Comments  |
|--------------|--|--------------|------------|---|
| PU013911     | MAV Insurance                            | \$180,737.70 | 5/07/2016  | Liability Insurance 2016-2017   |
| PU013918     | Statewide Recycling Services PTY LTD     | 605,000.00   | 6/07/2016  | Waste Disposal (Kerbside) for 2016-17   |
| PU014144     | Shining Knight Facility Services PTY LTD | 160,000.00   | 26/07/2016 | Cleaning contract for 2016/17   |
| PU014348     | City of Ballarat                         | 167,505.80   | 17/08/2016 | Contract is of a kind specified in section 186(5)(c) of the Local Government Act 1989 entered into 09/09/2015 Libraries Service Level Agreement |
| PU014454     | Hepburn Health Service                   | 355,845.60   | 30/08/2016 | 2016-17 Maternal and Child Health Contract Services   |
| PU014458     | Victorian Electoral Commission           | 187,871.20   | 30/08/2016 | 2016 election fees  |
| PU014461     | RE Civil PTY LTD                         | 479,000.00   | 30/08/2016 | Zig Zag Road Rehabilitation   |
| PU014541     | Wheelie Waste PTY LTD                    | 369,000.00   | 6/09/2016  | 12 Month Contract Kerbside Garbage Collection   |
| PU014542     | Wheelie Waste PTY LTD                    | 290,000.00   | 6/09/2016  | 12 Month kerbside recycling collection  |
| PU014543     | Wheelie Waste PTY LTD                    | 144,000.00   | 6/09/2016  | Public Litterbin Collection for 12 Months   |
| PU014545     | Wheelie Waste PTY LTD                    | 190,000.00   | 6/09/2016  | Recycling transportation for 12 months H537-2015  |
| PU014549     | Bitu-Mill (Civil) PTY LTD                | 1,011,194.00 | 7/09/2016  | Reconstruction of Hepburn Newstead Road   |
| PU015566     | Ultimate Pumps & Irrigation              | 195,822.71   | 22/12/2016 | Supply and installation of irrigation systems at Daylesford, Newlyn and Trentham  |

## MAJOR CONTRACTS

Following is a list of major purchases for goods, services or works contracts in the 2016/17 financial year.

| Order Number | Supplier Name                          | Order Amount | Order Date | Order Comments  |
|--------------|--|--------------|------------|---|
| PU015637     | Tree Top Tower Hire<br>PTY LTD         | 174,644.25   | 10/01/2017 | Tree works at Jubilee Lake Caravan Park               |
| PU015773     | Aceloch Earthmoving                    | 2,599,970.00 | 24/01/2017 | Flood restoration infrastructure works                |
| PU015775     | Bitu-Mill (Civil) PTY LTD              | 2,367,200.00 | 24/01/2017 | Flood restoration infrastructure works                |
| PU015776     | Bulldog Earthmoving<br>PTY LTD         | 1,266,320.00 | 24/01/2017 | Flood restoration infrastructure works                |
| PU015777     | Camkat Earthmoving                     | 2,310,330.00 | 24/01/2017 | Flood restoration infrastructure works                |
| PU015778     | Fulton Hogan Industries<br>PTY LTD     | 1,004,649.80 | 24/01/2017 | Flood restoration infrastructure works                |
| PU015825     | Quality Roads PTY LTD                  | 2,144,058.40 | 31/01/2017 | Flood restoration infrastructure works                |
| PU016065     | Fulton Hogan Industries<br>PTY LTD     | 326,271.41   | 23/02/2017 | Reconstruction of Kingston-Werona road -<br>stage two |
| PU016347     | Primal Surfacing PTY LTD               | 788,310.69   | 24/03/2017 | Annual Reseal 16/17                                   |
| PU016431     | Daysford Garden Supply<br>& Equip Hire | 263,039.00   | 4/04/2017  | Flood restoration parks & reserves works              |
| PU016516     | Glenlyon Progress<br>Association INC   | 275,000.00   | 12/04/2017 | Funding for upgrade of Glenlyon Hall                  |
| PU016844     | Rating Valuation Services              | 184,000.00   | 16/05/2017 | 2018 General Valuation                                |
| PU017274     | MAV Insurance                          | 184,352.30   | 27/06/2017 | Liability Mutual Insurance Premium 2017-18            |

List of contracts entered into by Council during 2016/17 valued at \$150,000 for goods or services or \$200,000 for works or more of a kind specified in section 186(5)(a) and (c) of the Local Government Act 1989  
Nil

List of contracts entered into by Council during 2016/17 valued at \$150,000 for goods or services or \$200,000 for works or more if the Council did not engage in a competitive process before entering into the contract and it is not of a kind specified in section 186(5) or (5A) of the Act  
Nil

# GOVERNANCE & MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

| Governance and Management Items |   | Assessment  |   |
|---------------------------------|---|---|---|
| 1                               | Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)  | Policy Date of operation: 20/10/2015  | ✓ |
| 2                               | Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)   | Guidelines Date of operation: 18/04/2017  | ✓ |
| 3                               | Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)                                    | Date of adoption: 20/06/2017  | ✓ |
| 4                               | Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and the other resources required) | Date of adoption: 20/06/2017  | ✓ |
| 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)   | Date of operation:<br>Bridges 31/05/2010<br>Buildings 31/07/2010<br>Open Space 31/05/2011<br>Roads 31/07/2010 | ✓ |
| 6                               | Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)  | Strategy Date of operation: 21/06/2016  | ✓ |
| 7                               | Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)  | Policy Date of operation: 16/07/2013  | ✓ |
| 8                               | Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)   | Policy Date of operation: 19/08/2014  | ✓ |
| 9                               | Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)  | Plan Date of adoption: 21/04/2015   | ✓ |
| 10                              | Procurement policy (policy under section 186A of the Local Government Act 1989 outlining matters, practices and procedures that will apply to all purchases of goods, services and works)           | Policy Date adopted: 16/08/2016   | ✓ |

| Governance and Management Items |  | Assessment  |   |
|---------------------------------|--|---|---|
| 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)   | Council's previous plan was developed in 2009. There is a current project underway to develop and implement a revised business continuity plan                  | ✗ |
| 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)  | Recovery plan release date: 25/05/2017  | ✓ |
| 13                              | Risk management framework (framework outlining council's approach to managing risks to the Council's operations)   | Framework<br>Date of operation: 16/07/2013  | ✓ |
| 14                              | Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements) | Established in accordance with section 139 of the Act<br>Date of establishment: 18/08/1998<br>Committee appointed: 21/04/2015                                   | ✓ |
| 15                              | Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)   | Engaged<br>Date of engagement of current provider: 25/11/2015   | ✓ |
| 16                              | Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)  | Framework<br>Date of operation: 01/07/2016  | ✓ |
| 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)   | As it was the last year of the Council Plan, the focus was on developing the new plan.  | ✗ |
| 18                              | Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)  | Date statements presented:<br>Annual statement 20/09/2016<br>Quarter 1 statement 15/11/2016<br>Quarter 2 statement 17/01/2017<br>Quarter 3 statement 18/04/2017 | ✓ |
| 19                              | Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)   | Reports<br>Audit and Risk Advisory Committee:<br>Report 1: 13/09/2016<br>Report 2: 27/02/2017<br>Report 3: 29/05/2017   | ✓ |

| Governance and Management Items |   | Assessment   |   |
|---------------------------------|---|--|---|
| 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 Act) | Audit and Risk Advisory Committee:<br>Report 1: 13/09/2016<br>Report 2: 27/02/2017 | ✓ |
| 21                              | Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)                            | Date statements presented:<br>18/10/2016   | ✓ |
| 22                              | Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)                                    | Date approved: 07/02/2017  | ✓ |
| 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)   | Date of review:<br>16/06/2015  | ✓ |
| 24                              | Meeting procedures (a local law governing the conduct of meetings of council and special committees)  | Date local law made:<br>18/11/2014   | ✓ |

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



Aaron van Egmond  
**Chief Executive Officer**  
Dated: 27 September 2017



Cr Sebastian Klein  
**Mayor**  
Dated: 27 September 2017

# SUMMARY OF THE FINANCIAL REPORT OVERVIEW

## OVERVIEW

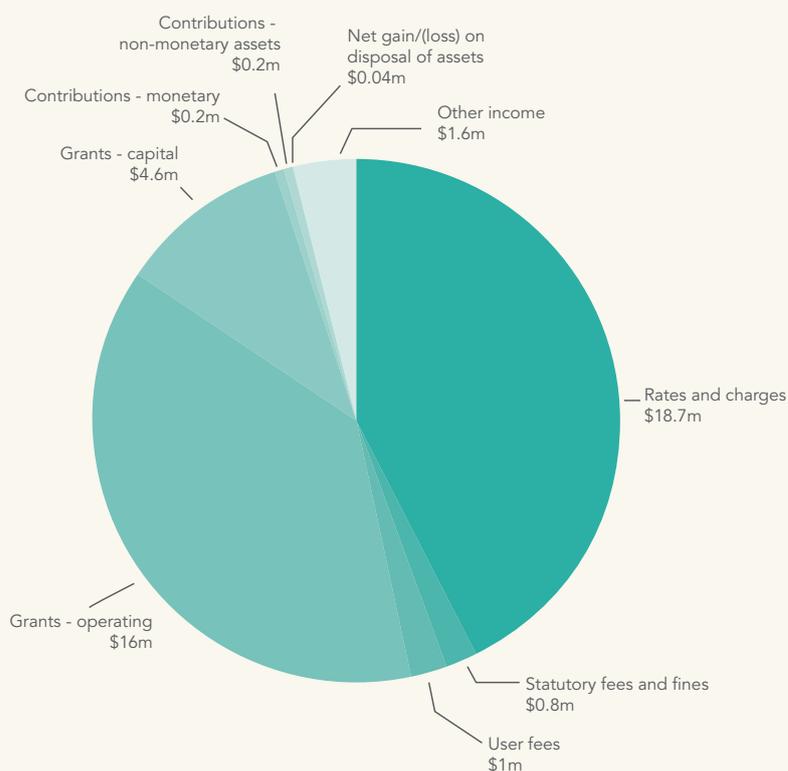
- A surplus of \$4.6 million (2015/16; \$5.1 million).
- A net asset revaluation increment of \$3.0 million (2015/16; \$4.1 million)
- Revenue of \$43.8 million (2015/16; \$32.5 million) with 43% coming from rates and charges (2015/16; 55%)
- Operating expenditure of \$39.2 million (2015/16; \$27.3 million), with 29% attributable to employee costs (2015/16; 41%) and 49% attributable to materials and services (2015/16; 32%)
- Significant flood restoration works included in the current year income statement, with revenue of \$9.6 million and expenditure of \$10.2 million
- \$232.2 million in capital assets (at written down value), providing community facilities, roads, bridges and other infrastructure (2015/16; \$223.4 million)
- Cash and other financial assets of \$10.0 million (2015/16; \$13.3 million), which after excluding external restrictions and internal allocations, provides revised cash and cash equivalents of \$0.2 million (2015/16; \$6.7 million)
- Trade and other receivables of \$8.3 million (2015/16; \$2.8 million)
- \$5.6 million in loans and borrowings (2015/16; \$2.7 million).

## RESULT

- Council achieved a surplus of \$4.6 million for the 2016/17 financial year (2015/16; \$5.1 million) against a budget of \$5.6 million (2014/15; \$3.6 million).
- The adjusted surplus for the year, exclusive of unexpended grants and asset revaluation was \$1.8 million (2015/16; \$3.8 million).

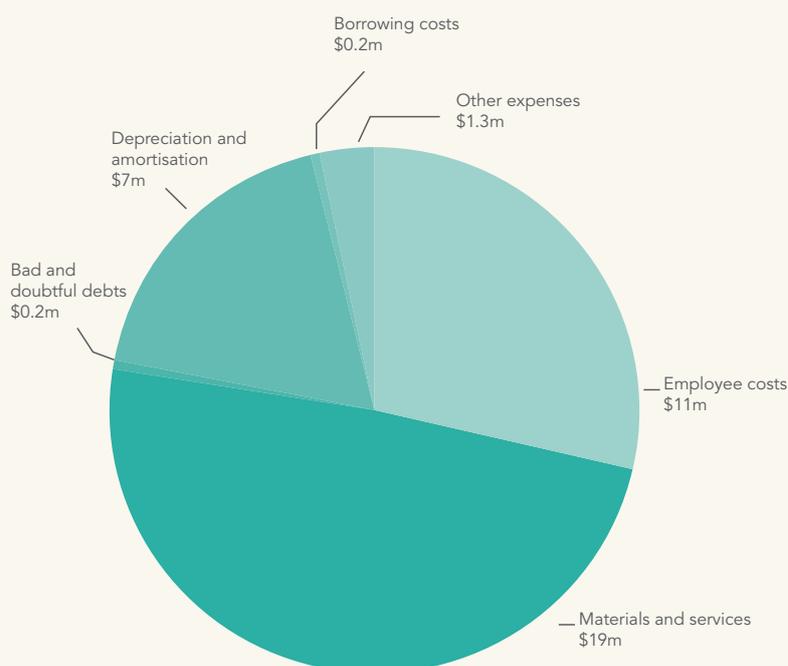
### INCOME

Total income for the financial year was \$43.8 million (2015/16; \$32.5 million). This included \$4.6 million of capital grants (2015/16; \$6.0 million) and \$9.6 million of natural disaster financial assistance (2015/16; \$0.2 million). Rates and charges as an income source comprised 43% of total income (2015/16; 55%).



### EXPENSES

Council incurred a total of \$39.2 million in expenditure in the 2016/17 financial year (2015/16; \$27.3 million) with \$10.2 million expended on flood restoration works. As a service based entity, Council's main costs are employee costs. Employee costs for 2016/17 were \$11.3 million or 29% of total expenses (2015/16; \$11.1 million or 41%). There was a significant increase in expenditure on materials and services during 2016/17 due to the flood restoration works. Materials and services for 2016/17 were \$19.2 millions or 49% of total expenses (2015/16; \$8.6 million or 31%).



# FINANCIAL STRENGTH

Council’s major assets comprise cash and property, infrastructure, plant and equipment.

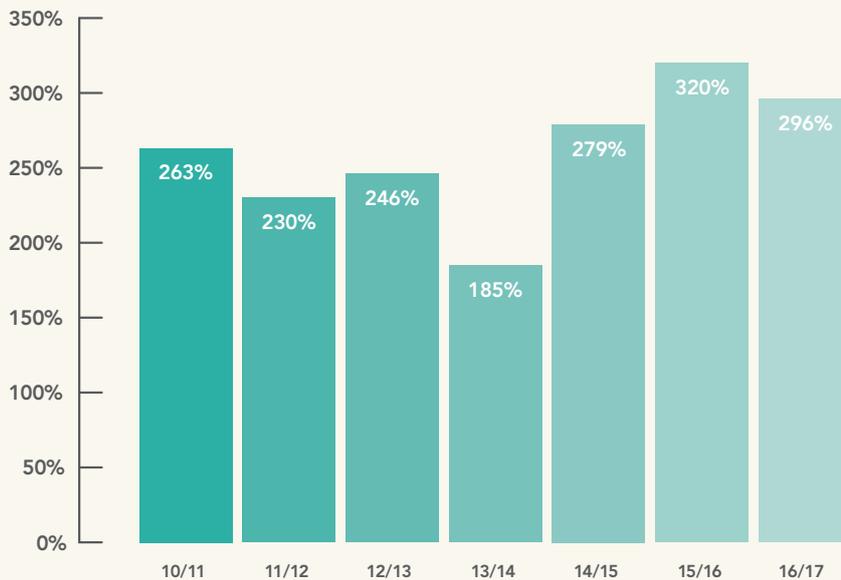
## CASH

Council’s cash, cash equivalents and other financial assets decreased \$3.2 million to \$10.0 million at 30 June 2017. Other financial assets of \$4.2 million (2015/16; \$9.3 million) represent term deposits, that when placed, had a maturity date greater than 90 days.

Council’s cash and cash equivalents are subject to external restrictions and internal allocations that limit the amounts available for discretionary use. External restrictions total \$1.9 million (2015/16; \$2.2 million) while intended internal

allocations amount to \$7.9 million (2015/16; \$4.4 million). This provides Council with \$0.2 million (2015/16; \$6.7 million) available cash not subject to restrictions. In addition, Council has trade and other receivables of \$8.3 million (2015/16; \$2.8 million).

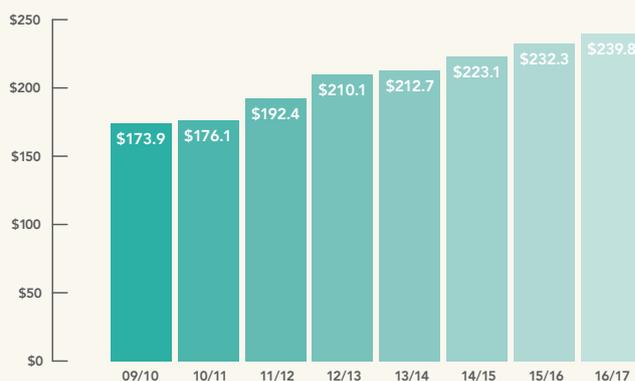
At 30 June 2017 Council’s working capital ratio, which represents Council’s current assets as a percentage of current liabilities, was 296% down from 320% at 30 June 2016.



Working Capital Ratios

### CAPITAL WORKS

Of the \$13.2 million capital expenditure, 39% was spent on renewal of assets (66% in 2015/16). Renewal of assets as opposed to building new assets or upgrading assets is an important focus of Council as it works towards reducing the infrastructure gap. New asset expenditure during 2016/17 totalled \$6.6 million and included acquisition of The Rex. Council's capital assets provide community facilities, roads, bridges and other infrastructure that are important to the everyday functioning of our community. The written down value of these assets continues to increase over time.

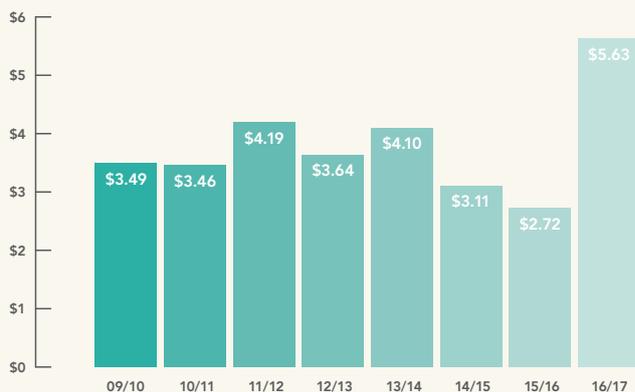


Council's Property, Infrastructure, Plant and Equipment (\$ Millions)

### LIABILITIES

Council's liabilities comprise of loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. The total balance of loan borrowings at the end of the 2016/17 financial year is \$5.6 million (2015/16 \$2.7 million).

Detailed information is provided in Council's Financial Report and Performance Statement.



Balance of Loan Borrowings (\$ Millions)



Working Capital (\$ Millions)

# STATUTORY INFORMATION

The following information is provided in accordance with legislative and other requirements applying to Council.

## DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with Section 12 of the Local Government (General) Regulations 2015 the following is a list of the prescribed documents that are available for inspection on our website or copies of the documents can be obtained for the purposes of section 222 of the Local Government Act 1989 at Corner Duke and Albert Streets, Daylesford:

- Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of council staff in the previous 12 months
- Agendas for and minutes of ordinary and special meetings held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- Minutes of meetings of special committees held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public
- A register of delegations
- 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; agreements to establish regional libraries
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the council as lessor or lessee.
- A register of authorised officers
- A list of donations and grants made by the council during the financial year.



## HEPBURN SHIRE COUNCIL

PO Box 21  
Daylesford Victoria 3460

T: (03) 5348 2306

[shire@hepburn.vic.gov.au](mailto:shire@hepburn.vic.gov.au)

[www.hepburn.vic.gov.au](http://www.hepburn.vic.gov.au)

 [www.facebook.com/hepburncouncil](https://www.facebook.com/hepburncouncil)



## COUNCIL OFFICES

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### DAYLESFORD

Corner Duke &  
Albert Streets,  
Daylesford

### CRESWICK

68 Albert Street,  
Creswick

### CLUNES

The Warehouse — Clunes  
36 Fraser Street, Clunes