NORTHERN Grampians SHIRE COUNCIL

NORTHERN GRAMPIANS SHIRE COUNCIL

ANNUAL REPORT

2014-15

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OUR VISION

OUR AFFIRMATION

"We recognise the traditional owners of the land. We are inspired by the early pioneers and by those who gave their lives for our country. We now ask God's blessing on our deliberations and on our commitment to build a better lifestyle and environment."

OUR VISION

Creating a better lifestyle and environment.

OUR MISSION

As community leaders we provide valued services, care for our community and the environment and promote the shire's strengths.

OUR CORE VALUES

Northern Grampians Shire Council is a skilled and capable organisation which is:

Responsive:
through community engagement, listening to and responding appropriately to community needs.

Accountable:
being transparent and honest in dealings and responsible in decision making.

Fair:
being informed and impartial in decision making.

Innovative:
being positive and able to find solutions.

Sustainable:
stewardship of the community, environment, economy and Council.

Respectful:
of other people's views and diversity.

OUR COMMITMENTS

- To improve the social and economic viability of the shire.
- To deliver targeted projects and core services.

WHERE YOU'LL FIND US...

OUR SHIRE AT A GLANCE

Possessing some of the world's most spectacular natural scenery and a rich golden heritage, the Northern Grampians Shire has established an exceptional reputation as an ideal place to live, work and invest.

Location
Located in the picturesque Grampians region of Victoria, the shire covers almost 6,000 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

National Parks
The Grampians National Park is one of Victoria's most iconic holiday destinations, attracting more than 1.5 million visitors each year. Renowned for its breathtaking views and unspoilt nature, the area is a noted rock climbing destination, popular among campers and bushwalkers. Declared in 1884, the 168,000 hectare park is rich in Aboriginal culture, European heritage and stunning wildflower displays. It is also home to almost a third of the state's plant species and an abundance of wildlife.

The Kara Kara National Park spans 13,900 hectares of predominantly steep terrain and allows visitors to experience what the forests were like before the gold rushes. The park has one of the largest intact areas of Box-Ironbark vegetation and encompasses the former Kara Kara State Park and much of the St Arnaud Range State Forest.

Industry
The shire's economy is based on manufacturing, mining, agriculture, tourism and wine production. The two main centres of Stawell and St Arnaud supply and service agricultural machinery and are home to industries including brick, steel fabrication and meat production.

QUICK STATS

Area: Approximately 5,918 square kilometres

Population: Approximately 11,719

Road Length: 3,425km of local roads

Rateable Properties: 9,243

Rates and Charges Revenue: $15.1 million

Total Revenue (inc grants): $39.2 million

Industry: There are more than 720 businesses operating in the shire with major activity based in the thriving tourism, mining, manufacturing and agricultural industries

Major Attractions: Stawell Easter Gift Festival, Grampians Grape Escape, Grampians Arts Trail, Grampians Wildflower Festival, Festival of St Arnaud, St Arnaud Country Music Festival, Great Western Rodeo, Stawell Gold Cup, St Arnaud Cup, Great Western Cup, Halls Gap Cup, Run the Gap, Stawell Gift Hall of Fame, Grampians National Park, St Arnaud Street Museum.

FROM THE MAYOR

Cr Murray Emerson

The end of the financial year has passed and looking back has revealed a number of positive achievements by Council for the betterment of the Northern Grampians Shire's communities. Of course, a real positive for the shire is that the last financial year was the first time in a number of years that we weren't impacted by some type of major natural disaster.

The Halls Gap Master Plan and the village plan are almost finalised and they will direct us forward in the planning for Halls Gap in the next decade or so. Both plans have been made to suit the unique situation Halls Gap finds itself in going forward.

The St Arnaud Streetscape and Artist in Residence programs have started and are progressing well. Both of these objectives are part of the overall Council Plan.

For the Stawell area, Frewstal is going from strength to strength and is one of our major employers. The Stawell Gold Mine is also moving ahead underground, whilst waiting for the Labor Government's decision on the open cut mine venture. The Stawell Underground Physics Laboratory (SUPL) is now starting to come to fruition, and major works are due to commence next year. The Western Stawell Community Precinct building which will connect the old court house with the Western Highway office is progressing well and will give the Historical Society and other users a new home.

It has been a fairly difficult year with the changes in Government funding but the recent increase in Roads to Recovery money has helped us keep up with our roadwork.

We have been looking very seriously at our services and all aspects of our costs are being closely scrutinised. Some services have been reduced; it is all about balancing our budget.

Next year we may well be restrained by rate capping so this task will be even tougher in the years to come. Some very serious thought will have to go into our future budgets if we are to survive.

Although it has been a difficult year, it has also been very exciting. Some housing development has taken place, the redevelopment of the Winston Lodge on the highway has been approved, and the dual highway is quickly approaching Stawell. Our Parks and Gardens team has the towns of Stawell, Halls Gap, St Arnaud, and Great Western looking great - a credit to the staff's dedication. Some works have been done in our business precinct, and Bayliss Street is currently getting some attention.

Mention should be made of the excellent work of the newly invigorated StawellBiz organisation. The Christmas parade down Main Street was well attended, and the Easter Saturday Main Street Extravaganza was again the place to be.

Councillors remain focused on their vision, to make the Northern Grampians Shire a better place to live and work.

Cr Murray Emerson
Mayor

FROM THE CEO

Justine Linley

"There is a Chinese curse which says 'May he live in interesting times.' Like it or not we live in interesting times. They are times of danger and uncertainty; but they are also more open to the creative energy of men than any other time in history." Robert Kennedy, 1966

The process of preparing Council's Annual Report is always interesting, but in ways perhaps not immediately apparent to the general community. Far from being simply a legislated requirement, it is a time to take stock and reflect upon the achievements and the challenges of the previous year; to evaluate and acknowledge; to celebrate and in some instances to mourn; to refine and reorganise the way we intend to do things in the coming year.

This past year, Northern Grampians Shire Council has upped its efforts in advocacy, lobbying and diplomacy and these efforts have borne fruit. Having the courage to tackle the difficult or "wicked" problems in the inbox in a creative, consultative way has led to changes and opportunities that few of us could have imagined a few years ago. We now have an internationally significant laboratory funded and under development in Stawell, the Grampians Peaks Trail fully funded with a target completion date of 2019, commitments to further construction and duplication of the Western Highway, approval of a $500 million wind farm at Bulgana, expansion of businesses, and an arts-led resurgence with award winning projects in St Arnaud.

However, this has not been the only work we have undertaken and I am proud that we have delivered 99 percent of our planned capital works program, well and truly above the state average for Councils of 70 percent.

Long-term projects completed during the year include the Halls Gap Tourism and Community Hub, and several major bridge and culverts. We have also commenced construction for the next tranche of projects identified in the Council Plan 2013-2017 including the St Arnaud Civic Precinct redevelopment (Stage 1), and the Western Highway Community Precinct adjacent to the Pleasant Creek Court House and old Shire Office.

Yet the work of Council is not all about infrastructure and projects. More importantly, it is about the provision of service to those of us who live, work and visit our communities. This Annual Report outlines in some detail the extent and range of services that we provide. For the first time, as part of the new Local Government Performance Reporting Framework, we have included a report on benchmarks and measures set by the State Government to indicate where we sit in terms of service delivery in some key areas.

This year we have continued our work on developing the culture of the organisation to move it from one dominated by conventional thinking to one that is achievement-focused and constructive. We have undergone some difficult times over the past year and have said farewell to a number of staff as a result of changes in service provision brought about largely by the financial constraints we now face. Yet within this Council has again won a number of major awards for excellence. On this note, I am particularly impressed by the work of our first ever Youth Action Council and the leadership shown by the young people in the shire whose enthusiasm, creativity and commitment to their communities is outstanding.

Many thanks to the staff of Northern Grampians Shire Council and in particular to Mr Michael Bailey, Mr Sanjay Manivasagasivam and Mr Vaughan Williams for their commitment to the organisation and for their wise counsel, innovative thinking and can-do approach. Also to Jim Nolan who left part way during the year to take up the role of CEO at Pyrenees Shire.

A final thank you to all Councillors who, as they enter the uncertainty of the final year of this four year term, have stood firmly by the vision of 'creating a better lifestyle and environment' in the Northern Grampians.

Council continues to demonstrate that with courage there is a better way of connecting communities, showing leadership, and supporting innovation in local government. This Annual Report tells the story of that courage.

Justine Linley
Chief Executive Officer

STAWELL WARD

Mayor Cr Murray Emerson
First elected: 27 October, 2012
Term expires: October 2016

Cr Karen Hyslop
First elected: 27 October, 2012
Term expires: October 2016

Cr Wayne Rice
First elected: 26 November, 2005
Term expires: October 2016

CENTRAL WARD

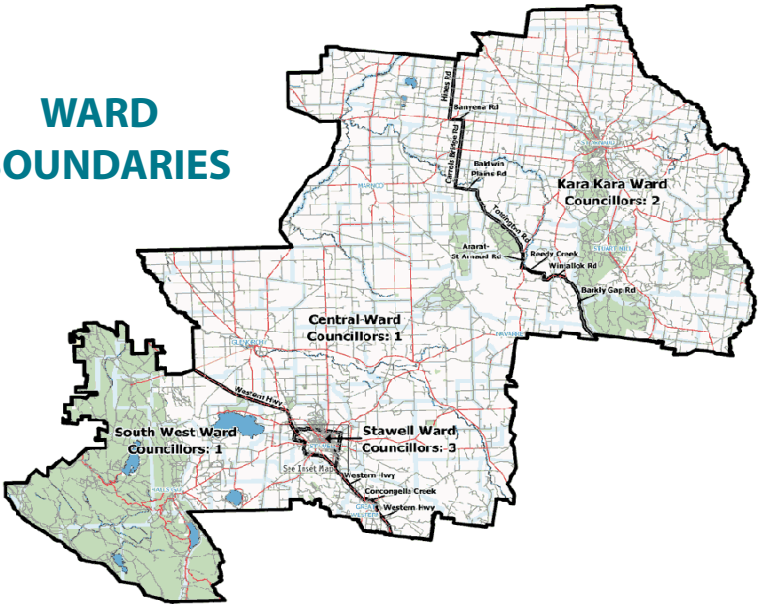
Cr Kevin Erwin
First elected: 14 March, 2003
Term expires: October 2016

KARA KARA WARD

Cr Tony Driscoll
First elected: 27 October, 2012
Term expires: October 2016

Cr Merrilee Reid
First elected: 23 November, 2013
Term expires: October 2016

WARD BOUNDARIES



SOUTH WEST WARD

Cr Jason Hosemans
First elected: 15 March, 2014
Term expires: October 2016

COUNCIL'S EXECUTIVE LEADERSHIP TEAM

Justine Linley
Chief Executive Officer

Vaughan Williams
Director
Corporate Services

Sanjay Manivasagasivam
Director
Infrastructure & Environment

Jim Nolan
Director
Economic and Community
(finished with Council Nov '14)

Michael Bailey
Director
Economic and Community
(started with Council June '15)

ECONOMIC INITIATIVES

PARTNERSHIPS FOSTERING BUSINESS SUCCESS

Council's Economic Development and Planning Partnership staff provide a helpful, 'can do' first point of contact. The partnership provides support for potential investors, existing business owners, people starting a business, developers and investors. It also encourages and facilitates the development of strategies and policies that blend planning requirements with community aspirations for sustainable economic growth, industry development (including tourism development), environmental protection and social cohesion in the Northern Grampians Shire.

BUSINESS SERVICES ON THE GROUND

The Business Services team has continued face-to-face meetings with businesses across the municipality to:

- Offer support to existing businesses by way of business planning, mentoring and networking opportunities.
- Offer assistance to businesses looking to expand their operations; and
- Secure new investment and developments.

Once an initial enquiry is received by the Business Services Team, the team determines the requirements, issues and opportunities for the business and then awards an appropriate "Case Manager" to the enquiry. This process provides both a structure for the team and consistency for the business operator.

RURAL COUNCILS VICTORIA 2015 SUMMIT

Following a successful application to bring the Summit to Northern Grampians Shire, staff from the Economic and Community Directorate hosted the annual event in Halls Gap in April. Almost 200 delegates attended from regional Councils across Victoria and heard from keynote speakers including Sir Bob Parker (former Lord Mayor of Christchurch), Naomi Simson (founder of RedBalloon), Emma Dean (2013 Masterchef winner), and our own Amy Rhodes (Australian Y20 delegate). A welcome dinner was held at Brambuk on the Wednesday night and the official dinner at the Halls Gap Hotel on the Thursday night. Local businesses and community organisations provided catering for the two day event which was held in the brand new Halls Gap Hub Precinct. An ABC outside broadcast complemented the conference, which provided an economic boost to Halls Gap.

Just one of many breakout sessions at the Rural Councils Victoria Summit in Halls Gap in April 2015.

STRONGER ASSOCIATIONS

Council provides support to local business and tourism associations across Northern Grampians Shire, including St Arnaud Community Action Network (SCAN), East Grampians Tourism Association, Grampians Produce Group, Grampians Winemakers, Halls Gap Tourism and StawellBiz. In turn, these organisations provide support to individual businesses in a variety of ways including collaborative marketing, workshops and mentoring.

SUPPORTING OUR AGRICULTURE SECTOR

Business Services staff have worked alongside Wimmera Development Association to deliver the "Building Resilience in Farming" project. This regional project will provide a link between existing agriculture networks, Council and regional organisations, to share and promote sustainable adaption information to the region's farmers.

The project has several objectives, including strengthening existing agricultural and agribusiness networks, establishing a regional agribanking and agronomy network, and promoting practical implementation of sustainable farming practices in the Wimmera. The project will bring Councils closer to our farming communities and agricultural industries.

Several workshops have been supported by Council and well attended by our farming community, including:

- Intensive Livestock information session.
- Fast Food - filling the gap after a tough season.
- Turkey and Game Industry - opportunities in the Wimmera Southern Mallee.
- Seasonal Conditions meetings have been held in Horsham to identify any assistance and other needs of farmers and agricultural business during tough seasonal conditions.
- Project Platypus, Wimmera Regional Landcare Forum hosted by the Crowlands Landcare Group (Joel Joel Hall).

DELIVERING STRATEGIC PROJECTS

The Strategic Projects team has the capacity and expertise to respond to emerging issues as well as working closely with other teams and organisations to capitalise on investment opportunities. This meant Council was prepared to be able to move quickly in the interest of our communities when an opportunity such as the Stawell Underground Physics Laboratory (SUPL) presented itself following changes to the Stawell Gold Mine's operations.

The Strategic Projects team is more than just a planning team. It has the capability to provide a quick response, to identify and investigate opportunities to benefit the community, coordinate actions and resources, and have significant projects implemented before they are passed over to other Council business units, private investors or the community for the long term operation. This helps significantly in cutting through some of the red tape that exists for everyone.

FUNDING FORWARD THINKING

The growth of business investment, employment and community livability within our shire is at the heart of Strategic Projects' initiatives. Being able to focus on projects that will have a long term benefit to jobs and the economy will mean that results can be achieved in a short time frame.

Among a myriad of concepts that have been identified by Council, 10 key strategic projects have been identified that can provide the best return for investment in terms of employment and growth of the shire in the shortest timeframe. Work on these projects by the strategic projects team is well advanced. The Victorian and Australian Governments, private sector, Council and community organisations are contributing funds to explore opportunities such as the St Arnaud and Stawell CBD revitalisation projects, St Arnaud Civic Precinct Plan implementation, the Western Highway Community Hub and the Great Western Future Plan implementation.

Council delivered on two funded strategic projects in 2014/15 – the Stawell Gold Mine Future Possibilities Study and the Western Stawell Business Precinct Master Plan. These two planning projects are critical for job creation and investment attraction to the shire in the next decade. The Halls Gap Resort Town project has also been developed providing a master plan for the development of this high profile tourist precinct over the next 10 years. It will support the sustainability and expansion opportunities of existing anchor businesses, as well as providing a pathway for new investment, increased job opportunities and long term employment. Importantly, it will strengthen the tourism offering within Halls Gap, the connections to the Grampians Peak Trail and the attraction of the greater Grampians region.

Premier Daniel Andrews visited the SUPL site in February 2015.

TIRED OF TYRES IN STAWELL

The legacy of used and derelict tyres that remain on the former Motorway Tyres site continues to be of concern to Council and the Victorian Government environmental and emergency services authorities. The privately owned stockpile is reported to be the largest tyre heap in Australia, and poses a significant fire risk as well as risk of vermin and insect infestation.

Sustainability Victoria has funded Council to undertake a study into the ownership, identified risks and genuine possibilities for using or removing the tyre stockpile.

Council has established a project control group of Council, community and business representatives, emergency services and state government agencies to oversee the project and make recommendations to the owner of the tyres based on work being undertaken by specialist consultants.

LOOKING AT THE SKY FROM 1100m UNDERGROUND

The Stawell Gold Mines Future Possibilities project was initiated in July 2013 with the express objective of identifying viable alternative industry use for the Stawell Gold Mine site which would result in job creation and provide stimulus for the local economy.

The Stawell Underground Physics Laboratory (SUPL) was born from the 2013 project and is now a reality. $3.5m has been received from Commonwealth and State Governments to construct the SUPL in the Stawell Gold Mine underground decline. Melbourne University, the Centre of Excellence of Particle Physics, other Australian universities and international research partners will be able to undertake research experiments in the underground environment of the gold mine to detect dark matter- the 'holy grail' of science.

When completed in early 2017, SUPL will be the Southern Hemisphere's first underground physics laboratory. While it will provide vital scientific research opportunities in a number of fields benefiting everyone, it will provide jobs, educational and tourism opportunities that will benefit the shire and region.

Underground at the site of the Stawell Underground Physics Laboratory. IMAGE CREDIT - Swinburne University.

PREPARED TO GRAB OPPORTUNITIES

The Western Stawell Business Precinct Master Plan is necessary to develop a report and maps for the development of this high profile section of the Western Highway over the next 15 years.

The project has identified the capacity and strengths of the precinct and will provide the tools needed to develop a thriving business precinct. The master plan has provided a basis for preparing detailed plans for any future rezoning of land and potential sub-divisions.

LOOKING UNDER EVERY ROCK

Funding projects that will support our community also has a broader benefit to the region, state and nation. Therefore, it is critical that Council is not the only one paying for this work. The Strategic Projects team has the function of working with government departments and philanthropic bodies to identify grant funds that may be available to support Council's work on community priorities and projects.

Researching grant options, networking with funding bodies, creating a business case and making applications for external grant funds has become a significant body of work, and vital if Council wants to have projects delivered in a short time and without undue impost on the community.

TOURISM SERVICE REVIEW

Council has conducted a number of service reviews in the past year, including Tourism Services. These reviews focused on identifying ways to improve efficiency and reduce the cost of supplying Council services.

As a result, the way we provide information services to our visitors will change to a more streamlined and convenient approach including the use of digital technology.

EXCEEDING STATE STATISTICS

Council's strategic indicator for Economic Development, Gross Regional Product (GRP), shows positive growth that matches or exceeds growth across the state economy (REM Plan).

The latest available GRP comparison is:

Northern Grampians Shire (March 2015)	Victoria, State (April 2015)
$687m	$350,343m
$144,607m per worker	$144,651m per worker

Staff in Council's Economic and Community Directorate are currently working with a number of large investors and developers, which are summarised below:

$ Investment	No. of potential businesses/ developments
$100,000 - $250,000	2
$250,000 - $500,000	3
$500,000 - $1million	1
$1million - $5million	4
> $5million	4

SOCIAL, COMMUNITY AND ENVIRONMENT INITIATIVES

A GOOD HARD LOOK

Council has conducted a number of service reviews in the past year, including Home and Community Care (HACC), Children's Services and Tourism. These reviews focused on identifying ways to improve efficiency and reduce the cost of supplying these services to the community. This has meant that the way we provide services to our community has had to change and administrative and reporting processes have been streamlined.

HACC: MUCH MORE THAN A CLEANING LADY

Council's HACC services bare little resemblance to the services that were provided even 10 years ago. Services such as domestic assistance, personal care, respite, home maintenance and Meals on Wheels make up the range of support offered by Council's trained and qualified HACC staff who, between them, have over 360 years of combined experience.

A regime of maintaining qualifications and learning new skills ensures that Council's HACC team is delivering services that are geared to our communities' needs and meets the State and Commonwealth Governments' philosophy of progressing to a more flexible and individualised service. This also means maintaining close working partnerships with our local hospitals-Stawell Regional Health and East Wimmera Health Service and Community Health Services. Assessment officers have been preparing for the transition to the Federal reforms of the aged care system, including the introduction of 'My Aged Care' and the separation of assessment from service delivery by June 2016.

Council gratefully acknowledges the funding contributions from the State and Commonwealth Governments under the Home and Community Care program which supported 597 people to receive almost 23,000 hours of direct in home services in 2014/15.

The travel component that is so important to deliver services to people across the full extent of our shire is wholly funded by Council. It is important that people can age in their own home for as long as possible, and to achieve this Council continues to provide services to all areas of the shire, amounting to over 100,000km of travel for our direct care workers in 2014/2015.

SENIORS - OLDER, WISER AND VALUED

Council is justifiably proud of the contribution that is made to our community by our senior residents and ensures there are opportunities to recognise their continuing contribution to our shire. Community celebrations and festivals are inclusive and celebrate the significance of the older members' contribution to our community.

The contribution that can be made to the community is also fostered through Council's Seniors Participation and Care Plan. This plan describes Council's and the community's capacity to support the needs of an older demographic.

CELEBRATING WITH OUR SENIORS

Northern Grampians Shire Council was a key contributor to the 2014 Seniors Week Festival that celebrates the involvement and contribution that Seniors make in our community.

Seniors Week kicked off with selected residents from the shire, accompanied by Councillors from Northern Grampians Shire, attending the Victorian Senior of the Year Awards at Government House.

Stawell and St Arnaud Senior Citizens had an afternoon tea where they were presented with lifestyle options for their post-employment time. Stawell Senior Citizens were treated to a performance of live music by local singer Dianne Stewart. St Arnaud residents enjoyed a live 'Australiana' themed performance by 'Me n My Mate' which wove poetry, song and rural Australian memories into a stage show that celebrated the Seniors' role in our community. The St Arnaud Cinema rounded off the festivities with a movie sponsored by Council.

THE ORIGINAL HOME DELIVERY FOOD

From humble beginnings many decades ago as a volunteer service to provide a basic meal to our frail aged people, the delivered meals services, known widely as 'Meals on Wheels', now provides so much more. Carefully balanced nutritious meals based on a person's meal preferences are delivered each weekday. Council's meals service provided 13,805 meals in 2014/15 to 204 people.

For these people it is more than a three course nutritious meal - it is also the friendly face of the volunteer delivery people who say hello and do a quick check on the person's welfare. For the volunteer drivers and delivery people who make the effort, it is rewarding to be able to be part of a team that continues to make a difference to people's lives. New volunteers are always welcome and full training, induction and Council support is provided. Contact the Delivered Meals Coordinator Meg Newton on 5358 7590 for information on how to volunteer.

Meals on Wheels volunteers continue to be highly valued by Council and are integral to the success of this service.

ACTIVE AT HOME

The goal of the HACC Active Service Model is for people in the HACC target group to live in the community as independently and autonomously as possible through the development of individualised care plans that coordinate targeted referrals between agencies. The delivery of the model is a partnership of the Northern Grampians Shire Council, the Primary Care Partnerships, general practitioners, Stawell Regional Health, Grampians Community Health and East Wimmera Health Service, who all have agreed to provide services in an individualised manner that enables a person to remain in their home as active as possible for the longest time.

WE'RE NOT ALL THE SAME

Northern Grampians Shire Council has continued to implement the HACC Northern Grampians Shire Council Aged and Disability Services Strengthening Diversity Plan 2012-2015. This plan guides the training and understanding for our Home Care team of the diverse needs that are present in our community so that we can be responsive to each individual. Council worked in collaboration with the Primary Care Partnership and the Grampians Pyrenees HACC service providers to develop this plan.

EVERYONE BENEFITS FROM GOOD ACCESS

The Community Access Advisory Group (CAAG) was established in 2002 to advise Council in relation to disability access issues in the community and compliance with the Disability Discrimination Act (DDA) 1992 (now the Disability Act 2006). The CAAG reviewed the Community Access Plan in 2015 to reflect the progress that had occurred since the last review and the importance of considering community access for all citizens in our community.

The CAAG importantly also oversees the implementation of Council's Community Access Plan and supports initiatives of Council that improve accessibility. Accessibility is a very broad term covering all aspects of assuring that all people can participate and have the same choices in our community. The CAAG has continued to meet bi-monthly for the past 12 months in both Stawell and St Arnaud, making recommendations to the infrastructure department regarding the priorities of the DDA budget.

TOWNSHIP PLANS WRITE LASTING LEGACY

Community planning is an important process that allows Council to engage with communities to gain a greater understanding of the issues that are important to each individual town. Council's original community plans were developed in 2009 after extensive consultation with local communities. In 2014/15, Council has continued to assist communities to implement the goals identified within their plans. Council continues to reference these documents for decision making and future development opportunities as they arise. The extension of the community plans is to take the priority concepts, test for feasibility and seek funding. Implementation of funded components of the Great

Western Future plan and the St Arnaud Civic Precinct plan has commenced, and the development of the Halls Gap Tourism Master Plan is almost complete.

THERE'S ALWAYS SOMETHING HAPPENING

Council strongly supports the development, safety and successful delivery of a broad range of events in the shire. Whether it's a small play, a local market, a community party or a major tourism event, there appears to be something on each week in the Northern Grampians Shire. Of the 79 registered events, Council provided funding to 27 local events of $63,000 in 2014/15.

The 134th running of the iconic Woolworths Stawell Gift delivered a number of highlights, both on and off the track, which ensured this Easter weekend was one of the most significant in recent memory. Broad national media coverage saw the closest finish in recent history, and for the first time the Australia Post Ladies Gift winner received equal prize money to the men. This ensured the event provided the Northern Grampians Shire not only with the estimated to increase in the economy of $5.3 million, but also huge exposure for our town and region to attract visitor investment.

The 2015 Grampians Grape Escape again attracted a record crowd of wine lovers and foodies, with attendance up 30% on 2014. The festival was busier than ever before with Saturday's crowd attendance breaking all previous Grampians Grape Escape records. 45% of visitors made the journey from Melbourne to attend the event, contributing an additional $3.6 million to the local economy.

Halls Gap Tourism initiated a new major event 'Carols in the Grampians' in December 2014. Council and the State Government contributed funding to launch this inaugural event, which was attended by over 2,000 patrons. The Carols event included a line-up of local acts supporting the famous Denis Walter Christmas Carols program including Dennis himself, Santa, Humphrey Bear, and other celebrities. The success of the initial event and its potential for growth has ensured that it will be a regular fixture on the events calendar entertaining residents and attracting tourists from across Australia. The event is already one of the biggest Carols nights outside of Sydney and Melbourne.

ARTS CREATING STRENGTH IN OUR COMMUNITY

The Northern Grampians Shire Arts and Culture program continues to create a vibrant arts and culture platform in our shire. The role of supporting arts and culture in Northern Grampians Shire has been incorporated into the Community Development team, and through Regional Arts Victoria an Arts in Recovery officer has been engaged to review the Northern Grampians Shire Arts and Culture Strategy and build resilience within our arts community.

Art is also bringing interest from outside of the shire to our communities, enabling a new cohort to discover the beauty and history of our townships. The St Arnaud Street Museum is a major component of the St Arnaud Civic Precinct Plan as a placemaking project and sees Artists in Residence install works that have been completed during their stays in St Arnaud. The Street Museum has operated throughout 2015, occupying the shop fronts along Napier Street and one extensive brick wall. Two internationally acclaimed artists have so far taken on the residency project in the township each season and explored different themes which draw inspiration from the history and contemporary life of St Arnaud. The project has attracted national media attention and continues to bring in visitors from across the country.

The Rural State Fire Brigade Championships were held in St Arnaud in March. This was the first time the event had been held in the town since 1974. Over 1,000 competitors and spectators attended and were treated to a great weekend of competition and entertainment.

Council continues to value the history, traditions and contribution of the region's Aboriginal Australians. Council acknowledges the traditional owners of the land in which the Shire is placed, particularly the Djab Wurrung, Jardwadjali and Dja Dja Wurrung people. In 2014/15 Council partnered with Budja Budja Aboriginal Cooperative and the Brambuk Cultural Centre to promote a range of displays and activities including Naidoc week celebrations, cultural experience presentations from renowned artist Tom Crow at Brambuk, and supported the establishment of the Budja Budja Youth Group.

The St Arnaud Street Museum has been a highly successful project, bringing the community together through creativity.

COUNCIL PART OF OUR COMMUNITY GROWTH

Being part of a community group is often a labour of love, with funds raised to go back into achieving the group's purpose. Council recognises the ideas and contributions that our community organisations and

groups make by making small community and youth grants available to community groups to help achieve the things that would be most valued by our whole community.

23 local community groups were awarded approximately $39,000 in grants in 2014/2015.

Projects that have benefited from Council grants in 2014/2015 include:

- Stawell West PS - RACV Energy Breakthrough.
- Ballarat Lions Club/Skene Street School - World Festival of Magic.
- Stawell Secondary College - Physics excursion.
- St Arnaud SC - Magazine project.
- 303 Army Cadet Unit Stawell - Cadet Communication.
- Stawell Secondary College - Yr 10 City Experience.
- St Arnaud YCAN - MATES Mentoring Project.
- Vision St Arnaud - Blue Moose Project.
- Life After Loss - establishment costs.
- Marnoo Cricket Club - Ground maintenance.
- Swifts FNC - Clubroom extension.
- St Arnaud FNC - Coolroom.
- Riding for the Disabled - New shed.
- Stawell Camera Club - Data projector.
- Stawell Little Athletics - Shade shelter.
- St Arnaud and Stawell RSL - ANZAC day contributions.
- St Arnaud Historical Society - War diaries.
- Lions Club of Stawell - Relocation of Lions shed.
- Stawell Rifle Club Inc - Extension of small bore range.

VOLUNTEERS NEVER TAKEN FOR GRANTED

Trying to recognise volunteers is not easy - in the main many of these community champions don't want to be heralded - but their unpaid work is vital to the fabric of our community. Council provided morning and afternoon tea to shire volunteers to thank them personally for their contributions to our community. Council also placed signage on the Western Highway acknowledging the contribution of all volunteers in the Northern Grampians Shire.

Council has partnered with other service agencies that rely on volunteers to provide a working group to minimise red tape, manage, support and encourage volunteering. Council has also utilised Volunteering Western Victoria to provide workshops free to community groups, clubs and not for profit organisations to help them meet their governance requirements and legal obligations. Council was a supporter of the 2015 Volunteering Western Victoria Volunteering Recognition Awards.

THE CONTINUING SUCCESS OF OUR YAC

The Youth Action Council (YAC) is a success story for our community, with 13 vibrant young people actively working together throughout the year to develop and deliver their Youth Strategy 2014-2017. The Plan has identified four key focus areas - recreation and events, health, safety and wellbeing, education and employment, and leadership and community connections. The Youth Action Councillors in 2014/15 are Lauren Dempsey, Titian Linley, Kimberley Hyslop, Charlotte French, Lily Matheson, Sarah Little, Amanda Bertram-Mannon, Tianna Hendy, Brad Greene, Owen Kean, Jamie Perry, Ruby Sutherland and Harriet Madams.

The Strategy will provide direction to both the YAC and the Council's activities in relation to young people, increase support to young people and their families, and encourage genuine youth engagement and participation. The YAC and its activities are funded through the State Governments Engage! program which supports young people to get involved in all aspects of community life, and FReeZa to deliver youth focused activities and events.

The YAC has been recognised in 2015 as a finalist in the Victorian Young Achiever Awards and also won the Volunteering Western Victoria Community Health Award for the 'Moving Mountains' project, a mental health awareness program delivered by the YAC in the schools.

Events successfully delivered included indoor and outdoor Twilight Cinemas, the Christmas Tree light up nights in Stawell, St Arnaud and Halls Gap attracting over 1,000 people, and the 'Y Factor' youth talent show which saw over 25 participants performing to a full house at the Stawell Entertainment Centre.

The Youth Action Council (YAC) is continuing to improve opportunities for young people living in the shire.

A GREAT PLACE TO BE!

The Business Services and Tourism team and Councillors participated in the fourth annual Regional Victoria Living Expo held in Melbourne in May. The expo provided all 48 regional and rural Councils with an opportunity to promote the benefits and opportunities available in their area in order to attract residents, skilled workers, business and investment.

More than 35 genuine enquiries were made about

moving to, and investing in, the Northern Grampians and the team is continuing to follow up on these leads.

COMPLETION OF THE HALLS GAP HUB PRECINCT

Stage Two of the Halls Gap Hub development was completed in late 2014 and provides Halls Gap with a beautiful town centre hub for use by both visitors and the community. The precinct joins Centenary Hall and the Visitor Information Centre together and offers meeting rooms and exhibition space. The new hub precinct has already hosted several events and activities including the Rural Councils Victoria Summit, Grampians Textures, Halls Gap Jazz Festival, regular community activities and meetings, and school holiday activities and displays. Following a temporary relocation to Brambuk – The National Park and Cultural Centre, the Halls Gap Visitor Information Centre returned to the Hub just prior to Christmas 2014.

The Halls Gap Hub is now up and running, providing a great gathering place for the Halls Gap community.

RECREATIONAL LAKES ON THE RADAR

Recreational water is a significant contributor to the social and economic wellbeing of rural communities. With a lack of water security at several recreational lakes, Council, in partnership with the local community, GWM Water and the State Government, has been successful in securing water for Walkers Lake. Council has also completed a new toilet facility and a new boat ramp has been constructed with the assistance of funding from the State Government.

STRENGTHENING TOURISM TIES

Council continues to work closely with Grampians Tourism at both board level and through participation in working groups. This ongoing relationship ensures Council is involved in all Grampians Tourism projects in particular the Grampians Peaks Trail, which has recently been supported by the State Government to the tune of $19 million for the completion of Stage One.

Grampians Tourism has recently launched its new online digital platform which will provide visitors with a single, streamlined online entry point through which the region's offerings can be marketed. It will also provide information on accommodation, attractions, events and will allow visitors to create itineraries.
See: www.visitgrampians.com.au

SUSTAINABILITY PROGRAMS

Northern Grampians Shire Council's Low Income Energy Efficiency Program has had significant uptake in St Arnaud. This project aims to improve energy efficiency in the homes of people who live independently, but who receive either an aged or disability pension. The project was delivered through Council's Home and Community Care team and other community welfare organisations providing home care services, to identify and try to address common barriers eligible households face in achieving better energy efficiency. The project is providing free home energy assessments to households with follow-up advice to identify where potential energy savings might be made. The project also offers no-cost incentives for eligible households to implement agreed changes to lower energy usage and improve thermal comfort of the homes.

POOL UPGRADES MAKING A SPLASH

Learn to Swim and lifesaving courses remained popular, while swimming lessons were also well patronised. During the 2014/15 year, there were approximately 50,000 visits to the Stawell Leisure Centre, and on top of this are the many people who visit the stadiums, courts and swimming pools as spectators.

The 'no fees' policy at the St Arnaud Swimming Pool saw over 10,000 visits to the pool making it a popular place during the warm weather. The State Government's Community Facility Funding Program supported ongoing maintenance projects at the St Arnaud Pool.

Swimming pools continue to be a popular attraction across the shire, attracting residents of all ages.

SERVICE INDICATORS

Social, Community and Environment Initiatives

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Material Variations
Aquatic Facilities		
Service standard Health inspections of aquatic facilities *[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]*	0	A change in responsibilities due to a reorganisation of tasks has resulted in no tests being undertaken in this financial year
Reportable safety incidents at aquatic facilities *[Number of WorkSafe reportable aquatic facility safety incidents]*	0	No material variance
Service cost Cost of indoor aquatic facilities *[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]*	$3	No material variance
Cost of outdoor aquatic facilities *[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]*	$8	No material variance
Utilisation Utilisation of aquatic facilities *[Number of visits to aquatic facilities / Municipal population]*	5	No material variance
Animal Management		
Service standard Animals reclaimed *[Number of animals reclaimed / Number of animals collected]*	39%	No material variance
Service cost Cost of animal management service *[Direct cost of the animal management service / Number of registered animals]*	$53	No material variance
Health and safety Animal management prosecutions *[Number of successful animal management prosecutions]*	0	No animal prosecutions were undertaken during this financial year
Food Safety		
Service standard Food safety assessments *[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*	61%	No material variance

Service cost Cost of food safety service *[Direct cost of the food safety service / Number*	$487	No material variance
Health and safety Critical and major non-compliance outcome notifications *[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance outcome notifications about food premises] x100*	100%	No material variance

Home and Community Care

Service standard Compliance with Community Care Common Standards *[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100*	50%	No material variance
Participation Participation in HACC service *[Number of people that received a HACC service / Municipal target population for HACC services] x100*	28%	No material variance
Participation in HACC service by CALD people *[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100*	8%	No material variance

Libraries

Utilisation Library collection usage *[Number of library collection item loans / Number of library collection items]*	2	No material variance
Resource standard Standard of library collection *[Number of library collection items purchased in the last 5 years / Number of library collection items] x100*	46%	No material variance
Service cost Cost of library service *[Direct cost of the library service / Number of visits]*	$6	No material variance
Participation Active library members *[Number of active library members / Municipal population] x100*	21%	No material variance

Maternal and Child Health (MCH)

Satisfaction Participation in fi rst MCH home visit *[Number of first MCH home visits / Number of birth notifications received] x100*	103%	No material variance

Service standard Infant enrolments in the MCH service *[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100*	103%	No material variance
Participation Participation in the MCH service *[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100*	66%	No material variance
Participation in the MCH service by Aboriginal children *[Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100*	63%	No material variance

Statutory Planning

Timeliness Time taken to decide planning applications *[The median number of days between receipt of a planning application and a decision on the application]*	85	No material variance
Service standard Planning applications decided within 60 days *[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100*	64%	No material variance
Service cost Cost of statutory planning service *[Direct cost of statutory planning service / Number of planning applications received]*	$2,033	No material variance
Decision making Council planning decisions upheld at VCAT *[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*	0%	No Council decisions were challenged in VCAT during this financial year.

EMERGENCY AND RISK INITIATIVES

EMERGENCY MANAGEMENT PLANNING

Council has continued to monitor, review and action requirements of the Victorian Bushfires Royal Commission Final Report dated July 2010 including the continuous review and development of the Municipal Emergency Management Plan (MEMP) and associated sub plans. The aim is to make sure that the MEMP and other associated sub plans better meet guidance and requirements stemming from the Emergency Management Acts and to ensure that applicable recommendations from the Victorian Bushfires Royal Commission are implemented.

The Municipal Emergency Management Planning Committee (MEMPC) and Municipal Fire Management Planning Committee (MFMPC) meet four times annually with very good participation and coordination being achieved with the relevant agencies and organisations that constitute these committees.

Other sub committees of the MEMPC meet regularly including the Municipal Relief and Recovery Committee, and the Event Planning and Management Committee which is a Victoria Police led sub-committee, involving State Emergency Service (SES), Country Fire Authority (CFA), Council, and Ambulance Victoria (AV) regarding major event management to assist with emergency planning. The MEMPC plan to implement a new sub-committee called the Municipal Flood Emergency Planning Committee (MFEPC) which will review the current Northern Grampians Shire Flood Emergency Plan.

Council is keeping abreast of strategic and regional planning through participation on the Regional Strategic Fire Management Planning Committee (RSFMPC) and the Regional Emergency Management Planning Committee (REMPC). The involvement on these committees assists Council to understand the changes being introduced throughout the state as a result of changes to emergency management processes being driven by Emergency Management Victoria (EMV).

VULNERABLE PEOPLE IN EMERGENCIES

Council works in partnership with the Department of Health and Human Services (DHHS) and other service providers for the aged and infirm to identify vulnerable persons not receiving services in the municipality. It is important to note the strong working relationships that are maintained with the various health service providers and other organisations in ensuring the database of vulnerable persons and the identified locations of these people is maintained and kept up to date. The systems utilised mean that the information is readily available to authorised organisations and to Victoria Police when planning for, or responding to, emergency events or incidents.

The MEMP contains a list of locations where vulnerable people might be located (eg. schools, child care facilities, hospitals, disability services and aged care facilities). It also recognises the need for vulnerable people to be encouraged to be prepared to relocate early if an emergency situation threatens as well as the need to work with the various service providers to ensure plans are in place for any assisted evacuations.

PARTNERSHIPS AND COLLABORATIONS

Council has maintained a high involvement with Emergency Management (EM) partners and stakeholders at local, regional, and state level in planning for multi-agency exercises which help all involved in EM to be prepared for a number of contingencies.

Exercise Radial was an NGSC-initiated and SES-sponsored exercise on the emergency response to a major incident within the Stawell township. It was held on 24 March, 2015.

Exercise Retread was a continuation of Exercise Radial covering response, relief, and recovery and also concentrated on evacuation planning. Exercise Retread was sponsored by DHHS and was held on 26 May, 2015.

Another example of multi-agencies working together occurred when the Grampians Regional Emergency Management Training and Exercise Committee (GREMTEC) utilised the Western Highway Office at Stawell for the combined Ararat, Northern Grampians and Pyrenees portion of the Emergency Management Victoria (EMV) sponsored Exercise Fusion. Exercise Fusion was a multi-agency heatwave-related tabletop exercise with the lead agency being Victoria Police, supported by DHHS. The exercise included participation by Council representatives from Ararat Rural City, Northern Grampians Shire and Pyrenees Shire Councils.

Council staff participated in Exercise Radial and Exercise Retread in early 2015.

Additional collaborative work includes:

- The review of Neighbourhood Safer Places (NSPs) and Township Protection Plans with the assistance of the CFA.
- Providing support to the Department of Environment Land Water and Planning (DELWP) in their endeavours to install an emergency water storage tank for aircraft firefighting activities based out of the Stawell Airbase (this should provide enough water to ensure aircraft conducting fire bombing operations from Stawell will not be hampered by water supply issues).
- Coordination/liaison with relevant agencies/ organisations on fire management related projects (eg. Council staff and GWM Water working on a project to place fire storage tanks throughout the shire, and a CFA application for better access and increased capacity of a dam used for firefighting water supply).
- Working with Stawell Gold Mines in planning an exercise that tests their Emergency Management Plan.

EMERGENCY RESPONSE AND RECOVERY ACTIVITIES

Council works with and supports other agencies with several incidents during the year requiring Emergency Management activation.

Incidents:

9 Sep '14 - Structural fire (shed) at the grounds of the Catholic Church at the intersection of Raglan Street and Queens Avenue, St Arnaud.

31 Oct '14 - Dadswells Bridge/Roses Gap Road Fire - Horsham ICC activated.

12-13 Nov '14 - A large grass and scrub fire at Kanya/ Paradise - Ararat Incident Control Centre (ICC) activated.

9 Nov'14 - Small fire at Bellellen (Little or no wider impact requiring little or no relief and recovery activities).

1-3 Jan '15 - Involvement in Moyston Fire - Horsham ICC activated. Worked collaboratively with the Ararat Rural City Council Emergency Management Officer including receipt of debriefings to share learnings.

1-3 Jan '15 - Gre Gre Fire (Little or no wider impact requiring little or no relief and recovery activities).

8 Jan '15 - Minor localised flooding in Great Western and Halls Gap (Minor relief and recovery activities).

Feb '15 - Small fire in tree at Wal Wal (Little or no wider impact requiring little or no relief and recovery activities).

8-15 Mar '15 - Gre Gre Piggery large haystack fire (Little or no wider impact requiring little or no relief and recovery activities).

Mar '15 - Small fire in tree on the Stawell-Pomonal Road (Little or no wider impact requiring little or no relief and recovery activities).

Mar '15 - Small haystack fire on the Stawell-Navarre Road (Little or no wider impact requiring little or no relief and recovery activities).

COMMUNITY ENGAGEMENT IN EMERGENCY MANAGEMENT

Council's commitment to the community remains strong as shown by Council's facilitation of community debriefs following emergency events. Council also encourages community involvement in identifying potential fire hazards, presenting at resident and ratepayer meetings and other community meetings.

The Red Cross 'REDiCommunity' program which has also been supported by a number of other shires in the region was rolled out. The program involved community meetings to highlight activities supporting community preparedness and resilience. Council's Emergency Recovery staff were involved in assisting with the delivery of this program.

The MEMPC endorsed the Glenorchy Local Flood Guide which was launched at the Glenorchy Hall on Wednesday 27 May, 2015. The guide was developed by the SES in conjunction with Council and the Glenorchy community. The guide and an A5 magnet with appropriate information on it were distributed to all residences in Glenorchy.

Through the MFMPC, Council commenced working with members of the Black Range community to produce a community fire plan and this is an ongoing project.

MEETING LOCAL PRIORITIES

In line with recommendations from the Victorian Flood Review, weather stations located in Grampians National Park, at Lake Bellfield, and at Halls Gap have been maintained to enable better prediction of possible flooding from the Grampians catchment.

Emergency Management staff were provided with internal training to ensure they were ready for the eventuality of any emergency incident, and newly appointed staff completed the Victorian SES Introduction to Emergency Management Course to ensure they understood the part they play in the 'bigger picture' of emergency management within the state.

Fire hazard reduction activities for the year were completed, including roadside fuel reduction operations and fire hazard inspections. This involved liaison with and between Council Infrastructure staff, DELWP, and the CFA.

ASSET INITIATIVES

ON THE ROAD AGAIN

Over the past year, Council's Infrastructure Works team has completed a number of major road renewal and upgrade works. The intersection of Banyena Road and the Sunraysia Highway north of St Arnaud was upgraded to improve road safety and the cost of this project was shared with VicRoads. On Roses Gap Road a culvert was replaced with a larger capacity unit and major repairs on the culvert approaches were completed following considerable flood damage during a major storm. In a bid to try and reduce ongoing road maintenance costs on gravel roads, Council undertook several road upgrade projects which either involved reshaping and then bituminous sealing the existing gravel road or sealing the gravel shoulders so a standard seal width was achieved.

Council upgraded its highest ranking gravel roads which included Aerodrome Road which services Stawell Aerodrome and the aerial firefighting crews based there and Robson Road which is one of Council's highest ranking rural residential roads. Shoulder widening took place on Landsborough Road to allow cars to pass each other without having to leave the sealed surface. Landsborough Road is one of Council's busiest rural roads. Upgrade works also took place at the Cato Lake car park in Stawell which involved reshaping the car park to cater for stormwater runoff, bituminous sealing and line marking so car spaces are now clearly defined and the whole area looks a lot more aesthetically pleasing.

BRIDGE AND MAJOR CULVERT UPGRADES

Council undertook works on 13 major culverts and bridges over the 2014/2015 financial year. These works involved renewing assets that were at the end of their useful life and improving road safety at stream crossings. Apart from the major culvert on Roses Gap Road, a bridge which is located on a sharp bend at Sandy Creek Road in Beazleys Bridge was widened and strengthened which improved road safety and gives the bridge a longer life span.

Also a bridge was strengthened and widened on Yawong Road which is a B Double route. There were seven projects where guardrail on either bridges or major culverts was upgraded. The existing guardrail in these locations was either nonexistent or sub-standard.

AIRPORTS TAKING OFF

2014/2015 saw the installation of a new 24 hours a day, seven days a week fuel facility upgrade at Stawell airport with lighting, power upgrade and associated works, plus a new navigation procedure and the phone connection of the weather station to assist pilots. All of these works have further improved the Stawell airport facilities and recent feedback from visiting pilots has confirmed the airport is now as good as any in the region. This project was jointly funded by Council, the Victorian Government's Regional Aviation Fund and a private contribution from AG Services who are one of the major business tenants at the airport, and who will operate the new fuel facility.

Council was also successful in obtaining a Regional Aviation Fund (RAF) grant for the St Arnaud airport which saw its first significant upgrade in thirty-five years with $200,000 worth of works now complete. Funded in equal parts by a State Government RAF grant and Council, the project included resealing of all existing runway and taxiway surfaces, new line marking, and resheeting, and bituminous sealing of the internal access road from the Wimmera Highway. The improvements were vitally important for its continued safe use by the air ambulance, local operators and visiting aircraft. Other works completed under the funding included new

fencing and minor associated works to the emergency fire tank and septic tank to maximise the public parking area.

Works took place at the St Arnaud Airport in early 2015.

HUB PROJECT A JEWEL IN HALLS GAP'S CROWN

After many years of planning and lobbying for funding, this major construction project is now complete and open for business. In conjunction with the Federal Minister's office, the State Deputy Premier officially opened the new building works in November 2014, and the external pavement and landscaping was completed in early 2015.

The project links the existing Visitor Information Centre (VIC) with the existing Centenary Hall to create one large multi-use building. Spaces within the Hub are already being used for a wide range of community events, functions, displays, meetings and small performances. The project includes two new multi-use meeting rooms, upgrade of the VIC staff amenity room, alterations to the existing VIC entry doors, new display areas, additional public toilets and showers, upgraded kitchen facility in the hall, a large outside community meeting area, paved areas, landscaping and associated works.

The total cost of the Halls Gap Tourism and Community Hub was $1.75 million, funded by the Federal Government Regional Development Australia Fund, the Victorian Government 'Putting Locals First' program, and a Council contribution.

BUILDINGS

The Council has a substantial portfolio of buildings that it is responsible for. Every year capital improvement and/or maintenance is carried out on a number of these either because of programmed works or due to a problem arising with some components of the building.

The following is a list of buildings where substantial works were carried out during the 2014-2015 financial year.

- Western Highway Heritage Precinct where a new building linking the former Shire of Stawell Council Office and the old Pleasant Creek Court House commenced.
- St Arnaud Town Hall and Civil Precinct where work has commenced on the upgrade of the Customer Service area, the Perry Room and new accessible toilets.
- Improvements to the internal heating equipment and the external pool at the Stawell Leisure Centre were completed.
- Works were also carried out at the St Arnaud pool where existing facilities needed major refurbishment
- Improvements to energy efficiency in the Stawell Library and an assessment of the roof areas of a number of buildings to assess their suitability for future solar panel works, were also carried out.
- Improvements to the Stawell Taylors Gully Children's Centre were completed and the installation of a shed and surrounds at the St Arnaud Child Care Precinct was also completed.

HALLS GAP FIRE RECOVERY PROJECT

Council was successful in obtaining a fire recovery grant to carry out access improvements and safety upgrades to several areas in and around Halls Gap. Works completed were :

- The construction of a new footpath to link Grampians Rd with School Rd, past the swimming pool and new toilet block.
- The construction of a new footpath from the VIC through to Hemley Court, including an upgrade near the Kookaburra Cafe and Hotel.
- Safety improvements to the existing bicycle path near Lake Bellfield.
- Upgrade and extension of the Heatherlie Rail Trail from Pleasant Creek through to Mt Dryden Road.
- Extensive landscaping and new footpaths at the south side of the VIC, to transform the previously unsightly Neighbourhood Safer Place area into a significant public lawn and events area.
- A public event for the township to celebrate the fire recovery process.

WELCOMED WORK IN MARNOO

A section of old and broken kerb and channel has been removed and replaced with a modern kerb and channel profile. Shoulder works associated with the kerb and channel works have also been carried out to improve the amenity of this area.

CREWS BUSY IN ST ARNAUD

A number of projects were completed in and around St Arnaud. These projects included the following:

- A culvert in Dunolly Road was replaced with larger capacity units.
- A new footpath was constructed in Edward Street providing better access for school children in this area.
- A section of Stuart Mill Road was rehabilitated.
- Shoulders on Wedderburn Road were bituminous sealed.
- A drainage system and new kerb and channel were installed in the Industrial area in Kell Road.

NEW FACILITIES AT WALKERS LAKE

Northern residents of the shire and surrounding areas can now look forward to having a recreational lake after Council installed a new boat ramp and toilet facility at Walkers Lake. Entrance roads were also repaired to allow year-round access to the lake. Recently, GWM Water pumped 900 megalitres of water into the lake thus establishing this lake as a recreational water body able to support water based activities in the area. Fisheries Victoria has also now stocked the lake with Golden Perch which will improve its popularity in the future.

STAWELL STREETSCAPE AND CONNECTIVITY PROJECT - MAIN STREET

In the past, Council had received considerable feedback from pedestrians expressing their safety concerns when crossing the lower end of the Main Street near the Stawell Town Hall. Council sourced grant funding for the installation of a raised pedestrian crossing. The construction of this crossing has dramatically slowed traffic and now provides safe passage for pedestrians of all abilities across this busy street. The newly designed section of road has also defined the turning point into Victoria Street off Main Street, thus reducing confusion by requiring vehicles to "turn into" instead of simply "swerving into" the connecting side street. Garden beds and paving works also took place to improve the visual look of the area.

PARKS AND GARDENS UPGRADES IN 2014/2015

Works were completed to improve open space assets for all users. Works that have been undertaken during the 2014/2015 financial year are as follows:

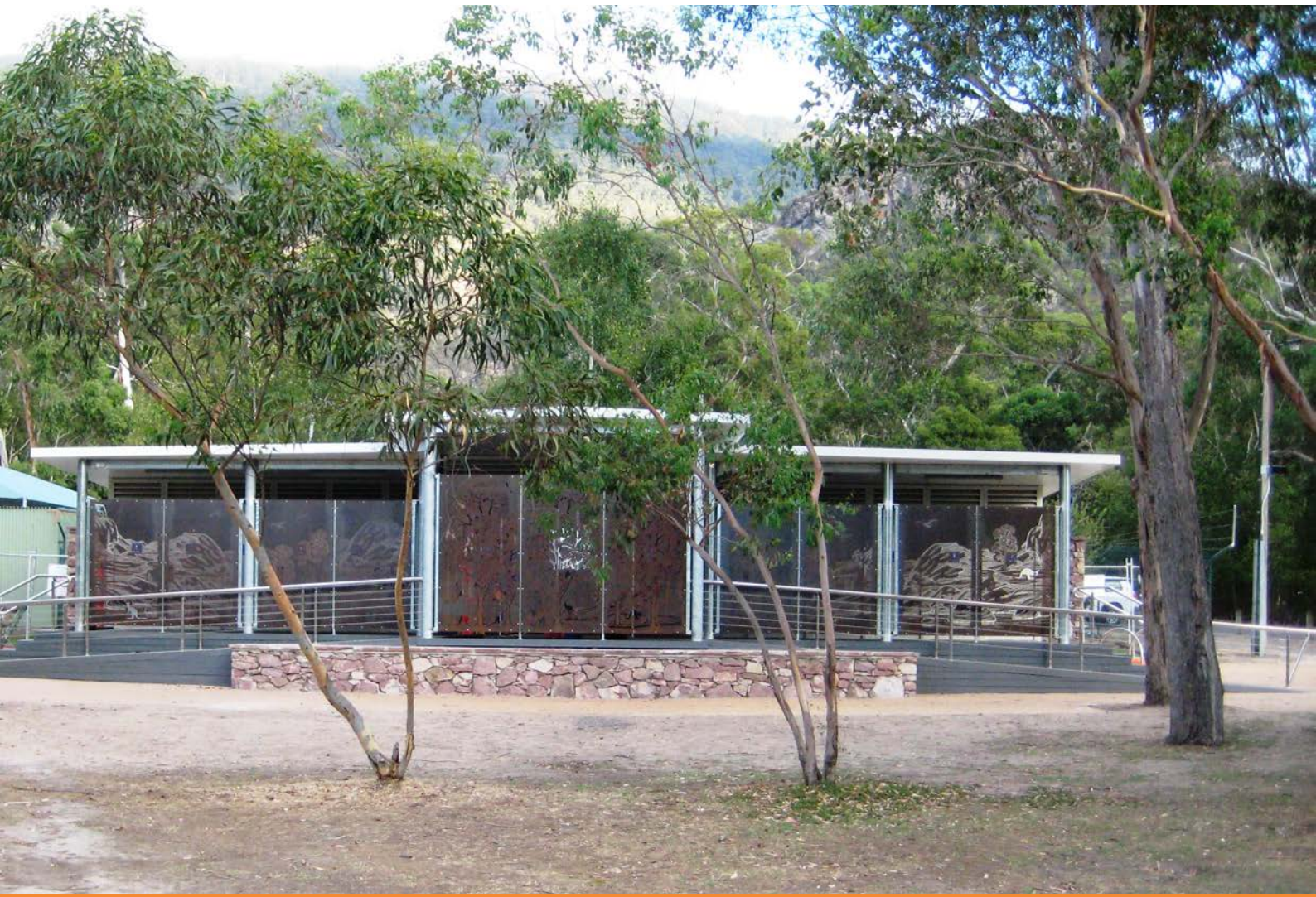
- Installation of 21 park benches and picnic tables at Cato Park and Central Park in Stawell to replace existing aged park furniture, value-add to existing items, and maintain a consistent furniture theme. Seating has been placed to take advantage of vistas and selected and installed to cater for all abilities. The project was financed through Council and a contribution from the Stawell Rotary Club.

Funding was announced for the Main Street crossing in late 2014 with the project completed in early 2015.

- Installation of four picnic tables at Queen Mary Gardens and Pioneer Park St Arnaud. The heritage-style furniture was selected to value-add to the already developed theme with installation considerate of all abilities. The units were provided by the Friends of the Queen Mary Gardens with installation and materials cost funded by Council.
- Continuation of landscaping works at Cato Park with difficult to manage/unsightly areas being planted out with low input plantings to improve the outlook for all users.
- Approximately 40 lineal metres of rock edging installed at Queen Mary Gardens to enhance this highly valued community asset.
- 17 grapevines and cages with associated infrastructure were installed in the St Arnaud Central Business District to continue the developing theme being established and to enhance the existing aesthetically pleasing outlook for all residents and visitors.
- As a continuation of a project to beautify the Western Highway Stawell, approximately 1,000 native strappy leafed plants were planted where opportunities were available along the Highway frontage. The species were selected for their manageability in the constraints of the constructed environment. Approximately 150 native trees and a continuation of the landscape plantings are planned for the coming year.
- To complement the flood mitigation project at North Park Stawell and to develop a usable open space, walking paths at the popular recreation facility continue to be developed. The trail provides connections to the tennis courts, netball courts and the newly created storm water retention dams. The three dams were built in 2013 to mitigate flooding,

improve the quality of the outflow water and create an attractive feature at North Park. The walking path is expected to become a highly used recreational asset and has been designed to cater for residents of all ages and abilities. Landscaping works have commenced with various native plantings being installed to develop the area as a naturally themed area and with seating now installed, will provide the community with an aesthetically pleasing place to enjoy and also value-add to the existing facility. The walking path project was fully funded by the Local Government Infrastructure Program. Further path, landscaping and park furniture installations are planned as resources are made available.

- Naturally styled hardwood seating has been installed at the Maude Street retention dams in Stawell. Community usage of this area has been increasing due to the natural/native themed landscaping being constructed to develop a usable and aesthetically pleasing open space for residents and visitors.
- 125 metres of fencing was installed at Apex Park in St Arnaud to make this playground location safer for users. Style and colour were selected to complement existing assets.
- Three new active-type play equipment items were installed at Cato Park Stawell and three at Market Square St Arnaud. Function of items selected are designed to be active units and selected to create a diverse activity option for various age groups. To accommodate the new items the playground area at Market Square was enlarged with eighty metres of soft fall edging installed. Other playground improvements included 100 metres of soft fall edging upgraded at Taylors Gully Park Stawell with three relocated items of equipment being installed as well to provide diverse options at these well-utilised areas.
- Three hardwood natural style park benches were installed at the town entrance landscaped dam in Marnoo. Seating installed next to pathways and amongst the maturing native plantings gives residents and visitors seating opportunities in this area.
- Council has continued improving the aesthetics of townships by planting out various intersections, traffic treatments, unkempt locations and difficult to manage areas as resources and opportunities permit. These works are generally funded through the Parks and Gardens Infrastructure operations budget unless associated with a traffic realignment project.



SERVICE INDICATORS
Asset Initiatives

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Material Variations
Roads		
Satisfaction of use Sealed local road requests *[Number of sealed local road requests / Kilometres of sealed local roads] x100*	2	No material variance
Condition Sealed local roads below the intervention level *[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100*	100%	No material variance
Service Cost Cost of sealed local road reconstruction *[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]*	$27	No material variance
Cost of sealed local road resealing *[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]*	$4	No material variance
Satisfaction Satisfaction with sealed local roads *[Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]*	49%	No material variance

WASTE INITIATIVES

TRANSFER STATION OPERATION PLANS

A review of the transfer stations was undertaken to improve site layout, capacity to store and process materials, traffic management, site safety, and ease of use for patrons, as well as maximise resource recovery and diversion from landfill. This resulted in site plans being developed to inform operational and capital works at the transfer stations. Council was successful in gaining a co-contribution grant from Sustainability Victoria to upgrade the Stawell and St Arnaud Transfer Stations. The project will result in the extension of existing outbuildings, signage, pedestrian access and material collection bays. The works commenced in 14/15 and will be complete in the 15/16 financial year.

TRANSFER STATION FEE SUBSIDISATION

Council adopted a uniform subsidisation of transfer station gate fees as part of the 14/15 budget, which will result in Council and transfer station users eventually contributing an equal amount to the cost of waste management by the 2016/2017 financial year. The implementation of the staged subsidisation commenced 1 August, 2014 with a communications plan developed to inform the community of the changes.

COMMUNITY EDUCATION PROGRAM

Council worked with its kerbside collection contractor and a consulting company to develop and deliver a waste education program to improve community understanding and usage of Council's kerbside service which in turn will divert waste from landfill. The program included targeted newspaper and radio advertising, an in-class engagement program at Marnoo, Navarre and Concongella Primary Schools and visual bin inspections in Stawell and St Arnaud.

SERVICE INDICATORS
Waste Initiatives

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Material Variations
Waste Collection		
Satisfaction Kerbside bin collection requests *[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000*	37	No material variance
Service standard Kerbside collection bins missed *[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000*	2	No material variance
Service cost Cost of kerbside garbage collection service *[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]*	$114	No material variance
Cost of kerbside recyclables collection service *[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]*	$38	No material variance
Waste Diversion Kerbside collection waste diverted from landfill *[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100*	38%	No material variance

DATA AND INFORMATION INITIATIVES

MOVING TOWARDS MOBILE EFFICIENCY

In line with recommendations for improvement identified in the 2013-2017 Information Communication Technology Strategy, 2014/15 saw the continuation of several projects aimed at increasing efficiencies and improving service delivery to the community.

Mobile and web-based technology has been implemented in the areas of childcare, customer request management and records management, not only providing efficiencies in service delivery, but cost and environmental savings too.

The ongoing implementation of Council's new asset management system will ensure that scarce funds are directed to where they are most needed and support future planning.

Other recommendations for improvement identified in the 2013-2017 Information Communication Technology Strategy will continue to be progressively implemented over the next few years.

FINANCIAL SUSTAINABILITY INITIATIVES

KEEPING FINANCIALS IN CHECK

Council continues to meet its reporting and accountability requirements. The Audit Committee, consisting of two Councillors and three external representatives, met four times during 2014/15, as set out in the Audit Committee Charter. The Committee focuses on risks identified by the Risk Management Committee, reviewing processes to provide assurance regarding Council's performance, risk management, financial and governance responsibilities.

Work towards long term sustainability is ongoing, however the freezing of Financial Assistance Grants by the Federal Government at the 2013/14 level is already having a financial impact on Council's capacity to provide services to the community. In addition to this, the announcement by the State Government to introduce a fairer rates system for the 2016/17 financial year has the potential to further restrict Council's ability to continue to fund services.

SERVICE INDICATORS
Financial Sustainability Initiatives

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Material Variations
Financial Performance		
Operating position Adjusted underlying surplus (or deficit) *[Adjusted underlying surplus (or deficit)/Adjusted underlying revenue]*	15%	Improved result in 2015 is due to 50% of the 2016 Grants Commission being received in advance
Liquidity Working capital *[Current assets/Current liabilities]*	198%	Improved result in 2015 is due to 50% of the 2016 Grants Commission being received in advance
Unrestricted cash *[Unrestricted cash/Current Liabilities]*	145%	Improved result in 2015 is due to 50% of the 2016 Grants Commission being received in advance
Obligations Loans and borrowings compared to rates *[Interest bearing loans and borrowings/Rate revenue]*	25%	No material variance
Loans and borrowings repayments compared to rates *[Interest and principal repayments on interest bearing loans and borrowings]*	3.5%	No material variance
Non-current liabilities compared to own source revenue *[Non-current liabilities/Own source revenue]*	17%	No material variance
Asset renewal compared to depreciation *[Asset renewal expenses/Asset depreciation]*	49%	No material variance
Stability Rates compared to adjusted underlying revenue *[Rate revenue/Adjusted underlying revenue]*	39%	Improved result in 2015 is due to 50% of the 2016 Grants Commission being received in advance
Rates compared to property values *[Rate revenue/Capital improved value of rateable properties in the municipality]*	0.76%	No material variance
Efficiency Expenses per property assessment *[Total expenses/Number of property assessments]*	$3,585	No material variance
Average residential rate per residential property assessment *[Residential rate revenue/Number of residential property assessments]*	$1,563	No material variance
Resignations and terminations compared to average staff *[Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year]*	13%	No material variance
Sustainability		
Population Expenses per head of municipal population *[Total expenses/Municipal population]*	$2,831	No material variance

Infrastructure per head of municipal population *[Value of infrastructure/Municipal population]*	$34,882	No material variance
Population density per length of road *[Municipal population/Kilometres of local roads]*	3.4	No material variance
Own-source revenue Own-source revenue per head of municipal population *[Own-source revenue/Municipal Population]*	$1,995	No material variance
Recurrent Grants Recurrent grants per head of municipal population *[Recurrent grants/Municipal population]*	$1,285	Improved result in 2015 is due to 50% of the 2016 Grants Commission being received in advance
Disadvantage Relative Socio-Economic Disadvantage *[Index of Relative Socio-Economic Disadvantage by decile]*	3.0	No material variance

CUTTING RED TAPE INITIATIVES

COMMITTED TO IMPROVING CONVENIENCE

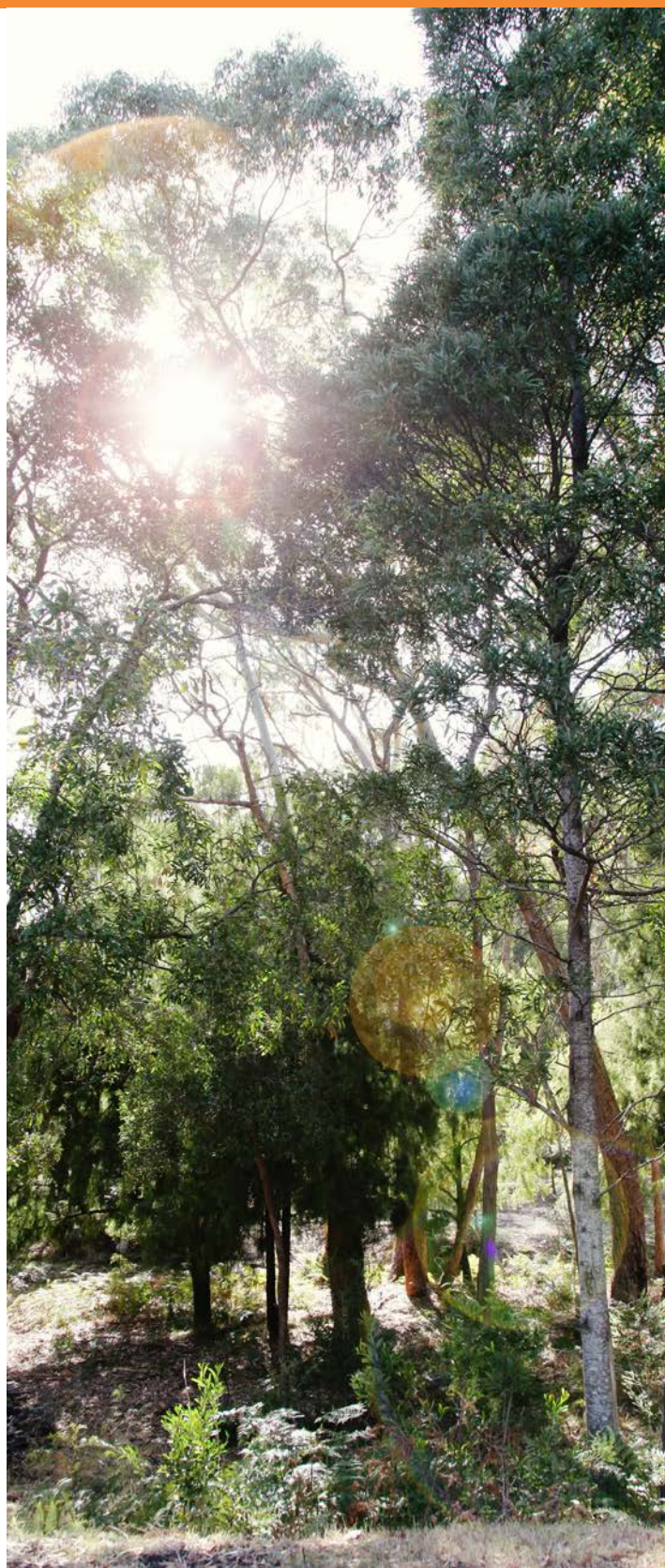
Council is committed to reducing red tape where possible. The issue is being approached from two angles - firstly, advocating for reduced red tape from other levels of government that applies to the organisation, and secondly, reviewing our own processes.

ADVOCATING FOR LESS RED TAPE

Council is advocating on the matter of rate capping to ensure that the processes surrounding compliance on this new State Government initiative are as efficient as they can be. Since the introduction of the recent roadside weeds legislation, which imposes obligation on the Council to manage roadside weeds, we have been advocating for less responsibility required under the Act as it is not funded after the first three years.

REDUCING OUR OWN RED TAPE

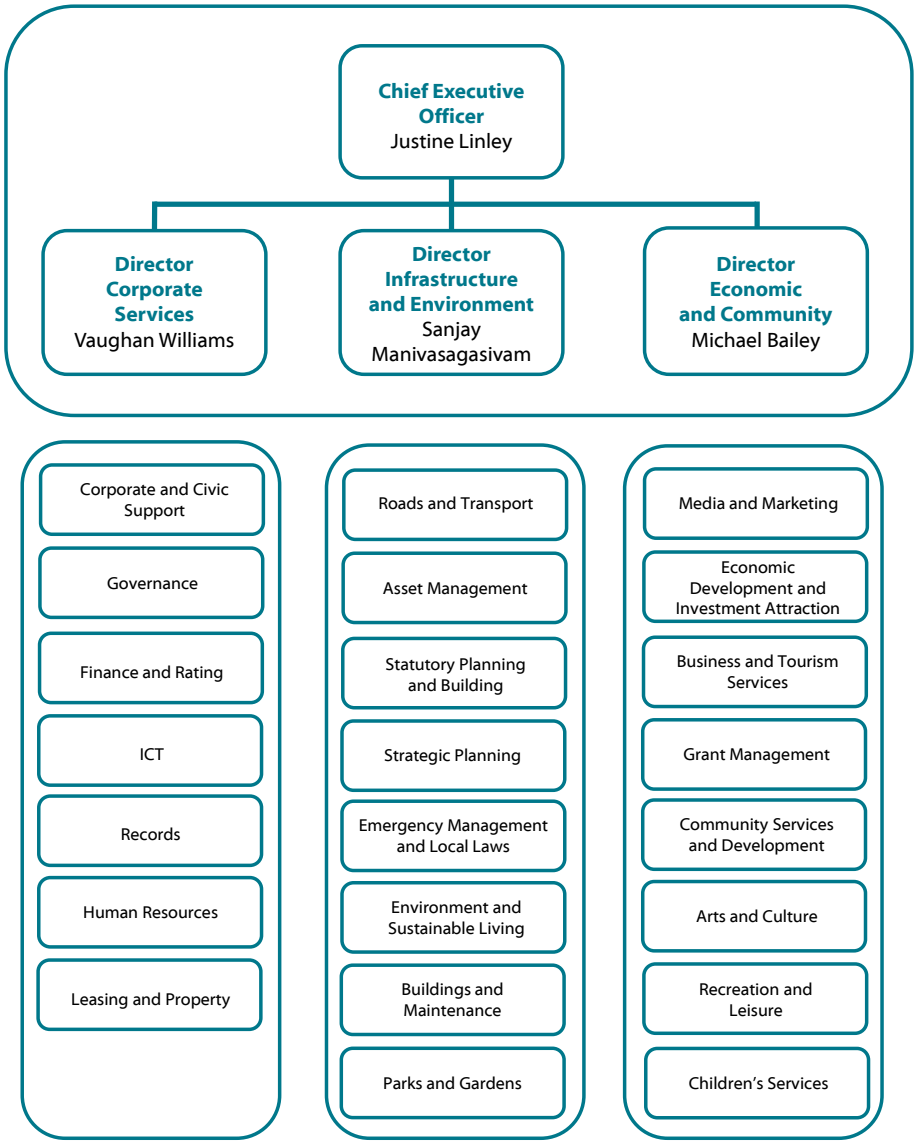
Council has implemented a new customer request system which will enable greater efficiencies in processing customer requests and improved feedback on requested actions. Improvements have also been made in applications for development with a single application to cover off on all required permits such as building, planning and environmental health.



CORE SERVICES INITIATIVES

Northern Grampians Shire Council has customer service centres located in Stawell and St Arnaud. These centres provide an important resource for the community and serve as the principal point of contact from which staff provide information. Our friendly customer service staff endeavour to answer all enquiries, and can respond to requests for a wide range of services, including receipting, VicRoads procedures and animal registration.

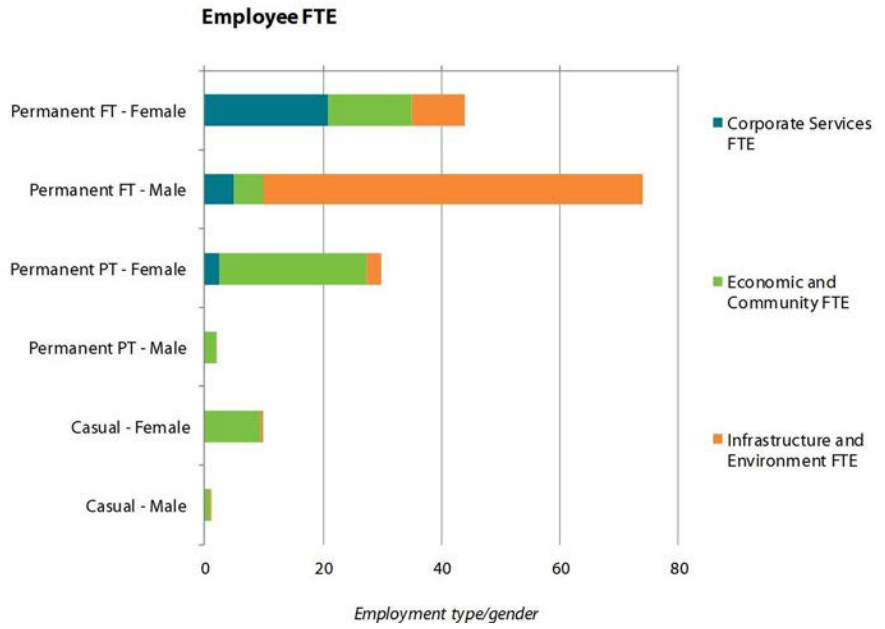
ORGANISATIONAL STRUCTURE



EMPLOYEE FTE

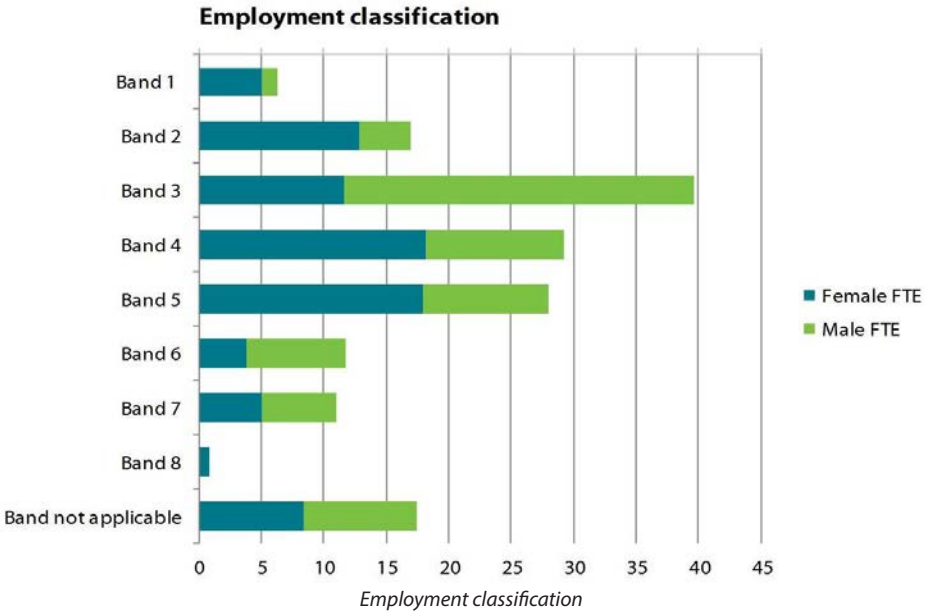
Employment type/gender	Corporate Services FTE	Economic and Community FTE	Infrastructure and Environment FTE	Total FTE
Permanent FT - Female	21.0	14.0	9.0	44.0
Permanent FT - Male	5.0	5.0	64.0	74.0
Permanent PT - Female	2.4	25.1	2.3	29.8
Permanent PT - Male	0	2.1	0	2.1
Casual - Female	0	9.4	0.6	10.0
Casual - Male	0	1.0	0.2	1.2
Total	**28.4**	**56.6**	**76.1**	**161.1**

FT - Full time, PT - Part time



EMPLOYMENT CLASSIFICATION

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	5.1	1.2	6.3
Band 2	12.9	4.1	17.0
Band 3	11.6	28.0	39.6
Band 4	18.2	11.0	29.2
Band 5	18.0	10.0	28.0
Band 6	3.8	8.0	11.8
Band 7	5.0	6.0	11.0
Band 8	0.8	0	0.8
Band not applicable	8.4	9.0	17.4
Total	**83.8**	**77.3**	**161.1**



Employment classification

EQUAL OPPORTUNITY

The Northern Grampians Shire Council continues to be committed to the principles of Equal Employment Opportunity. Council has trained staff who have volunteered to become Contact Officers. The primary role of the Contact Officer is to be the first point of contact for anyone in the organisation who has an enquiry or possible complaint about discrimination, harassment or bullying. Any allegations of harassment or discrimination by an employee, independent contractor, volunteer or Councillor will be immediately acted upon in accordance with Council's Equal Opportunity, Harassment and Bullying policy and procedure. Contact Officers are trained and committed to assist and support fellow colleagues to explore a range of options and access information relating to their concerns. Contact Officers are just one way our organisation is committed to ensuring all employees are treated fairly and equitably in the workplace. Northern Grampians Shire Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. Council is committed to combating discrimination, harassment, bullying and vilification by:

- Encouraging employee awareness through induction and training.
- Providing appropriate counselling services for employees involved in such behaviour.
- Possible dismissal for behaviour considered inappropriate.
- Ensuring there is no retaliation against employees who report such incidents.

HUMAN RIGHTS

The Victorian Charter of Human Rights and Responsibilities is a legal document requiring all public authorities to act in compliance with its standards and provides legal protection over the basic freedoms and rights of all Victorians. Council is legally obliged to take into account the following human rights in all decision-making processes and day-to-day operations.

- Recognition and equality before the law.
- Right to life.
- Protection from torture and cruel, inhuman or degrading treatment.
- Freedom from forced work.
- Freedom of movement.
- Privacy and reputation.
- Freedom of thought, conscience, religion and belief.
- Freedom of expression.
- Peaceful assembly and freedom of association.
- Protection of families and children.
- Taking part in public life.
- Cultural rights.
- Property rights.
- Right to liberty and security.
- Humane treatment when deprived of liberty.
- Children in the criminal process.
- Fair hearing.
- Rights in criminal proceeding.
- Right not to be tried or punished more than once.
- Retrospective criminal laws.

OCCUPATIONAL HEALTH AND SAFETY

The Northern Grampians Shire Council is committed to providing and maintaining a working environment for employees, Councillors, contractors, volunteers, clients and members of the public that is safe and without risks to health, so far as is reasonably practicable. A program of workplace safety was undertaken during WorkSafe Week including information sessions and seminars for employees and contractors. WorkSafe conducted an information session for Council contractors outlining their obligations under the OHS Act which was well attended. Council plans to conduct these seminars again in 2015.

Many staff took part in Harmony Day celebrations, sharing food from their culture in March 2015.

SERVICE REVIEWS

In 2013-14 Northern Grampians Shire Council determined to undertake a review of services to ensure the long term sustainability of the Council. The services identified for review include:

- Tourism Services.
- Local Laws.
- Regulatory Services.
- Building and Planning Services.
- Leisure Services.
- Information Technology.
- Customer Service.
- Home and Community Care.
- Children's Services.
- Waste Management Services.

Affected employees are being consulted and have participated in the review process. Council is committed to acting in good faith during the consultation period, meeting with employees, discussing relevant

information, and genuinely considering their proposals. Council's commitment to ongoing engagement with its employees, in relation to service reviews, will continue throughout the review process.

OTHER STAFF MATTERS

Northern Grampians Shire Council is committed to retaining students and graduates within the region and supports several local programs.

- Wimmera Development Association's Internship Program offers work placements to tertiary students by providing access to practical work placements aligned to their skills and experience. Work placements provide tertiary students the opportunity to work in their specialised field under the supervision of a Council officer.
- Stawell Secondary College's 50/15 Program aims to provide 10 selected students from years 10 and 11 a single day experience of 10 different workplace environments over a 10 week period. The goal of the program is to provide students with a clearer picture of some of the employment opportunities available locally.
- St Arnaud Secondary College's Broader Horizons Program aims to allow students to have the opportunity to experience a broad range of career pathways. The program provides a group of Year 9 students the opportunity for a three to five day industry sector experience. Students may then choose to target those industries for future work experience or work placements.
- Northern Grampians Shire Council also provides opportunities for local students to undertake Victorian Certificate of Applied Learning (VCAL) in the areas of Horticulture and Mechanics as well as traineeships or apprenticeships in most employment streams within local government. Currently Northern Grampians Shire Council has apprentices studying Horticulture, Turf Management and Diesel Mechanics.

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

GOVERNANCE

The Northern Grampians 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. The primary role of the Council is to provide leadership for the good governance of the Northern Grampians Shire community. The role of Council includes:

- acting as a representative government by taking into account the diverse needs of the local community in decision making.
- providing leadership by establishing strategic objectives and monitoring their achievement.
- maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner.
- advocating for the interests of the local community to other communities and governments.
- acting as a responsible partner in government by taking into account the needs of other communities, and;
- 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 Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums 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 first Monday of each month at 6.30pm. Venues for Council meetings alternate between Stawell and St Arnaud. Any additional special meetings or changes to the timetable are publicised through the media. Meetings are open to members of the community. Public question time is a regular feature at ordinary meetings, giving residents the opportunity to ask questions on any Council-related matter.

During 2014/15 there were 11 ordinary Council meetings and five special Council meetings.

The following table provides a summary of Councillor attendance at these meetings for 2014-2015.

	Ordinary Council meetings attended	Special Council meetings attended
No. of meetings	**11**	**5**
Cr Murray Emerson	10	5
Cr Kevin Erwin	9	4
Cr Tony Driscoll	10	5
Cr Merrilee Reid	10	4
Cr Wayne Rice	10	4
Cr Karen Hyslop	10	5
Cr Jason Hosemans	10	5

Councillor briefings	
No. of meetings	**46**
Cr Murray Emerson	45
Cr Kevin Erwin	42
Cr Tony Driscoll	43
Cr Merrilee Reid	44
Cr Wayne Rice	40
Cr Karen Hyslop	42
Cr Jason Hosemans	42

Audit committee	
No. of meetings	**1**
Cr Murray Emerson	1
Cr Kevin Erwin	1

SPECIAL COMMITTEES

The Local Government Act 1989 allows Councils to establish one or more special committees consisting of -

- Councillors.
- Council staff.
- Other persons.
- 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.

	Councillors	Officers	Other	Purpose
Queen Mary Gardens Committee	1	1	12	To care for and manage the facilities at the Queen Mary Botanic Gardens and Pioneer Park for the benefit of the community.
Stawell Community Recreation Committee	1	1	6	To care for the facilities at the Stawell recreation reserves - Central Park, North Park and Old Lake Oval - for the benefit of the community.
St Arnaud Community Recreation Committee	1	1	6	To care for the facilities at the St Arnaud recreation reserves - Lord Nelson Park and King George's Park - for the benefit of the community.

GOVERNANCE CODE

The Local Government Act 1989 requires Councils to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 8 April 2013, Council adopted a Governance Code including the Councillor Code of Conduct which identifies Principles of Good Conduct, agrees on the desired standard of behaviour and clearly states the consequences of any breaches of the code. Having a good Governance Code that is understood and supported by Councillors and Council staff is important for good governance.

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 responsibilities.
- dispute resolution procedures.

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 the exercise of public duty. A register is maintained to record all disclosed conflict of interests. During 2014-2015, five conflicts of interest were declared at Council and assemblies of Councillors.

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 each Council. In this instance, Northern Grampians Shire Council is recognised as a category 1 Council.

In December 2014 the Minister for Local Government reviewed the limits and ranges of the Mayoral and Councillor allowances and, having regard to movements in remuneration of executives within the meaning of the Public Administration Act 2004, determined the set allowances be increased by 2.5%. The annual allowances were adjusted to take effect from 1 December 2014 to 30 June 2015 at $18,878 per annum for the Councillor allowance and $56,402 per annum for the Mayoral allowance.

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

Councillor	Councillor and Mayoral allowance ($)
Cr Murray Emerson (Mayor 2015)	48,564
Cr Kevin Erwin (Mayor 2014)	33,197
Cr Tony Driscoll	20,504
Cr Jason Hosemans	20,504
Cr Karen Hyslop	18,867
Cr Merrilee Reid	20,504
Cr Wayne Rice	20,504

Councillors are also entitled to a Remote Area Travel Allowance. If a Councillor normally resides more than 50kms by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the Council, or any municipal or community functions which have been authorised by Council resolution for the Councillor to attend, they must be paid an additional allowance of $40.00 in respect of each day on which one or more meetings or authorised functions is actually attended by that Councillor, up to a maximum of $5,000 per annum.

Councillor	Remote area travel allowance ($)
Cr Murray Emerson (Mayor 2015)	200
Cr Kevin Erwin (Mayor 2014)	200
Cr Tony Driscoll	1,320
Cr Jason Hosemans	240
Cr Karen Hyslop	240
Cr Merrilee Reid	1,280
Cr Wayne Rice	200

COUNCILLOR EXPENSES

In accordance with 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 2014-2015 year are set out in the following table.

Councillor	TR ($)	CM ($)	CT ($)	Total ($)
Cr Murray Emerson (Mayor 2015)	49	-	243	292
Cr Kevin Erwin (Mayor 2014)	-	-	39	39
Cr Tony Driscoll	-	-	-	-
Cr Jason Hosemans	-	-	-	-
Cr Karen Hyslop	-	-	-	-
Cr Merrilee Reid	-	-	-	-
Cr Wayne Rice	148	-	-	148

Legend: TR-Travel; CM-Car Mileage; CT-Conferences and Training Expenses

Note: No expenses were paid by Council including reimbursements to members of Council special committees during the year.

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 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 beginning on page 44. The items included have been highlighted as important components of the management framework.

AUDIT COMMITTEE

The Audit Committee is an independent advisory committee to Council, established to assist in the effective conduct of Council's responsibilities for good governance, the management of risk, financial reporting and maintenance of reliable systems and internal controls in order to facilitate the achievement of its organisational objectives in an efficient, effective and ethical manner. A Committee Charter sets out the appropriate authority, composition, meeting requirements and responsibilities of the committee to ensure good practice and compliance with the requirements of the Local Government Act 1989, and is supported by Council's Audit Committee Guidelines.

The Audit Committee consists of three independent members, Mr Peter Knights (Chair), Mr Tony Roberts and Mr Rabin Bangaar and two Councillors. Independent members are appointed for a three-year term with the appointment of each staggered to ensure that only one new appointment is made in any one year. The Audit Committee meets at least four times a year and has authority to convene additional meetings, as circumstances require.

The Chair is paid an annual Chairman's Allowance of $2,000.

INTERNAL AUDIT

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. Internal audit projects are selected from items identified within the Council's Risk Register and appropriately qualified persons/organisations are engaged to undertake the audit. Third party audits and inspections by Work Safe are reviewed by the Audit Committee and progress on addressing any issues raised is monitored.

The following reviews were undertaken in 2014-15:

- Event Management (Targeted Risk Appraisal Report) - conducted by MAV Insurance.
- Transfer Station Operations - conducted by Hazcon Pty Ltd.

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2014/15 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the August Audit Committee meeting to present the annual Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

RISK MANAGEMENT

Council's Risk Management Strategy and Policy are in line with current AS/NZS 4360:2004 Risk Management guidelines. The strategy demonstrates the Council's commitment to managing risk by detailing the Risk Management framework to be employed by all Councillors, staff members, contractors, committees and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the risk management process.

Council believes that good risk management is essential for the successful implementation of its Council Plan, as it:

- directly supports Council's direction as outlined in the Council Plan.
- indirectly supports the achievement of the Council's strategic objectives and direction, through:
  - facilitating innovation, cooperation and the sharing of resources.
  - enhancing the development and delivery of Council programs.
  - supporting the Council's key values and ethics.
  - encouraging a closer working partnership between the Council and the community.
  - ensuring consultation with all stakeholders on key issues.
  - encouraging a proactive approach to problem solving.

RECORDS MANAGEMENT

Council participates in the MAV Electronic Content Management (ECM) Step Program. The ECM STEP Program is a step-by-step capacity and capability building program for Electronic Content Management within Victorian Local Government. Its focus is to encourage Councils to increase capability in managing electronic content to support and promote more digital business within local government. The program supports Council in the implementation of its ECM system, infoXpert, which went live on 22 July 2014.

MEMBERSHIPS

Council was a member of the following organisations during the 2014/2015 year:

- Australian Airports Association.
- Civil Contractors Federation.
- Early Learning Association Australia.
- FKA Children's Services Inc.
- Grampians Produce.
- Local Government Professionals.
- Municipal Association of Victoria.
- North West Municipalities Association.
- Planning Institute of Australia.
- Playgroup Victoria Inc.
- Rail Freight Development Alliance.
- Sunraysia Highway Improvement Committee.
- VECCI.
- Vicsport.
- Victorian Local Governance Association.
- Waste Management Association of Australia.
- Western Highway Action Committee.
- Wimmera Development Association.
- Wimmera Regional Library Corporation.
- Wimmera Regional Transport Group.

GOVERNANCE AND MANAGEMENT CHECKLIST

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist. 'The Act' refers to the Local Government Act 1989.

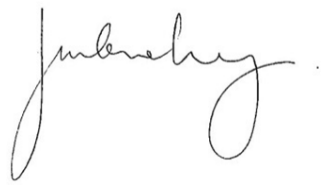
Column 1	Column 2	
Governance and management items	**Assessment**	
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest).	Council uses the International Association of Public Participation (IAP2) as the base policy for community engagement.	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community).	Council uses the International Association of Public Participation (IAP2) Spectrum of Public Participation as the guideline for community engagement.	✓
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years).	Strategic Resource Plan adopted in accordance with section 126 of the Act. Date of adoption: 22 June 2015.	✓
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 other resources required). **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).	Annual Budget adopted in accordance with section 130 of the Act. Date of adoption: 22 June 2015. Services Asset Management Plan in place which includes: • Part A - General Information associated with managing all asset groups. • Part B – Road & Streets Network Plan. • Part C – Bridges & Major Culverts Plan. • Part D – Buildings & Facilities Asset Plan. • Part E - Stormwater Drainage System Plan. Date of operation of current plans: 19 November 2009.	✓ ✓

6. Revenue and Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges).	Revenue and Rating Strategy in place. Date of operation of current strategy: 14 April 2015.	✓
7. Risk Management Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations.	Risk Management Policy in place. Date of operation of current policy: 16 February 2015.	✓
8. Fraud Prevention Policy (policy outlining Council's commitment and approach to minimising the risk of fraud.	Fraud Prevention Policy in place. Date of operation of current policy: 4 March 2013.	✓
9. Municipal Emergency Management Plan (plan under section 20 of the *Emergency Management Act 1986* for emergency prevention, response and recovery).	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the *Emergency Management Act 1986* . Date of preparation: 4 August 2014.	✓
10. Procurement Policy (policy under section 186A of the *Local Government Act 1989* outlining the matters, practices and procedures that will apply to all purchases of goods, services and works).	Procurement Policy prepared and approved in accordance with section 186A of the *Local Government Act 1989*. Date of preparation: 1 December 2014.	✓
11. Business Continuity Management Framework) (incl Business Continuity Management Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster).	Plan. Date of approval: 18 February 2014.	✓
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).	Included in the Business Continuity Management Plan. Date of approval: 18 February 2014.	✓
13. Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations).	Strategy. Date of approval: 7 July 2014.	✓

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. Date of establishment: 13 May 1999.	✓
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.	Internal audit projects are selected from items identified within the Council's Risk Register and appropriately qualified persons/organisations engaged to undertake the audit. Accounting professionals are employed when the project is relevant to their skill set.	✓
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).	Local Government Performance Reporting Indicators Policy and Procedure in place. Date of adoption by Senior Leadership Team: 25 August 2015.	✓
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).	Review of Council Plan performance undertaken at Councillor Briefing Session. Date of Briefing Session: 9 February 2015.	✓
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure.	Statements presented to Council in accordance with section 138(1) of the Act. Date statements presented: 6 October 2014, 10 November 2014, 2 February 2015, 4 May 2015.	✓
19. Risk reporting (regular reports to Audit Committee of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies).	Report on the commencement of a process of rolling risk reviews discussed at 25 November 2014 Audit committee meeting. Updated risk register to be presented to the Audit Committee meeting scheduled for 29 August 2015. Date of report: 25 November 2014.	✓

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).	First year of operation of the Performance Reporting Legislation Progress report provided to Council at Strategic Reports Briefing. Date of report: 13 April 2015.	✓
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).	Annual Report considered at a meeting of Council in accordance with section 134 of the Act. Date statements presented: 6 October 2014.	✓
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).	Councillor Code of Conduct reviewed in accordance with section 76C of the Act. Date reviewed: 8 April 2013.	✓
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).	Delegations reviewed in accordance with section 98(6) of the Act. Date of Review: 3 February 2015.	✓
24. Meeting procedure (a local law governing the conduct of meetings of Council and special committees).	Meeting Procedure Local Law made in accordance with section 91(1) of the Act. Date local law made: 28 January 2010.	✓

I certify that this information presents fairly the status of Council's governance

 **Justine Linley** **Chief Executive Officer** Dated: 30 June 2015	 **Cr Murray Emerson** **Mayor** Dated: 30 June 2015

STATUTORY INFORMATION

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

Documents made available for public inspection (Local Government (General) Regulations 2004):

- Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Local Government Act 1989 (Act).
- The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
  - (i) ranges of remuneration, where the maximum difference in each range must not exceed $10,000; and
  - (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in sub-paragraph (i).
- 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, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs.
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- Agendas and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act.
- A list of all special committees established by the Council and the purpose for which each committee was established.
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- Minutes of meetings of Special Committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act.
- Register of delegations kept under sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place.
- Submissions received in accordance with section 223 of the Act during the previous 12 months.
- Agreements to establish regional libraries under section 196 of the Act.
- 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, including the name of the other party to the lease and the terms and the value of the lease.
- A Register of authorised officers appointed under section 224 of the Act.
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- A list of contracts valued at $100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act] or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) or (5A) of the Act.

Other documents a Council has a duty to make available for inspection under various legislation include:

- a copy of every local law which is in force in its municipal district.
- a copy of every document incorporated by a local law.
- its Council Plan and Strategic Resource Plan.
- its Budget document.
- its Annual Report.
- Freedom of Information Annual Report.
- Election Campaign Donation Return.
- Councillor Code of Conduct.
- Councillor Reimbursement Policy.
- Procurement Policy.
- Protected Disclosure Procedure.
- Roadside Vegetation Management Plan.

CARERS RECOGNITION ACT 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships and to the wider community by:

- Distributing printed material such as the carers' brochure.
- Holding bi-annual Staying Active and Healthy Community expos.
- Providing links to State Government resources on Council's website; and
- Networking with and providing information to allied organisations.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for Home and Community Care and disability staff.
- Carers Recognition Act 2012 link on Council's intranet for all staff to access; and
- Council induction and training programs for staff working in front-line positions with the general community.

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and have utilised the following services and resources to achieve this:

- Carers' Respite Services.
- ACAS.
- Northern Grampians region HACC Active Service Model Project (Memorandum of Understanding) with allied health services.
- Community Access Advisory Group (CAAG).

CONTRACTS

Council did not enter into any contracts valued at $100,000 (or such higher amount as is fixed from time to time under section 186 (1) of the Local Government Act 1989 (Act)) during the year without first engaging in a competitive process and which are not contracts referred to in section 186 (5) of the Act. Note: The Act provides that an amount higher than $150,000 may be fixed by Order in Council made under section 186 (1) of the Act. By Order in Council the value for which a public tender must be carried out under s.186 (1) has been increased to the following amounts: $150,000 for contracts for the purpose of goods and services and $200,000 for contracts for the carrying out of works.

DISABILITY ACTION PLAN

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

Council has promoted the principles of the Act to people in care relationships who receive Council services, to people in care relationships and to the wider community by:

- Distributing printed material such as the carers' brochure.
- Holding bi-annual Staying Active and Healthy Community expos.
- Providing links to State Government resources on Council's website; and
- Networking with and providing information to allied organisations.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for Home and Community Care and disability staff.
- Carers Recognition Act 2012 link on Council's Intranet for all staff to access; and
- Council induction and training programs for staff working in front-line positions with the general community.

DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with the Domestic Animal Management Act 1994, Council is required to prepare a Domestic Animal Management Plan at four-yearly intervals and evaluate its implementation in the Annual Report.

Council adopted the Domestic Animal Management Plan 2012-2016 in September 2013. The new plan was developed through consultation with Council's Local Laws team and consideration of input from other Council departments. Actions undertaken since the plan was adopted include:

- Introduced a new fee structure to encourage more responsible pet ownership for cats.
- Reduced the euthanasia of impounded dogs to 22%.
- Maintained the high percentage of dogs returned to owners (60%).
- Developed three new 84Y agreements with breed specific dog rescue groups to maintain the rate of adopted dogs (17%).

FOOD ACT MINISTERIAL DIRECTIONS

In accordance with section 7E of the Food Act 1984, Council is required to publish a summary of any ministerial directions received during the financial year in its Annual Report.

No such ministerial directions were received during the financial year.

FREEDOM OF INFORMATION

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the Freedom of Information Act 1982 (the Act), Council is required to publish certain statements in its Annual Report.

The Act provides the opportunity for public access to Council documents and establishes a legally enforceable right for the community to access information in document form held by Council. The officer with authority to make a decision in relation to a request for access to documents under the Act is Mary Scully, Manager Governance and Civic Support. All requests for information must be in writing and require the payment of an application fee.

Council received six requests under Freedom of Information for the period 1 July 2014 to 30 June 2015. One request had been transferred by another agency. Full access to documents was given for three requests, one request was not proceeded with, one request was processed outside the Act and no documents were found for one request. One request was outstanding from the previous reporting period and it was not proceeded with.

There were no applications for review of a decision made. There was no disciplinary action taken against any person in respect of the administration of the Act. The amount of $256.26 in fees was collected by Council.

A report of the operation of the Act is prepared each year and a copy of each report is available for public inspection during ordinary business hours at Council's Stawell Customer Service Centre at the Stawell Town Hall. Publications under Section 7 and 8 of the Freedom of Information Act 1982 are available to the public and can be obtained by contacting the Freedom of Information Officer.

PROTECTED DISCLOSURE

In accordance with section 69 of the Protected Disclosure Act 2012 (the Act), a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Act aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. Procedures on how to make a disclosure are publicly available on Council's website.

During the 2014-2015 year, no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-Corruption Commission (IBAC).

In July 2014, IBAC, under section 60 of the Act, undertook a review of procedures established and implemented by government and local government agencies. One hundred and fourteen public bodies (79 Councils) were selected for review and Council was one of fifteen organisations which were given a 'gold star' rating for their procedures, on the basis that each of their procedures demonstrated some aspect of 'best practice'.

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with section 22 of the Road Management Act 2004, Council must publish a copy or summary of any ministerial direction in its Annual Report.

No such ministerial directions were received by Council during the financial year.

LOCAL LAWS

The Local Laws current at 30 June, 2015 are:

- Meeting Procedure Local Law 2013.
- General Local Law 2012.
- Drainage of Land Local Law 2006.

SERVICE INDICATORS

Governance Initiatives

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result	Material Variations
Governance		
Transparency Council resolutions at meetings 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, 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*	18%	No material variance
Consultation and engagement Satisfaction with community consultation and engagement *[Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]*	58%	Based on Customer Satisfaction Survey completed in March 2015
Attendance Council attendance at Council meetings *[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election)] x100*	95%	No material variance
Service cost Cost of governance *[Direct cost of the governance service / Number of Councillors elected at the last Council general election]*	$32,519	No material variance
Satisfaction Satisfaction with Council decisions *[Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]*	58%	Based on Customer Satisfaction Survey completed in March 2015

AUSTRALIA DAY AWARDS

In 2015, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, Navarre and Great Western.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Mr Tony Cavanagh (Stawell) and Mr Anthony Cheeseman (St Arnaud).

Citizen of the Year
- Len Hunter (Stawell).
- David Marsh (St Arnaud).

Senior of the Year
- Eaene Evans (St Arnaud).

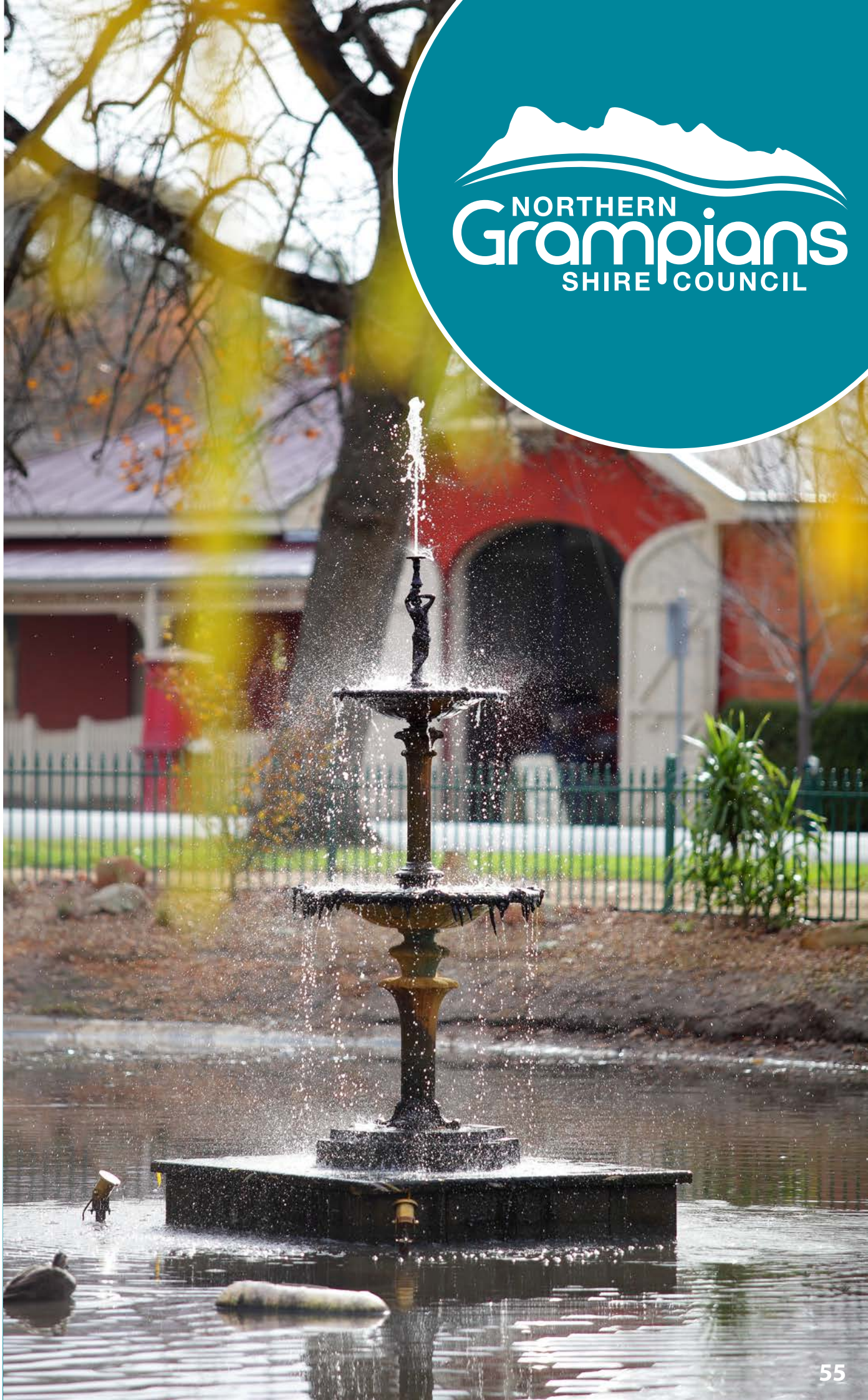
Young Citizen of the Year
- Nicholas Pridan (Stawell).
- Thomas Hamilton (St Arnaud).

Local Hero Award
- Kerrie Skene (Stawell).

Community Event of the Year
- Mother's Day Classic Walk (Stawell).
- 100th Anniversary of Secondary Education in St Arnaud (St Arnaud).

ANNUAL FINANCIAL STATEMENTS

Northern Grampians Shire Council



NORTHERN Grampians SHIRE COUNCIL

Northern Grampians Shire Council
Financial Report
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Comprehensive Income Statement
For the Year Ended 30 June 2015

	Note	2015 $'000	2014 $'000
Income			
Rates and charges	3	15,058	14,254
Statutory fees and fines	4	193	181
User fees	5	2,136	2,066
Grants - operating	6	12,163	6,055
Grants - capital	6	2,890	6,879
Contributions - monetary	7	675	834
Contributions - non monetary	7	54	-
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	66	14
Share of net profits/(losses) of associates	16	46	18
Found assets	22	5,564	116
Other income	9	315	389
Total income		**39,160**	**30,806**
Expenses			
Employee costs	10	(13,171)	(12,805)
Materials and services	11	(9,832)	(11,738)
Bad and doubtful debts	12	27	(76)
Depreciation	13	(7,054)	(7,216)
Finance costs	14	(167)	(162)
Relinquished assets	22	(2,121)	(827)
Other expenses	15	(855)	(914)
Total expenses		**(33,173)**	**(33,738)**
Surplus/(deficit) for the year		**5,987**	**(2,932)**
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	22	117,005	2,787
Share of other comprehensive income of associates	16	(26)	142
Items that may be reclassifed to surplus or deficit in future periods			
Fair value adjustments for financial assets at fair value	27	(9)	(3)
Total comprehensive result		**122,957**	**(6)**

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

Balance Sheet
As at 30 June 2015

	Note	2015	2014
		$'000	$'000
Assets			
Current assets			
Cash and cash equivalents	17	8,760	5,823
Trade and other receivables	18	1,870	2,901
Other financial assets	19	1,007	-
Inventories	20	27	46
Other assets	21	230	105
Total current assets		**11,894**	**8,875**
Non-current assets			
Trade and other receivables	18	70	53
Investment in associates	16	867	847
Property, infrastructure, plant and equipment	22	408,778	287,767
Other financial assets	19	-	1,016
Total non-current assets		**409,715**	**289,683**
Total assets		**421,609**	**298,558**
Liabilities			
Current liabilities			
Trade and other payables	23	1,531	1,717
Trust funds and deposits	24	92	173
Provisions	25	3,117	3,176
Interest-bearing loans and borrowings	26	1,283	353
Total current liabilities		**6,023**	**5,419**
Non-current liabilities			
Provisions	25	1,452	1,678
Interest-bearing loans and borrowings	26	2,546	2,829
Total non-current liabilities		**3,998**	**4,507**
Total liabilities		**10,021**	**9,926**
Net assets		**411,588**	**288,632**
Equity			
Accumulated surplus		137,525	132,074
Reserves	27	274,063	156,558
Total Equity		**411,588**	**288,632**

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

Statement of Changes in Equity
For the Year Ended 30 June 2015

2015	Note	Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		288,632	132,074	154,161	2,397
Surplus/(deficit) for the year		5,961	5,961	-	-
Net asset revaluation increment	27(a)	116,995	-	116,995	-
Transfers from other reserves	27(b)	-	(510)	-	510
Balance at end of the financial year		**411,588**	**137,525**	**271,156**	**2,907**

2014		Total $'000	Accumulated Surplus $'000	Revaluation Reserve $'000	Other Reserves $'000
Balance at beginning of the financial year		288,638	135,359	151,377	1,902
Surplus/(deficit) for the year		(2,790)	(2,790)	-	-
Net asset revaluation increment	27(a)	2,784	-	2,784	-
Transfers from other reserves	27(b)	-	(495)	-	495
Balance at end of the financial year		**288,632**	**132,074**	**154,161**	**2,397**

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

Statement of Cash Flows
For the Year Ended 30 June 2015

	Note	2015 Inflows/ (Outflows) $'000	2014 Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and charges		14,991	14,157
Statutory fees and fines		193	181
User fees		2,163	1,990
Grants - operating		12,193	6,055
Grants - capital		3,941	6,750
Contributions - monetary		675	944
Other receipts		327	282
Net GST refund/payment		169	283
Employee costs		(13,577)	(12,405)
Materials and services		(10,308)	(12,186)
Trust funds and deposits repaid		74	(8)
Other payments		(855)	(743)
Net cash provided by operating activities	28	**9,986**	**5,300**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	22	(7,827)	(9,026)
Proceeds from sale of property, infrastructure, plant and equipment	8	298	200
Net cash (used in) investing activities		**(7,529)**	**(8,826)**
Cash flows from financing activities			
Finance costs		(167)	(162)
Proceeds from borrowings		1,000	1,000
Repayment of borrowings		(353)	(380)
Net cash provided by financing activities		**480**	**458**
Net increase/(decrease) in cash and cash equivalents		2,937	(3,068)
Cash and cash equivalents at the beginning of the financial year		5,823	8,891
Cash and cash equivalents at the end of the financial year	29	**8,760**	**5,823**
Financing arrangements	30	200	200
Restrictions on cash assets	17	474	1,704

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

Statement of Capital Works
For the Year Ended 30 June 2015

	2015 $'000	2014 $'000
Property		
Land	84	-
Total land	84	-
Buildings	1,336	1,454
Total buildings	1,336	1,454
Total property	1,420	1,454
Plant and equipment		
Plant, machinery and equipment	1,327	1,102
Fixtures, fittings and furniture	29	2
Computers and telecommunications	106	127
Total plant and equipment	1,462	1,231
Infrastructure		
Roads	3,683	4,186
Bridges	536	456
Footpaths and cycleways	225	93
Drainage	203	601
Parks, open spaces and streetscapes	298	1,005
Total infrastructure	4,945	6,341
Total capital works expenditure	7,827	9,026
Represented by:		
New asset expenditure	2,699	118
Asset renewal expenditure	3,430	7,245
Asset expansion expenditure	746	-
Asset upgrade expenditure	952	1,663
Total capital works expenditure	7,827	9,026

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

Introduction

The Northern Grampians Shire Council was established by an Order of the Governor in Council on 20 January, 1995 and is a body corporate.
The Council's main office is located at 59-69 Main Street, Stawell.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989* , and the *Local Government (Planning and Reporting) Regulations 2014* .

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1 (l))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1 (m))
- the determination of employee provisions (refer to note 1 (r))

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

(b) Changes in accounting policies

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

(c) Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

Note 1 Significant accounting policies (cont.)

(d) Accounting for investments in associates

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

(e) Revenue recognition

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

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

Contributions
Monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

Sale of property, infrastructure, plant and equipment
The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

Interest
Interest is recognised as it is earned.

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

Note 1 Significant accounting policies (cont.)

(f) Fair value measurement

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

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

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

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

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

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

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

(i) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as other comprehensive income.

(j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Inventories are measured at the lower of cost and net realisable value.

(k) Recognition and measurement of property, plant and equipment, infrastructure and intangibles

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

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

Note 1 Significant accounting policies (cont.)

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

Revaluation

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

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

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

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

Land under roads

Council recognises land under roads it controls at fair value.

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

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

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

Road formations are not depreciated on the basis that they are assessed as not having a limited useful life.
Straight line depreciation is charged based on the residual useful life as determined each year.
For buildings, consumption based depreciation is charged on the remaining service potential of the asset as determined each year.

For all other assets with limited useful lives, straight line depreciation is charged based on the residual useful life as determined each year.

Note 1 Significant accounting policies (cont.)

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit
		$'000
Property		
land	-	All assets
land improvements	10 years	5
land under roads	-	All assets
Buildings		
buildings	40-100 years	5
Plant and Equipment		
plant, machinery and equipment	2-20 years	1
fixtures, fittings and furniture	2-10 years	1
computers and telecommunications	3-10 years	1
Infrastructure		
road pavements and seals	15-80 years	5
road formation and earthworks	-	5
road kerb and channel	80 years	5
bridges superstructure	120 years	15
bridges substructure	120 years	15
bridges rails	40 years	15
major culverts	79 years	15
footpaths and cycleways	47 years	5
drainage	20-120 years	5
parks, open spaces and streetscapes	25-28 years	5
heritage assets	100 years	10

(n) Repairs and maintenance

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

(o) Impairment of assets

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

Note 1 Significant accounting policies (cont.)

(p) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to note 24).

(q) Borrowings

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

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.
Borrowing costs include interest on borrowings.

(r) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Long service leave

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

The components of this current liability are measured at :

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

Classification of employee costs

Non-current liability - conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

(s) Landfill rehabilitation provision

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

Note 1 Significant accounting policies (cont.)

(t) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(u) Goods and Services Tax (GST)

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

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

(v) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to beleive that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at note 33 Contingent Liabilities and Contingent Assets.

(w) Contingent assets and contingent liabilities and commitments

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

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

(x) Pending accounting standards

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

(y) Rounding

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

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or $153,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 30 June 2014. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and expenditure

	Budget 2015 $'000	Actual 2015 $'000	Variance 2015 $'000	Ref
Income				
Rates and charges	14,962	15,058	96	
Statutory fees and fines	215	193	(22)	
User fees	2,163	2,136	(27)	
Grants - operating	9,203	12,163	2,960	1
Grants - capital	3,805	2,890	(915)	2
Contributions - monetary	969	675	(294)	3
Contributions - non monetary	-	54	54	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	66	66	
Share of net profits/(losses) of associates	-	46	46	
Found assets	-	5,564	5,564	5
Other income	245	315	70	6
Total income	31,562	39,160	7,598	
Expenses				
Employee costs	(13,368)	(13,171)	197	7
Materials and services	(11,099)	(9,832)	1,267	8
Bad and doubtful debts	-	27	27	
Depreciation	(7,368)	(7,054)	314	9
Borrowing costs	(185)	(167)	18	
Relinquished assets	-	(2,121)	(2,121)	5
Other expenses	(811)	(855)	(44)	
Total expenses	(32,831)	(33,173)	(342)	
Surplus/(deficit) for the year	(1,269)	5,987	7,256	

(i) Explanation of material variations

Note 2 Budget comparison (cont.)

Variance Ref	Item	Explanation
1	Grants - operating	An unbudgeted amount of approx. $3m was received in advance for the 2015/16 financial assistance grants on 30 June 2015.
2	Grants - capital	Country Roads and Bridges funding of $1m was received in advance for the 2014/15 financial year.
3	Contributions - monetary	Lower than anticipated enrolments of the Stawell child care centre resulted in reduced contributions for childcare. Council also budgeted for the provision of services to Ararat Rural City Council. The income from the provision of these services has been subsequently allocated to fees & charges.
4	Contributions - non monetary	Council was appointed as committee of management of Walkers Lake during 2014/15 and has subsequently recognised it as a non-monetary contribution as Council has now assumed control of this asset from the Crown.
5	Found assets & Relinquished assets	Council doesn't budget for found or relinquished assets. During the 2014/15 financial year Council undertook a revaluation of infrastructure assets including data cleansing. This enabled Council to more accurately reflect the value of it's infrastructure assets, but resulted in recognition of found and relinquished assets.
6	Other income	Council budgeted conservatively for interest income and performed better than expected.
7	Employee costs	Lower than anticipated enrolments of the Stawell child care centre resulted in reduced staffing levels required to operate the centre and therefore reduced salaries costs.
8	Materials and services	Council expects approx. $900k of unfinished works to be carried forward into the 2015/16 financial year. The remaining underspend results from efforts by Council to operate more efficiently.
9	Depreciation	The 2014/15 depreciation was budgeted based on the expected capitalisation for the year ended 30 June 2014. The budgeted capitalisation of buildings was higher than the actual, therefore resulting in a higher budgeted depreciation expense. The adopted budget for buildings depreciation was $986k and the actual depreciation charged was $687k.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2015 $'000	Actual 2015 $'000	Variance 2015 $'000	Ref
Property				
Land	-	84	84	**1**
Land improvements	60	-	(60)	**2**
Total Land	60	84	24	
Buildings	1,325	1,336	11	
Total Buildings	1,325	1,336	11	
Total Property	1,385	1,420	35	
Plant and Equipment				
Plant, machinery and equipment	1,349	1,327	(22)	
Fixtures, fittings and furniture	10	29	19	**3**
Computers and telecommunications	164	106	(58)	**4**
Total Plant and Equipment	1,523	1,462	(61)	
Infrastructure				
Roads	4,007	3,683	(324)	**5**
Bridges	450	536	86	**6**
Footpaths and cycleways	100	225	125	**7**
Drainage	200	203	3	
Parks, open spaces and streetscapes	115	298	183	**8**
Total Infrastructure	4,872	4,945	73	
Total Capital Works Expenditure	7,780	7,827	47	
Represented by:				
New asset expenditure	430	2,699	2,269	
Asset renewal expenditure	5,883	3,430	(2,453)	
Asset expansion expenditure	-	746	746	
Asset upgrade expenditure	1,467	952	(515)	
Total Capital Works Expenditure	7,780	7,827	47	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	A parcel of land became available for sale that was surrounded by Council owned property. The purchase of this land will enable Council to utilise the new and existing space to it's maximum capacity for community recreational benefit.
2	Land improvements	Council performed some of the budgeted works at transfer stations. These were subsequently reclassified to open spaces. The remaining works budgeted were subsequently postponed due to lack of funding.
3	Fixtures, fittings and furniture	Shelving was budgeted to be purchased for a building project. This was subsequently capitalised as fixtures, fittings and furniture, therefore pushing the amount spent in this category above the adopted budget.
4	Computers and telecommunications	Council's desk top computer replacement program was postponed in the 2014/15 financial year. These assets will be replaced in due course with appropriate machines for the cloud environment Council is moving toward.
5	Roads	Council is expecting approx. $200k of unfinished road project expenditure to be carried forward to the 2015/16 financial year. The remaining underspend resulted from the reallocation of expenditure to non-road categories upon capitalisation.

Note 2 Budget comparison (cont)

(i) Explanation of material variations (cont.)

Variance Ref	Item	Explanation
6	Bridges	Council had carry forwards from the prior financial year of approx. $100k. Carry forwards increase the actual spend when compared to budget and are unknown at the time the budget is adopted.
7	Footpaths and cycleways	Council received emergency recovery funding for footpaths in the Halls Gap area. This resulted in a further $85k being spent on footpaths in 2014/15. The remaining overspend resulted from the reallocation of expenditure from non-footpath categories upon capitalisation.
8	Parks, open spaces and streetscapes	A number of open space projects were originally budgeted as operational projects but were subsequently reallocated and capitalised to open spaces due to their nature and size.

		2015	2014
Note 3	**Rates and charges**	**$'000**	**$'000**
	Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.		
	The valuation base used to calculate general rates for 2014-15 was $1,989 million (2013-14, $1,927 million). The 2014-15 rate in the capital improved value dollar was 0.6915 cents (2013-14 0.6738 cents).		
	General rates		
	Residential rates	6,733	6,352
	Commercial rates	881	880
	Industrial rates	304	275
	Farm rates	3,782	3,581
	Total general rates	11,700	11,088
	Other rates and charges		
	Municipal charge	1,091	1,031
	Waste management charge	2,254	2,123
	Cultural and recreational	13	12
	Total other rates and charges	3,358	3,166
	Total rates and charges	**15,058**	**14,254**
	The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2014, & the valuation first applied in the rating year commencing 1 July 2014.		
Note 4	**Statutory fees and fines**		
	Infringements and costs	11	17
	Town planning fees	77	62
	Land information certificates	11	10
	Permits	94	92
	Total statutory fees and fines	**193**	**181**
Note 5	**User fees**		
	Aged and health services	506	505
	Leisure centre and recreation	354	378
	Child care/children's programs	368	435
	Registration and other permits	171	177
	Waste management services	172	162
	Tourism and event fees	59	20
	Hire income	8	6
	Rental fees	75	75
	Infrastructure fees	290	262
	Shared services	95	-
	Other fees and charges	38	46
	Total user fees	**2,136**	**2,066**

Note 6 Grants	2015 $'000	2014 $'000
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	12,141	5,598
State funded grants	2,912	7,336
Total	**15,053**	**12,934**
Operating grants		
Recurrent - Commonwealth Government		
Victorian Grants Commission	9,828	3,217
Child care	65	60
Plant, machinery and equipment	84	78
Recurrent - State Government		
Aged care	724	681
School crossing supervisors	24	23
Maternal and child health	162	160
Community safety	42	35
Pre school	104	147
Youth	117	77
Other	93	72
Total recurrent operating grants	**11,243**	**4,550**
Non-recurrent - Commonwealth Government		
Family and children	44	-
Tourism and events	15	-
Natural disaster recovery	204	308
Environmental planning	110	366
Non-recurrent - State Government		
Public safety	142	83
Fire prevention	120	-
Infrastructure operations	-	150
Economic development	195	413
Environmental planning	35	10
Recreation	35	103
Natural disaster recovery	15	63
Other	5	9
Total non-recurrent operating grants	**920**	**1,505**
Total operating grants	**12,163**	**6,055**

		2015 $'000	2014 $'000
Note 6	**Grants (cont.)**		
	Capital grants		
	Recurrent - Commonwealth Government		
	Roads to recovery	1,438	1,269
	Total recurrent capital grants	**1,438**	**1,269**
	Non-recurrent - Commonwealth Government		
	Buildings	300	200
	Natural disaster reconstruction	53	-
	Waterway management	-	100
	Non-recurrent - State Government		
	Buildings	260	649
	Country roads & bridges	-	1,000
	Aerodromes	552	327
	Footpaths and cycleways	-	227
	Recreational facilities	38	128
	Infrastructure	90	-
	Natural disaster reconstruction	87	2,962
	Other	72	17
	Total non-recurrent capital grants	**1,452**	**5,610**
	Total capital grants	**2,890**	**6,879**
	Conditions on grants		
	Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:	382	1,531
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:	(1,502)	(2,276)
	Net increase/(decrease) in restricted assets resulting from grant revenues for the year:	**(1,120)**	**(745)**
Note 7	**Contributions**		
	Monetary	675	834
	Non-monetary	54	-
	Total contributions	**729**	**834**
	Contributions of non monetary assets were received in relation to the following asset classes.		
	Land	54	-
Note 8	**Net gain/(loss) on disposal of property, infrastructure, plant and equipment**		
	Proceeds of sale	298	201
	Writen down value of assets disposed	(232)	(187)
	Total net gain on disposal of property, infrastructure, plant and equipment	**66**	**14**
Note 9	**Other income**		
	Interest	182	268
	Interest on rates	79	70
	Other	54	51
	Total other income	**315**	**389**

		2015	2014
Note 10 (a)	**Employee costs**	**$'000**	**$'000**
	Wages and salaries	12,263	11,579
	less capitalised wages and salaries	(511)	(374)
		11,752	11,205
	Wages and salaries	11,752	11,205
	WorkCover	141	106
	Superannuation	1,071	1,026
	Fringe benefits tax	76	68
	Other	131	400
	Total employee costs	**13,171**	**12,805**
Note 10 (b)	**Superannuation**		
	Council made contributions to the following funds:		
	Defined benefit fund		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	99	102
	Employer contributions - other funds	-	-
		99	**102**
	Employer contributions payable at reporting date.	2	2
	Accumulation funds		
	Employer contributions to Local Authorities Superannuation Fund (Vision Super)	689	659
	Employer contributions - other funds	283	265
		972	**924**
	Employer contributions payable at reporting date.	21	21

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

Accumulation

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

Defined Benefit

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

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

		2015 $'000	2014 $'000
Note 11	**Materials and services**		
	Advertising and communications	366	354
	Building maintenance	134	116
	Consultants	671	483
	Consumables	188	180
	Contract employees	1,033	796
	Contractors	3,325	4,491
	Contributions	461	297
	Fuel	622	704
	General maintenance	622	511
	Information technology	403	234
	Insurance	334	340
	Legal expenses	150	50
	Materials and services	273	789
	Memberships and subscriptions	178	167
	Minor equipment	61	52
	Office administration	166	177
	Security costs	61	62
	Uniforms and protective clothing	64	66
	Utilities	404	447
	Waste management	316	1,422
	Total materials and services	**9,832**	**11,738**
Note 12	**Bad and doubtful debts**		
	Local law debtors	8	10
	Childcare debtors	3	3
	Sundry debtors	(38)	63
	Total bad and doubtful debts	**(27)**	**76**
Note 13	**Depreciation**		
	Property	716	901
	Plant and equipment	917	1,062
	Infrastructure	5,421	5,253
	Total depreciation and amortisation	**7,054**	**7,216**
Note 14	**Finance costs**		
	Interest - Borrowings	167	162
	Total finance costs	**167**	**162**
Note 15	**Other expenses**		
	Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquitals	25	28
	Auditors' remuneration - Internal	2	21
	Councillors' allowances	187	171
	Regional library contribution	386	388
	Community contributions	136	151
	Operating lease rentals	95	122
	Other	24	33
	Total other expenses	**855**	**914**

Note 16 Investment in associates	2015 $'000	2014 $'000
a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	776	770
- Wimmera Development Association	91	77
	867	**847**
Wimmera Regional Library Corporation		
Background		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
Fair value of Council's investment in Wimmera Regional Library Corporation	**776**	**770**
Council's interest in equity	**24.83%**	**25.72%**
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	355	339
Change in equity share apportionment	(12)	-
Reported surplus/(deficit) for year	32	22
Transfers (to)/from reserves	(29)	(6)
Council's share of accumulated surplus/(deficit) at end of year	**346**	**355**
Council's share of reserves		
Council's share of reserves at start of year	415	348
Change in equity share apportionment	(14)	-
Transfers (to)/from reserves	29	6
Share of asset revaluation	-	61
Council's share of reserves at end of year	**430**	**415**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	770	687
Change in equity share apportionment	(26)	-
Share of surplus/(deficit) for year	32	22
Share of asset revaluation	-	61
Carrying value of investment at end of year	**776**	**770**

Note 16 Investment in associates (cont.)	2015 $'000	2014 $'000
Wimmera Development Association		
Background		
Council's investment in the Wimmera Development Association was recognised in 2013-2014 following advice received from Horsham Rural Council during the year. Council's investment is based on the equity method of accounting.		
Fair value of Council's investment in Wimmera Development Association	**91**	**77**
Council's interest in equity	**20.17%**	**20.17%**
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	51	60
Reported surplus/(deficit) for year	14	(4)
Transfers (to)/from reserves	(1)	(5)
Council's share of accumulated surplus/(deficit) at end of year	**64**	**51**
Council's share of reserves		
Council's share of reserves at start of year	26	21
Transfers (to)/from reserves	1	5
Council's share of reserves at end of year	**27**	**26**
Movement in carrying value of specific investment		
Carrying value of investment at start of year	77	86
Change in equity share apportionment	-	(5)
Share of surplus/(deficit) for year	14	(4)
Carrying value of investment at end of year	**91**	**77**

		2015	2014
Note 17	**Cash and cash equivalents**	**$'000**	**$'000**
	Cash on hand	2	2
	Cash at bank	8,758	631
	Term deposits	-	5,190
		8,760	5,823
	Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
	- Trust funds and deposits (Note 24)	92	173
	- Unspent grants (note 6)	382	1,531
	Total restricted funds	**474**	**1,704**
	Total unrestricted cash and cash equivalents	**8,286**	**4,119**
	Intended allocations		
	Although not externally restricted the following amounts have been allocated for speciifc future purposes by Council:		
	- Cash held to fund carried forward capital works	549	1,197
	- Reserve funds (Note 27)	2,907	2,397
	Total funds subject to intended allocations	3,456	3,594
Note 18	**Trade and other receivables**		
	Current		
	Rates debtors	881	814
	Special rate assessment	-	3
	Loans and advances to community organisations	23	30
	Other debtors	801	1,860
	Provision for doubtful debts - other debtors	(4)	(89)
	Net GST receivable	169	283
	Total current trade and other receivables	1,870	2,901
	Non-current		
	Loans and advances to community organisations	70	53
	Total non-current trade and other receivables	70	53
	Total trade and other receivables	**1,940**	**2,954**
	a) Ageing of Receivables		
	At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
	Current (not yet due)	576	91
	Past due by up to 30 days	90	1,568
	Past due between 31 and 90 days	15	72
	Past due between 91 and 365 days	122	51
	Past due by more than 1 year	21	108
	Total trade & other receivables	824	1,890
	b) Movement in provisions for doubtful debts		
	Balance at the beginning of the year	89	32
	New Provisions recognised during the year	3	65
	Amounts already provided for and written off as uncollectible	(2)	(6)
	Amounts provided for but recovered during the year	(86)	(2)
	Balance at end of year	4	89

	2015	2014
Note 18 Trade and other receivables (cont.)	**$'000**	**$'000**
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of $3,845 (2014: $88,907) were impaired. The amount of the provision raised against these debtors was $3,845 (2014: $88,907). They individually have been impaired as a result of their doubtful collection.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	2
Past due by up to 30 days	-	2
Past due between 31 and 90 days	-	8
Past due between 91 and 365 days	3	15
Past due by more than 1 year	1	62
Total trade & other receivables	4	89
Note 19 Other financial assets		
Floating rate note at fair value	1,007	1,016
Total other financial assets	**1,007**	**1,016**
Note 20 Inventories		
Inventories held for distribution	25	46
Inventories held for sale	2	-
Total inventories	**27**	**46**
Note 21 Other assets		
Prepayments	209	72
Accrued income	21	33
Total other assets	**230**	**105**

Note 22 Property, infrastructure, plant and equipment

Land and Buildings	Land - specialised $'000	Land - non specialised $'000	Land improvements $'000	**Total Land** $'000	Buildings - specialised $'000	**Total Buildings** $'000	Work In Progress $'000	**Total Property** $'000
At fair value 1 July 2014	10,361	347	275	**10,983**	64,491	**64,491**	1,316	**76,790**
Accumulated depreciation at 1 July 2014	-	-	(165)	**(165)**	(7,612)	**(7,612)**	-	**(7,777)**
	10,361	347	110	**10,818**	56,879	**56,879**	1,316	**69,013**
Movements in fair value								
Acquisition of assets at fair value	84	-	-	**84**	864	**864**	472	**1,420**
Revaluation increments/decrements	-	-	(143)	**(143)**	-	**-**	-	**(143)**
Contributed assets	54	-	-	**54**	-	**-**	-	**54**
Fair value of assets disposed	-	-	-	**-**	(29)	**(29)**	-	**(29)**
WIP expensed	-	-	-	**-**	-	**-**	(24)	**(24)**
Transfers	-	-	-	**-**	1,231	**1,231**	(1,233)	**(2)**
	138	-	(143)	**(5)**	2,066	**2,066**	(785)	**1,276**
Movements in accumulated depreciation								
Depreciation	-	-	(28)	**(28)**	(688)	**(688)**	-	**(716)**
Accumulated depreciation of disposals	-	-	-	**-**	3	**3**	-	**3**
Revaluation adjustment on accumulated depreciation	-	-	193	**193**	-	**-**	-	**193**
	-	-	165	**165**	(685)	**(685)**	-	**(520)**
At fair value 30 June 2015	10,499	347	132	**10,978**	66,557	**66,557**	531	**78,066**
Accumulated depreciation at 30 June 2015	-	-	-	**-**	(8,297)	**(8,297)**	-	**(8,297)**
	10,499	347	132	**10,978**	58,260	**58,260**	531	**69,769**

Note 22 Property, infrastructure, plant and equipment (cont.)

Plant and Equipment	Plant machinery and equipment $'000	Fixtures fittings and furniture $'000	Computers and telecomms $'000	**Total plant and equipment $'000**
At fair value 1 July 2014	11,144	401	2,236	**13,781**
Accumulated depreciation at 1 July 2014	(4,967)	(379)	(1,902)	**(7,248)**
	6,177	22	334	**6,533**
Movements in fair value				
Acquisition of assets at fair value	1,327	29	106	**1,462**
Fair value of assets disposed	(1,041)	-	(276)	**(1,317)**
Transfers	-	2	-	**2**
	286	31	(170)	**147**
Movements in accumulated depreciation				
Depreciation	(774)	(15)	(128)	**(917)**
Accumulated depreciation of disposals	841	-	270	**1,111**
	67	(15)	142	**194**
At fair value 30 June 2015	11,430	432	2,066	**13,928**
Accumulated depreciation at 30 June 2015	(4,900)	(394)	(1,760)	**(7,054)**
	6,530	**38**	**306**	**6,874**

Note 22 Property, infrastructure, plant and equipment (cont.)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	**Total Infrastructure**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2014	196,441	64,402	12,174	20,763	5,151	672	7	**299,610**
Accumulated depreciation at 1 July 2014	(60,275)	(16,664)	(3,781)	(5,707)	(767)	(196)	-	**(87,390)**
	136,166	47,738	8,393	15,056	4,384	476	7	**212,220**
Movements in fair value								
Acquisition of assets at fair value	3,683	536	225	203	298	-	-	**4,945**
Revaluation increments/decrements	50,890	16,839	2,062	(1,817)	-	-	-	**67,974**
Found & relinquished assets at fair value	2,133	290	(9)	510	-	-	-	**2,924**
WIP expensed	-	-	-	-	-	-	(7)	**(7)**
	56,706	17,665	2,278	(1,104)	298	-	(7)	**75,836**
Movements in accumulated depreciation								
Depreciation	(4,244)	(610)	(179)	(166)	(207)	(15)	-	**(5,421)**
Revaluation adjustment on accumulated depreciation	44,871	6,966	(693)	(2,163)	-	-	-	**48,981**
Accumulated depreciation of found & relinquished assets	351	216	3	(51)	-	-	-	**519**
	40,978	6,572	(869)	(2,380)	(207)	(15)	-	**44,079**
At fair value 30 June 2015	253,147	82,067	14,452	19,659	5,449	672	-	**375,446**
Accumulated depreciation at 30 June 2015	(19,297)	(10,092)	(4,650)	(8,087)	(974)	(211)	-	**(43,311)**
	233,850	71,975	9,802	11,572	4,475	461	-	**332,135**

Note 22 Property, infrastructure, plant and equipment (cont.)

Land and Buildings	Land - specialised	Land - non specialised	Land improvements	**Total Land**	Buildings - specialised	**Total Buildings**	Work In Progress	**Total Property**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2013	11,378	347	275	**12,000**	67,446	**67,446**	212	**79,658**
Accumulated depreciation at 1 July 2013	-	-	(138)	**(138)**	(12,819)	**(12,819)**	-	**(12,957)**
	11,378	347	137	**11,862**	54,627	**54,627**	212	**66,701**
Movements in fair value								
Acquisition of assets at fair value	-	-	-	**-**	350	**350**	1,104	**1,454**
Revaluation increments/decrements	(460)	-	-	**(460)**	(2,797)	**(2,797)**	-	**(3,257)**
Fair value of assets disposed	(31)	-	-	**(31)**	(128)	**(128)**	-	**(159)**
Found & relinquished assets at fair value	(525)	-	-	**(525)**	(200)	**(200)**	-	**(725)**
Transfers	-	-	-	**-**	(180)	**(180)**	-	**(180)**
	(1,016)	-	-	**(1,016)**	(2,955)	**(2,955)**	1,104	**(2,867)**
Movements in accumulated depreciation								
Depreciation	-	-	(28)	**(28)**	(873)	**(873)**	-	**(901)**
Accumulated depreciation of disposals	-	-	-	**-**	22	**22**	-	**22**
Revaluation adjustment on accumulated depreciation	-	-	-	**-**	6,044	**6,044**	-	**6,044**
Accumulated depreciation of found & relinquished assets	-	-	-	**-**	14	**14**	-	**14**
	-	-	(28)	**(28)**	5,207	**5,207**	-	**5,179**
At fair value 30 June 2014	10,362	347	275	**10,984**	64,491	**64,491**	1,316	**76,791**
Accumulated depreciation at 30 June 2014	-	-	(166)	**(166)**	(7,612)	**(7,612)**	-	**(7,778)**
	10,362	347	109	**10,818**	56,879	**56,879**	1,316	**69,013**

Note 22 Property, infrastructure, plant and equipment (cont.)

Plant and Equipment	Plant machinery and equipment	Fixtures fittings and furniture	Computers and telecomms	Work In Progress	**Total plant and equipment**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2013	10,674	428	2,099	21	**13,222**
Accumulated depreciation at 1 July 2013	(4,689)	(390)	(1,714)	-	**(6,793)**
	5,985	38	385	21	**6,429**
Movements in fair value					
Acquisition of assets at fair value	1,103	2	127	-	**1,232**
Fair value of assets disposed	(634)	(29)	(10)	-	**(673)**
Transfers	-	-	21	(21)	**-**
	469	(27)	138	(21)	**559**
Movements in accumulated depreciation					
Depreciation	(865)	(17)	(195)	-	**(1,077)**
Accumulated depreciation of disposals	588	29	6	-	**623**
	(277)	12	(189)	-	**(454)**
At fair value 30 June 2014	11,143	401	2,237	-	**13,781**
Accumulated depreciation at 30 June 2014	(4,966)	(378)	(1,903)	-	**(7,247)**
	6,177	23	334	-	**6,534**

Note 22 Property, infrastructure, plant and equipment (cont.)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	**Total Infrastructure**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
At fair value 1 July 2013	192,254	63,946	12,081	20,163	3,904	672	68	**293,088**
Accumulated depreciation at 1 July 2013	(56,160)	(16,059)	(3,603)	(5,544)	(608)	(177)	-	**(82,151)**
	136,094	47,887	8,478	14,619	3,296	495	68	**210,937**
Movements in fair value								
Acquisition of assets at fair value	4,186	456	93	601	998	-	7	**6,341**
Transfers	-	-	-	-	248	-	(68)	**180**
	4,186	456	93	601	1,246	-	(61)	**6,521**
Movements in accumulated depreciation								
Depreciation	(4,116)	(605)	(177)	(163)	(159)	(18)	-	**(5,238)**
	(4,116)	(605)	(177)	(163)	(159)	(18)	-	**(5,238)**
At fair value 30 June 2014	196,440	64,402	12,174	20,764	5,150	672	7	**299,609**
Accumulated depreciation at 30 June 2014	(60,276)	(16,664)	(3,780)	(5,707)	(767)	(195)	-	**(87,389)**
	136,164	47,738	8,394	15,057	4,383	477	7	**212,220**

Note 22 Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land was undertaken by Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd. Valuation of buildings was undertaken by Ashay Prabhu MIE (Aust) CP Eng, NPER Assetic Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	Level 1	Level 2	Level 3
Land	-	347	-
Specialised land	-	-	10,499
Land improvements	-	-	132
Buildings	-	-	58,260
Total	-	347	68,891

Valuation of infrastructure

Valuation of infrastructure assets has been determined by Mr Sanjay Manivasagasivam B.Engineering (Civil) MIE Aust as at 30 June 2015.

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

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

	Level 1	Level 2	Level 3
Roads	-	-	233,850
Bridges	-	-	71,975
Footpaths and cycleways	-	-	9,802
Drainage	-	-	11,572
Parks, open space and streetscapes	-	-	4,475
Other infrastructure	-	-	461
Total	-	-	332,135

Note 22 **Property, infrastructure, plant and equipment (cont.)**

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between $0.04 and $152.17 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated by individual building components and the remaining useful lives are determined on the basis of the current condition of each of the vaiours components. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

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

	2015	2014
Reconciliation of specialised land	**$'000**	**$'000**
Land under roads	7	7
Parks and reserves	4,431	4,259
Vacant land	192	192
Water management	248	248
Waste management	257	257
Gravel reserves	209	209
Aerodromes	284	284
Carparks	498	498
Recreation	405	405
Zoning restrictions	1,114	1,114
Council controlled	2,264	2,264
Other	590	624
Total specialised land	**10,499**	**10,361**

		2015	2014
Note 23	**Trade and other payables**	**$'000**	**$'000**
	Trade payables	1,117	1,309
	Accrued wages and salaries	264	228
	Accrued expenses	150	180
	Total trade and other payables	**1,531**	**1,717**
Note 24	**Trust funds and deposits**		
	Refundable deposits	8	18
	Fire services levy	84	155
	Total trust funds and deposits	**92**	**173**

Purpose and nature of items

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

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

Note 25 Provisions

	Landfill restoration	Gravel pit restoration	Total
2015	**$ '000**	**$ '000**	**$ '000**
Balance at beginning of the financial year	1,119	275	1,394
Amounts used	-	(143)	(143)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	-	(11)	(11)
Balance at the end of the financial year	**1,119**	**121**	**1,240**
2014			
Balance at beginning of the financial year	-	275	275
Additional provisions	1,119	-	1,119
Balance at the end of the financial year	**1,119**	**275**	**1,394**

	2015	2014
	$'000	**$'000**
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	780	867
Rostered days off	68	213
Long service leave	87	65
	935	**1,145**
Current provisions expected to be wholly settled after 12 months		
Annual leave	575	456
Long service leave	1,581	1,575
	2,156	**2,031**
Total current provisions	**3,091**	**3,176**
Non-current		
Long service leave	238	284
Total non-current provisions	**238**	**284**

		2015	2014
Note 25	**Provisions (cont.)**	**$'000**	**$'000**
	(a) Employee provisions (cont.)		
	Aggregate carrying amount of employee provisions:		
	Current	3,091	3,176
	Non-current	238	284
	Total aggregate carrying amount of employee provisions	**3,329**	**3,460**
	The following assumptions were adopted in measuring the present value of employee benefits:		
	Weighted average increase in employee costs	4.50%	4.50%
	Weighted average discount rates	1.55%	1.79%
	Weighted average settlement period	15 mths	15 mths
	(b) Land fill restoration		
	Non-current	1,119	1,119
		1,119	**1,119**
	The following assumptions were adopted in measuring the present value of landfill rehabilitation:		
	Weighted average increase in costs	2.50%	2.50%
	Weighted average discount rates	2.48%	3.11%
	Weighted average settlement period	6 yrs	7 yrs
	c) Gravel pit restoration		
	Current	26	-
	Non-current	95	275
		121	**275**
	The following assumptions were adopted in measuring the present value of gravel pit restoration:		
	Weighted average increase in costs	2.50%	- %
	Weighted average discount rates	1.67%	- %
	Weighted average settlement period	5 yrs	0 yrs
	The provision for gravel pit restoration was discounted for the first time in 2014/2015.		
Note 26	**Interest-bearing loans and borrowings**		
	Current		
	Borrowings - secured	1,283	353
		1,283	**353**
	Non-current		
	Borrowings - secured	2,546	2,829
		2,546	2,829
	Total	**3,829**	**3,182**
	a) The maturity profile for Council's borrowings is:		
	Not later than one year	1,283	353
	Later than one year and not later than five years	1,186	1,239
	Later than five years	1,360	1,590
		3,829	**3,182**
	b) Aggregate carrying amount of interest-bearing loans and borrowings:		
	Current	1,283	353
	Non-current	2,546	2,829
		3,829	**3,182**

Note 27 Reserves

(a) Asset revaluation reserves	Balance at beginning of reporting period $'000	Share of increment/ (decrement) $'000	Balance at end of reporting period $'000
2015			
Property			
Land	5,596	50	5,646
Buildings	53,157	-	53,157
	58,753	50	58,803
Infrastructure			
Roads	57,855	95,761	153,616
Bridges	28,397	23,805	52,202
Footpaths and cycleways	4,919	1,368	6,287
Drainage	4,202	(3,980)	222
	95,373	116,954	212,327
	154,126	117,004	271,130
Other			
Financial assets	16	(9)	7
Investment in associates	19	-	19
	35	(9)	26
Total asset revaluation reserves	**154,161**	**116,995**	**271,156**
2014			
Property			
Land	6,056	(460)	5,596
Buildings	49,910	3,247	53,157
	55,966	2,787	58,753
Infrastructure			
Roads	57,855	-	57,855
Bridges	28,397	-	28,397
Footpaths and cycleways	4,919	-	4,919
Drainage	4,202	-	4,202
	95,373	-	95,373
Other			
Financial assets	19	(3)	16
Investment in associates	19	-	19
	38	(3)	35
Total asset revaluation reserves	**151,377**	**2,784**	**154,161**

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

Note 27 Reserves (cont.)

(b) Other reserves	Balance at beginning of reporting period $'000	Transfer to accumulated surplus $'000	Balance at end of reporting period $'000
2015			
Plant replacement	1,084	(67)	1,017
Economic development	9	(2)	7
St Arnaud cemetery	-	4	4
Gravel pits restoration	122	-	122
Community loans	217	(9)	208
Waste management	459	280	739
Long service leave	306	4	310
Defined benefits	200	100	300
Loan repayments	-	200	200
Total other reserves	**2,397**	**510**	**2,907**
2014			
Plant replacement	920	164	1,084
Economic development	-	9	9
Gravel pits restoration	122	-	122
Community loans	202	15	217
Waste management	280	179	459
Long service leave	278	28	306
Defined benefits	100	100	200
Total other reserves	**1,902**	**495**	**2,397**

Plant Replacement Reserve - Used to smooth out cash flow demands of future plant purchases.
Economic Development Reserve - Funds held for use in enhancing the economic development of our towns.
Gravel Pits Restoration - Provision for future rehabilitation of pits.
Community Loans Reserve - Funds held for the restoration of shop front verandahs and other community benefits.
Waste Management - Funds held for the restoration of waste sites and bin replacement.
Long Service Leave Reserve - Funds held for employee long service leave.
Defined Benefits Reserve - Funds held for future calls on defined benefits superannuation.
Loan Repayments Reserve - Funds are being held for the future repayment of interest only loans

		2015 $'000	2014 $'000
Note 28	**Reconciliation of cash flows from operating activities to surplus/(deficit)**		
	Surplus/(deficit) for the year	5,987	(2,932)
	Depreciation	7,054	7,216
	Net gain on disposal of property, infrastructure, plant and equipment	(66)	(14)
	Relinquished and found assets	(3,443)	711
	Share of profit/(loss) of associates	(46)	(18)
	Contributions - Non-monetary assets	(54)	-
	Finance costs	167	162
	Other - WIP expensed	31	-
	Change in assets and liabilities:		
	(Increase)/decrease in trade and other receivables	1,014	(226)
	Increase/(decrease) in other assets	12	3
	Increase/(decrease) in trade and other payables	(404)	(1,120)
	(Increase)/decrease in inventories	19	(1)
	Increase/(Decrease) in provisions	(285)	1,519
	Net cash provided by/(used in) operating activities	**9,986**	**5,300**
Note 29	**Reconciliation of cash and cash equivalents**		
	Cash and cash equivalents (see note 17)	8,760	5,823
	Less bank overdraft	(200)	(200)
		8,560	**5,623**
Note 30	**Financing arrangements**		
	Bank overdraft	200	200
	Used facilities	-	-
	Unused facilities	**200**	**200**

Note 31 Commitments

The Council has entered into the following commitments

2015	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Waste management	709	726	745	-	2,180
Consultancies	36	-	-	-	36
Cleaning contracts for council buildings	333	314	132	-	779
Meals for delivery	173	177	182	-	532
Provision of transfer stations	222	114	-	-	336
Software license agreement	131	131	203	-	465
Total	1,604	1,462	1,262	-	4,328
Capital					
Buildings	404	329	-	-	733
Total	404	329	-	-	733

2014	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	$'000	$'000	$'000	$'000	$'000
Operating					
Waste management	657	674	1,398	-	2,729
Cleaning contracts for council buildings	235	21	-	-	256
Meals for delivery	193	-	-	-	193
Provision of transfer stations	217	222	114	-	553
Software license agreement	131	131	262	72	596
Total	1,433	1,048	1,774	72	4,327
Capital					
Buildings	758	-	-	-	758
Total	758	-	-	-	758

		2015	2014
Note 32	**Operating leases**	**$'000**	**$'000**
	(a) Operating lease		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	26	87
	Later than one year and not later than five years	7	31
	Later than five years	90	441
		123	559

Note 33 Contingent liabilities and contingent assets

Contingent liabilities

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors. As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

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

Funding Arrangements

Northern Grampians Shire Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary.

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

- Net investment returns 7.50% p.a.
- Salary information 4.25% p.a.
- Price inflation 2.75% p.a.

Vision Super has advised that the estimated VBI at 30 June 2015 was 105.8%.
The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the actuarial investigation determined the defined benefit category was in a satisfactory financial position and that no change was necessary to the defined benefit category's funding arrangements from prior years.

Employer contributions
Regular contributions

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 30 June 2014, Northern Grampians Shire Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2015, this rate was 9.5% of members' salaries. This rate will increase in line with any increase to the Superannuation Guarantee (SG) contribution rate.

In addition, Northern Grampians Shire Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Note 33 Contingent liabilities and contingent assets (cont.)

Funding calls

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

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

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

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.
In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Latest actuarial investigation surplus amounts

The Fund's latest actuarial investigation as at 30 June 2014 identified the following in the defined benefit category of which Northern Grampians Shire Council is a contributing employer:

• A VBI surplus of $77.1 million; and
• A total service liability surplus of $236 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2014.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Northern Grampians Shire Council was notified of the results of the actuarial investigation during January 2015.

(a) Superannuation contributions

Contributions by Northern Grampians Shire Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2015 are detailed below:

Scheme	Type of scheme	Rate	2015 $'000	2014 $'000
Vision Super	Defined benefits	9.50%	99	102
Vision Super	Accumulation	9.50%	689	659
Various	Accumulation	9.50%	283	265

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2015.
The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2016 is $102,150.

Note 33 Contingent liabilities and contingent assets (cont.)

Guarantees for loans to other entities

The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.

	2015	2014
	$'000	$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	92
Minister for Agriculture & Resources	6	6
	166	**148**

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee

Note 34 Financial Instruments

(a) Objectives and policies

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

(b) Credit risk

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.
There are no material financial assets which are individually determined to be impaired.
We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 33.

(c) Liquidity risk

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

To help reduce these risks Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 36, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 26.

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

(d) Fair value

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

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

(e) Sensitivity disclosure analysis

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

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

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

Note 35 Related party transactions

(i) Responsible Persons

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

Councillors
Mayor Kevin Erwin - to 23 November 2014
Mayor Murray Emerson - from 24 November 2014
Councillor Kevin Erwin - from 24 November 2014
Counillor Murray Emerson - to 23 November 2014
Councillor Wayne Rice
Councillor Karen Hyslop
Councillor Tony Driscoll
Councillor Merrilee Reid
Councillor Jason Hosemans

Chief Executive Officer Justine Linley

(ii) Remuneration of Responsible Persons

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

	2015 No.	2014 No.
$1 - $9,999	-	3
$10,000 - $19,999	1	2
$20,000 - $29,999	4	2
$30,000 - $39,999	1	1
$40,000 - $49,999	1	1
$200,000 - $219,999	-	1
$220,000 - $299,999	1	-
	8	10
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	$ 406	$ 385

(iii) Senior Officers Remuneration

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

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

Income Range:	2015 No.	2014 No.
< $135,999	2	-
$170,000 - $179,999	-	2
$180,000 - $189,999	2	1
	4	**3**
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	$ 473	$ 531

Note 35 Related party transactions (cont.)

(iv) Responsible persons retirement benefits

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was NIL (2014 - NIL)

(v) Loans to responsible persons

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

NIL

(vi) Transactions with responsible persons

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

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid $961 to this business. This is a related party entity of Councillor Merrilee Reid.

Council engaged the provision of printing services from Grampians Printing & Design during the financial year. In total Council paid $319 to this business. This is a related party entity of Justine Linley - CEO.

Note 36 Events occurring after balance date

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

Certification of the Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.

John Traill, CPA
Principal Accounting Officer

Date : 25/09/2015
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2015 and the financial position of the Council as at that date.

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

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

Cr Murray Emerson
Councillor

Date : 25/09/2015
Stawell

Cr Kevin Erwin
Councillor

Date : 25/09/2015
Stawell

Justine Linley
Chief Executive Officer

Date : 25/09/2015
Stawell

VAGO

Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Financial Report

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

The Councillors' Responsibility for the Financial Report

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

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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

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

Independent Auditor's Report (continued)

Independence

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

Opinion

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

MELBOURNE
28 September 2015

Dr Peter Frost
Acting Auditor-General

Performance Statement
For the year ended 30 June 2015

Possessing some of the world's most spectacular natural scenery and a rich golden heritage, the Northern Grampians Shire has established an exceptional reputation as an ideal place to live, work and invest.

Location

Located in the picturesque Grampians region of Victoria, the shire covers almost 6,000 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

National Parks

The Grampians National Park is one of Victoria's most iconic holiday destinations, attracting more than 1.5 million visitors each year. Renowned for its breathtaking views and unspoilt nature, the area is a noted rock climbing destination, popular among campers and bushwalkers. Declared in 1884, the 168,000 hectare park is rich in Aboriginal culture, European heritage and stunning wildflower displays. It is also home to almost a third of the state's plant species and an abundance of wildlife.

The Kara Kara National Park spans 13,900 hectares of predominantly steep terrain and allows visitors to experience what the forests were like before the gold rushes. The park has one of the largest intact areas of Box-Ironbark vegetation and encompasses the former Kara Kara State Park and much of the St Arnaud Range State Forest.

Industry

The shire's economy is based on manufacturing, mining, agriculture, tourism and wine production. The two main centres of Stawell and St Arnaud supply and service agricultural machinery and are home to industries including brick, steel fabrication and meat production.

QUICK STATS:

Area: Approximately 5,918 square kilometres
Population: Approximately 11,719
Road length: 3,425km of local roads
Rateable properties: 9,252
Industry: There are more than 720 businesses operating in the shire, with major activity based in the thriving tourism, mining, manufacturing and agricultural industries.
Major attractions: Stawell Easter Gift Festival, Grampians Grape Escape, Grampians Arts Trail, Grampians Wildflower Festival, Festival of St Arnaud, St Arnaud Country Music Festival, Great Western Rodeo, Stawell Gold Cup, St Arnaud Cup, Great Western Cup, Halls Gap Cup, Run the Gap, Stawell Gift Hall of Fame and Grampians National Park.

Sustainable Capacity Indicators
For the year ended 30 June 2015

Indicator/measure	Result 2015	Material Variations
Own-source revenue		
Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	$1,995	No material variance
Recurrent grants		
Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	$1,285	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance.
Population		
Expenses per head of municipal population [Total expenses / Municipal population]	$2,831	No material variance
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	$34,882	No material variance
Population density per length of road [Municipal population / Kilometres of local roads]	3.4	No material variance
Disadvantage		
Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	3	No material variance

Definitions

"adjusted underlying revenue" means total income other than -

(a) non-recurrent grants used to fund capital expenditure; and

(b) non-monetary asset contributions; and

(c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

"population" means the resident population estimated by council

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

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

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

"unrestricted cash" means all cash and cash equivalent other than restricted cash

Service Performance Indicators
For the year ended 30 June 2015

Service/indicator/measure	Result 2015	Material Variations
Governance ***Satisfaction*** *Satisfaction with Council decisions* [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	No material variance
Statutory Planning ***Decision making*** *Council planning decisions upheld at VCAT* [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	0%	No Council decisions were challenged in VCAT during this financial year
Roads ***Satisfaction*** *Satisfaction with sealed local roads* [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	49	No material variance
Libraries ***Participation*** *Active library members* [Number of active library members / Municipal population] x100	20.7%	No material variance
Waste Collection ***Waste diversion*** *Kerbside collection waste diverted from landfill* [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	38.3%	No material variance
Aquatic Facilities ***Utilisation*** *Utilisation of aquatic facilities* [Number of visits to aquatic facilities / Municipal population]	4.8	No material variance
Animal Management ***Health and safety*** *Animal management prosecutions* [Number of successful animal management prosecutions]	0	No animal prosecutions were undertaken during this financial year

Service Performance Indicators
For the year ended 30 June 2015

Service/indicator/measure	Result 2015	Material Variations
Food Safety ***Health and safety*** *Critical and major non-compliance notifications* [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100.0%	No material variance
Home and Community Care (HACC) ***Participation*** *Participation in HACC service* [Number of people that received a HACC service / Municipal target population for HACC services] x100	27.8%	No material variance
Participation *Participation in HACC service by CALD people* [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	7.5%	No material variance
Maternal and Child Health (MCH) ***Participation*** *Participation in the MCH service* [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	66.3%	No material variance
Participation *Participation in the MCH service by Aboriginal chil* [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	63.3%	No material variance

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

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

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

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

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

"class 2 food premises" means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

"Work Safe" reportable aquatic facility safety incident" means an incident relating to a Council aquatic facility that is required to be notified to the Victorian Work Cover Authority under Part 5 of the *Occupational Health and Safety Act 2004.*

Financial Performance Indicators
For the year ended 30 June 2015

Dimension/indicator/measure	Result 2015	Forecasts 2016	2017	2018	2019	Material Variations
Operating position						
Adjusted underlying result						
Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	14.8%	-4.8%	-10.3%	-7.9%	-9.7%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance.
Liquidity						
Working capital						
Current assets compared to current liabilities [Current assets / Current liabilities] x100	197.5%	113.0%	118.7%	126.6%	135.3%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance.
Unrestricted cash						
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	145.2%	56.0%	61.9%	70.2%	77.8%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance.
Obligations						
Loans and borrowings						
Loans and borrowings compared to rates [Interest bearing loans and borrowings / Rate revenue] x100	25.4%	22.4%	19.6%	16.8%	14.2%	No new borrowings forecast from 2015 onward.
Loans and borrowings repayments compared to rates [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.5%	3.0%	2.9%	2.8%	2.6%	No new borrowings forecast from 2015 onward.
Indebtedness						
Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100	17.1%	26.2%	24.2%	21.7%	19.5%	No new borrowings forecast from 2015 onward.
Asset renewal						
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	48.6%	60.5%	52.4%	55.3%	55.3%	No material variance.
Stability						
Rates concentration						
Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	38.7%	49.6%	55.9%	60.5%	62.8%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance.
Rates effort						
Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.76%	0.79%	0.81%	0.84%	0.85%	No material variance.
Efficiency						
Expenditure level						
Expenses per property assessment [Total expenses / Number of property assessments]	$3,585	$3,608	$3,489	$3,261	$3,305	No material variance.
Revenue level						
Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	$1,563	$1,640	$1,665	$1,689	$1,714	No material variance.
Workforce turnover						
Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.0%	12.5%	17.4%	11.4%	11.4%	Restructure of childcare services has been allowed for in 2016-2017.

"adjusted underlying revenue" means total income other than -

non-recurrent grants used to fund capital expenditure; and

non-monetary asset contributions; and

contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

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

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

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

Other Information
For the year ended 30 June 2015

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its Strategic Resource Plan on 22 June 2015 and which forms part of the Council Plan. The Strategic Resource Plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can viewed on Council's website www.ngshire.vic.gov.au.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

John Traill
Principal Accounting Officer
Dated: 25/09/2015

In our opinion, the accompanying performance statement of the Northern Grampians Shire Council for the year ended 30 June 2015 presents fairly the results of Council's performance in according with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Cr Murray Emerson
Councillor
Dated: 25/09/2015

Cr Kevin Erwin
Councillor
Dated: 25/09/2015

Justine Linley
Chief Executive Officer
Dated: 25/09/2015

VAGO
Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2015 of the Northern Grampians Shire Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Auditor's Report (continued)

Independence

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

Auditor's Opinion

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

MELBOURNE
28 September 2015

fv Dr Peter Frost
Acting Auditor-General