



**Northern Grampians
Shire Council**
Annual Report 2018-19

www.ngshire.vic.gov.au



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Our Vision

Our Motto

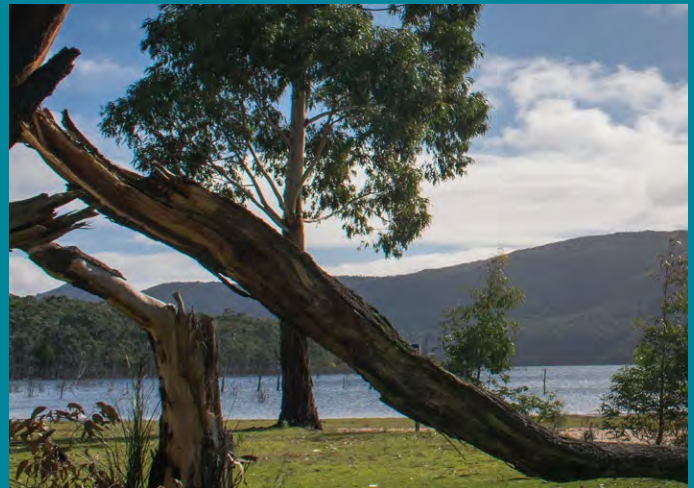
Live - Work - Invest - Visit

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 Core Values

Northern Grampians Shire Council is committed to providing a seamless citizen engagement experience -

- Responsive: we will engage with all stakeholders and listen and respond appropriately to your needs.
- Innovative: we will be positive and endeavour to find solutions and choice in our service delivery.
- Continuous Improvement: we will continually strive, within our means, for best possible practice and improvement in service delivery.
- Prompt: we will respond promptly, within agreed timeframes, to all of your requests.
- Respectful: we will be respectful and conscious of diversity and make available information and services in an accessible and inclusive manner.

Our Goals

- Enhance Lifestyles and Community
- Boost Economic Growth
- Provide Sustainable Infrastructure
- Improve Organisational Effectiveness



Our Shire at a Glance

Quick Stats

Location: Central West Victoria

Major Towns and Villages: Stawell, St Arnaud, Great Western, Halls Gap, Glenorchy, Navarre, Marnoo, Stuart Mill.

Area: Approximately 5,900 square kilometres

Population: Approximately 11,471 (Estimated Resident Population June 2016)

Road Length: 3,408km of local roads

Rateable Properties: 9,273

Rates and Charges Revenue: \$16.8 million

Total Revenue (inc flood restoration grants): \$36.7 million

Address and Contact Information

Phone: (03) 5358 8700

Email: ngshire@ngshire.vic.gov.au

Postal Address: PO Box 580, Stawell, VIC, 3380

Stawell Town Hall Customer Service

Address: 59-69 Main St, Stawell

St Arnaud Town Hall Customer Service

Address: 40 Napier St, St Arnaud

Climate

Average daily temperatures: Minimum 8.6 degrees c; Maximum 19.7 degrees c. Average annual rainfall is 532mm.



Our Shire at a Glance

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There are over 1,000 businesses operating within the Northern Grampians Shire with major activity based in the thriving tourism, mining, food production and processing and agriculture industries.

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Economic Profile

Diverse and dynamic, the Northern Grampians Shire boasts an exciting array of industries and business enterprises. There are over 1,000 businesses operating within the Northern Grampians Shire with major activity based in the thriving tourism, mining, food production and processing and agriculture industries. Industry is generally concentrated in the key townships of Stawell and St Arnaud, where retail and commercial operations are mainly of a local service nature. These centres service the region's needs for shopping, business and commercial services and host other activities including brick making, meat processing, steel fabrication, feed production, supply and service of farm machinery and small service industry.

Workforce

The Northern Grampians Shire is driven by a highly skilled and multidisciplinary workforce. Amongst the front runners of the region, it is responsible for environmentally sound and innovative growth and development, particularly in grain, sheep and viticulture. The shire also fosters a range of professionals in textiles, health, hospitality and trade.

Transport

Stawell is located on the Western Highway between Adelaide (500km) and Melbourne (230km). St Arnaud is located on an important transport link at the junction of the Sunraysia and Wimmera Highways between Melbourne and Mildura, providing excellent access to the west, north-west and south-east. St Arnaud has railway links to Melbourne and Mildura. Other links include Horsham, Ballarat and Bendigo. Airports are located at Stawell (24-hour sealed airport with instrument panel) and St Arnaud and national gauge railway connects Stawell to Adelaide, Melbourne, Geelong and Portland.

Telecommunications

Telecommunications and e-commerce service delivery have provided for exciting opportunities in business expansion and diversification and a new realm of opportunity for new business investment. Effective communication infrastructure allows for the combination of an attractive lifestyle setting with the capacity to service target markets wherever they may be located.

From the Mayor



If I had to describe the past year in one word for the Northern Grampians Shire Council, I think I'd use the word, 'busy'!

We've either completed or are well underway with a number of large scale projects that took place over the past year, with thanks to both federal and state government funding. These include the Stawell CBD Revitalisation Project, Stage One of the Halls Gap Action Plan, and the sporting facility upgrades at North Park in Stawell and Lord Nelson Park in St Arnaud, just to name a few. Through a variety of grant programs we were also able to secure a record amount of funding for road upgrades and infrastructure, which will go towards improving road access for our community along with safety enhancements to many of our roads and bridges.

There's plenty of other exciting initiatives taking place around our shire as well. All 56 wind turbines are now in place at the Bulgana Wind Farm, the exciting Stawell Underground Physics Laboratory is going full steam ahead along with the Stawell Gold Mine, while the Gilmac hay exportation out of St Arnaud is imminent.

The exciting thing about all of these projects is the jobs that they are going to bring to our region. Through these projects and others, we are expecting upwards of 1,000 new jobs being created in our region over the next five years, proving that our shire is experiencing a period of growth and headed in the right direction.

As always however, there are challenges we face. To help support this job creation we also need to have suitable housing available for workers and families to take full advantage of these opportunities. This is something that we're hoping can be alleviated by a potential housing development in Sloane Street, Stawell, and something that is certainly a high priority for us heading into the next financial year.

Other challenges we faced over this past year, and continue to work through, include rock climbing restrictions in the Grampians and the potential negative impacts on tourism that may have if further restrictions are enforced, as well as the ongoing delays on construction of the Western Highway duplication. Dry weather from the last harvest season also meant that our farmers in St Arnaud had a poor return, and we cross our fingers that this coming season is much more bountiful. We can't thank the various Rotary Clubs enough for their help in supporting those who were affected by drought in that tough time.

Once again though, we've showcased that we are a shire that can host and grow a wide range of different events, that truly cater for everyone. The internationally recognised Grampians Grape Escape continues to grow in numbers with each year that passes, showcasing the fantastic winemaking and culinary delights that come out of our region. The Stawell Gift and Easter Festival in Stawell continues to bring thousands of people to Stawell each year, and what an honour it was for organisers of the Gift when the event received recognition by the International Association of Athletics Federations by receiving the World Athletics Heritage Plaque. Our sheep growers getting together to plan a statewide Merino Field Day event in Marnoo later in 2019 is also a fantastic initiative and something that certainly has the scope to grow in the future.

It is with a great deal of pleasure that I present the Mayor's report for this financial year and make note of the desire of your Councillors to make the Northern Grampians Shire a better place to live, work, invest and visit.

Cr Kevin Erwin

Mayor

A handwritten signature of Kevin Erwin in black ink on a white background.

Our Councillors



Mayor Cr Kevin Erwin
(Central Ward)

First elected: 14 March, 2003
Term expires: October 2020



Cr Murray Emerson
(Stawell Ward)

First elected: 27 October, 2012
Term expires: October 2020



Cr Rob Haswell
(Stawell Ward)

First elected: 22 October, 2016
Term expires: October 2020



Cr Karen Hyslop
(Stawell Ward)

First elected: 27 October, 2012
Term expires: October 2020



Cr Jason Hosemans
(South West Ward)

First elected: 15 March, 2014
Term expires: October 2020



Cr Tony Driscoll
(Kara Kara Ward)

First elected: 27 October, 2012
Term expires: October 2020



Cr Merrilee Reid
(Kara Kara Ward)

First elected: 23 November, 2013
Term expires: October 2020

Economic Initiatives

Partnerships Fostering Business Success

Council strives to boost economic growth in the Northern Grampians Shire by providing support and advice to business and industry, government advocacy, partnership opportunities, networking and training programs and investment attraction activities. The partnership between the Planning and Development and the Engagement Departments 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, environmental protection and social cohesion in Northern Grampians Shire.



Strong Economic Activity

Land use development is one key factor that influences the economic growth of the shire. Planning permit data provides an important economic indicator of future building and land use activity within the shire and is used to monitor economic activity, employment and investment. Council's Planning Department issued a total of 89 planning permits worth over \$193.16 million in the 2018-19 financial year, with a further \$6.5 million under consideration at the end of the financial year.

We also saw some positive improvements in the Planning Department's performance with a significant improvement in processing time, from 50% of planning applications decided within time in 2017-18 to 64% in 2018-19. This can be attributed to improvements made in internal processes, increase in VicSmart applications and additional planning resources. The median number of days between receipt of a planning application and a decision in 2017-18 was equal to the 2016-17 figure, attributed to by a reduction in backlog. With additional process improvements planned for 2019-20 and significant backlog cleared council expects to see improvements in processing time and overall customer experience.



Economic Initiatives

Improving the Performance of our Planning Scheme

In June 2018 Council endorsed the Northern Grampians Planning Scheme Review Report (NGPS). This report provides council with an overview of the performance of the NGPS since its last planning scheme review report in 2014 and provides council with:

- an understanding of the state, regional and local policy changes that have occurred since the last review
- an 'audit' of the existing strategic and statutory provisions in the NGPS (based on the NGPS which was in operation on 1 January 2018)
- the outcomes of stakeholder consultations
- a program for implementing future action.

There was a strong sense from the consultations that the shire hosted 'boundless riches' that should be embraced by the local and wider community and which should ultimately be reflected in the NGPS. It is evident that the existing planning scheme does not speak to the many opportunities that abound in the shire. This was perhaps the strongest consensus view that emerged through the consultations as part of this planning scheme review. The existing scheme is considered to be quite 'neutral' and it tends to 'hold the line' rather than embrace the opportunities that were discussed in consultations including:

- Embracing the concept of the shire as the 'Gateway to the Grampians'
- Strong heritage assets that have not been adequately protected
- Diversity of rural opportunities including intensive agriculture
- Diversity of housing opportunities
- Relative proximity to Melbourne (which is about to be improved)
- Renewable energy opportunities
- Arts based opportunities throughout the towns
- Outstanding existing lake and wetland assets
- Expanding passive recreation opportunities
- Active recreation options
- Endless tourism advantages
- Intermodal freight facilities and opportunities
- Excellent infrastructure access
- Expanded equine opportunities.

The review sets out a prioritised Strategic Work Program based on the expected impact on the performance of the planning scheme and what is considered to be a realistic strategic work program for the next three years (June 2018-June 2021). Priorities have been broken down into: immediate (<6mth), high (2018-19), medium (2019-20) and low (2020-21).

Based on the analysis and the feedback during the consultation processes, recommendations are made under the areas of the:

- Review report
- Policy Framework
- Zone (and schedule) changes
- Overlay (and schedule) changes
- Further Strategic Work



Economic Initiatives

Growing Tourism

In recognition of the important role tourism plays in our economy, council takes a regional approach to tourism marketing, partnering with Grampians Tourism to grow revenue and jobs in the tourism industry for Northern Grampians. In partnership with Grampians Tourism, council plays a key role in delivering visitor information services, product and industry development, investment attraction, enhanced tourism products and destinations.

Grampians Peaks Trail

Situated in the Grampians National Park (Gariwerd), the Grampians Peaks Trail will extend from Mt Zero in the north through to the township of Dunkeld in the south.

The Grampians Peaks Trail will provide a world-class walking experience of 160kms that can be experienced in sections, or as one 13-day and 12-night journey showcasing the spectacular natural and cultural landscapes of the Grampians National Park.

The route connects some of Gariwerd's most spectacular peaks, from the massive sandstone outcrops in the north, to the rugged and remote Mount William range and includes the awe inspiring peaks overlooking Dunkeld and the surrounding volcanic plains to the south.

By 2025, 80,000 overnight visitors are expected, with 34,000 walkers set to experience the wonders of Gariwerd, generating \$6.39m of economic benefit and tourism development opportunities locally and to the region.

The project has been funded with a \$20.2 million contribution from the state government and a \$10 million contribution from the federal government with the full walk expected to be completed in 2020.

Council continues to work with Parks Victoria and other key stakeholders to develop tourism and visitor experiences including the trailhead at Halls Gap which has been identified as the location to attract the greatest

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number of visitors for entry and exit to the trail for day walks and segment and multi segment walks.

These experiences include walks on country guided by traditional owners, supply of on trail food and supplies by local traders and producers, premier accommodation offerings and lodgings in Halls Gap and the full activation of the town as a walking village that is intrinsically linked to the trail.

Economic Initiatives

Halls Gap Action Plan: Stage One

Funded with a \$1 million grant from the Victorian Government's Regional Jobs and Infrastructure Fund the Halls Gap Activation project will enhance public spaces, upgrade roads, create new cycling paths and improve pedestrian safety.

The project will ensure Halls Gap can better service the additional visitation generated from the completion of the Grampians Peaks Trail.

The capital works include:

- Improvements to School Road – New raised pedestrian priority crossing at the entry to the primary school, new paths, paving and improved parking to ease congestion and conflicts between vehicles and pedestrians
- New Stoney Creek Boardwalk – Provides new seating, informal outdoor dining and an enhanced public space for visitors
- Grampians Road raised pedestrian crossings – Improving pedestrian access from the existing car park and providing a new plaza space to the frontage of retail and hospitality premises
- Southern Gateway Enhancement Project – landscaping, art wall and gateway signage at the junction of Grampians Road, School Road and Heath Street

Works on School Road are largely complete including the three new pedestrian crossings, paving, kerb and channel, retaining wall and drainage. The bike paths will be completed with the final hotmix surfacing.

The southern gateway art wall has been installed, as well as entry signs at either end of Grampians Road.

Paving along Grampians Road is well underway, with the Grampians Road crossing soon to be completed.

Bridge design and geotesting is underway and timber work for the decking and stairs is soon to commence.

The project is due for completion in February 2020. Notwithstanding some revisions to the timeline of individual project elements, works are currently on schedule to be completed before Christmas.

Stawell Streetscape CBD Revitalisation

Council delivered the \$1.35 million revitalisation of the Stawell streetscape to reinvigorate Main Street's retail precinct, boosting economic activity, pedestrian safety and visitor experiences.

The revitalisation included construction of new on-street dining and retail zones with widened footpaths and new pedestrian crossings as well as landscaping, street plantings and wayfinding signage.

On Main Street between Patrick Street and Victoria Place the existing concrete road was removed and reconstructed, and the concrete pavement replaced by a brick pavement to improve on-street dining and retail capacity outside shop fronts. This also enhances integration with the town's heritage shop fronts along the main streetscape.

Drainage pits were reconstructed and improved, and on the lower end of Main Street, between St George and Wimmera Streets, the road was resealed and lanes narrowed, to slow traffic and boost pedestrian safety.

The upgrades of Main Street were celebrated with a major street party in October, with children's activities, music, art, native animals, fashion parade, food, wine and a showcase of our local retail and visitor experiences.

The project received \$800,000 from the federal government and \$550,000 from the state government.





Economic Initiatives

Stawell Gold Mine and the Stawell Underground Physics Laboratory

In October 2018, the state government extended the licence at Stawell Gold Mine until 2035 with the mine commencing full operations and its first gold pour taking place in January 2019.

Since acquiring a 100% controlling interest in Stawell Gold Mine, Arete Capital Partners have invested around \$50 million, supporting up to 200 direct jobs at the mine. This has delivered a massive 'shot in the arm' for local employment and further investment in the town.

The recommencement of operations at the mine has provided the opportunity to develop the Stawell Underground Physics Laboratory (SUPL).

This was boosted with the federal government announcing \$5 million towards the project in April 2019, enabling civil works and the initial fit-out of the laboratory to get underway and supporting time critical initial experiments to commence.

A collaboration of Australian universities (University of Melbourne, University of Adelaide, Australian National University, Swinburne University, and the University of Western Australia), Australian National Nuclear Research and Development Organisation (ANSTO), Princeton University and the Italian National Institute for Nuclear Physics, the project involves the construction of a laboratory 1025 metres underground at the Stawell Gold Mine in Western Victoria to conduct ground-breaking research to detect dark matter.

Furthermore, SUPL will be able to offer a broad range of other ultra-low background scientific research, including biological and cancer research (such as looking at how cells respond to low radiation environments) and a range of other biology, geosciences and engineering research activities.

It has generated a lot of interest in the town and has been embraced by the local community as an opportunity to inspire innovation in our schools. The research partners strongly support the objective to deliver science, technology, engineering and mathematics (STEM) education outcomes and outreach, from Master and PhD projects through to scholarships and local and visiting school engagement.

Council has also coordinated an advocacy campaign to secure a matched funding contribution from the state government to secure the total funding required to complete the project.

Economic Initiatives

St Arnaud Civic Precinct Development

The St Arnaud Civic Precinct Redevelopment has been funded with \$200,000 from the state government; this includes three key projects:

- St Arnaud Town Hall kitchen refurbishment has been completed with a modern facility for the community to utilise for local events, functions and community programs
- Market Square precinct design
- Installation of new picnic seating and garden irrigation system in Queen Mary Gardens.

The Town Hall kitchen has been completely transformed and is now in use. Works at Queen Mary Gardens are soon to commence and Market Square community engagement has been undertaken ahead of completion of final project designs.

East Grampians Pipeline

In May 2019, the federal government announced \$32 million to ensure funding is available to deliver the \$85.2 million East Grampians Pipeline Project in full.

This project will construct a pipeline network to provide a secure stock and domestic water supply for up to 1,500 rural landholdings over an area of 530,000 hectares within the local government areas of Ararat Rural City, Northern Grampians Shire and Pyrenees Shire.

It will enhance agricultural productivity and provide ongoing water security for local townships for the climate stressed region of eastern Grampians, providing significant economic, social, recreational and environmental benefits.

Up to 350 direct and indirect jobs are expected to be created during construction and around 82 ongoing long-term jobs once the project is complete.

The business case was developed by the Victorian Department of Environment, Land, Water and Planning, Grampians Wimmera Mallee Water, Ararat Rural City Council, Northern Grampians Shire Council and Pyrenees Shire Council. A further \$32 million was previously provided by the state government with the balance to be provided by Grampians Wimmera Mallee Water and connecting landowners.

Marnoo Recreation Reserve

Council completed works at Marnoo Recreation Reserve to provide improved facilities for the Marnoo Merino Field Day later in the year.

Works included regarding a 100m x 40m section of ground to the south side of the oval to prevent water pooling from taking place, as well as landscaping and some road sealing to make the reserve fit for purpose for the event.

This has delivered an attractive grassed area pad for marquees and pens to be erected for the show. The Marnoo Merino Stud Breeders' Association has held its annual field day in Marnoo for more than 30 years, featuring a group of 10 local studs who come together to showcase their Merino studs.

The event will be expanded in 2019, making it a state-wide event. More than \$7,000 in prizes is to be offered on the day with around 30 studs from across Victoria participating and up to 1,000 people expected to come through the gate. The event will include trade displays and competitions including judging for the Victorian Ram of the Year.

Economic Initiatives

Western Highway Duplication

Council is a strong advocate for the duplication of the Western Highway to Stawell and the completion of major access and safety improvements to enhance local productivity and protect the lives of motorists travelling on the highway.

The Western Highway is part of the national highway network between Melbourne and Adelaide. The duplication includes the provision for two lanes in each direction with a central median, intersection upgrades and town bypasses.

These upgrades will improve safety by reducing the likelihood of run-off and head-on accidents by providing safe overtaking opportunities as well as deliver major improvements to road freight efficiency for the more than 1,500 trucks using the highway west of Ballarat each day. The project also delivers benefits to the local tourism economy.

Council has welcomed the federal government's announcement in April as part of the 2019-20 Budget of a \$360 million commitment to complete the Ararat to Stawell section of the highway. Council continues to advocate for pre-construction work to ensure these works can get underway as soon as possible.

Fixing Country Roads

In 2018-19, council received a total of \$3,248,166 in funding from Rounds 1 and 2 of the state government's Fixing Country Roads program.

Council's own contribution to these projects is \$1,377,344 helping to leverage a total investment of \$4,625,510 on critical upgrades to service a number of our rural ratepayers and better accommodate the larger vehicles that travel on our roads, improving productivity and safety.

The \$2,483,500 in funding council received in Round 2 of the program was the most of any Victorian council.

Round 1 Projects:

- Pipetrack Road Upgrade - Stage 1
- Banyena Road Upgrade - Stage 1
- Woolpack Road Upgrade - Stage 1
- Great Western - Moyston Road Upgrade - Stage 1

Round 2 Projects:

- Dunolly Road Major Widening and Safety Upgrade
- St George Road and Cobey's Creek Road Seal Upgrade
- Landsborough Road Bridges Upgrades
- Rural Road Intersections Safety Upgrades
- Pipetrack Road Upgrade - Stage 2
- Banyena Road Upgrade - Stage 2
- Woolpack Road Upgrade - Stage 2
- Great Western-Moyston Road Upgrade - Stage 2



\$360m

Aus Gov commitment to complete Ararat to Stawell section of Western Highway duplication



\$2.483m

Most amount of funding received by any Victorian council

Economic Initiatives

Opportunities Pyrenees, Ararat and Northern Grampians (OPAN) and Residential Land Supply

Opportunities Pyrenees Ararat and Northern Grampians (OPAN) is a three year project funded by the state government and managed by council to directly address the existing and future shortage of skilled and unskilled workers across the Pyrenees, Ararat and Northern Grampians local government areas (LGAs) by focusing on: workforce planning, migration, housing, and transport.

A number of employers across the region have identified significant workforce shortages. With an unemployment rate of 3.6% in the shire (Dec 2018 quarter ABS) many academics have long argued that this is close to the equivalent of a zero unemployment rate due to a combination of the job market being so tight that employers can't find workers, plus the small numbers of people that do not have the capacity for work.

With a number of jobs coming online in the shire associated with key local employers and major infrastructure projects including: Stawell Gold Mines, Frewstall Abattoir, Gilmac Hay Plant, Bulgana Wind Farm, Nectar Farms, Grampians Peaks Trail, Halls Gap Activation, East Grampians Pipeline, Western Highway Duplication and the Stawell Underground Physics Laboratory, the challenge of filling these jobs is immediate.

Council identified the imperative to harness the opportunity to attract and retain tree changers and young families that can bring new skills and drive further innovation, investment and economic development.

In 2018, council commissioned and subsequently adopted the Northern Grampians Housing Needs And Residential Land Supply Assessment Report, 2018.

The purpose of the assessment is to inform council and major stakeholders on the supply, demand, adequacy and suitability of residential land across the municipality, as well as any additional land requirements to accommodate future growth.

The investigation found that providing for future housing needs in Stawell is hampered by an increasingly inappropriate housing mix (not enough smaller dwellings suitable for older residents), the marginal viability of residential land development (current development costs are close to achievable sale prices), and a relative lack of 'premium' housing product that might attract demand from adjoining shires.

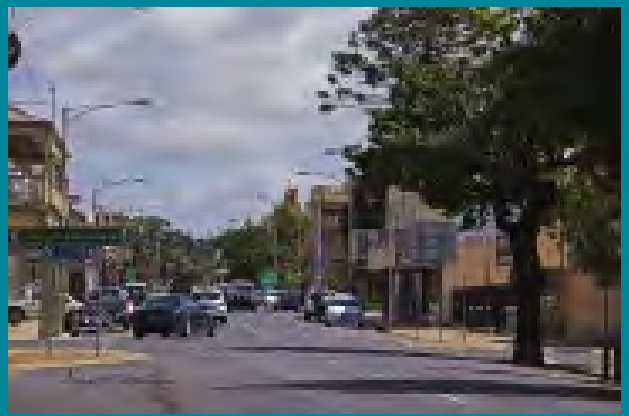
Council has met with a number of property developers in the last year who have expressed interest in developing an eight hectare site located on the corner of Sloane Street and Cahill Road in Stawell. The site was rezoned in 2013 to a Residential 1 Zone and has the potential to allow the development of anywhere between 60-110 dwellings.

The development of the site represents a magnificent opportunity to create a vibrant physical environment, which will be seen as a model for residential development throughout regional centres and encourage community pride.

Economic Initiatives

Economic Development

The Economic Development Department works to attract and support businesses to build economic resilience and diversity of industry in the shire. The core functions of the unit are to deliver investment attraction activities, business and tourism engagement and support, strategic economic growth projects, major events and marketing.



The Economic Development Department provides services to existing businesses and potential investors including:

- Business planning, mentoring, marketing and promotion
- FocusOnBusiness, giving businesses exposure via local online media platforms
- Exposure on an online business directory through council's webpage
- Funding and coordinating support through the council permit, registration and approvals process
- Networking and capacity building opportunities through business workshops
- Provision of data and locational information to businesses looking to expand or establish their operations (secure new investment and developments)
- Delivering strategic plans and reports aimed at facilitating sustainable economic development.



The unit works one-on-one with existing and emerging businesses in the municipality across all sectors, providing advice, access to resources and direction to businesses on how to address any barriers and capitalise on opportunities.

The Economic Development Department continues to directly engage with business to build economic resilience and diversity of industry in the shire.

Business Assistance Scheme

Council continued to administer its Business Assistance Scheme grant program. Both new and existing businesses are eligible to apply to the scheme, to assist with the establishment or expansion of a new business, or to diversify or complete projects which assist with sustainability for existing businesses.

In the 2018-19 year, the scheme awarded over \$50,000 in financial assistance to a range of businesses across multiple townships in the Northern Grampians Shire.





Economic Initiatives

Building Business Management Capacity and Networking Opportunities

In the 2018-19 financial year, the Economic Growth Department delivered 10 business development workshops to the Northern Grampians Shire business community covering topics in event management, marketing, business planning, online business and how to prepare civil tenders. The workshops provided local businesses with an opportunity for networking to build their business management capacity. The masterclass series featured two three-day masterclasses in marketing strategy and business planning, and were delivered in partnership with the Victorian Chamber of Commerce and Industry and Federation Business School. Both masterclasses were attended by 18 businesses in the shire and received very positive feedback.

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Revitalising the Retail Sector

To revitalise the retail sector, a retail investment attraction plan, a retail activation plan and recommendations on how to develop stronger links between the retail and tourism sectors to leverage from the considerable growth in the Grampians tourism market has been created.

The retail action plan includes key areas of implementation in:

- Presentation, amenity and upkeep of main streets
- Business network coordination with local business and trade groups
- Shop local campaigns to support local spending
- Capacity building for business development
- Tourism experience to welcome visitors and promote local activities and landmarks
- Event strategy to maximise opportunities during times of high visitation
- Arts and culture strategy to enhance local aesthetics, activate community spaces and enhance street appeal
- Community planning with integrated social and economic initiatives

Economic Initiatives



Easter Festival

Easter in Stawell once again attracted a huge number of visitors to the region. Thousands attended the Stawell Gift at Central Park over Easter weekend, with the biggest crowd being Easter Monday where the crowd experienced the final of the 2019 Stawell Gift. Easter Saturday was celebrated with the Main Street Sensation, hosted by StawellBiz and enjoyed by locals and visitors alike. Television coverage on Channel 7, Southern Cross Television and FOX Sports broadcasted the 138th running of the Stawell Gift to a national audience. Council provided locals and visitors with musical entertainment and fireworks at the third annual Off the Track Easter Street Party, which took place after the last race on Easter Saturday in Victoria Street, Stawell.

Bulgana Green Power Hub

Under pressure from the Costa Group to commit to supply volumes of premium fresh fruit and vegetables, Nectar Farms sought to invest in a \$215 million 30 hectare state-of-the-art hydroponic greenhouse facility at Joel Joel near Stawell.

While the site was identified as the ideal location for the facility, utility supply instability, unreliable network capacity and high energy costs meant there was no viable option to secure this investment without an alternative energy solution.

Determined to secure this investment, council led negotiations to secure a world-first technological partnership between renewable energy and intensive agriculture. This partnership with renewable energy company Neoen to build the \$350 million Bulgana Green Power Hub will provide secure, reliable and affordable energy to Nectar Farms.

This 56 wind turbine and 20 MW/34 MWh Tesla lithium-ion battery storage facility is a world first solution that effectively bolts-on a renewable energy facility to an industry, completely off the grid delivering power to industry at a highly competitive rate.

With the Nectar Farms greenhouse expected to use up to 15 percent of the energy capacity of the 194MW Bulgana Wind Farm, the key to securing both projects was the signing of a 15-year power purchase agreement with the state government and Neoen Australia to export the remaining energy into the grid.

Construction commenced on the Bulgana Green Power Hub in May 2018 and is due for completion and commissioning in October 2019. Construction for the Nectar Farms facility is expected to get underway in the second half of 2019.

More than 1,300 jobs will be created, including 270 direct ongoing jobs at Nectar Farms and 10 direct ongoing jobs at Bulgana Green Power Hub.

The Bulgana Wind Farm has committed \$120,000 to a community grants program to fund local community projects.

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Statutory Planning					
Timeliness					
SP1 <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	80.00	78.00	77.00	79.00	
Service standard					
SP2 <i>Planning applications decided within required time frames</i> [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	24.72%	25.93%	54.44%	66.32%	The improvement in processing times is attributable to more staffing resources during the year.
Service cost					
SP3 <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$3,472.65	\$3,524.86	\$4,296.11	\$6,503.68	Although there was a decrease in the number of planning applications, those which were received were more complicated which resulted in more direct staff resources coupled with advice from a planning consultant.
Decision making					
SP4 <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	0.00%	0.00%	0.00%	There were no VCAT decisions in relation to planning applications for the year.



Social, Community and Environmental Initiatives

Regional Assessment Service

Council provides the Regional Assessment Service for the local area, meaning that council trained assessment staff undertake face to face visits in the home with potential clients, to determine care needs, eligibility for services, and to develop a support plan which addresses client needs, goals and preferences. During these assessments, clients are given information about costs and are able to choose their service/s of choice. Throughout 2018-19, council provided 300 regional assessments, nearly twice the number completed compared to the year prior within existing staffing. Proudly, 100% of these were completed within the required timeframe set by the federal government.

Positive Ageing

The Positive Ageing Department has delivered an exceptional year of high quality services to 459 residents across the shire.

The transition to NDIS for many of our younger clients continued to be a complex journey of navigating systems, with all clients that are eligible for NDIS now set up with their plans under the new scheme.

Domestic assistance continues to be the largest home based service the team provides, with 6,660 hours of service. Personal care support includes assisting 2,700 hours.

Our dedicated team of volunteers delivered just under 10,000 meals to residents living in Stawell and St Arnaud, coming fresh out of our two major health services East Wimmera Health Service and Stawell Regional Health.

The team implemented a new rostering system for clients that live outside of the major town centres to ensure efficiency in travel time saving more than \$10,000 in direct cost to the running of the service across the year. Alongside efficiency, the team received a high rating on the client satisfaction survey with 86% of clients extremely satisfied with the services they receive.

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Social, Community and Environmental Initiatives

Community Projects and Events

Active April

April was activated once again in 2019 with a local campaign aimed at getting individuals, families and communities on the move. A collaboration of organisations, clubs, groups, volunteers and participants put on display all that is available locally to increase activity and participation.

Stawell's Amazing Race

A local version of the TV show was undertaken throughout the Stawell township. As part of Active April, youth engagement and school holiday programs participants were treated to a series of activities, challenges and good fun.



NAIDOC Week 2019

Voice. Treaty. Truth were celebrated at the Stawell Neighbourhood House as part of NAIDOC 2019. Guests shared the gifts of indigenous art, culture and working together for a shared future.

Children's Week 2018 - Everyone has a voice

Children's Week was celebrated in Stawell with a community event at Central Park, Stawell. Families, students and locals enjoyed an outdoor playroom with a morning of activities hosted by local organisations planting seedlings, playing modified sports, dressing up, story time and performance. Together with East Wimmera Health Service young families enjoyed the atmosphere of Market Square with an outdoor community picnic, tabloid sports, treasure hunt, outdoor storytime and games were enjoyed.

Youth Week 2019

Young people of the shire were celebrated with a community pool party at the Halls Gap swimming pool.

Western Bulldogs Leadership Program

Young people from across the shire have gained skills and knowledge as part of the Western Bulldogs Leadership program. This has been a unique opportunity for our young people to build, make new friends and develop skills as they become the new leaders in our communities.



Social, Community and Environmental Initiatives

Community Projects and Events

IDAHOBIT Day 2019

In supporting community inclusion and safety for all Stawell celebrated International Day Against Homophobia, Biphobia, Interphobia and Transphobia (IDAHOBIT) in May with a rainbow flag raising, morning tea and a civic ceremony with Councillors.

This Girl Can

Northern Grampians Shire hosted the VicHealth funded This Girl Can campaign, aimed to increase female presence in local sport and recreation promotion and participation. This campaign has contributed to increasing female friendly activities locally.



White Ribbon Day Community march

Northern Grampians Shire Council continued to work in partnership with Grampians Community Health, Stawell Neighbourhood House and Stawell Secondary College on the local White Ribbon Day committee. A successful White Ribbon Day march was held in Stawell on 23 November. The event was attended by organisation staff, community members, students and families in support of a safe community for women and families. Special guests from Ballarat Health Services and Grampians Community led the community in taking the white ribbon oath on the footsteps of the Town Hall.

The Resilience Project

The Stawell Learning Alliance launched The Resilience Project, with education sessions for teachers, children from kindergarten through to Year 12. The Resilience Project presented a community session in the Stawell Town Hall with a sell out crowd of 400 people. The key messages are relevant for everyone in the community: gratitude, mindfulness and empathy. The Learning Alliance continues to work on initiatives that complement messages of positive mental wellbeing in the community.

Seniors Week Events

Seniors Week was celebrated across the shire with St Arnaud locals entertained by Jefferson Smith with his covers of hits from past decades, as well as the local talent of the St Arnaud choir and Steve Parry. Stawell hosted The Substitutes who had the crowd on their feet and jiggling in their seats. The crowds were nourished with the fabulous catering from our community groups, thank you to the St Arnaud Queen Mary Gardens and Marnoo Navy Blues.





Social, Community and Environmental Initiatives

Supporting our Community Groups

Council is proud to provide financial contribution and support to local community and not-for-profit groups, to enable ideas, initiatives, events and projects flourish in our shire.

Projects that have benefited from council funding in 2018-19 include:

Community Grants - \$60,000 received by local organisations for local projects

- St Arnaud Bowls Club
- Stawell Stingrays
- Stuart Mill Progress Association
- Stawell Gymnastic Club
- St Patrick's Primary School
- Stawell Pioneers Soccer Club
- Stawell Community Garden
- Stawell 502 Primary School
- Stawell Neighbourhood House
- Paradise Hall
- St Arnaud Band Hall
- St Arnaud Lawn Tennis Club
- St Peter's Lutheran Church

Minor Grants - \$9,000 awarded in minor grants

- Eight athletes for participation in the Tri State Games
- Tom Walker - Cross Country Championships
- Stawell Orchid Society
- Stawell Railroaders
- Sarah Little - National Youth Science Forum
- Stuart Mill Cemetery Trust
- Navarre Museum
- Abby Bibby - Netball Camp Queensland
- Grampians Toy Club
- St Arnaud Angling Club
- Stawell Probus Club

Event Funding - \$4,800 awarded in local community event seed funding

- Stawell Senior Citizens - 60th birthday celebrations
- St Arnaud Lions Club - Christmas street procession
- St Arnaud music club festival
- St Arnaud VFF branch - Merino gold event
- Girls and Grass - Great Western community dinner

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Social, Community and Environmental Initiatives



Summer Outdoor Pools

We had more than 8,900 visitors through the gates of the St Arnaud Swimming Pool to seek respite from the summer sun. The 'no fee' access to the pool, the fun water aerobics sessions and school group swimming saw a range of ages enjoy the beautiful pools for more than three months.

Although the largest of the water slides was removed the two remaining water slides of the Stawell Outdoor Pool were a huge hit, with many local young children taking on the slides for their first time.

The inflatables and pool parties were a hit at both pools!

Stawell Sports & Aquatic Centre (SSAC)

SSAC needs to be redeveloped to cater to contemporary community needs and leisure centre facility standards. Council was successful in obtaining a grant from the state government to assist in undertaking a feasibility study and the key elements of the feasibility analysis will be:

- Market analysis of the proposed facility, service and programming options, including participation, health and wellbeing outcomes
- Draft facility management plan
- Concept designs
- Rationale for proposed locations of redeveloped facilities within the SSAC, including considerations for universal design principles, gender equity and inclusivity principles
- Design and technical options, including alignment with current facility standards and requirements
- Capital cost estimates (ie. quantity surveyor report)
- Ongoing maintenance and operating cost estimates, including capital replacement plans
- Environmentally Sustainable Design report and budget
- Alignment to NGSC, regional and state plans and strategies

This project will commence in the 2019-20 financial year.

Only 18 months after opening the doors of our new gym space SSAC have seen growth to approximately 300 members. Group fitness classes have increased participation across a wide age group, classes include HIIT training, circuit training, pilates and boxing. SSAC was also the first facility in Australia to introduce the cognitive training equipment SMARTfit which was brought over from the US. This has proved very popular with both our younger and older generations - allowing people to return to a fun and engaging activity after many years. SSAC Swim and Survive program saw over 320 students in the summer months providing a lifelong and potentially lifesaving skills to our youth.



Social, Community and Environmental Initiatives

St Arnaud Early Learning Centre

St Arnaud Early Learning Centre is continuing to offer three long day care age group programs, one funded kindergarten program and one non funded three-year-old kinder session.

There are currently enrolled at the service:

- 103 active children utilising long day care services
- 37 active four-year-old kinder children
- 13 active three-year-old kinder children

The service is at capacity in relation to staff/child ratios on most days.

Recently the service has been implementing a bush kinder program to enhance the experiences and learning for kindergarten children, the session operates one day per week over two terms and is held at a property in Gowar, with children being transferred using Hamilton's bus service. During this program there are no toy resources provided, children are encouraged to utilise materials provided by nature.

In addition, the Early Learning Centre (ELC) has made arrangements with Kara Court Nursing Home for daycare children 3-5 years old to visit every Monday morning. The children are transferred by Hamilton's bus line and spend an hour interacting with the residents engaging in planned activities that include cooking, games and singing. Feedback from the residents, nursing and ELC staff is that it's a highly beneficial program for both age group participants. The ELC would like to continue this initiative.

Plans to incorporate funded three-year-old kindergarten in 2020 are well underway and will see the successful roll out of an additional early childhood educational program for the local community.

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Social, Community and Environmental Initiatives

Maternal Child Health Services

Maternal Child Health services participation rates in the shire are high when compared to state figures.

Figures 2018-19

104 birth notices with the following visits taking place.

Home visits - 102

Two week visits - 96

Four week visits - 102

Eight week visits - 107

Four month visits - 104

Eight month visits - 99

12 month visits - 82

1.5 year visits - 76

Two year visits - 80

3.5 year visit - 83

High numbers of referrals were received for various reasons including:

- Mental health, sleep and settling (for the baby/ infant), feeding issues, behaviour (of the child) and family violence.
- Looking forward - improvements need to be made in regards to data collection involving referrals attended.

A recent trial has been commenced for Maternal Child Health staff to attend a playgroup session once a month. This was arranged in collaboration with Stawell Neighbourhood House. Feedback from attendees was positive and this will continue as a monthly practice.

Maternal Child Health Immunisation Service

Council continues to offer monthly immunisation sessions in Stawell and St Arnaud.

The following numbers of children were immunised:

Stawell - 112

St Arnaud - 144

Attendance also took place at secondary schools in the shire, providing immunisations to those children eligible to receive assistance through the government funded immunisation program.

In March 2019 an online booking system for members of the public to book immunisation appointments was launched. This new booking system has been well accepted from both community members using the service and staff.

Supported Playgroups

Supported playgroups are funded by the Department of Education and were established to target families who experience disadvantage. Supported playgroups deliver an evidence based program to parents to help them build their skills and confidence to support their children's wellbeing and learning.

Supported playgroups have been operating in Stawell and St Arnaud on a weekly basis since October 2018. Numbers attending this specialised playgroup have fluctuated with recent slight increases in attendance. Current collaboration is occurring with existing playgroups in the shire in order to refer vulnerable families to this service.





Social, Community and Environmental Initiatives

Recreational Water

Walkers Lake

Recreational water continues to be a significant contributor to the social and economic wellbeing of rural communities. Lake Lonsdale, Lake Fyans and Walkers Lake continue to host many visitors for skiing, fishing, recreational and natural environment enjoyment. The Walkers Lake Advisory Group finalised the Walkers Lake Management Plan (Plan) which was subsequently endorsed by council at their March 2019 council meeting.

Whilst not mandated, the 10 year management plan is aimed to provide direction for council in the management of the Walkers Lake Reserve with a focus on five strategic areas as follows:

- Community, Recreation and Built Environment
- Cultural Heritage
- Biodiversity and Natural Environment
- Tourism and Economic
- Water Supply

The Walkers Lake Advisory Group, through regular minuted meetings, have established a list of draft actions to commence the process to deliver the outcomes of the next 12 months. The list is a work in progress and relevant items will be subject to approval through a process of assessment by a qualified Cultural Heritage Advisor who will conduct a Cultural Heritage Due Diligence Assessment.

Grampians Lakes Fishing Competition

Perched in a large headworks water catchment area under the control of GWMWater, Northern Grampians Shire is host to several waterways that are critical to our region's environment and health through water supply.

In a recent study, the Wimmera Southern Mallee Socio-Economic Value of Recreational Water Report (a joint initiative of Wimmera Development Association, GWMWater, the Wimmera Catchment Management Authority, and local councils), Lake Fyans, in the heart of the Grampians tourism region, was the water facility generating the largest estimated contribution from visitors and other users, with overnight visitors making the overwhelming majority of this contribution.

This information strengthened the pursuit of an initiative from council whereby the Victorian Fisheries visited Lake Fyans to investigate the opportunities of establishing a VicFish Kids event that is part of the state government's Target One Million plan to grow participation and get one million anglers by 2020. This event discussion that included Stawell and District Angling Club introduced the development of an open fishing competition. To be held on the same weekend as the VicFish kids event on the Melbourne Cup weekend in November 2019 it is expected to grow into a sustainable event for years to come.



Social, Community and Environmental Initiatives

Lord Nelson Park and North Park Multipurpose Clubroom Developments

Lord Nelson Park continues to gain momentum through the support of council's St Arnaud Recreation Advisory Group which is driving the project on behalf of the community. Draft concept designs have been developed over the last 12 months to establish the floor plan and amenities required to house the diverse number of users at the reserve. This project has been buoyed by the commitment from council and also the announcements of funding from Sports Australia, the state government, AFL and the community. The project will progress to the development of final construction designs in the 2019-20 financial year.

The council supported North Park Multipurpose Clubroom Development reached the peak of support in 2018-19 through multiple avenues. The Stawell Recreation Advisory Group formed by council in 2017 has played a major part in developing the project to a stage of concept design through to final construction plans. During this design phase the project achieved funding support from Sports Australia, the state government, Swifts Football and Netball Club and the community to ensure this project reaches a commencement to construction timeline in the 2019-20 financial year.

Stawell Parks Precinct Plan

This project was funded by council and the federal government, Department of Industry, Innovation and Science, Building Better Regions Fund supporting Recreation Futures in Northern Grampians.

Designed to focus on the spaces of Central Park, Cato Park and Maud Street Dams, the project aimed to engage the Stawell community, including user groups, in a process of consultation and feedback. This was done to inform the existing and future needs of the community, examine existing infrastructure and operational requirements and exploring how the reserves can support and be an integral component of local community life.

The final Directions Report document was presented to council and endorsed at the March 2019 council meeting which included outcomes and actions by precinct:

- paths and access
- fit for purpose
- presentation and interface
- lakes and wildlife
- inclusive play facilities
- vegetation

Council has approved 2019-20 budget items that will commence the delivery of recommendations or actions that are a result of the Stawell Parks Precinct Plan process.

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Aquatic Facilities					
Satisfaction					
AF1 <i>User satisfaction with aquatic facilities (optional)</i> [User satisfaction with how council has performed on provision of aquatic facilities]	0.00	0.00	0.00	0.00	
Service standard					
AF2 <i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2.00	2.00	1.00	0.50	Council operates 2 Aquatic Facilities, only one aquatic facility was tested during the reporting period.
Health and Safety					
AF3 <i>Reportable safety incidents at aquatic facilities</i> [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	2.00	There were 2 reportable safety incidents in the reporting period. Both incidents were reported promptly and actioned accordingly.
Service cost					
AF4 <i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$3.42	\$4.22	\$7.21	\$8.57	The indoor aquatic facility is part of a larger facility. The level of service provided has increased over the past 2 years
Service Cost					
AF5 <i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.47	\$9.36	\$12.93	\$13.92	
Utilisation					
AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.80	4.51	3.90	4.07	
Animal Management					
Timeliness					
AM1 <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.64	3.17	10.72	Staff resourcing issues has seen a reduction in the level of service
Service standard					
AM2 <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	36.25%	46.09%	23.96%	23.03%	Staff resourcing issues has seen a reduction in the level of service
Service cost					
AM3 <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$81.51	\$78.75	\$58.78	\$55.90	
Health and safety					
AM4 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Libraries					
Utilisation					
LB1 <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items] Resource standard	2.09	2.17	2.15	1.90	The number of loans has decreased by over 7,000 items. This is directly correlated with a reduction in the number of visitors to our libraries.
LB2 <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100 Service cost	49.72%	44.51%	43.32%	41.17%	
LB3 <i>Cost of library service</i> [Direct cost of the library service / Number of visits] Participation	\$6.54	\$6.38	\$6.66	\$9.32	
LB4 <i>Active library members</i> [Number of active library members / Municipal population] x100	15.37%	15.44%	15.22%	13.98%	
Maternal and Child Health (MCH)					
Satisfaction					
MC1 <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100 Service standard	104.50%	104.67%	99.02%	98.08%	Whilst the overall number of participants in the service decreased, the number of individual attendances remained constant.
MC2 <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100 Service cost	97.30%	99.07%	100.98%	101.92%	
MC3 <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses] Participation	\$60.28	\$62.85	\$65.95	\$72.05	
MC4 <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 Participation	82.24%	89.05%	90.73%	85.92%	
MC5 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	76.00%	94.74%	83.33%	93.33%	

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Home and Community Care (HACC)					
Timeliness					
HC1 <i>Time taken to commence the HACC service</i>	8.78	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]					
Service standard					
HC2 <i>Compliance with Community Care Common Standards</i>	50.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100					
Service cost					
HC3 <i>Cost of domestic care service</i>	\$52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the domestic care service / Hours of domestic care service provided]					
Service cost					
HC4 <i>Cost of personal care service</i>	\$52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the personal care service / Hours of personal care service provided]					
Service cost					
HC5 <i>Cost of respite care service</i>	52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the respite care service / Hours of respite care service provided]					
Participation					
HC6 <i>Participation in HACC service</i>	23.28%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
HC7 <i>Participation in HACC service by CALD people</i>	9.46%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					



Emergency and Risk Initiatives

Council has continued to maintain a high level of 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.

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 review and ongoing 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 2009 Victorian Bushfires Royal Commission and the 2011 Victorian Floods Review 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.

Council keeps abreast of strategic and regional planning through participation on the Regional Strategic Fire Management Planning Committee (RSFMPC) and the Regional Emergency Management Planning Committee (REMP). 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) and changes to EM legislation.

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Council is involved in the Grampians Municipal Emergency Management Enhancement Group (MEMEG). Being on the Grampians MEMEG has allowed for the cooperation and networking with other regional municipalities and Local Government Victoria (LGV) to discuss and resolve issues relating to EM. Some of the items discussed and planned include: accessing grants for regional projects, and undertaking EM exercising and training together.



Emergency and Risk Initiatives

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 list 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 information pointing to systems which indicates locations where vulnerable people might be located (eg schools, child care facilities, hospitals, intellectually disabled, disabled, and aged care facilities).

It also recognises the need for these people to be encouraged to be prepared to relocate early if an emergency situation threatens and the need to work with the various service providers to ensure plans are in place for any assisted evacuations.

Partnerships and Collaborations

Council is continuing to investigate the efficacy of an emergency management collaboration or resource sharing agreement between Southern Grampians Shire Council and Ararat Rural City Council.

Additional collaborative work includes:

The review of Neighbourhood Safer Places (NSPs) and the Victorian Fire Risk Register-Bushfire (VFRR-B) with the assistance of the CFA and other MFMP members and stakeholders.

Coordination with the Department of Environment Land Water and Planning (DELWP), CFA, and Municipal Fire Prevention Officers (MFPOs) on fire management issues (eg setting restrictions for permits to

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burn and working with CFA and DELWP staff on fire management activities and fuel reduction and risk reduction strategies) has occurred throughout the year.

Council continues to be involved in flood management discussions regarding possible sharing of resources between councils for possible risk mitigation projects coming out of the Victorian Floodplain Management Strategy 2016.

Emergency and Risk Initiatives

Emergency Response and Recovery Activities

Council worked with and supported other agencies with several minor incidents during the year requiring emergency management activation.

Community Engagement in Emergency Management

Council's commitment to community engagement remains strong as shown by council's facilitation of community information sessions and meetings relating to emergency management issues. Council has encouraged community involvement in identifying potential hazards through these sessions and meetings.

The Community Resilience Framework for Emergency Management in Victoria was released in May 2017 and provides some guidance on how council's strategies, programs and actions can be planned, integrated and implemented, building safer and more resilient communities.



Meeting Local Priorities

In line with recommendations from the 2011 Victorian Floods Review, weather stations located in the Grampians National Park, at Lake Bellfield, and at Halls Gap continue to be supported to enable better prediction of possible flooding from the Grampians catchment.

Emergency Management (EM) staff were provided with internal training to ensure they were ready for the eventuality of any emergency incident, and newly appointed staff completed the VICSES run Introduction to Emergency Management Course to ensure they understood the part they play in EM within the state. Other EM staff have completed Emergency Management Liaison Officer (EMLO) training and the Australasian Inter-service Incident Management System (AIIIMS) course. MFPO training has been arranged for September.

Fire hazard reduction activities for the year were conducted, including: roadside fuel reduction operations and fire hazard inspections. This involved liaison with and between council infrastructure staff, DELWP, and the CFA.



Asset Initiatives

Airports Taking Off

Time and effort has been put towards formulating the scope and exploring funding opportunities for Stawell Airport Stage 5,6 and 7. While grant funding was not sourced in 2018-19 council was able to achieve a large section of fence replacement. This work is aimed at eliminating the risk of native animals entering the aerodrome creating an unnecessary hazard for pilots taking off and landing.

Buildings

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 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 2018-19 financial year:

- St Arnaud Town Hall kitchen has undergone a significant renewal, replacing the flooring, cabinetry and appliances. This work has created a functional state of the art kitchen available for community functions and catering.
- North Park Multipurpose Clubroom Development went through extensive planning and consultation. Detailed design has been undertaken and tender documentation prepared in preparation for work to start early in the 2019-20 financial year.
- Extensive work has been performed on improving energy efficiency in high-use council buildings including St Arnaud Early Learning Centre, Senior Citizen buildings in Stawell and St Arnaud and St Arnaud Town Hall. This work included installing solar panels, improving heating and cooling systems and replacing traditional lighting with LED lighting.

Parks and Gardens Upgrades in 2018-19

Works undertaken in the 2018-19 financial year are in line with achieving council's 2017-21 plan to enhance the natural and built environment to improve lifestyle and visitation, including:

- Development of the Queen Mary Gardens, St Arnaud. Extension over the old bowling green has progressed with the project scoped and initial purchases and fabrication undertaken ready for work to begin in 2019-20. New garden beds have been formed and prepared along the Inkerman St boundary.
- Stawell CBD has undergone streetscape refurbishment through the Main St Streetscape project. Work includes tree planting with understory plantings and installation of new garden beds.
- The top end traffic islands of Napier St, St Arnaud have been refurbished with new plantings.
- Park benches have been installed in the newly named Coffee Palace Park in accordance with the development design.
- Wimmera St, Stawell has undergone street tree planting.

Asset Initiatives On the Road Again

Council's Infrastructure Department have again completed an effective Road and Bridges Capital Program, including a number of major road renewal and upgrade works.

In a bid to try and reduce ongoing road maintenance costs on gravel roads or improve road functionality and safety, council undertook several road upgrade projects. These projects included upgrading several of the highest/heaviest used rural roads, including Banyena Rd, Joel Joel Rd and Moyston-Great Western Rd, which are highly used by heavy vehicles. Pipetrack Rd, Woolpack Rd and Dane Rd, council's highest rated rural residential roads, also saw upgrades this year. The intersection of Tymna Dr/ Grampians Rd, Halls Gap was realigned to allow for safer intersection maneuvers.

Works were performed at Queens Ave, St Arnaud, Gray St, Stawell and Grant St, Stawell, upgrading the drainage and pedestrian access within the residential area. Footpath installation was seen installed

in Stawell and Halls Gap at four separate locations.

Grant funding was sourced to undertake extensive streetscape works in the main streets of Stawell and Halls Gap. The Stawell works including road realignment, kerb and channel, increased paved areas in front of key eateries, landscaping,

4

**Separate locations
of footpath
installation at
Stawell and Halls
Gap**

installed fixtures and fittings to allow shops to take full advantage of their increased shop front areas. Halls Gap underwent extensive works to improve walkability and formalise parking in the Halls Gap village centre. Further works are underway to continue to improve walkability and amenity in the area.

Bridge and Major Culvert Upgrades

Council undertook works on 11 major culverts or bridges over the 2018-19 financial year. These works involved renewing assets that were at the end of their useful life or improving road safety at stream crossings. The Bridge and Major Culvert Upgrades program largely consisted of guardrail replacement and deck strengthening. Among other projects, culverts have been replaced at Bayto Rd and Kanya Rd. Larger works were seen on Allanvale Rd and Raluana Rd where bridges have been replaced with large span culverts.

11

**Major culvert
or bridge works
undertaken**

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In a bid to try and reduce ongoing road maintenance costs on gravel roads or improve road functionality and safety, council undertook several road upgrade projects.

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Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Roads					
Satisfaction of use					
R1 Sealed local road requests	5.12	8.54	7.84	5.59	Our sealed roads requests have reduced as a result of both our maintenance focus of the capital program
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition					
R2 Sealed local roads maintained to condition standards	78.41%	82.85%	77.69%	90.31%	Our resealing program reached a large network of roads resulting in a reduced number of roads above the intervention level as set by Council.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					
R3 Cost of sealed local road reconstruction	\$52.16	\$65.11	\$0.00	\$95.97	Deployment of improved construction standards to combat weak subgrade has resulted in a higher cost.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
Service Cost					
R4 Cost of sealed local road resealing	\$4.41	\$4.00	\$4.54	\$5.81	Council utilises a contractor to complete the resealing program which has increased over the period. Costs also vary due to the location and size of the individual works projects undertaken.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction					
R5 Satisfaction with sealed local roads	58.00	54.00	48.00	53.00	Council has made a significant effort to repair and renew our sealed roads network over the past two years and as a result community satisfaction has increased. This result is consistent with the decline in sealed roads requests.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

Waste Initiatives



Budget 2018-19

- Construction of an e-waste shed at both the Hard Hills (St Arnaud) and Stawell Transfer Stations preparatory to the e-waste ban to landfills commencing 1 July 2019.

Initiatives 2018-19

- Selection of successful tenderer, Wimmera Mallee Waste to privately manage the Stawell Transfer Station
- Completion of NGSC Waste Strategy following community consultation
- Participation in a Kerbside Waste Collection Contracts Collaborative procurement process

Transfer Station Operation Plans

- Construction and implementation of e-waste sheds at both the St Arnaud and Stawell Transfer Stations.
- Change to private management of the Stawell Transfer Station by Wimmera Mallee Waste.
- Eco Swish was the successful tenderer for the management of the St Arnaud (Hard Hills) Transfer Station.

Chinese Sword - Recycling Crisis

NGSC continues to work on options to ensure that further viable options are developed in relation to recycling materials and that no further costs will need to be passed onto residents.

E-Waste Agreement for Collection

The date of banning of e-waste acceptance into landfills commenced on 1 July 2019. Council is working with the Grampians Central West Resource Recovery Group and other stakeholders to appreciate the ongoing requirements of this legislative change.

NGSC Waste Strategy

Development of a NGSC Waste Strategy 2018-28, including a Halls Gap Precinct Plan will be completed towards the end of September 2019. This plan will include all current arrangements and short, medium and long term objectives for waste management within the NGSC.

Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Waste Collection					
Satisfaction					
WC1 <i>Kerbside bin collection requests</i>	62.29	67.20	36.90	76.51	The number of requests for bin collection increased substantially over the period as a result of contractor performance standards.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000					
Service standard					
WC2 <i>Kerbside collection bins missed</i>	3.54	5.38	4.14	6.27	The number of bins missed increased substantially over the period as a result of contractor performance standards.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Service cost					
WC3 <i>Cost of kerbside garbage bin collection service</i>	\$117.18	\$125.85	\$142.57	\$144.61	Cost is based on weight of recyclables collected. The total weight of recyclables has reduced over the period whilst the number of bins stayed the same.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost					
WC4 <i>Cost of kerbside recyclables collection service</i>	\$38.05	\$39.02	\$39.69	\$34.82	
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion					
WC5 <i>Kerbside collection waste diverted from landfill</i>	35.14%	31.90%	33.64%	33.60%	
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					



Data and Information Initiatives

Business Transformation

This year again saw the continuation of projects aligned with the council plan goal of ‘improving organisational effectiveness’.

Combining the key components of people, processes, technology and change management, council has continued to focus on the implementation of innovative solutions that provide integrated, easy to use, accessible services, prioritising customer experience, digital first and data management in order to improve service delivery and customer experience.

Application of available technology has seen further implementation of new methods of communicating council activities to the community with a centrally managed display set up outside the St Arnaud Town Hall and following several delays the public WiFi was finally turned on for St Arnaud CBD. Several new methods of employee communication have also been implemented.

Council’s website redevelopment project has continued with a focus on moving from a ‘flat’ information based website to one that provides an improved user experience allowing customers to easily interact and transact with council when, where and how it suits them. This year has seen the migration of all forms to true digital online forms that are easy to use and submit, online payments options for all payment types, and the introduction of online bookings.

LeaniNG Forward, our continuous improvement project using ‘lean’ methods and process management to identify and implement ‘change for the better’ which commenced last year, is ongoing across the organisation. Of the approximately 1,300 processes which have been identified, almost 300 have been mapped with the same amount currently in progress. This not only provides council with corporate knowledge to provide a consistent customer experience, but also the opportunity to analyse and improve service delivery. This project was named as a finalist in the Municipal Association of Victoria Technology Strategy & Planning Achievement of the Year award.

Council is proud of its use of technology and with an innovative and progressive approach has formed a beta development partnership with a technology provider to implement improved process solutions identified through improvement activities undertaken as part of the LeaniNG Forward project. Our elementORG-iNG-IT project has so far seen more than 30 new streamlined processes designed and implemented resulting in considerable reductions in administrative burden and improved customer experience.

A review of communication services commenced and is anticipated to result in both improved service delivery and considerable savings to council in the future and further supports our move towards a web enabled environment.

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 2018-19, as set out in the Audit Committee Charter. The committee's role is to focus on identified risks to the organisation, risk management, financial and governance responsibilities and to review processes to provide assurance regarding the council's performance.

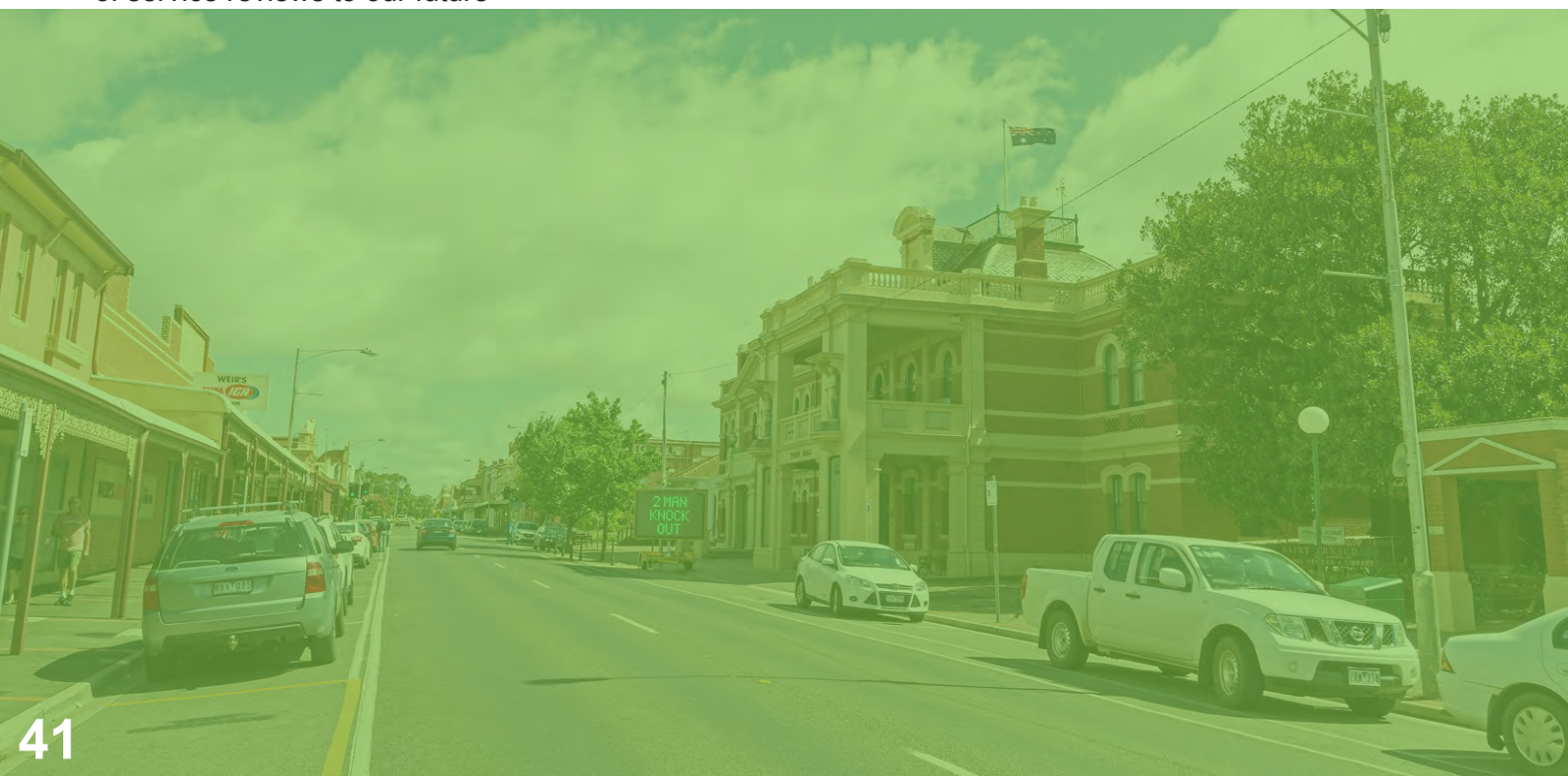
Work towards long term sustainability is ongoing. Council has been systematically assessing its services to review what is offered and how it is offered. The aim is to better match the services provided to that expected by the community at a value they are prepared to pay. In the process council seeks to provide services in a smarter and more innovative way.

The rate cap set by the state government has provided a limit to the income council can raise, therefore proving the relevance of service reviews to our future

sustainability. Although these reviews will mean making difficult decisions and changing the services we deliver to the community, council is aiming to maintain a viable cash position to ensure we remain financially sustainable in the long-term.

The Audit Committee consists of two councillors and three external representatives

The rate cap set by the state government has provided a limit to the income council can raise.





Core Services Initiatives

Customer Experience

Northern Grampians Shire Council has customer support 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 and services. Our friendly customer support staff endeavour to answer all enquiries, and can respond to requests for a wide range of services, including receipting, VicRoads procedures and animal registration.

Media and Communications

In 2018-19, media and communications continued its focus on improving council's communication and consultation with its communities via social media and increased content on Facebook and Twitter and television screens installed outside council offices in Stawell and St Arnaud. This allowed us to share information instantly and with a wider community and to drive our community to our website.

The Media & Communications Officer has sourced additional photos (St Arnaud and district) for our photo library from the Stawell Camera Club to be used in council promotions and is gradually building a YouTube library of conversations with staff and shire identities in the lead up to major events such as the Easter Stawell Gift. Video footage is also being recorded with the Mayor providing a wrap up following council meetings. You can follow us on Facebook by searching for Northern Grampians Shire Council, @ngshire on Twitter and @NGSCMayor and visit our website www.ngshire.vic.gov.au. A key focus for media and communications has been consistent messaging to the community about council activities, and visually promoting the benefits of the shire through photos and drone footage which is being shown on televisions located in our main administration centres, outside the Stawell Town Hall and at the Stawell Sports and Aquatic Centre and on social media.

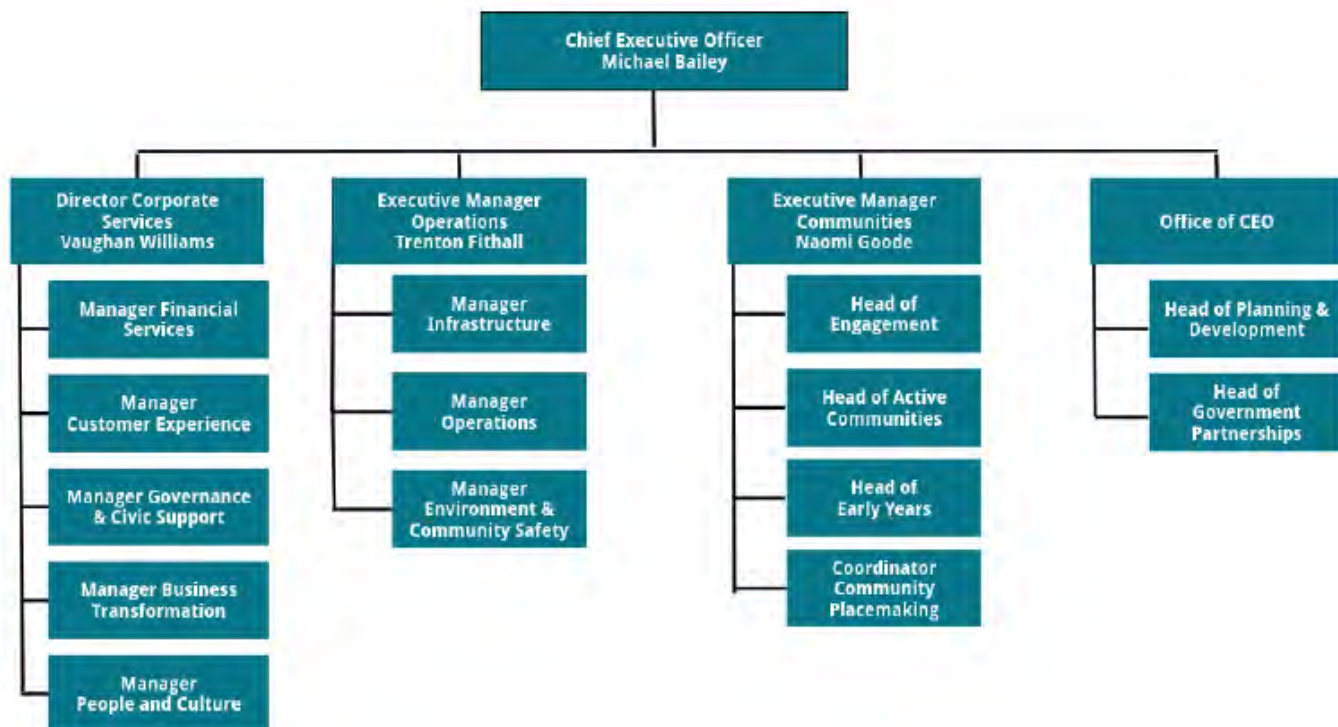
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A key focus for media and communications has been consistent messaging to the community about council activities.

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Core Services Initiatives

Organisational Structure



Council Staff

FTE Employment type per Directorate

Employment Type/gender	Corporate Services FTE	Communities FTE	Operations FTE	CEO Office FTE	Total FTE
Permanent FT- Female	18.0	13.0	4.0	4.0	35.0
Permanent FT - Male	9.0	4.0	61.0	4.0	74.0
Permanent PT - Female	4.6	22.0	1.7	0.8	28.3
Permanent PT - Male	0.0	0.8	2.8	0.0	3.6
Casual - Female	0.0	4.8	0.0	0.0	4.8
Casual - Male	0.0	1.0	0	0	1.0
Total	31.0	44.8	71.1	8.8	155.7

FTE Employment type per Banding

FTE	Permanent Full Time - Female	Permanent Full Time - Male	Permanent Part Time - Female	Permanent Part Time - Male	Casual - Female	Casual - Male	Total
All other	4.0	7.0	2.8	0.0	0.2	0.0	14.0
Band 1	0.0	0.0	0.0	0.0	3.4	1.0	4.4
Band 2	0.0	1.0	0.0	0.0	0.6	0.2	1.8
Band 3	4.0	27.0	12.2	0.6	0.4	0.6	44.8
Band 4	10.0	17.0	7.2	0.9	0.0	0.4	35.5
Band 5	11.0	11.0	2.9	0.9	0.2	0.0	26.0
Band 6	2.0	9.0	3.5		0.0	0.0	14.5
Band 7	5.0	6.0	0.7	0.0	0.0	0.0	11.7
Band 8	3.0	0.0	0.0	0.0	0.0	0.0	3.0
FTE	Total FTE						155.7

Core Services Initiatives

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 & 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

Child Safe Statement of Commitment

The Northern Grampians Shire Council is committed to being a child-safe organisation, with zero tolerance for child abuse. We, along with a range of organisations, are working towards compliance with the Victorian Child Safe Standards.

We all play an important role in protecting children, especially if we have concerns for a child's safety. We aim to create a culture of child safety that reduces the opportunity for harm and gives staff a clear process to follow when someone raises concerns about child safety or reports abuse. We encourage the reporting of concerns.

Our Child Safe Statement of Commitment applies to all employees, volunteers, work experience students, contractors, contract employees and councillors.

Human Rights

The Victorian Charter of Human Rights & 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

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.

Northern Grampians Shire Council is a member of the Municipal Association of Victoria WorkCare self insurance which aims to provide the following benefits:

- Continuous improvement in health and safety and return to work performance
- Improve injury prevention
- Better human and financial outcomes

Northern Grampians Shire Council is working to meeting compliance in the National Audit Tool for Self Insurers (NAT) in partnership with MAV WorkCare insurance providers, Jardine Lloyd Thompson (JLT).



Governance, Management and other Information

Governance

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 municipal district and the Northern Grampians Shire community. The role of the 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 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
- 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.

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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.

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Governance, Management and other Information

Council Meetings

Council conducts open public meetings on the first Monday of each month at 12.30pm. 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 2018-19 there were 11 ordinary council meetings and six special council meetings. There were 40 councillor briefings.

The following table provides a summary of councillor attendance at these meetings for 2018-19.

	Ordinary Council	Special Council	Briefings
No. of Meetings	11	6	40
Cr Kevin Erwin	10	4	36
Cr Murray Emerson	11	4	37
Cr Tony Driscoll	11	5	40
Cr Rob Haswell	6	4	33
Cr Karen Hyslop	10	5	37
Cr Jason Hosemans	11	3	35
Cr Merrilee Reid	9	5	34

	Audit Committee
No. of Meetings	4
Cr Kevin Erwin	4
Cr Karen Hyslop (delegation commenced December 2018)	2
Cr Murray Emerson (delegation ended December 2018)	1

Governance, Management and other Information

Special Committees

The following committee has been established under Section 86 of the *Local Government Act 1989* for the purpose of advising council on specific matters. Meetings of this committee are open to the public and minutes of these meetings are available for public inspection.

- Queen Mary Botanic Gardens Committee

The following table contains information on membership and the purpose for which each committee was established.

	Councillors	Officers	Other	Purpose
Queen Mary Gardens Committee	1	1	12	To care and manage the facilities at the Queen Mary Botanic Gardens and Pioneer Park for the benefit of the community.

Councillor Code of Conduct

Council must review its Code of Conduct within four months after a general election, call a special meeting solely for the purpose of reviewing the Code and at that special meeting approve any amendments to be made to the Code determined by council to be necessary following the review.

The requirement to have up to date and enforceable codes of conduct is an important governance measure designed to ensure councils are able to deal effectively with councillor conduct issues.

The Code:

- sets out the standards of conduct expected of elected representatives
- endeavours to foster good working relations between councillors to enable councillors to work constructively together in the best interests of the local community
- mandates councillor conduct designed to build public confidence in the integrity of local government.

Within one month of the review councillors must make a declaration stating they will abide by the Code; the declaration must be in writing and witnessed by the Chief Executive Officer. Having councillors make compliant declarations that they will abide by the codes that have been adopted by their council is a further important measure of good governance.

The Code was adopted at a Special Council Meeting on 13 February 2017 and each councillor agreed to make a written declaration before the Chief Executive Officer stating that they will abide by the Code. The Code is compliant with the *Local Government Act 1989* and includes an internal resolution procedure to provide for an arbiter to hear and determine on allegations that a councillor has contravened the Code.

Conflict of Interest

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

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 the public duty. A register is maintained to record all disclosed conflict of interests. During 2018-19 five conflicts of interest were declared at council meetings and Assemblies of Councillors.

During 2018-19 council approved a Gift, Benefits and Hospitality Policy as a means by which to achieve good practice in managing the risks identified in the IBAC 2018 Local Government Integrity Frameworks Review.

Councillor Allowances

Section 74 of the *Act* requires each council to review and determine the level of the councillor and mayoral allowances within the period of six months after a general election or by the next 30 June, whichever is later. Allowances set through this process remain in force for the next four financial years unless one of the following applies: a) a review may be conducted if an Order in Council varies the limits or ranges of allowances payable; b) a review may be conducted if an Order in Council changes the category of council. The Minister for Local Government recently reviewed the limits and ranges of the current mayoral and councillor allowances, and has determined under section 73B of the *Act* that these allowances be increased by 2.0% from 1 December, 2018. In making this determination, the Minister had regard to the equivalent movement in remuneration of executives within the meaning of the Public Administration Act 2004. For council which is a Category 1 Council, based on population and revenue, the adjusted range limits which apply are: Category 1: Councillors: \$8,660-\$20,636 pa; Mayors: up to \$61,651 per annum. The amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5%) is payable in addition to these amounts.

Councillors are also entitled to a Remote Area Travel Allowance. If a councillor normally resides more than 50km 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 actually attended by that councillor, up to a maximum of \$5,000 per annum.

Governance, Management and other Information

Councillor Expenses

Section 75B of the *Local Government Act 1989* requires that council adopt and maintain a policy in relation to the reimbursement of expenses for councillors and members of council committees. The policy adopted must be consistent with the prescribed types of councillor out-of-pocket expenses that must be reimbursed if the expenses are reasonable and bona fide, and the prescribed procedures to be followed by councils in relation to the reimbursement of out-of-pocket expenses. The policy must be made available for inspection by the public.

Council is required to review and amend its existing policy following each general election. The policy provides guidance on the reimbursement of out of pocket expenses and provision of support for councillors and members of council committees to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official council duties. The policy covers areas such as travel expenses, use of vehicles, training, dependant care expenses, civic support, facilities and equipment. The policy is due for review in 2021.

The following table contains a summary of the allowances and expenses paid to each councillor during the year:

Councillors	Allowance \$	Remote Area Travel Allowance \$	Council paid expenses directly \$	Total \$
Cr Kevin Erwin (Mayor 2018-19)	54,590.93	200.00	19,771.47	74,562.40
Cr Tony Driscoll (Mayor 2018)	34,924.22	1,520.00	6,914.71	43,358.93
Cr Murray Emerson	22,448.44	240.00	1,837.88	24,526.32
Cr Rob Haswell	22,448.44	120.00	471.75	23,040.19
Cr Jason Hosemans	22,448.44	240.00	163.56	22,852.00
Cr Karen Hyslop	22,448.44	200.00	163.56	22,812.00
Cr Merrilee Reid	22,448.44	1,320.00	227.13	23,995.57
Total	201,757.35	3,840.00	29,550.06	235,147.41

The *Local Government Planning and Reporting Regulations 2014* require councils to detail councillor expenses in their annual reports in five distinct categories and the above summary of council paid expenses amounting to \$29,550.06 are detailed below into these categories:

Councillors	Travel Expenses	Car Mileage	Childcare	Information & Communication Technology	Conference & Training Expenses
Cr Kevin Erwin (Mayor 2018-19)	6,219.07	10,124.57	0.00	163.56	3,264.27
Cr Tony Driscoll (Mayor 2018)	1,200.91	5,550.24	0.00	163.56	0.00
Cr Murray Emerson	407.76	48.38	0.00	163.56	1,218.18
Cr Rob Haswell	308.19	0.00	0.00	163.56	0.00
Cr Jason Hosemans	0.00	0.00	0.00	163.56	0.00
Cr Karen Hyslop	0.00	0.00	0.00	163.56	0.00
Cr Merrilee Reid	0.00	63.57	0.00	163.56	0.00
Total	8,135.93	15,786.76	0.00	1,144.92	4,482.45

Note: The Mayor is supplied with a vehicle in order to fulfil the duties of the role and these costs are allocated against car mileage.

Governance, Management and other Information

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 below. The following items 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.

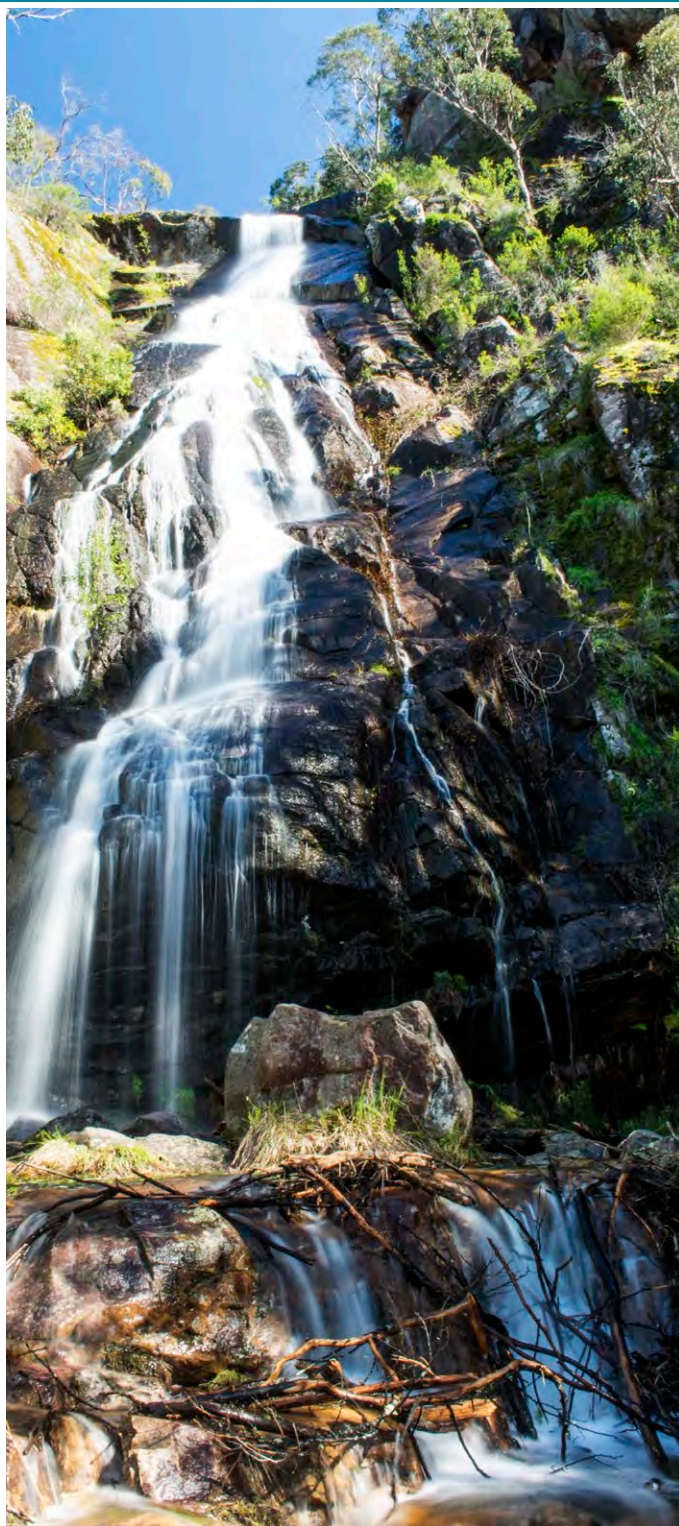
The Audit Committee has the responsibility for advising the council on :

- seeking resolution on any disagreements between management and the external auditors on financial reporting
- reviewing all auditing, planning and outcomes
- seeking any information it requires from councillors and council staff via the Chief Executive Officer and external parties
- formally meeting with council staff, internal and external auditors as necessary.

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 and two councillors. Sitting independent members are Mr Peter Knights (Chair), Mr Tony Roberts and Mrs Lynn Jensz who was appointed on 1 April 2019. 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 required.

The Chair is paid an annual chairman's allowance of \$2,000.





Governance, Management and other Information

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 deemed to be of inherently high risk and appropriately qualified persons/organisations are engaged to undertake the audit. Third party audits and inspections by WorkSafe are reviewed by the Audit Committee and progress on addressing any issues raised monitored.

Major reviews undertaken in 2018-19 include audits on the Council's Animal Shelter, Life Saving Victoria for Stawell Sports & Aquatic Centre and Care Quality Authority for St Arnaud Children's Early Learning Centre.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2018-19 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 September 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

On 6 May 2019 council adopted a revised Risk Management Policy and Risk Management Strategy. During 2018-19 Council reviewed and aligned the documents to the most current risk management standards, developed a new risk framework and risk appetite and improved reporting capability to the Executive Leadership Team and Audit Committee. We purchase new software CAMMS to register and manage operational and strategic risks and revamped the Risk Committee with new Terms of Reference. The framework demonstrates the council's commitment to managing risk and defines 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:
- facilitates innovation, cooperation and the sharing of resources
- enhances the development and delivery of council programs
- supports the council's key values and ethics
- encourages a closer working partnership between the council and the community
- ensures consultation with all stakeholders on key issues
- encourages a proactive approach to problem solving.



Governance, Management and other Information

Records Management

Council has particular responsibilities under the *Public Records Act 1973* and has a current Records Management Policy which establishes a council wide consistency in the management of records and a framework for the creation, capture, access, management, storage and disposal of records of all agency functions, irrespective of format, within the council. Council also has a current Records Digitisation Policy which establishes a framework for the conversion of hard copy documents (source records) to digital format and the subsequent disposal of the source records. The policy is supported by the Records Digitisation Procedure which outlines the digitisation process in detail so that full, accurate and complete converted records will be generated. It is mandatory for all Victorian government agencies that are digitising physical records with the view to disposing of the physical source records to comply with Public Records Office of Victoria (PROV) Digitisation Specifications.

Memberships

Council was a member of the following organisations during the 2018-19 year:

- Local Government Professionals (LGPRO Incorporated)
- Local Government Finance Professionals
- FOI Assist Pty Limited
- Wimmera Development Association
- Rural Councils Victoria Incorporated
- North West Municipalities Association
- Victorian Chamber of Commerce & Industry
- Municipal Association of Victoria
- TaxEd Pty Ltd
- Country Fire Authority
- Ibis World Pty Ltd
- ID Consulting Pty Ltd
- StawellBiz Inc
- Australasian Performing Right
- Vicsport
- SportFix Pty Ltd
- IPWEA Victorian Division
- Australian Airports Association
- Tenderlink.com
- Municipal Works Operations Association
- Bartco Traffic Equipment Pty Ltd
- Wimmera Regional Library Corporation
- Keep Australia Beautiful Victoria Inc
- REMPLAN

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It is mandatory for all Victorian government agencies that are digitising physical records with the view to disposing of the physical source records to comply with Public Records Office of Victoria (PROV) Digitisation Specifications.

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Governance and Management Checklist

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

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 adopted a Community Engagement Policy on 4 September 2017.	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	The policy will be supported by the Community Engagement Strategy and Community Engagement Toolkit which are currently being written. At present, 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 4 financial years)	Strategic Resource Plan adopted in accordance with section 126 of the Act Date of adoption: 24 June 2019	✓
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)	Annual Budget adopted in accordance with section 130 of the Act Date of adoption: 24 June 2019	✓
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)	Services Asset Management Plan in place which includes <ul style="list-style-type: none"> • 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. Rating Strategy (strategy setting out the rating structure of council to levy rates and charges)	Revenue and Rating Strategy in place - currently being reviewed Date of operation of current strategy: 3 March 2014	✓
7. Risk 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: 6 May 2019	✓
8. Fraud 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: 30 June 2017	✓

9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 3 July 2017	✓
10. Procurement Policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Procurement Policy prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 1 October 2018	✓
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, currently being reviewed 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, currently being reviewed 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: 6 May 2019	✓
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)	Council Plan performance not undertaken and efforts made to populate CAMMS software to track Council Plan objectives and strategy for 2019-20. Council Plan reviewed May 2019.	✓
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing	Statements presented to council in accordance with section 138(1) of the Act	✓

budgeted revenue and expenditure with actual revenue and expenditure)	Date statements presented: 10/09/2018; 3/12/2018; 04/03/2019; 03/06/2019	
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)	<p>Risk reporting is understood to be an important area for Local Government. The Risk Committee monitors strategic and operational risks and reports to the Executive Leadership Team monthly and to each Audit Committee meeting to provide the opportunity to comment on Council's direction and operational management of risk. In 2018-19 the Audit Committee received an update from officers about the new risk management framework and regular reporting process commenced.</p> <p>Date of Audit Committee Meetings: 5 September 2018, 7 December 2018, 29 March 2019 and 21 June 2019.</p>	✓
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)	<p>Performance reporting legislation progress report provided to council for the six months ended 31 December 2018.</p> <p>Date of report: 1/7/2018-31/12/2018 reported to council 9/4/2018</p>	✓
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)	<p>Annual Report considered at a meeting of council in accordance with section 134 of the Act.</p> <p>Date statements presented: 10 September 2018</p>	✓
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)	<p>Councillor Code of Conduct reviewed in accordance with section 76C of the Act</p> <p>Date reviewed: 13 February 2017</p>	✓
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	<p>Delegations reviewed in accordance with section 98(6) of the Act</p> <p>Date of Review: 2 October 2017</p>	✓
24. Meeting procedure (a local law governing the conduct of meetings of council and special committees)	<p>Meeting Procedure Local Law made in accordance with section 91(1) of the Act</p> <p>Date local law made: 28 January 2010</p>	✓

Governance, Management and other Information

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



Michael Bailey
Chief Executive Officer
Dated: 30 June 2019



Cr Kevin Erwin
Mayor
Dated: 30 June 2019

Statutory Information

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

The following documents are made available for public inspection in a number of formats including the council's website. On the website there is a list of all documents council makes available including public registers; alternatively by contacting council's Governance Team on 03 5358 8700. All documents for which council has a legislative requirement to make available to the public are also listed in the council's FOI Part II Statement on our website.

Local Government (General) Regulations 2015 r.12

For the purposes of section 222 of the *Local Government Act 1989* (the Act), the following are prescribed documents if they are not published on the Internet website of the Council-

- (a) a document containing details of overseas or interstate travel (other than interstate travel by land for less than 3 days) undertaken in an official capacity by any Councillor or member of Council staff in the previous 12 months, including-
 - (i) the name of the Councillor or member of Council staff; and
 - (ii) the dates on which the travel began and ended; and
 - (iii) the destination of the travel; and
 - (iv) the purpose of the travel; and
 - (v) the total cost to the Council of the travel, including accommodation costs;
- (b) the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- (c) the minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act;
- (d) a register of delegations kept under sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act;
- (e) a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease;
- (f) a register maintained under section 224(1A) of the Act of authorised officers appointed under that section;
- (g) a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.



Governance, Management and other Information

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
- Freedom of Information Part II Statement
- Election Campaign Donation Return
- Councillor Code of Conduct
- Councillor Expense Entitlement & Support (Reimbursement) Policy
- Procurement Policy
- Protected Disclosure Procedure
- Roadside Vegetation Management Plan
- Complaint Resolution Procedure
- Electric Line Clearance Management Plan
- Assembly of Councillors
- Register of Interest Returns
- Neighbourhood Safer Places Plan
- Freedom of Information Part II Statement

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:

- Undertaking Home Support assessments, and NGSC home care assessments which include appropriate assessment of care and support needed for individual carers
- Holding annual Seniors Day celebration events across the shire
- Networking with and providing information to allied organisations
- Advocating for carers rights according to the Act in Positive Ageing client newsletters

Council has taken all practicable measures to ensure staff, council agents and volunteers working for council are informed about

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Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012.

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the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for Positive Ageing staff
- Council induction and training programs for staff working in front-line positions with the general community.

Governance, Management and other Information



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.

Domestic Animal Management Plan

In accordance with the *Domestic Animals Act 1994*, council is required to prepare a Domestic Animal Management Plan (DAMP) at four yearly intervals and evaluate its implementation in the annual report.

Council adopted the *Domestic Animal Management Plan 2017-21* on 2 October 2017 and was developed through consultation with council's local laws team and consideration of input from other council departments. The purpose of the DAMP is to:

- Document current processes and practices under NGSC animal management responsibilities
- Increase compliance with the *Domestic Animals Act 1994*
- Increase pet owners' knowledge of the principles of responsible pet ownership
- Enhance community safety and awareness
- Assist the Bureau of Animal Welfare to achieve its stated objectives of reducing the numbers of dogs and cats being euthanised
- Maximise the numbers of dogs and cats that are registered in the NGSC municipality
- Minimise the harmful effect of domestic pets on the population of native birds, mammals and reptiles
- Take community views on animal management matters into account
- Comply with the relevant provisions of the *Domestic Animals Act 1994*.

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.

Governance, Management and other Information

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 & Civic Support. All requests for information must be in writing and require the payment of an application fee.

Council received one request under Freedom of Information for the period 1 July 2018 to 30 June 2019. Access was granted in full for one request. There were no applications for review of a decision made and no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$28.90 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 Customer Support 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.

Local Laws

The Local Laws current at 30 June 2019 are:

- *Meeting Procedure Local Law 2009*
- *General Local Law 2012*

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.

Protected Disclosure

The *Protected Disclosure Act 2012* (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.

In accordance with section 69 of 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. Procedures on how to make a disclosure are publicly available on council's website.

Council is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year. During 2018/2019 no disclosures were notified to council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

Australia Day Awards 2019

In 2019, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, and Navarre.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Robert DiPierdomenico (Stawell) and Maree Caldwell (St Arnaud).

Citizen of the Year

Cherelle Nicholson (Stawell)
Greg Murray (St Arnaud)

Senior of the Year

Rene Torney (St Arnaud)

Young Citizen of the Year

Chloe Freeman (St Arnaud)
Bonnie Mellor (Stawell)

Local Hero Award

Justin Chester (Stawell)

Community Event of the Year

Stawell Regional Health Hospital Auxiliary (Stawell)
St Arnaud Hockey Club (St Arnaud)

Governance, Management and other Information

Donations and Grants for 2018-19

A Bibby (MG) - \$500
 Access Ministries (S/C) - \$3,000
 B Chester (MG) - \$500
 CL Duncan (MG) - \$500
 D Yole (MG) - \$500
 FM Andison (S/C) - \$550
 Gariwerd (CG) - \$500
 Glenorchy Memorial Hall (S/C) - \$1,500
 Grampians Toy Club Inc (MG) - \$500
 Grampian Model Railroaders Inc (MG) - \$250
 Grampians Grape Escape (S/C) - \$11,000
 Grampians Winemakers Inc (S/C) - \$4,000
 Great Western Football Netball Club (S/C) - \$3,500
 Great Western Racing Club Inc (S/C) - \$100
 Halls Gap Reserve Committee of Management (S/C) - \$1,818.18
 J Collins (MG) - \$500
 K Vanderlinden (MG) - \$500
 Ladies Gold Reef Probus Club (MG) - \$500
 M Bearder (MG) - \$500
 Marian College (S/C) - \$100
 Marnoo Swimming Pool Inc (S/C) - \$2,000
 Navarre & District Historical Society (MG) - \$250
 Navarre Sports Association Inc (S/C) - \$3,500
 Paradise Hall Committee (CG) - \$5,000
 Perennial Pasture Systems Inc (CG) - \$1,000
 RA Taylor (MG) - \$500
 S Pavey (MG) - \$500
 SM Little (MG) - \$500
 St Arnaud & District Lawn Tennis Club (CG) - \$2,638
 St Arnaud & District Orchid Society Inc (CG) - \$1,500
 St Arnaud Angling Club (MG) - \$300
 St Arnaud Arts Council Inc. (MG) - \$360
 St Arnaud Bowling Club (CG) - \$2,560
 St Arnaud Citizens Band (CG) - \$4,000
 St Arnaud Citizens Band (S/C) - \$1,500
 St Arnaud Country Music Club (EG) - \$1,000
 St Arnaud Hockey Club (EG) - \$1,440
 St Arnaud Lions Club (EG) - \$1,000
 St Arnaud Primary School (CG) - \$5,000
 St Arnaud Secondary College (EG) - \$2,000
 St Arnaud Sports Stadium Association (S/C) - \$10,000
 St Arnaud Turf Club (S/C) - \$600
 St. Patrick's Primary School (CG) - \$2,500
 Stawell 502 Primary School (CG) - \$4,545.45

(MG) Minor Grant
 (S/C) Sponsorships/Contributions
 (CG) Community Grant
 (EG) Event Grants

Stawell 502 Primary School (S/C) - \$100
 Stawell Athletic Club (S/C) - \$28,062.73
 Stawell Community Gardens Committee Inc (CG) - \$2,433
 Stawell Gymnastics Club Inc (CG) - \$5,000
 Stawell Gymnastics Club Inc (MG) - \$500
 Stawell Interchurch Council Welfare (MG) - \$28,062.73
 Stawell Community Gardens Committee Inc (CG) - \$2,433
 Stawell Gymnastics Club Inc (CG) - \$5,000
 Stawell Gymnastics Club Inc (MG) - \$500
 Stawell Interchurch Council Welfare (MG) - \$250
 Stawell Lutheran Church (CG) - \$2,500
 Stawell Neighbourhood House (MG) - \$500
 Stawell Orchid Society (S/C) - \$500
 Stawell Racing Club Inc (S/C) - \$909.09
 Stawell Regional Health - Sprockets (S/C) - \$550
 Stawell Secondary College (S/C) - \$150
 Stawell Senior Citizens Club (S/C) - \$500
 Stawell Soccer Club Inc. (CG) - \$5,000
 Stawell Swimming Club incorporated (CG) - \$4,267.73
 Stawell West Primary School (S/C) - \$100
 Stuart Mill Cemetery Trust (MG) - \$450
 Stuart Mill Progress Association (CG) - \$5,000
 TS Walker (MG) - \$500
 Victorian Farmers Federation (EG) - \$1,200
 Womens Health Grampians Incorporated (CG) - \$1,000

Total - \$113,174.36



Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2016	2017	2018	2019	Material Variations and Comments
Governance					
Transparency					
G1 Council decisions made 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	12.50%	15.45%	15.65%	24.77%	The number of contractual matters (which are dealt with in closed meetings) was higher than in other years.
Consultation and engagement					
G2 Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	50.00	47.00	48.00	53.00	
Attendance					
G3 Councillor 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) × (Number of Councillors elected at the last Council general election)] x100	98.10%	92.86%	94.64%	86.55%	
Service cost					
G4 Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$32,435.20	\$33,812.29	\$33,478.29	\$34,624.57	
Satisfaction					
G5 Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53.00	44.00	47.00	51.00	



Northern Grampians Shire Council

Annual Financial Statements 2018-19

www.ngshire.vic.gov.au

Northern Grampians Shire Council

Financial Report

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Northern Grampians Shire Council

Financial Report

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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.



Belinda J Johnson, B Comm., CPA
Acting Principal Accounting Officer

Date : 12/11/2019
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2019 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 Kevin Erwin
Mayor

Date : 12.11.2019
Stawell



Cr Karen Hyslop
Councillor

Date : 12-11-2019.
Stawell



Vaughan Williams
Acting Chief Executive Officer

Date : 12.11.2019
Stawell

Independent Auditor's Report

To the Councillors of Northern Grampians Shire Council

Opinion	<p>I have audited the financial report of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

**Auditor's
responsibilities
for the audit
of the financial
report**

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

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

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

MELBOURNE
18 November 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	Restated * 2018 \$'000
Income			
Rates and charges	3.1	17,443	16,808
Statutory fees and fines	3.2	361	357
User fees	3.3	1,814	1,934
Grants - operating	3.4	10,207	8,963
Grants - capital	3.4	8,192	6,543
Contributions - monetary	3.5	666	761
Reversal of restoration provisions	5.5	46	1,119
Share of net profits/(loss) of associates	6.2	(2)	91
Other income	3.6	544	428
Total income		39,271	37,004
Expenses			
Employee costs	4.1	(13,223)	(13,135)
Materials and services	4.2	(9,724)	(15,091)
Depreciation	4.3	(10,201)	(10,315)
Borrowing costs	4.4	(124)	(137)
Net loss on disposal of property, infrastructure, plant and equipment	4.5	(2,819)	(793)
Other expenses	4.6	(1,719)	(1,224)
Total expenses		(37,810)	(40,695)
Surplus/(deficit) for the year		1,461	(3,691)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.1	9,985	8,548
Share of other comprehensive income of associates	6.2	9	(33)
Total comprehensive result		11,455	4,824

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

* See note 9.4 for information regarding a prior period error

Balance Sheet As at 30 June 2019

	Note	2019 \$'000	Restated * 2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	20,855	16,199
Trade and other receivables	5.1 (b)	2,006	1,362
Inventories	5.2 (a)	41	42
Other assets	5.2 (b)	630	30
Investment in associates	6.2	787	-
Total current assets		24,319	17,633
Non-current assets			
Trade and other receivables	5.1 (b)	73	114
Investment in associates	6.2	190	970
Property, infrastructure, plant and equipment	6.1	464,638	457,643
Total non-current assets		464,901	458,727
Total assets		489,220	476,360
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	3,210	1,492
Trust funds and deposits	5.3 (b)	108	225
Provisions	5.5	3,081	2,829
Interest-bearing loans and borrowings	5.4	210	323
Total current liabilities		6,609	4,869
Non-current liabilities			
Provisions	5.5	390	515
Interest-bearing loans and borrowings	5.4	2,408	2,617
Total non-current liabilities		2,798	3,132
Total liabilities		9,407	8,001
Net assets		479,813	468,359
Equity			
Accumulated surplus		131,363	131,312
Reserves	9.1	348,450	337,047
Total Equity		479,813	468,359

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

* See note 9.4 for information regarding a prior period error

Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		468,359	131,312	333,975	3,072
Surplus for the year		1,461	1,461	-	-
Net asset revaluation increment	9.1	9,984	-	9,984	-
Net asset revaluation in associates	6.2	9	9	-	-
Transfers from other reserves	9.1	-	(1,419)	-	1,419
Balance at end of the financial year		479,813	131,363	343,959	4,491

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018 - Restated *					
Balance at beginning of the financial year		463,535	134,405	325,427	3,703
Deficit for the year		(3,691)	(3,691)	-	-
Net asset revaluation increment	9.1	8,548	-	8,548	-
Net asset revaluation in associates	6.2	(33)	(33)	-	-
Transfers from other reserves	9.1	-	631	-	(631)
Balance at end of the financial year		468,359	131,312	333,975	3,072

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

* See note 9.4 for information regarding a prior period error

Statement of Cash Flows For the Year Ended 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		17,362	16,866
Statutory fees and fines		361	357
User fees		1,718	2,481
Grants - operating		10,207	8,963
Grants - capital		8,192	6,543
Contributions - monetary		666	761
Trust funds and deposits taken		(117)	118
Other receipts		474	453
Net GST refund		(467)	86
Employee costs		(13,050)	(13,144)
Materials and services		(8,514)	(15,589)
Other payments		(1,719)	(1,224)
Net cash provided by operating activities	9.2	15,113	6,671
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.1	(10,104)	(5,292)
Proceeds from sale of property, infrastructure, plant and equipment		52	1,073
Loans and advances made		41	36
Net cash used in investing activities		(10,011)	(4,183)
Cash flows from financing activities			
Finance costs		(124)	(137)
Repayment of borrowings		(322)	(309)
Net cash used in financing activities		(446)	(446)
Net increase in cash and cash equivalents		4,656	2,042
Cash and cash equivalents at the beginning of the financial year		16,199	14,157
Cash and cash equivalents at the end of the financial year		20,855	16,199
Financing arrangements	5.6	450	450
Restrictions on cash assets	5.1 (a)	1,589	995

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

Statement of Capital Works For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land	-	108
Buildings	388	354
Total property	388	462
Plant and equipment		
Plant, machinery and equipment	387	768
Fixtures, fittings and furniture	90	-
Computers and telecommunications	5	27
Total plant and equipment	482	795
Infrastructure		
Roads	4,900	3,450
Bridges	2,132	177
Footpaths and cycleways	1,316	134
Drainage	425	-
Parks, open spaces and streetscapes	315	16
Other infrastructure	147	-
Total infrastructure	9,235	3,777
Total capital works expenditure	10,105	5,034
Represented by:		
New asset expenditure	2,007	1,000
Asset renewal expenditure	5,649	2,814
Asset upgrade expenditure	2,449	1,220
Total capital works expenditure	10,105	5,034

The above statement of capital works should be read in conjunction 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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- other areas requiring judgments

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.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 Performance against budget

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 \$250,000 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 25 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Income					
Rates and charges	17,377	17,443	66	0%	
Statutory fees and fines	291	361	70	24%	1
User fees	1,810	1,814	4	0%	
Grants - operating	8,727	10,207	1,480	17%	2
Grants - capital	5,939	8,192	2,253	38%	3
Contributions - monetary	80	666	586	733%	4
Contributions - non monetary	375	-	(375)	-100%	5
Reversal of provision	-	46	46	0%	
Share of net profits/(losses) of associates	-	(2)	(2)	0%	
Other income	533	544	11	2%	
Total income	35,132	39,271	4,139	12%	
Expenses					
Employee costs	(13,784)	(13,223)	561	-4%	6
Materials and services	(9,393)	(9,724)	(331)	4%	7
Depreciation	(9,164)	(10,201)	(1,037)	11%	8
Borrowing costs	(124)	(124)	-	0%	
Net loss on disposal of property, infrastructure, plant and equipment	-	(2,819)	(2,819)	0%	9
Other expenses	(1,365)	(1,719)	(354)	26%	10
Total expenses	(33,830)	(37,810)	(3,980)	12%	
Surplus for the year	1,302	1,461	159	12%	

Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory Fees & Fines	Increase in the recovery of income from permit fees within the planning (\$29k) & building (\$41k) services.
2	Grants - Operating	Early FAG payment for 19/20 received in 18/19 that includes a greater percentage uplift than budgeted for resulting in a variance of \$834k against budget. Further grant funding received (\$625k) throughout the year for various projects, which includes the OPAN Migration project. Childcare enrolments were originally budgeted for under operating grants but are classified as income through monetary contributions.
3	Grants - Capital	Flood income of \$4m received in 18/19 relating to expenditure incurred for both the 17/18 and 18/19 financial years. This has been offset by \$2m of grant funding that has yet to be received for projects that commenced in 18/19 as part of the capital program.
4	Contributions - monetary	Childcare enrolments boosted the rebate income in this area due to rebates received together with insurance claim income being received in 18/19. A contribution towards a capital works project \$69k was also included here but budgeted in non-monetary contributions.
5	Contributions - Non-monetary	Incorrectly shown in budget as non-monetary when it should have been classified as monetary. The actual amount received (\$69k) has been included in monetary contributions.
6	Employee Costs	Staff turnover and restructure of services has contributed to the variance against budget coupled with the inability to replace 3 key management staff and a number of other permanent staff.
7	Materials & Services	Increase in costs of \$171k associated with advertising and communications together with investment in events across the Shire. This has been offset in part via additional grants operating funding (\$138k). Increased expenditure against adopted budget on contract employees due to staff turnover. (\$170k)
8	Depreciation	Depreciation was based on the value of assets in the asset system during the 2017/18 financial year as that is when Council is required to set the budget. At the end of the 2017/18 financial year Council revalued it's assets and therefore the depreciation is on the revised asset values and life. There is no cash impact on Council from this line item.
9	Net loss on Disposal of Property, Infrastructure, Plant & Equipment	Combination of the disposal of assets and demolition of buildings throughout 2018/19. The buildings were demolished to make way for new assets.
10	Other Expenses	Council fleet is financed through lease agreements that were effective from July 2018 and not previously budgeted for being \$305k. Additional contributions towards community events and organisations (\$37k) have contributed to the variance.

Notes to the Financial Report
For the Year Ended 30 June 2019

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Buildings	1,202	388	(814)	-68%	1
Total Property	1,202	388	(814)	-68%	
Plant and Equipment					
Plant, machinery and equipment	870	387	(483)	-56%	2
Fixtures, fittings and furniture	-	90	90	0%	
Computers and telecommunications	-	5	5	0%	
Total Plant and Equipment	870	482	(388)	-45%	
Infrastructure					
Roads	4,706	4,900	194	4%	
Bridges	808	2,132	1,324	164%	3
Footpaths and cycleways	57	1,316	1,259	2209%	4
Drainage	208	425	217	104%	5
Parks, open spaces and streetscapes	4,147	315	(3,832)	-92%	6
Total Infrastructure	9,926	9,235	(691)	-7%	
Total Capital Works Expenditure	11,998	10,105	(1,893)	-16%	
Represented by:					
New asset expenditure	2,092	2,007	(85)	-4%	
Asset renewal expenditure	5,956	5,649	(307)	-5%	
Asset expansion expenditure	206	-	(206)	-100%	
Asset upgrade expenditure	3,744	2,449	(1,295)	-35%	
Total Capital Works Expenditure	11,998	10,105	(1,893)	-16%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Unsuccessful grant applications for buildings meant that Council was not able to complete as much of the budgeted buildings works for 2018/19
2	Plant, Machinery & Equipment	Purchase of the replacement plant, machinery and equipment program was not finalised by 30th June 2019 and will now be rolled out in 2019/20.
3	Bridges	Flood works completed throughout 2018/19 on various bridges across the Shire.
4	Footpath & Cycleways	There were works done on footpaths during 2018/19 that were budgeted under other asset classes
5	Drainage	There were substantial drainage works completed and capitalised in 2018/19. Further works were also budgeted under other asset classes
6	Parks, Open Spaces and streetscapes	Budgeted projects for 18/19 have commenced in the latter stages of the financial year therefore full utilisation of the allocated budget has not occurred. Costs associated have been expended under other asset classes.

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Your Lifestyle

Community life provides high quality community focused programs, service delivery and communication to residents. Community life is comprised of community care, connected communities, family services, health communities, leisure and recreational services which includes parks and sporting ovals together with social planning and investment.

Growing Our Economy

Growing our economy supports local festivals and events and advocates on behalf of the community for major events, tourism and cultural opportunities. Growing our economy is responsible for economic development and events and tourism. It further encompasses the planning services area that includes the assessment of town development; planning strategy and urban growth.

Maintaining Assets

Maintaining assets is responsible for constructing new infrastructure and maintaining existing infrastructure across a very diverse range of assets that underpin the wellbeing of the community. These assets include roads, bridges, footpaths and drainage together with community buildings.

Community Safety

Community safety provides efficient and effective services to meet the growing needs of the community. The service area is dedicated to the health, safety and amenity of the community. The service includes environment and waste, building safety, community protection, emergency management and municipal resources.

Governance

Governance provides effective governance oversight of the organisation. Human resource management provides support to the organisation and ensures councils customer focus includes communication and community engagement processes. Service areas include governance, enterprise risk and legal services.

Finance and strategy provides efficient, effective and proactive support services across council to enable the delivery of policy commitments, council vision and mission. The provision of these services includes finance services, digital information and technology, property and procurement.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 Analysis of Council results by program

2.1 (b) Summary of revenues, expenses, assets and capital expenses by program

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Your Lifestyle	8,616	6,585	2,031	3,807	5,480
Growing Our Economy	2,465	2,520	(55)	1,159	-
Maintaining Assets	20,174	19,344	830	10,692	459,925
Community Safety	2,888	3,084	(196)	1,091	-
Governance	5,128	6,277	(1,149)	1,650	23,815
	39,271	37,810	1,461	18,399	489,220
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018 - Restated *					
Your Lifestyle	7,230	6,202	1,028	3,224	5,262
Growing Our Economy	1,677	2,233	(556)	554	-
Maintaining Assets	19,604	22,892	(3,288)	9,147	453,117
Community Safety	2,881	3,129	(248)	1,034	-
Governance	5,612	6,239	(627)	1,547	17,981
	37,004	40,695	(3,691)	15,506	476,360

* See note 9.4 for information regarding a prior period error

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2019
\$'000

2018
\$'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 2018-19 was \$2,650 million (2017-18, \$2,093 million). The 2018-19 rate in the capital improved value dollar was 0.6894 cents (2017-17 0.7306 cents).

General rates

Residential rates	7,735	7,430
Commercial rates	937	947
Industrial rates	323	340
Farm rates	4,371	4,296
Total general rates	13,366	13,013

Other rates and charges

Municipal charge	1,253	1,225
Waste management charge	2,787	2,533
Rates in lieu	23	23
Cultural and recreational	14	14
Total other rates and charges	4,077	3,795
Total rates and charges	17,443	16,808

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2018, & the valuation first applied in the rating year commencing 1 July 2018.

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.

3.2 Statutory fees and fines

Infringements and costs	1	15
Town planning fees	140	150
Land information certificates	12	15
Permits	208	177
Total statutory fees and fines	361	357

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.

3.3 User fees

Aged and health services	399	451
Leisure centre and recreation	493	327
Child care/children's programs	266	263
Registration and other permits	183	190
Waste management services	137	162
Tourism and event fees	1	17
Hire income	10	16
Rental fees	116	105
Infrastructure fees	192	182
Shared services	4	162
Other fees and charges	13	59
Total user fees	1,814	1,934

User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.

80

Notes to the Financial Report For the Year Ended 30 June 2019

	2019 \$'000	2018 \$'000
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	770	651
Received during the financial year and remained unspent at balance date	860	335
Received in prior years and spent during the financial year	(149)	(216)
Balance at year end	1,481	770

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

3.5 Contributions

Monetary	666	761
Total contributions	666	761

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

3.6 Other income

Interest	347	244
Other	197	184
Total other income	544	428

Interest is recognised as it is earned.

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.

**Notes to the Financial Report
For the Year Ended 30 June 2019**

Note 4 The cost of delivering services

4.1 (a) Employee costs

	2019 \$'000	2018 \$'000
Wages and salaries	12,640	12,754
less capitalised wages and salaries	(1,331)	(1,444)
	11,309	11,310

Wages and salaries	11,309	11,310
WorkCover	265	239
Superannuation	1,107	1,106
Fringe benefits tax	45	72
Other	497	408
Total employee costs	13,223	13,135

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

53	69
53	69

Employer contributions payable at reporting date.

5	3
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

661	646
393	391
1,054	1,037

Employer contributions - other funds

Employer contributions payable at reporting date.

48	41
----	----

Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Advertising and communications	407	271
Building maintenance	206	76
Consultants	190	205
Consumables	158	148
Contract employees	468	537
Contractors - Building and Facilities	288	314
Contractors - Environment	143	118
Contractors - Waste Operations	1,212	1,013
Contractors - Cleaning Services	199	156
Contractors - Others	395	2,092
Contractors - Flood	1,259	5,012
Contributions	107	113
Fuel	595	544
General maintenance	616	732
Information technology	714	828
Insurance	415	369
Legal expenses	90	52
Materials and services	575	915
Memberships and subscriptions	179	187
Minor equipment	55	57
Office administration	158	165
Security costs	52	79
Training	272	325
Uniforms and protective clothing	69	66
Utilities	458	378
Waste management	444	339
Total materials and services	9,724	15,091

Notes to the Financial Report For the Year Ended 30 June 2019

4.3 Depreciation

	2019 \$'000	2018 \$'000
Property	762	783
Plant and equipment	807	1,017
Infrastructure *	8,632	8,515
Total depreciation	10,201	10,315

Refer to note 6.2 for a more detailed breakdown of depreciation charges and accounting policy.

* Refer to note 9.4 for further information regarding a prior period error

4.4 Borrowing costs

Interest - Borrowings	124	137
Total borrowing costs	124	137

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.

4.5 Net loss on disposal of property, infrastructure, plant and equipment

Proceeds of sale	52	1,073
Written down value of assets disposed	(2,871)	(1,866)
Total net loss on disposal of property, infrastructure, plant and equipment	(2,819)	(793)

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

4.6 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	39	31
Auditors' remuneration - Internal	15	8
Councillors' allowances	189	218
Regional library contribution	519	399
Tourism contribution	313	306
Community contributions	277	226
Operating lease rentals	313	12
Other	54	24
Total other expenses	1,719	1,224

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 Our financial position**5.1 Financial assets****(a) Cash and cash equivalents**

Cash on hand

Cash at bank

**2019
\$'000****2018
\$'000**

2

2

20,853

16,197

20,855**16,199**

Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3 (b))

108

225

- Unspent grants (Note 3.4)

1,481

770

Total restricted funds

1,589

995

Total unrestricted cash and cash equivalents

19,266

15,204

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works

1,750

2,039

- Cash held to fund carried forward projects

533

114

- Reserve funds (Note 9.1)

4,491

3,072

Total funds subject to intended allocations

6,774

5,225

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less. Term deposits are measured at original cost.

(b) Trade and other receivables**Current***Statutory receivables*

Rates debtors

919

838

Net GST receivable

587

120

Non statutory receivables

Loans and advances to community organisations

56

51

Other debtors

446

355

Provision for doubtful debts - other debtors

(2)

(2)

Total current trade and other receivables

2,006

1,362

Non-current*Non statutory receivables*

Loans and advances to community organisations

73

114

Total non-current trade and other receivables

73

114

Total trade and other receivables**2,079****1,476**

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised in accordance with the expected credit loss model, or when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(c) Ageing of Receivables

The ageing of the Council's trade & other receivables (excluding statutory receivables) was:

Current (not yet due)

509

333

Past due by up to 30 days

41

11

Past due between 31 and 90 days

6

127

Past due between 91 and 365 days

12

43

Past due by more than 1 year

7

6

Total trade & other receivables

575

520

Notes to the Financial Report For the Year Ended 30 June 2019

2019
\$'000

2018
\$'000

(d) Expected credit loss allowance for Receivables

At balance date, other debtors representing financial assets with a nominal value of \$2,000 (2018: \$2,000) were impaired. The amount of the provision raised against these debtors was \$2,000 (2018: \$2,000). They individually have been impaired as a result of their doubtful collection.

Council recognised impairment of its receivables using the expected credit loss model. Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument. 12-months expected credit losses are recognised for receivable balances that have not deteriorated significantly in credit quality since initial recognition or those that have low credit risk, while "lifetime expected credit losses" are recognised for financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low.

	Current (not yet due)	Past due by up to 30 days	Past due between 31 and 90 days	Past due by more than 91 days	More than 1 year	Total
30 June 2019						
Debtors (\$'000)	509	41	6	12	7	575
Expected loss rate (%)	0.1%	0.2%	0.2%	0.8%	20.0%	
Loss allowance (\$000)	0.3	0.1	0.0	0.1	1.4	2

	Current (not yet due)	Past due by up to 30 days	Past due between 31 and 90 days	Past due by more than 91 days	More than 1 year	Total
30 June 2018						
Debtors (\$'000)	333	11	127	43	6	520
Expected loss rate (%)	0.1%	0.4%	0.2%	3.0%	9.0%	
Loss allowance (\$000)	0	0	0	1	1	2

(e) Movement in provisions for doubtful debts

Balance at the beginning of the year
Balance at end of year

2	2
2	2

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution
Inventories held for sale

Total inventories

39	40
2	2
41	42

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

(b) Other assets

Prepayments
Accrued income

Total other assets

560	30
70	-
630	30

5.3 Payables

(a) Trade and other payables

Trade payables	2,822	923
Accrued wages and salaries	333	479
Accrued expenses	55	90
Total trade and other payables	3,210	1,492

(b) Trust funds and deposits

Refundable deposits	7	6
Fire service levy	100	99
Retention amounts	1	120
Total trust funds and deposits	108	225

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. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

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 and the use of civic facilities.

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

Retention Amounts - Council has a an agreement to administer a community grant program on behalf of a local organisation that wishes contribute to the community. These monies are not Council monies and will be drawn down as the grant program is awarded.

5.4 Interest-bearing loans and borrowings

Current

Borrowings - secured (1)

210	323
210	323

Non-current

Borrowings - secured (1)

2,408	2,617
2,408	2,617

Total

2,618	2,940
--------------	--------------

(1) Borrowings are secured by the general rates of the Council

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

Not later than one year	210	323
Later than one year and not later than five years	1,408	1,617
Later than five years	1,000	1,000
	2,618	2,940

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.

5.5 Provisions

	Employee Provisions	Landfill restoration	Gravel pit restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2019				
Balance at beginning of the financial year	3,134	72	138	3,344
Additional provisions	2,051	-	-	2,051
Amounts used	(1,741)	-	-	(1,741)
Provision reversed	-	(5)	(41)	(46)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(137)	-	-	(137)
Balance at the end of the financial year	3,307	67	97	3,471

2018				
Balance at beginning of the financial year	3,143	1,191	138	4,472
Additional provisions	986	-	-	986
Amounts used	(824)	-	-	(824)
Provision reversed	-	(1,119)	-	(1,119)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(171)	-	-	(171)
Balance at the end of the financial year	3,134	72	138	3,344

	2019 \$'000	2018 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12		
Annual leave	772	700
Rostered days off	14	14
Long service leave	64	46
	850	760
Current provisions expected to be wholly settled after 12 months		
Annual leave	525	588
Long service leave	1,706	1,481
	2,231	2,069
Total current provisions	3,081	2,829
Non-current		
Long service leave	226	305
Total non-current provisions	226	305
Aggregate carrying amount of employee provisions:		
Current	3,081	2,829
Non-current	226	305
Total aggregate carrying amount of employee	3,307	3,134

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

Annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a 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.

Key assumptions:

- inflation rate 3.00% 3.00%

Discount rates depend on the years of service and are based upon the rates released by the Department of Treasury and Finance.

(b) Land fill restoration

Non-current

2019 \$'000	2018 \$'000
67	72
67	72

Council is obligated to restore the St Arnaud landfill site to a particular standard. 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 the EPA self assessment tool and the 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.

c) Gravel pit restoration

Non-current

97	138
97	138

Council is obligated to restore the Kara Kara gravel pit site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of gravel use. The provision for gravel pit 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 the required revegetation required and the infill of the site 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.

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

Bank overdraft	200	200
Credit Card Facilities	250	250
Total Facilities	450	450
Unused facilities	450	450
Unused facilities	450	450

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

2019	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Waste Management	934	-	-	-	934
Provision for Meals on Wheels	154	-	-	-	154
Cleaning Services	286	172	475	-	933
Provision of Transfer Stations	70	72	186	-	328
Infrastructure & Environment	239	165	338	-	742
Financial Services	56	56	113	-	225
Software Licence Agreement	193	193	548	-	934
Toursim	42	42	-	-	84
Architect Services	46	-	-	-	46
Total	2,020	700	1,660	-	4,380
Capital					
Bridges	448	-	-	-	448
Total	448	-	-	-	448

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Waste management	830	848	-	-	1,678
Provision for Meals on Wheels	154	157	-	-	311
Cleaning services	301	116	-	-	417
Provision of transfer stations	92	-	-	-	92
Infrastructure & Environment	129	162	502	-	793
Financial Services	56	56	169	-	281
Software Licence Agreement	270	66	-	-	336
Tourism	42	42	42	-	126
Total	1,874	1,447	713	-	4,034

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

	2019 \$'000	2018 \$'000
Not later than one year	245	206
Later than one year and not later than five years	768	865
Later than five years	9	11
	1,022	1,082

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.

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018	Acquisitions	Transfers	Write-Offs	Revaluation	Depreciation	Disposal	At Fair Value 30 June 2019
Land	12,047	-	-	-	-	(26)	-	12,021
Buildings	59,125	388	-	-	(2,131)	(736)	(1,590)	55,056
Plant and Equipment	5,991	482	-	-	-	(807)	(5)	5,661
Infrastructure *	380,221	8,280	230	-	12,115	(8,632)	(1,277)	390,937
Work in progress	259	955	(230)	(21)	-	-	-	963
	457,643	10,105	-	(21)	9,984	(10,201)	(2,872)	464,638

* Refer to note 9.4 for further information relating to a prior period error

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	135	-	(135)	-	-
Infrastructure	124	955	(95)	(21)	963
Total	259	955	(230)	(21)	963

(a) 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 2018	11,562	432	132	12,126	69,708	69,708	135	81,969
Accumulated depreciation at 1 July 2018	-	-	(79)	(79)	(10,583)	(10,583)	-	(10,662)
	11,562	432	53	12,047	59,125	59,125	135	71,307
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	388	388	-	388
Revaluation increments	-	-	-	-	5,052	5,052	-	5,052
Fair value of assets disposed	-	-	-	-	(1,973)	(1,973)	-	(1,973)
Transfers	-	-	-	-	-	-	(135)	(135)
	-	-	-	-	3,467	3,467	(135)	3,332
Movements in accumulated depreciation								
Depreciation	-	-	(26)	(26)	(736)	(736)	-	(762)
Accumulated depreciation of disposals	-	-	-	-	383	383	-	383
Revaluation adjustment on accumulated depreciation	-	-	-	-	(7,183)	(7,183)	-	(7,183)
	-	-	(26)	(26)	(7,536)	(7,536)	-	(7,562)
At fair value 30 June 2019	11,562	432	132	12,126	73,175	73,175	-	85,301
Accumulated depreciation at 30 June 2019	-	-	(105)	(105)	(18,119)	(18,119)	-	(18,224)
	11,562	432	27	12,021	55,056	55,056	-	67,077

Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecoms \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	10,958	350	1,336	12,644
Accumulated depreciation at 1 July 2018	(5,232)	(329)	(1,092)	(6,653)
	5,726	21	244	5,991
Movements in fair value				
Acquisition of assets at fair value	387	90	5	482
Fair value of assets disposed	(266)	-	(10)	(276)
	121	90	(5)	206
Movements in accumulated depreciation				
Depreciation	(695)	(10)	(102)	(807)
Accumulated depreciation of disposals	261	-	10	271
	(434)	(10)	(92)	(536)
At fair value 30 June 2019	11,079	440	1,331	12,850
Accumulated depreciation at 30 June 2019	(5,666)	(339)	(1,184)	(7,189)
	5,413	101	147	5,661

(c) Infrastructure	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Parks open spaces and streetscapes \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2018 *	320,221	86,649	15,719	20,803	5,888	740	124	450,144
Accumulated depreciation at 1 July 2018 *	(40,042)	(13,000)	(5,743)	(9,092)	(1,658)	(264)	-	(69,799)
	280,179	73,649	9,976	11,711	4,230	476	124	380,345
Movements in fair value								
Acquisition of assets at fair value	4,799	1,849	1,211	279	96	46	955	9,235
Revaluation increments	-	7,594	(16)	-	-	-	-	7,578
Fair value of assets disposed	(1,465)	-	-	-	-	-	-	(1,465)
WIP Expensed	-	-	-	-	-	-	(21)	(21)
Transfers	-	95	-	-	135	-	(95)	135
	3,334	9,538	1,195	279	231	46	839	15,462
Movements in accumulated depreciation								
Depreciation	(6,915)	(926)	(332)	(205)	(234)	(20)	-	(8,632)
Accumulated depreciation of disposals	188	-	-	-	-	-	-	188
Revaluation adjustment on accumulated depreciation	1,052	3,748	(263)	-	-	-	-	4,537
	(5,675)	2,822	(595)	(205)	(234)	(20)	-	(3,907)
At fair value 30 June 2019	323,555	96,187	16,914	21,082	6,119	786	963	465,606
Accumulated depreciation at 30 June 2019	(45,717)	(10,178)	(6,338)	(9,297)	(1,892)	(284)	-	(73,706)
	277,838	86,009	10,576	11,785	4,227	502	963	391,900

* Refer to note 9.4 for further information relating to a prior period error

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 have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

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

Depreciation

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.

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

Asset recognition thresholds and depreciation periods

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

Repairs and maintenance

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

Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land was undertaken by qualified independent valuers Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd as at 30 June 2018. A revaluation and condition assessment of buildings was undertaken by Ashay Prabhu of Assetic Pty Ltd, MIE (Aust) CPEng, NPER: Membership 1102199 in the 2018/19 financial year. 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.

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.

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

The date of the current valuation (DoV) is detailed in the table below together with details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 which are as follows:

	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	DoV
Non-specialised land	-	432	-	06/18
Specialised land	-	-	11,562	06/18
Land improvements	-	-	27	06/18
Buildings	-	-	55,056	06/19

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an internal valuation undertaken by Mr Kandee Balasingham B.Engineering (Civil) MIE Aust as at 1 July 2018. This valuation was reviewed at 30 June 2019 with no material changes to valuations.

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

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 2019 are as follows:

	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	DoV
Roads	-	-	277,838	07/18
Bridges	-	-	86,009	07/18
Footpaths and cycleways	-	-	10,576	07/18
Drainage	-	-	11,785	07/18
Parks (etc)	-	-	4,227	07/18
Other infrastructure	-	-	502	07/18

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 \$0.05 and \$202.61 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 various 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.

Reconciliation of specialised land

	2019 \$'000	2018 \$'000
Land under roads	7	7
Parks and reserves	5,055	5,055
Vacant land	716	716
Water management	317	317
Waste management	310	310
Gravel reserves	263	263
Aerodromes	269	269
Carparks	619	619
Recreation	511	511
Zoning restrictions	726	726
Council controlled	2,120	2,120
Other	649	649
Total specialised land	11,562	11,562

Notes to the Financial Report For the Year Ended 30 June 2019

6.2 Investment in associates

Investments in associates

Investments in associates accounted for by the equity method are:

- Wimmera Regional Library Corporation
- Wimmera Development Association

Change in equity share apportionment

Share of (deficit)/surplus for year

(a) 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

Council's interest in equity

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Change in equity share apportionment

Reported surplus for year

Transfers (to)/from reserves

Council's share of accumulated surplus at end of year

Council's share of reserves

Council's share of reserves at start of year

Change in equity share apportionment

Transfers (to)/from reserves

Share of asset revaluation

Council's share of reserves at end of year

Movement in carrying value of specific investment

Carrying value of investment at start of year

Change in equity share apportionment

Share of surplus for year

Share of asset revaluation

Carrying value of investment at end of year

2019 \$'000	2018 \$'000
787	772
190	198
977	970
9	(33)
(2)	91
787	772
27.20%	26.89%
332	325
4	-
6	17
(10)	(10)
332	332
439	463
5	-
10	10
-	(34)
454	439
772	788
9	1
6	17
-	(34)
787	772

Council provided notice of withdrawal from the Wimmera Regional Library Corporation effective from 30 June 2020 in accordance with the terms of the agreement signed with the library corporation. This decision was made on 01 April 2019 and members were informed on 15 May 2019 of our intention to withdraw. Resulting from this withdrawal is the movement of Wimmera Regional Library Corporation from Non Current Assets to Current Assets on the Balance Sheet.

Notes to the Financial Report For the Year Ended 30 June 2019

6.2 Investment in associates (cont.)

(b) Wimmera Development Association

Background

Council's investment in the Wimmera Development Association is based on the equity method of accounting.

Fair value of Council's investment in Wimmera Development Association

Council's interest in equity

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Reported surplus for year

Transfers (to)/from reserves

Council's share of accumulated surplus at end of year

Council's share of reserves

Council's share of reserves at start of year

Transfers (to)/from reserves

Council's share of reserves at end of year

Movement in carrying value of specific investment

Carrying value of investment at start of year

Share of surplus for year

Carrying value of investment at end of year

2019 \$'000	2018 \$'000
190	198
20.17%	20.17%
140	81
(8)	74
(32)	(15)
100	140
58	43
32	15
90	58
198	124
(8)	74
190	198

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Northern Grampians Shire Council is the parent entity.

Associates

Interests in associates are detailed in note 6.2.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Kevin Erwin (Mayor)
Councillor Anthony Driscoll
Councillor Karen Hyslop
Councillor Brian Emerson
Councillor Merrilee Reid
Councillor Jason Hosemans
Councillor Rob Haswell

Key Management

Chief Executive Officer - Michael Bailey
Director Corporate Services - Vaughan Williams
Director Infrastructure - Chris Adams (resigned part year)
Executive Manager Communities - Naomi Goode
Executive Manager Infrastructure - Trenton Fithall

Total Number of Councillors

2019

2018

No.

No.

7

7

Chief Executive Officer and other Key Management Personnel

5

5

Total Key Management Personnel

12

12

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits
Long-term benefits
Termination benefits
Post-employment benefits
Total

**2019
\$,000**

**2018
\$,000**

1,029

876

23

15

7

11

98

79

1,157

981

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

\$20,000 - \$29,999
\$30,000 - \$39,999
\$40,000 - \$49,999
\$50,000 - \$59,999
\$70,000 - \$79,999
\$140,000 - \$149,999
\$160,000 - \$169,999
\$170,000 - \$179,999
\$180,000 - \$189,999
\$190,000 - \$199,999
\$200,000 - \$209,999
\$220,000 - \$229,999
\$230,000 - \$239,999
\$270,000 - \$279,999

**2019
No.**

**2018
No.**

5

6

1

-

-

1

1

-

-

2

1

-

1

-

1

-

-

1

1

-

-

1

-

-

-

1

1

-

12

12

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

Income Range:	2019 No.	2018 No.
\$70,000 - \$79,999	1	-
\$100,000 - \$109,999	1	-
\$150,000 - \$159,999	1	1
\$170,000 - \$179,999	1	-
\$200,000 - \$209,999	1	-
	5	1
Total Remuneration for the reporting year for Senior Officers included above, amounted to	722	151

7.2 Related party disclosures

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties on commercial terms:

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid \$402 to this business. This is a related party entity of Councillor Merrilllee Reid.

Council paid \$2,385 for goods and services from Grampians Central West Waste & Recovery Group during the financial year. This is a related party entity of Mayor Kevin Erwin.

Annual membership is held with Wimmera Development Association and further funding contributions have been made towards two projects with the Association totalling \$95,374 for the financial year. This is a related party entity of Mayor Kevin Erwin.

Sponsorship was provided to Grampians Grape Escape totalling \$11,000 during the financial year. This is a related party entity of Mayor Kevin Erwin.

(b) Loans to/from related parties

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

Council provided a community loan to Exclusive Space Pty Ltd in November 2015 in line with its Community Loan Policy. At 30 June 2019, total loan repayable to Council totalled \$40,828. The term of the loan is 5 years and repayments of this loan are made in line with the agreed loan schedule. This is a related party entity of Councillor Robert Haswell.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent liabilities

The Council is not presently involved in any matters which are expected to result in a liability for Council.

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

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

Council is a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

(b) Contingent Assets

Council provided notice of withdrawal from the Wimmera Regional Library Corporation effective from 30 June 2020 in accordance with the terms of the agreement signed with the library corporation. Pursuant to the terms and conditions of the agreement, the Council expects to recover its investment in associate which principally comprises assets that will be returned. The Council does not expect material impact of this withdrawal on the carrying value of its assets and liabilities. Further reference at note 6.2.

(c) 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.

	2019 \$'000	2018 \$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	110
Minister for Agriculture & Resources	6	6
	166	166

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

8.2 Change in accounting standards

The following new AAS's have been issued that are mandatory for the 30 June 2019 reporting period. Council has assessed these standards and included the necessary disclosures within the statements.

Financial Instruments (AASB 9) (applies 2018/19)

The key changes include the simplified requirements for the classification and measurement of financial assets, a new hedging accounting model and a revised impairment loss model to recognise impairment losses earlier, as opposed to the current approach that recognises impairment only when incurred. The impact on Council is immaterial.

Disaggregated Disclosures (AASB 1052) (applies 2018/19)

AASB 1052 is a disclosure only standard. It applies to Local Government and Government departments. The disclosure states, the complete set of financial statements of a local government shall disclose in respect of each broad function or activity:

- (a) by way of note, (i) the nature and objectives of that function/activity; and (ii) the carrying amount of assets that are reliably attributable to that function/activity; and
- (b) by way of note or otherwise: (i) income for the reporting period that is reliably attributable to that function/activity, with component revenues from related grants disclosed separately as a component thereof; and (ii) expenses for the reporting period that are reliably attributable to that function/activity.

AASB 1052 applies from reporting period 2018-19 as part of Note 2 in the financial statements. There is no financial impact related to this standard.

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

There is an expectation this will impact capital grant funding, however it is not possible to quantify the impact until such time as funding is received and projects commenced.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016-7) (applies 2019/20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019.

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease

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

This standard replaces AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable to not-for-profit entity to further its objectives.

Impact is not able to be quantified until such time as capital grants are received and projects commenced.

8.3 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 Notes 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:

- council may require collateral where appropriate; and
- council 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.

Council 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 8.1.

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

(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 long term financial plan which forecasts the cash and cash equivalent requirements over a long term period to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have an investment policy 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 8.1, 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 5.4.

(d) 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 1.5%.
- These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

8.4 Fair value measurement

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.

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.

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.

In addition, Council undertakes an indexation revaluation on an annual basis of Building and Infrastructure assets where there has not been a revaluation in that year. The indexations are calculated using generally accepted industry methods and analysis of Council's most frequently used materials.

Council subsequently undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 5 to 10 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.

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.

8.5 Events occurring after balance date

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

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2019			
Property			
Land	6,619	-	6,619
Buildings	55,097	(2,131)	52,966
	61,716	(2,131)	59,585
Infrastructure			
Roads	210,712	1,052	211,764
Bridges	54,373	11,342	65,715
Footpaths and cycleways	6,585	(279)	6,306
Drainage	570	-	570
	272,240	12,115	284,355
	333,956	9,984	343,940
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	333,975	9,984	343,959
2018 - Restated *			
Property			
Land	5,646	973	6,619
Buildings	54,961	136	55,097
	60,607	1,109	61,716
Infrastructure			
Roads	203,273	7,439	210,712
Bridges	54,373	-	54,373
Footpaths and cycleways	6,585	-	6,585
Drainage	570	-	570
	264,801	7,439	272,240
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	325,427	8,548	333,975

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

* Refer to note 9.4 for further information relating to a prior period error

Note 9 Other matters (cont.)

	Balance at beginning of reporting period	Transfer to / (from) accumulated surplus	Balance at end of reporting period
(b) Other reserves 2019	\$'000	\$'000	\$'000
Economic development	247	-	247
Gravel pits restoration	138	(41)	97
Community loans	(2)	-	(2)
Waste management	1,155	1,165	2,320
Long service leave	284	20	304
Defined benefits	300	-	300
Loan repayments	950	275	1,225
Total other reserves	3,072	1,419	4,491
2018			
Plant replacement	1,314	(1,314)	-
Economic development	180	67	247
Gravel pits restoration	138	-	138
Community loans	(1)	(1)	(2)
Waste management	816	339	1,155
Long service leave	281	3	284
Defined benefits	300	-	300
Loan repayments	675	275	950
Total other reserves	3,703	(631)	3,072

Economic Development Reserve - Funds held for use in enhancing the economic development of our towns.

Gravel Pits Restoration - Provision of the established rehabilitation of gravel pits. No further provision will be added to this in the future.

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

**Notes to the Financial Report
For the Year Ended 30 June 2019**

	2019 \$'000	Restated * 2018 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	1,461	(3,691)
Depreciation	10,201	10,315
Net loss on disposal of property, infrastructure, plant and equipment	2,819	793
Reversal of Provision	(46)	(1,119)
Share of (profit)/loss of associates	2	(91)
Contributions - Non-monetary assets	-	-
Finance costs (included in financing activities)	124	137
Other - WIP movements	21	29
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(644)	691
Increase in other assets	(600)	102
Increase/(decrease) in trade and other payables	1,718	(594)
(Decrease)/increase in other liabilities	(117)	118
(Increase) in inventories	1	(10)
Increase/(Decrease) in provisions	173	(9)
Net cash provided by operating activities	15,113	6,671
* Refer to note 9.4 for further information relating to a prior period error		

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding Arrangements

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

As at 30 June 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.0% pa
Salary information 3.5% pa
Price inflation (CPI) 2.50% pa

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 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.

9.3 Superannuation (cont.)

Employer Contributions

Regular Contributions

On the basis of the results of the 2018 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

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

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

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017. The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

- A VBI surplus of \$131.9 million; and
- A total service liability surplus of \$218.3 million.
- A discounted accrued benefits surplus of \$249.1 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 2018. 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 as at 30 June 2018. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018 (2017: August 2017).

2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

9.4 Correction to prior period error

Council has identified a prior period error. Council has adjusted comparative numbers for the error and restated each of the affected financial statements for the 2018 financial year, as shown in the tables below.

Recognition of road revaluation

During the 2018/19 financial year Council undertook a revaluation and condition assessment of infrastructure assets. During this process the dimensions of road assets were reviewed and found to be incorrect, whilst no new assets were identified. This has resulted in Council restating the valuations of their road assets in the prior period as at 1 July 2017.

The impact of this correction is a misstatement of the 2018 Year opening fair value of roads of \$43.341m and accumulated depreciation of \$708k leading to a change in opening net assets of \$42.633m. A further depreciation expense of \$850k was recognised in the 2017/18 net result. The net effect on the net assets as at 30 June 2018 was an increase of \$41.783m.

Impact of correction of error on the Comprehensive Operating Statement

	2019 \$,000	2018 \$'000 (restated)	2018 \$,000 as previously presented
Depreciation	(10,201)	(10,315)	(9,465)
Total expenses	(37,810)	(40,695)	(39,845)
Surplus/(Deficit) for the year	1,461	(3,691)	(2,841)
Total Comprehensive result	11,445	4,824	5,674

Impact of correction of error on the Balance Sheet

	2019 \$,000	2018 \$'000 (restated)	2018 \$,000 as previously presented
Equity			
Accumulated Surplus	131,363	131,312	132,162
Reserves	348,450	337,047	294,414
Total equity	479,813	468,359	426,576

Impact of correction of error on the Statement of Changes in Equity

	2019 \$,000	2018 \$'000 (restated)	2018 \$,000 as previously presented
Balance at beginning of the financial year	468,359	463,535	420,902
Deficit for the year	1,461	(3,691)	(2,841)
Net asset revaluation increment	9,984	8,548	8,548
Net asset revaluation in associates	9	(33)	(33)
Balance at end of the financial year	479,813	468,359	426,576

Northern Grampians Shire Council Performance Statement For the year ended 30 June 2019

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, 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 11,500

Road Length: 3,408km of local roads

Rateable Properties: 9,273

Industry: There are more than 2,200 businesses operating in the shire, with major activity based in the thriving tourism, 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.

Northern Grampians Shire Council
Sustainable Capacity Indicators
For the year ended 30 June 2019

Indicator/measure	Result 2016	Result 2017	Result 2018	Result 2019	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal</i> [Own-source revenue / Municipal population]	\$1,603	\$1,585	\$1,804	\$1,769	
Recurrent grants <i>Recurrent grants per head of municipal</i> [Recurrent grants / Municipal population]	\$754	\$1,275	\$981	\$915	The timing of the payment of the financial assistance grants provided variation in the 2015/16 and 2016/17 years
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,929	\$2,912	\$3,465 *	\$3,311	<i>* Note: The 2018 Result has been recalculated to take into consideration a prior period adjustment. The revised result is \$3,539</i> A large proportion of Council's Assets were revalued during the year with the result being a notable increase. Due to a stable population, the value of assets per head of population has increased. <i>* Note: The 2018 Result has been recalculated to take into consideration a prior period adjustment. The revised result is \$38,754</i>
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$34,286	\$35,079	\$35,120*	\$39,634	
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.4	3.3	3.4	3.4	
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	

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

**Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2019**

Service/indicator/measure	Result 2016	Result 2017	Result 2018	Result 2019	Material Variations
Governance					
Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	53	44	47	51	Council has implemented a community engagement team to assist in informing the community and increasing understanding of council decisions
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.0%	0.0%	0.0%	0.0%	There were no VCAT decisions in relation to planning applications for the year
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	58	54	48	53	Council has made a significant effort to repair and renew our sealed roads network over the past two years and as a result community satisfaction has increased. This result is consistent with the decline in sealed roads requests.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	15.4%	15.4%	15.2%	14.0%	
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	35.1%	31.9%	33.6%	33.6%	
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.84	4.5	3.9	4.1	
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	
Food Safety Health and safety <i>Critical and major non-compliance notifications</i> [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	97.4%	100.0%	100.0%	100.0%	

**Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2019**

Service/indicator/measure	Result 2016	Result 2017	Result 2018	Result 2019	Material Variations
Home and Community Care (HACC) Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	23.3%	0.0%	0.0%	0.0%	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS & CHSP Programs
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	9.5%	0.0%	0.0%	0.0%	
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	82.2%	89.0%	90.7%	85.9%	Due to the low number of attendances and participants, any movement makes the indicator value volatile. The number of attendances increased marginally, but number of participants in the service decreased in the 2018/19 year.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	76.0%	94.7%	83.3%	93.3%	

"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

"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*.

Northern Grampians Shire Council
Financial Performance Indicators
For the year ended 30 June 2019

Dimension/indicator/measure	Result 2016	Result 2017	Result 2018	Result 2019	2020	Forecasts		2023	Material Variations
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-21.4%	2.4%	-20.6% *	-19.6%	-31.6%	-13.7%	-15.4%	-11.3%	* Note: The 2018 Result has been recalculated to take into consideration a prior period adjustment. The revised result is negative 23.2%. The 2017 result is outside trend due to the receipt and recognition of 2018 financial assistance grants in June 2017.
<i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	211.6%	301.0%	362.2%	368.0%	239.2%	171.6%	174.2%	203.4%	Council has held substantially more cash over the past years due to unexpended grants for works, however the long term financial plan indicates the drawing down of cash to fund programmed works.
<i>[Current assets / Current liabilities] x100</i>									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	151.2%	246.3%	268.0%	191.0%	209.7%	147.6%	145.3%	173.9%	Unrestricted cash was slightly lower than the previous years, coupled with higher levels of provisions and trade payables (due to increased works activity). This is in line with Council's Strategic Resource Plan to utilise cash and minimise liability exposure
<i>[Unrestricted cash / Current liabilities] x100</i>									
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	22.3%	19.8%	17.5%	15.0%	14.7%	13.3%	7.2%	6.6%	Revenue from rates is increasing at the cap amount with borrowings decreasing in line with Council's long term financial plan
<i>[Interest bearing loans and borrowings / Rate revenue] x100</i>									
<i>Loans and borrowings repayments compared to rates</i>	2.9%	2.7%	2.7%	2.6%	1.8%	1.7%	6.2%	0.7%	Council continues to reduce this indicator, except for 2021/22 when an interest only loan is to be repaid. This is inline with Council's long term financial plan.
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	28.9%	24.6%	15.1%	13.9%	12.3%	6.9%	6.4%	6.0%	Council continues to reduce its long term liabilities inline with the long term financial plan.
<i>[Non-current liabilities / Own source revenue] x100</i>									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	45.7%	35.5%	29.8% *	55.4%	91.8%	66.2%	46.1%	47.2%	In 2018/19, spending on renewal was twice the amount of the previous year, whilst depreciation only increased by approx. 10%. Council has planned a large increased in renewal of parks, open spaces and streetscapes in 2019/20 which sees a peak in renewal expenses, before reverting lower levels. A revaluation of assets has also occurred which will mean the future renewal and depreciation expenditure forecasts will need to be revised. * Note: The 2018 Result has been recalculated to take into consideration a prior period adjustment. The revised result is 27.4%
<i>[Asset renewal expenses / Asset depreciation] x100</i>									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	60.3%	48.1%	50.8%	55.1%	68.0%	59.1%	59.4%	57.5%	Whilst rate revenue only increased by the rate cap, valuations increased by approx 25% resulting in a lower percentage
<i>[Rate revenue / Adjusted underlying revenue] x100</i>									
Rates effort									
<i>Rates compared to property values</i>	0.80%	0.79%	0.80%	0.66%	65.00%	66.00%	67.00%	68.00%	Whilst rate revenue only increased by the rate cap, valuations increased by approx 25% resulting in a lower percentage
<i>[Rate revenue / Capital improved value of rateable properties in the municipality] x100</i>									
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,561	\$3,595	\$4,281*	\$4,047	\$3,750	\$3,787	\$3,894	\$3,947	* Note: The 2018 Result has been recalculated to take into consideration a prior period adjustment. The revised result is \$4,372
<i>[Total expenses / Number of property assessments]</i>									
Revenue level									
<i>Average residential rate per residential property assessment</i>	\$1,562	\$1,566	\$1,641	\$1,778	\$1,818	\$1,859	\$1,900	\$1,943	
<i>[Residential rate revenue / Number of residential property assessments]</i>									
Workforce turnover									
<i>Resignations and terminations compared to average staff</i>	14.0%	10.0%	20.1%	22.9%	20.6%	17.7%	16.5%	15.3%	There has been significant movement in the staffing structure and employment status, coupled with some long term vacancies and recruitment difficulties, all contributing to a higher than normal turnover.
<i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>									

Notes

"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)

"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

"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 to 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

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

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

Basis of preparation

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 24 June 2019 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 councils website www.ngshire.vic.gov.au.

Northern Grampians Shire Council Certification of the performance statement

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



Belinda Johnson CPA, BCom
Acting Manager Financial Services

Dated: 11/11/2019

In our opinion, the accompanying performance statement of the Northern Grampians Shire Council for the year ended 30 June 2019 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.

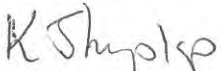
At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

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 Kevin Erwin
Mayor

Dated: 11/11/19



Cr Karen Hyslop
Councillor

Dated: 11/11/19



Vaughan Williams
Acting Chief Executive Officer

Dated: 11/11/19

Independent Auditor's Report

To the Councillors of Northern Grampians Shire Council

Opinion	<p>I have audited the accompanying performance statement of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
18 November 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria