

12 ANNUAL REPORT 2016-17

FILE REFERENCE INT1767581

RESPONSIBLE GENERAL MANAGER Derek Madden

AUTHOR Joanne Harris

RECOMMENDATION

That the Annual Report for the year ended 30 June 2017 be received and noted.

Attachments

1	2016-17 Report of operations	96 Pages
2	2016-17 Performance Statement	20 Pages
3	2016-17 Financial Report	41 Pages

EXECUTIVE SUMMARY

To formally receive the Annual Report for the 2016-17 financial year.

BACKGROUND

As required by various provisions of the Local Government Act a report has been prepared detailing the Council's activities for the financial year to 30 June 2017.

The Report comprises the following:

- Report of Operations, including statutory information that highlights Council's activities and achievements for the year.
- Audited Performance Statement, and
- Audited Financial Report

The Annual Report was lodged with the Minister for Local Government prior to 30 September as required by Section 131(6) of the Local Government Act.

Section 131(10) of the Local Government Act stipulates that after the Annual Report has been submitted to the Minister Council must give public notice that the Annual Report has been prepared and is available for inspection. This notice has been given.

In addition, Section 134 of the Local Government Act stipulates that Council must consider the Annual Report at a meeting that must be held as soon as practicable after the Council has sent the Annual Report to the Minister and must be advertised for at least 14 days before the meeting is held. The Annual Report is now presented to the Council for consideration.

Council's financial result has been audited and the audit opinion is included in the documents attached.

The report contains the requisite information as required by both the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

POLICY IMPLICATIONS

Nil.

RELEVANCE TO COUNCIL PLAN

Monitoring Council's financial position is directly relevant to the Council Plan goal of achieving long term financial sustainability and managing the municipality's finances and assets in a responsible manner

CONSULTATION/COMMUNICATION

Senior management have contributed to the details contained in the report of operations and highlighting Council's major achievements for the financial year.

Public notification that the Annual report is available for inspection at the Shire offices and on line has been given as required by Section 134 of the Local Government Act.

FINANCIAL AND RESOURCE IMPLICATIONS

The result for the 2016-17 financial year, as is shown in the Comprehensive Income Statement, was a surplus of \$89.7 million (2015-16 \$70.3 million surplus). The real or underlying result, which removes capital grants and contributions and other non-recurrent items, was a surplus of \$6.6 million (2015-16 \$3.5 million deficit). This underlying surplus is primarily a result of operating grants being higher than budget due to an advance payment of part of the 2017-18 Victorian Grants Commission (VGC) grant of \$4.9 million being received in 2016-17.

The closing cash balance (including term deposits) as at 30 June 2017 was \$91.2 million (30 June 2016 \$51.3 million). This represents a total increase of \$39.9 million from 2015-16 predominantly due to the receipt of unbudgeted grants, an increase in cash contributions, including development levies, and the proceeds from the sale of land. Excluding developer related funds, the cash balance is \$54.3 million which is mostly committed to capital projects approved as part of the 2016-17 budget, new projects in the 2017-18 budget, and also includes the VGC grant received in advance.

CONCLUSION

The structure of the Local Government Act provisions is that the Annual Report must be forwarded to the Minister for Local Government prior to 30 September and then presented to a Council Meeting for consideration as soon as practicable thereafter.

It is appropriate for the Council to receive and note and the Annual Report.