

# ANNUAL REPORT

2015 - 16







# TABLE OF CONTENTS

Our Vision	3
Our Shire at a Glance	4
From the Mayor	5
From the CEO	6
Our Councillors	7
Executive Leadership Team	8
Economic Initiatives	9
Social, Environment and Community Initiatives	12
Emergency and Risk Initiatives	21
Asset Initiatives	24
Waste Initiatives	28
Data and Information Initiatives	30
Financial Sustainability Initiatives	31
Cutting Red Tape Initiatives	34
Core Services Initiatives	35
Governance, Management and Other Information	40
Annual Financial Statements	53

# OUR VISION

## OUR AFFIRMATION

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

## OUR VISION

Creating a better lifestyle and environment.

## OUR MISSION

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

## OUR CORE VALUES

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

### **Responsive:**

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

### **Accountable:**

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

### **Fair:**

being informed and impartial in decision making.

### **Innovative:**

being positive and able to find solutions.

### **Sustainable:**

stewardship of the community, environment, economy and Council.

### **Respectful:**

of other people's views and diversity.

## OUR COMMITMENTS

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





## OUR SHIRE AT A GLANCE

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

### Location

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

### National Parks

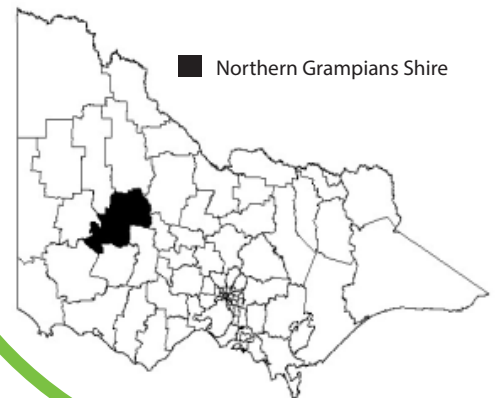
The Grampians National Park is one of Victoria's most iconic holiday destinations, attracting more than 1.5 million visitors each year. Renowned for its breathtaking views and unspoilt nature, the area is a noted rock climbing destination, popular among campers and bushwalkers. Declared in 1884, the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

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

### Industry

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

## WHERE YOU'LL FIND US...



## QUICK STATS

**Area:** Approximately 5,918 square kilometres

**Population:** Approximately 11,509

**Road Length:** 3,350km of local roads

**Rateable Properties:** 9,264

**Rates and Charges Revenue:** \$16.3 million

**Total Revenue (inc grants):** \$33.8 million

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

**Major Attractions:** Stawell Easter Gift Festival, Grampians Grape Escape, Grampians 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 the Grampians National Park.



## FROM THE MAYOR

*Cr Murray Emerson*

Another year has passed and it's been a very exciting time for the Northern Grampians Shire Council.

The underground physics laboratory is about to start its development stage and the Nectar Farms, hydroponics investment will be fully underway before Christmas. Both these developments along with the Grampians Peaks Trail will be an economic boom for our region.

Our major events, such as the Stawell Gift, the Grampians Grape Escape, the Great Western Rodeo, and many others have made the Northern Grampians Shire a very exciting place to be.

With the amount of development happening, and the events growing from year to year, our shire is certainly changing and developing into a thriving region that can offer jobs, an exciting lifestyle, and a welcoming place to live.

The streets and streetscapes surrounding all of our larger communities are looking fantastic and it is a credit to the staff for their continued commitment to having our shire spoken about as one of the most beautifully maintained shires in the state.

The Avenue of Honour in Patrick Street, Stawell has been completed and will be officially opened in the next month or so, not only adding to the beauty of the town but also recognising our fallen heroes who gave their lives for our country.

The budget process this year was extremely difficult, as we had to deal with the rate capping requirements, but the bigger difficulties will be in the immediate years to come when our compounding lack of finances will have to be met. The 3, 16, 81 program will need some more vigorous effort from now on. Of course we are very aware of our communities' ability to pay, and it is the first consideration we give when budget discussions commence.

Some good rain recently has encouraged our agricultural community to become more positive, and that in turn helps drive our economy. Let's hope for some follow up rain in the spring time.

Although we have had our share of challenges, the positives have certainly outnumbered the negatives and it has been a pleasure to be the Mayor of the Northern Grampians Shire over the past 12 months. During the year I have been involved in the citizenship ceremonies of

15 people - a task that makes me very proud to be in the position that I hold.

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.

A handwritten signature in black ink, appearing to read 'Murray Emerson', with a long, sweeping horizontal line extending to the right.

Cr Murray Emerson  
Mayor



# FROM THE CEO

## *Michael Bailey*



It is fair to say 2015-16 has been a big year for Northern Grampians Shire Council.

Four years ago we set about reinventing ourselves in the southern zone of the shire after what was a likely cessation of mining in Stawell. The planning, which incorporated opinions from far and wide, and where no idea was dismissed started to come to life in the last financial year.

The Stawell Underground Physics Laboratory (SUPL) is quickly becoming the most well-known local government project in the country. SUPL will be the first laboratory of its kind in the southern hemisphere, existing 1,025m underground in the operating Stawell Gold Mine, and placing Australia's scientists and researchers at the forefront of the hunt for dark matter - one of the key mysteries of modern physics and astronomy. The project is jointly funded by the Australian and Victorian governments and will be constructed during 2016 and 2017, and commissioned in early 2018.

Nectar Farms' hydroponics operation will see the introduction of protected cropping to our region. It will create 85 jobs in the initial stage, not including construction which will obviously present a number of other opportunities for local contractors. The first stage will consist of 10 hectares of glasshouses and will be complete in the third quarter of 2017.

Alongside this we have the Grampians Peaks Trail investment - a \$30 million project over 10 years in the making. Through a partnership approach we will, by 2019, have a project that doubles tourism visitation by creating a world-class long distance walking experience of 13 days and 12 nights, showcasing the spectacular natural and cultural landscapes of the Grampians National Park.

In the north of the shire we have witnessed the devastating impacts of a second year in drought and poor yielding crops. The impact on our communities and our people cannot be understated, and while state government support has provided a number of programs such as educational workshops, free or subsidised access to social networking events, and cash grants for drought-proofing works on-farm, we continue to work on building the resilience of our communities and hope for a better year this year.

Our award-winning team has undoubtedly risen to all challenges put in front of them. Awards including LGPro's

Service Delivery Initiative Award for Excellence, the FRRR ABC Heywire Youth Innovation Grants, and Best Overall Campaign in the national Garage Sale Trail are not easy to achieve, particularly for a rural shire with limited resources. To achieve so many in such a short time period instills a great deal of pride.

Our staff, some of whom have been with us for 30 years, others straight from school, bring a wide and diverse skill set to our organisation. They are proud to be working to improve our community and continue to go above and beyond to deliver. Above all else, a change in our work environment to Activity Based Working (ABW) - which will provide significant financial savings - was incredibly well supported and embraced by the wider staff team, regardless of the initial nervousness around how ABW would actually work.

In concluding, I must thank you, our community and ratepayers. This year has been one of significant change for the Northern Grampians Shire Council. It saw us transition away from the provision of childcare in Stawell, school crossings, and tourism services across the shire. Clearly these are not easy decisions for a Council to make but the support from all of you has provided a platform to make those tough decisions.

A handwritten signature in black ink, appearing to read 'MB', written over a light blue horizontal line.

Michael Bailey  
Chief Executive Officer

## STAWELL WARD



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



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



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

## CENTRAL WARD



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



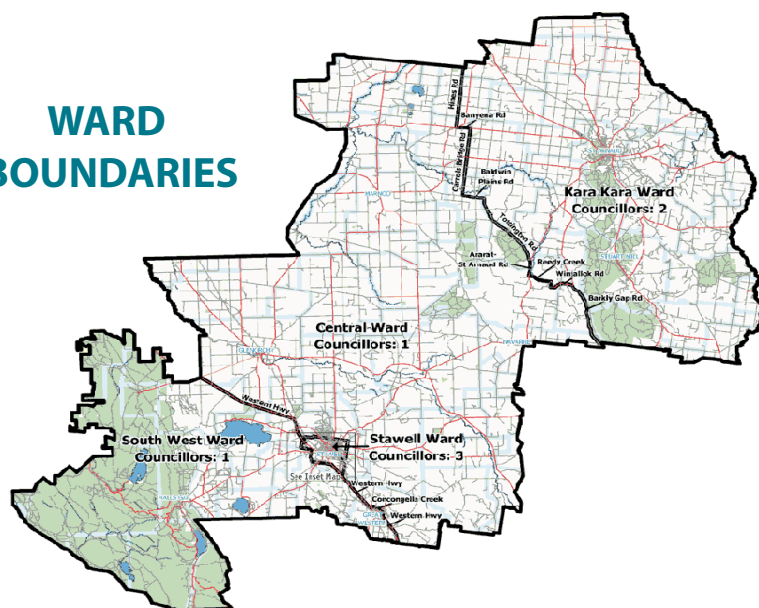
**Cr Tony Driscoll**  
First elected: 27 October, 2012  
Term expires: October 2016



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

## KARA KARA WARD

### WARD BOUNDARIES



## SOUTH WEST WARD



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





**Chief Executive Officer**  
(finished with Council May '16)



**Director**  
Infrastructure & Environment  
Acting CEO 11 July - 15 August '16



**Director**  
Economic and Community



**Director**  
Corporate Services  
Acting CEO - 14 May - 10 July '16



# ECONOMIC INITIATIVES

## BUILDING BOOM

The Northern Grampians Shire continues to feel the benefits of continuing high demand for growth with planning and building approvals demonstrating a continuing strength in our local community. During the 2015/16 financial year, nearly \$15 million-worth of development was approved with over \$40 million-worth still under consideration. This strong planning demand resulted in developments being constructed with over \$13 million-worth of building works being approved in the year.

## PARTNERSHIPS FOSTERING BUSINESS SUCCESS

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

## BUSINESS SERVICES ON THE GROUND

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

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

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



## BUSINESS SERIES WORKSHOPS

Planning has been underway for a series of business support workshops to be held during the 2016/17 financial year. These monthly workshops will aim to educate attendees on a range of important business topics through the use of high profile guest speakers. These free workshops will be held at the same venue each month - the Stawell Town Hall foyer and the St Arnaud community meeting room. Stawell sessions will take place in the mornings from 7.30 - 9am and St Arnaud sessions will be in the evenings from 5.30 - 7pm.



*Mike McKay of The Oarsome Foursome kicked off our Business Series workshops in Stawell and St Arnaud.*

## UPDATED INDUSTRY SECTOR PLANS

In 2010 and 2011, a set of Industry sector plans was completed for six of the major sectors in Northern Grampians Shire - agriculture, health, manufacturing, retail, transport, and tourism.

The plans identified the state of each industry sector and looked at trends and projections over the medium and longer term to establish a basis for decision making on economic development resources to achieve the best outcomes. As well as presenting recommendations on possible local government interventions to achieve better returns on investment, the plans provide support to secure business expansion, and attract new external investment and/or new business to the shire.

The objectives of the 2016 sector plans update are to :

- Update knowledge and understanding of the structure, issues, and opportunities for industry sector development;
- Align strategy and outcomes to current government industry policy and strategy, and local land use and development plans;
- Engage primary stakeholders in the future of industry opportunities in the region; and
- Identify priority investment and development opportunities from strategy and policy reviews and consultations.

Council now has an up-to-date set of plans which provides an overview and gives an evidence-based understanding of the industry sectors, and delivers options and scenarios for immediate and future growth within the sectors.

## MASTERPLANNING FOR HALLS GAP

The Masterplan for Future Commercial Investment and Public Land Development in Halls Gap was completed during the 15/16 year. The objectives included:

- Improve the public domain around Halls Gap and enhance recreation and tourism product;
- Increase activity within the precinct; and
- Seek a reasonable balance between private investment opportunity and public works expenditure

The Masterplan aims to provide a map for the development of Halls Gap over the next 10 years and will support the sustainability and expansion opportunities of existing business. The plan has delivered a pathway for new investment, increased job opportunities, and long term employment.

## STRONGER ASSOCIATIONS

Each year, Council provides support to our local business and tourism associations across the Northern

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

## SUPPORTING OUR AGRICULTURE SECTOR

Following one of the worst droughts in years, Council's Business Services staff have been working closely with WDA, RDV, and the seasonal conditions committee to help provide support to farmers. Funding has been received and has enabled workshops to be run covering topics such as bore information and dry summer workshops, as well as family days and mental health information.

Under the state government's Drought Response Package, the following programs have been provided to the farming community:

- Stock containment area program
- Farm Risk Management grants
- Community engagement and support package and Mental Health First Aid Training
- Kindergarten fee subsidy in drought affected communities
- Kindergarten financial hardship grant
- Back to School program
- Camp Sport and Excursions fund
- Sport and Recreation Water Infrastructure grants.
- Agricultural traineeships for school leavers in drought affected areas
- Dedicated small business services provided by the Rural Financial Counselling Service (RFCS)
- Additional rural financial counsellors
- Water infrastructure improvements to improve stock and domestic water supply to rural communities
- Drought employment program

Council staff will continue to work with a variety of agencies to provide these support programs to the agriculture sector.



*Council worked with other local agencies on a number of drought support events during 2015/16.*



## WORLD-CLASS OPPORTUNITIES FOR STAWELL

The Stawell Underground Physics Laboratory (SUPL) will be the first of its kind in the southern hemisphere and one of only a handful of underground physics laboratories in the world. Being the only such facility in the southern hemisphere provides SUPL with a competitive advantage over the other laboratories and will provide many opportunities for further research and laboratory development. SUPL has the potential to develop into an ultra-low radiation background national facility which can be configured to host a wide range of physics and biology experiments over a lifetime well in excess of the present five-year operating plan.

SUPL is a collaboration between the Northern Grampians Shire Council, Stawell Gold Mines, and the University of Melbourne. Situated 1,025m deep within the operating Stawell Gold Mine, the laboratory will host the Sodium-iodide with Active Background REjection (SABRE) experiment. SABRE collaborators include the University of Melbourne, Princeton University (USA), and the Italian Institute for Nuclear Physics (INFN), and is designed to detect dark matter particles. SUPL will be constructed by the end of 2017 and is expected to be commissioned early in 2018.



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

# SOCIAL, COMMUNITY AND ENVIRONMENT INITIATIVES



## ONGOING REVIEWS

Over the past 12 months, Council has continued to look closely at the services it provides by reviewing what we do and how we do it. These reviews identify ways to improve efficiency and reduce the cost of supplying these services to the community. This has meant that the way we provide services to our community has had to change and administrative and reporting processes have been streamlined.

## LOOK AT US NOW!

The Marketing and Communications team has focused on improving Council's communication and consultation with its communities by refocusing Council's digital presence and commencing work on a new communications strategy for the whole of Council.

Council's Instagram account was relaunched in June 2016 with a destination marketing focus. The account has gained a good follower base and is frequently tagged by residents and tourists, allowing Council to reshare others' content.

Council's Facebook and Twitter feeds have also been reinvigorated with a focus on the hashtag #liveworkinvestvisit. These accounts are being used to share information regarding Council works, services, and events.

A new communications strategy will be developed

and implemented by the end of 2016, allowing Council staff to better focus their communications efforts and to deliver clear, consistent messages to ratepayers, residents, businesses, and tourists.

## BRINGING CARE HOME

Home and Community Care (HACC) in the Northern Grampians Shire not only provides quality direct care services to our residents; it empowers clients to live independently, bringing care home.

One of the Council's largest teams, our trained and qualified HACC staff have more than 360 years of combined experience. All clients receive a Living at Home assessment by our staff to ensure the delivery of a flexible and individualised service. Our HACC clients enjoy domestic assistance including support with shopping and appointments, personal care, respite, home maintenance, and Meals on Wheels.

HACC has proven to be a vital link in the health care system and therefore the Council works closely with Stawell Regional Health, East Wimmera Health Service, and community health services to ensure smooth care coordination.

It is an exciting time as towards the end of the financial year, the team has started to move across to the new 'My Aged Care' system - an Australian Government reform to improve navigation of the Aged Care system.

Funding contributions from state and federal governments under the Home and Community Care program are essential to the delivery of the service which supports more than 500 residents to receive almost 26,406 hours of direct in-home services with our shire. Council acknowledges the need for the ability to travel to clients right across our shire, and therefore continues to fund the travel component of the program. In 2015/16, this amounted to over 60,000kms of travel for our dedicated Direct Care Workers.

## CELEBRATING AGEING

Northern Grampians Shire Council led the festivities of 2015 Seniors Week - an exciting celebration of the valuable contribution older people have made and continue to make to our community.



A crowd of around 90 St Arnaud residents enjoyed a live performance by Honey Bee and The Stingers. They followed the performance with a high tea provided by Friends of The Queens Mary Botanic Garden and sponsored by Council. The St Arnaud Cinema rounded out the festivities with the movie Woman In Gold which was also sponsored by Council.

Seniors Week kicked off with volunteers from our local opportunity shops and charities, accompanied by Councillors from Northern Grampians Shire, attending the Victorian Senior of the Year Awards at Government House. After some impressive presentations, they enjoyed a high tea and a tour of some sections of Government House.

Stawell Senior Citizens were treated to a free movie session of The Best Exotic Marigold Hotel followed by an afternoon tea with over 80 residents in attendance.

## WE NOURISH, WE CARE, WE STRENGTHEN COMMUNITIES

From humble beginnings many decades ago as a volunteer service to provide a basic meal to our frail aged people, the delivered meals services, known widely as 'Meals on Wheels' now provides so much more. Not only is it a delicious and carefully balanced nutritious meal, our trusted friendly volunteers are able to monitor the health and wellbeing of those they service. This provides peace of mind for our clients and family members.

Our Meals on Wheels clients choose their own meals, from a light meal through to a three-course meal, based on their own preferences. Throughout 2015/16, Council volunteers delivered 14,065 meals across the shire - an increase of 1,000 meals to the year prior. The flexibility of the service allows clients to opt in for short periods such as following an operation or illness, or longer periods up to five days a week, and can be stopped and started as required.

Council enjoyed celebrating the success of the program with its volunteers during National Volunteers Week in May. In late 2015, the team also celebrated the Meals on Wheels handbook - a comprehensive guide to support our volunteers. As a result we have had 20 new volunteers register, and two primary schools now heavily involved in the program.

Council is very grateful to have such a dedicated team of volunteers who are the face of this service to our community.

For the volunteer drivers and delivery people who make the effort, it is rewarding to be able to be part of a team that continues to make a difference to people's lives. New volunteers are always welcome with full training, induction, and Council support provided. Contact the

Delivered Meals Coordinator, Meg Newton on 5358 8700 for information on how to volunteer.



CAAG member Judy Belot shows us how it's done.

## ACCESSING OUR TOWNS

The CAAG (Community Access Action Group) continues to review and consider community access for all residents in the Northern Grampians Shire Council in line with the Disability Act 2006.

The CAAG has continued to meet bi-monthly for the past 12 months in both Stawell and St Arnaud, making recommendations to the infrastructure department. CAAG members travelled to St Arnaud and visited the new McCallum facilities and enjoyed a tour of the street in St Arnaud to look first hand at some paving issues in the footpath.

Members of the CAAG have provided feedback on several projects, including the plans for the new Western Highway Building. The pedestrian crossing from the Town Hall to Waacks Bakery was very well received. Members of the CAAG on mobility devices said they can access the Town Hall to make payments quicker, and staff members have received many positive comments from a variety of community members around how much it has slowed traffic down, proving beneficial to people with prams, walking frames, and health issues.

Council staff from the engineering department consulted the CAAG in relation to the redevelopment of parking in Church Street in Stawell between Woolworths and the shops in the main street. These alterations were well received.

The group also advised on new signage and visual cues to support the installation of off-road designated paths for mobility users through a \$20,000 RACV grant for St Arnaud and Stawell.

## THE FUTURE FOR OUR COMMUNITIES

Community planning is an ongoing and important process that allows Council to engage with communities to gain a greater understanding of the issues that are important to each individual town. Our community plans provide a reference point for decision making, future development options, and funding opportunities as they arise.

Council congratulates local communities and steering groups that have once again achieved new projects, developments, and progress across the shire. In 2015/16, Council continued to actively assist communities to implement goals identified within community plans.

Implementation of funded components of the Great Western Future plan has commenced. Stage 1 of the St Arnaud Civic Precinct plan has been completed and Stage 2 will commence when funding is secured. The development of the Halls Gap Tourism Master Plan is almost complete.

## THE PLACE TO BE AT EASTER

An action-packed Easter in Stawell once again attracted a huge number of visitors to the region. In excess of 10,000 people flocked to Central Park over the Easter weekend, with the biggest crowd being Easter Monday where the crowd experienced the running of the 2016 prestigious Stawell Gift. Over 700 runners competed in the Gift carnival while the Little Athletic events attracted 222 children. Athletes were competing for a share of the \$171,045 prizemoney and television coverage on Channel 7 and FOX Sports projected the 135th running of the Stawell Gift to a national audience.

## THERE'S ALWAYS SOMETHING HAPPENING

Council's Economic Growth team supports the delivery of a range of major events across the shire. As well as the Stawell Gift, a number of other major events are held during the year including the Festival of St Arnaud, Grampians Grape Escape, Grampians Music Festival, and other Easter events such as the Great Western Rodeo, Stawell Gold Cup, and Stawell Main Street Sensation. Council staff provide support, both financial and in kind, to these event organisers and provide assistance through the event registration process.

Council also strongly supports the development, safety, and successful delivery of a broad range of community events in the shire. Whether it's a small play, a local market, a community party, or an art exhibition, there is something on almost each week in the Northern Grampians Shire.

The 2016 Grampians Grape Escape again attracted a huge crowd of wine lovers and foodies, to the region to celebrate its 25th year. A highlight of the festival was the appearance of celebrity chef, Miguel Maestre who delivered cooking demonstrations to a packed house on both Saturday and Sunday. A great line up of music acts played to a big crowd on both days, culminating with Kate Ceberano on Sunday afternoon.



*Kate Ceberano delighted crowds at the 2016 Grampians Grape Escape in Halls Gap.*

## VIBRANT ARTS AND CULTURE

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

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

Council continues to value the history, traditions, and contribution of the region's Aboriginal Australians. Council acknowledges the traditional owners of the land in which the shire is placed, particularly the Djab Wurrung, Jardwadjali, and Dja Dja Wurrung people. In 2015/16, Council partnered with Budja Budja Aboriginal Cooperative and the Brambuk Cultural Centre to promote a range of displays and activities including NAIDOC Week celebrations, cultural experience



presentations from renowned artist Tom Crow at Brambuk, and supported the establishment of the Budja Budja Youth Group.

## SUPPORTING OUR COMMUNITY GROUPS

It is often a labour of love to commit to local community and not-for-profit groups. Council recognises the ideas and contributions that our community organisations and groups make by allocating small community and youth grants each year. In 2015/16, Council awarded 15 local community groups with a share of \$30,000 in grants.

Projects that benefited from Council grants in 2015/2016 include:

- Stawell Little Athletics Club Inc- BBQ area cover
- St Arnaud Pony Club - new equipment upgrade,
- Stawell Performing Arts Company Inc - Red Legs and Thin Borders - modernising Stawell's stage
- Paradise Hall Committee Inc - air-conditioning
- Grampians Field and Game Australia Inc - range improvements
- Sports Central - Grampians Giants on the March
- Stuart Mill Recreation Reserve - maintenance to public toilets
- Stawell Bowling Club - updated signage
- Grampians Pyrenees Primary Care Partnership - Aussie Food Revolution
- Grampians Region YMCA - 'Take Me Home' healthy meals
- St Arnaud Turf Club - Installation of 260,000 litre water tank
- Stawell Neighbourhood House - Funky Fridays @ Powerhouse
- Vision St Arnaud - Blue Moose
- East Wimmera Health Service - Feats 4 Feet Fun Run/ Walk
- Stawell 13 and Under Football Association Inc - professional look guernseys

## THE WORK OF OUR VOLUNTEERS

Our Community Development team has joined forces with Stawell Regional Health, Stawell Neighbourhood House, and Grampians Community Health to provide a collaborative approach to volunteering across the shire.

A new noticeboard has been established at the Stawell Neighbourhood House advertising volunteer positions, providing an opportunity for new families moving to Stawell to become aware of how they may be able to get involved. Local supermarkets also have noticeboards that promote volunteering opportunities.

This year the group held a large event at the Stawell Entertainment Centre celebrating National Volunteer Week. This event was attended by over 100 volunteers

from many groups across the whole of the shire.

There were several guest speakers who talked about their own volunteering experiences, and Cr Erwin also spoke about the importance of our volunteers in rural communities and how much we appreciate their efforts. Light refreshments were provided.

Council staff also provided an afternoon tea at St Arnaud to recognise and acknowledge our valued volunteers who assist with Meals on Wheels and volunteering throughout the year. When required, staff will fill in as volunteers and assist.

Council continues to place signage on the Western Highway acknowledging the contribution of all volunteers in the Northern Grampians Shire.



*Council's YAC continues to achieve success, holding successful events across the shire.*

## OUR YOUTH LEADERS

The Youth Action Council (YAC) is an exciting success story for our community, with 12 vibrant young people actively working together throughout the year to develop and deliver their Youth Strategy 2014-2017.

The plan has identified four key focus areas - recreation and events; health, safety and wellbeing; education and employment; and leadership and community connections.

Youth Action Councillors in 2015/2016 were Lauren Dempsey, Titian Linley, Kimberley Hyslop, Charlotte French, Lily Matheson, Sarah Little, Hayley Little, Amanda Bertram-Mannon, Tianna Hendy, Cameron Bowman, Ryan Kell, William Hackwill, Jessie Meagher, Kylie Olsen, Nicholas Pridan, Alanis Williams, Sophie McKenzie, and Scarlett Robinson

The Strategy provided direction to both the YAC and the Council's activities in relation to young people, increased support to young people and their families, and encouraged genuine youth engagement and participation. The YAC and its activities are funded through the State Government's Engage! program which supports young people to get involved in all aspects of community life, and by the FReeZA program to deliver youth-focused activities and events.

Events successfully delivered during 2015/16 included indoor and outdoor twilight cinemas, Christmas tree light up nights in Stawell and St Arnaud, the Australia Day pool party and celebrations at Cato Park which attracted over 1,500 people and concluded with a spectacular fireworks display, the 'Y Factor' youth talent show which had over 25 participants performing to a full house at the Stawell Entertainment Centre, the Marnoo pool party and movie, a winter cinema series, and a kids' comedy show with Sean Murphy.

The YAC partnered with Grampians Pyrenees Primary Care Partnership and Central Grampians LLEN to deliver the 'Speaking of Mental Health Roadshow' in Stawell and St Arnaud to bring awareness and reduce the stigma of mental illness.

The YAC was successful in obtaining FReeZA funding for 2016-2018 to continue the delivery of youth focused events in our shire, and a grant from health.vic to purchase event marquees.

## RECREATIONAL LAKES ON THE RADAR

Recreational water is a significant contributor to the social and economic wellbeing of rural communities. With a lack of water security at several recreational lakes, Council, in partnership with the local community, GWM Water, and the state government has been successful in securing water for Walkers Lake. Council has also completed a new toilet facility, and a new boat ramp has been constructed with the assistance of funding from the state government. Regular meetings are held with representatives of the community and key stakeholders to continue to maintain the natural amenity of the lake reserve for the benefit of all users.

## STRENGTHENING TOURISM TIES

Council continues to work closely with Grampians Tourism at both board level and through participation in working groups. This ongoing relationship ensures Council is involved in all Grampians Tourism projects, events, and promotional activities. Northern Grampians Shire Council has a strong presence in its Official Visitor Guide, which is the leading publication designed to entice visitors to the region, and features in all marketing opportunities.

## GRAMPIANS PEAKS TRAIL

The Grampians Peaks Trail is a world-class long distance walk of 13 days and 12 nights. The trail will be completed in 2019 and showcases the spectacular Grampians National Park. The project is being progressively built with stage one having been opened for over a year now - this three-day loop near Halls Gap has already proven popular with a variety of visitors. The second stage of

the Grampians Peaks Trail is now underway and will include the installation of mesh boardwalks at Major Mitchell Plateau.

## POOL UPGRADES MAKING A SPLASH

Learn to Swim and lifesaving courses remained popular, while swimming lessons were also well patronised. During the 2015/16 year, there were approximately 50,000 visits to the Stawell Leisure Complex, and on top of this are the many people who visit the stadiums, courts and swimming pools as spectators.

Council has continued to invest in its annual maintenance program for the facility with new painting and signage projects completed as well a new point of sale system to ensure we keep up with an ever-changing leisure environment.

The 'no fees' policy at the St Arnaud Swimming Pool saw over 10,000 visits to the pool making it a popular place during the warm weather. The state government's Community Facility Funding program supported ongoing improvement projects at the St Arnaud Pool including upgrades to the changerooms, additional shade, and a new irrigation system to ensure the experience of visiting the facility is enjoyed by all.

Water slides at the Stawell Leisure Complex outdoor pool and diving boards at the St Arnaud Pool provide excellent entertainment for patrons and our leisure staff work in partnership with our community, clubs, and groups to organise pool parties, movie nights, and holiday programs that ensure all visitors have a safe and enjoyable time.



*Council's pools in Stawell and St Arnaud continue to be popular with residents of all ages.*

## ST ARNAUD CHILDREN'S PRECINCT

Staff at the precinct implement a child-centred program based upon the principles outlined in the Victorian Early Years Learning and Development Framework (VEYLF) and the National Early Years Learning Framework (EYLF) – Belonging, Being and Becoming.

They continue to aspire to empower children, by following and extending their ideas and interests to develop the curriculum.

Promotion of each child's confidence and positive self-image through a range of experiences, activities, and opportunities that build upon their understandings, skills, and values, and enhances relationships with others assists the children's enjoyment at the precinct.

Staff implement an inclusive approach to positively support children's growth of identity, self-esteem, and critical thinking in regard to similarities, differences, and fairness as well as encourage each child to reach their full potential in accordance with their individual ability.

The incorporation of family values, beliefs, and cultures into the centre curriculum including Aboriginal and Torres Strait Islander cultures and heritage is a high priority.

The experience by children at the precinct is fulfilled by the day-to-day interactions at the centre as well as many various and creative excursions that add value to their time under the guidance of our capable staff.

This year the kindergarten program has expanded to include a wonderful Bush Kinder program. This initiative by the staff at St Arnaud Childrens Precinct is a reflection on the belief in the importance of nature and outside play in a child's learning and development which is supported by numerous studies and government frameworks. The Bush Kinder project has been well received by the children, parents, and staff to make it a very successful pilot program.



# SERVICE INDICATORS

## Social, Community and Environment Initiatives

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

Service/Indicator/measure	Result 2014 - 15	Result 2015 - 16	Material Variations
<b>Aquatic Facilities</b>			
<b>Service standard</b> Health inspections of aquatic facilities <i>[Number of authorised officer inspections of council aquatic facilities / Number of council aquatic facilities]</i>	0	2	A change in responsibilities due to a reorganisation of tasks resulted in no tests being undertaken in 2014-15 financial year
Reportable safety incidents at aquatic facilities <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	0	0	No material variance
<b>Service cost</b> Cost of indoor aquatic facilities <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$3	\$3	No material variance
Cost of outdoor aquatic facilities <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$8	\$8	No material variance
<b>Utilisation</b> Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	5	5	No material variance
<b>Animal Management</b>			
<b>Timeliness</b> 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]</i>	-	1	Reported for the first time this financial year
<b>Service standard</b> Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected]</i>	39%	36%	No material variance
<b>Service cost</b> Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$66*	\$82	Increased focus by Local Laws Officers on animal management and reduced numbers of registrations.  The cost figure for 2014-15 has been increased from \$53 to \$66 as plant operating costs for local laws vehicles had not been included
<b>Health and safety</b> Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0	0	No animal prosecutions were undertaken during the 2014-2015 and 2015-2016 financial years

<b>Food Safety</b> <b>Timeliness</b> Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	-	3	Reported for the first time this financial year
<b>Service standard</b> Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	61%	89%	Increased focus placed on undertaking inspections
<b>Service cost</b> Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$487	\$459	No material variance
<b>Health and safety</b> Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance outcome notifications about food premises] x100</i>	100%	90%	During the 2015-16 Financial year there was a degree of uncertainty surrounding the definitions of major and critical non compliance which has resulted in more non compliance notifications. The year on year variance is a result of timing differences to schedule follow up inspections. All non compliance notifications were followed up by August 2016
<b>Home and Community Care</b> <b>Timeliness</b> Time taken to commence the HACC Service <i>[Number of days between the referral of a new client and the commencement of a HACC service / Number of new clients who have received a HACC service]</i>	-	9	Reported for the first time this financial year
<b>Service standard</b> Compliance with Community Care Common Standards <i>[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100</i>	50%	50%	No material variance
<b>Service cost</b> Cost of domestic care service <i>[Cost of the domestic care service / Hours of domestic care service provided]</i>	-	\$53	Reported for the first time this financial year
<b>Service cost</b> Cost of personal care service <i>[Cost of the personal care service / Hours of</i>	-	\$53	Reported for the first time this financial year

<i>personal care service provided]</i>			
<b>Service cost</b> Cost of respite care service <i>[Cost of the respite care service / Hours of respite care service provided]</i>	-	\$53	Reported for the first time this financial year
<b>Participation</b> Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	28%	23%	The reduction in participation is due to a combination of increased client deaths and moves to nursing homes, implementation of the Active Service Model, and clients moving to Commonwealth Home support packages
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</i>	8%	9%	The NGSC demographic has a very small number of people who are CALD in the over 65 age bracket. The difference of 1 person receiving services can make a large shift in %, and appear to be a greater variation than reality
<b>Libraries</b> <b>Utilisation</b> Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	2	2	No material variance
<b>Resource standard</b> Standard of library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	46%	50%	No material variance
<b>Service cost</b> Cost of library service <i>[Direct cost of the library service / Number of visits]</i>	\$6	\$7	No material variance
<b>Participation</b> Active library members <i>[Number of active library members / Municipal population] x100</i>	19%*	15%	The 2014-15 result has been reduced from 20.7 % as it had included transactions that did not meet the definition but could not be identified at the time by the reporting software which has now been rectified and recalculated on last years data
<b>Maternal and Child Health (MCH)</b> <b>Satisfaction</b> Participation in first MCH home visit <i>[Number of first MCH home visits / Number of birth notifications received] x100</i>	103%	-	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide
<b>Service standard</b>			



<b>Participation</b> 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</i>	66%	-	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore Council is unable to report this data for the 2015-2016 financial year.
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</i>	63%	-	
<b>Statutory Planning</b> <b>Timeliness</b> Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the Application]</i>	85	80	With an 18% increase in the number of applications approved, and a reduction in overall median days of 6% the results for the planning team are generally positive. Unfortunately due to the increase in activity this did lead to a reduction in our ability to respond as quickly to some applications as required and as such our ability to 'stop the clock' was reduced. Notwithstanding this with the median time reducing we have managed to reduce overall processing time for applicants and thus supported continued development in the area.
<b>Service standard</b> Planning applications decided within 60 days <i>[Number of planning application decisions made within 60 days / Number of planning application decisions made] x100</i>	64%	25%	
<b>Service cost</b> Cost of statutory planning service <i>[Direct cost of statutory planning service / Number of planning applications received]</i>	\$3,422*	\$3,473	The 2014 - 2015 cost has been increased from \$2,033 to \$3,422 due to an error that was found in the cost extraction process that had not included some of the costs for that year.
<b>Decision making</b> 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</i>	0%	0%	No Council decisions were challenged in VCAT during the 2014-2015 and 2015-2016 financial years.

# EMERGENCY AND RISK INITIATIVES

## EMERGENCY MANAGEMENT PLANNING

Council has continued to monitor, review, and action requirements of the Victorian Bushfires Royal Commission Final Report dated July 2010, including the 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.

Other sub-committees of the MEMPC meet regularly including the Municipal Relief and Recovery Committee, and the Event Planning and Management Committee which is a Victoria Police lead sub-committee, involving State Emergency Service (SES), Country Fire Authority (CFA), Council, and Ambulance Victoria (AV) regarding major event management to assist with emergency planning.

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 (REMPC). The involvement on these committees assists Council to understand the changes being introduced throughout the state as a result of changes to emergency management processes being driven by Emergency Management Victoria (EMV) and changes to emergency management legislation.

Council is involved in the Grampians Municipal Emergency Management Enhancement Group (MEMEG). Being on the Grampians MEMEG has allowed for cooperation and networking with other regional municipalities and Local Government Victoria (LGV)



to discuss and resolve issues relating to emergency management. Some of the items discussed and planned include accessing grants for regional projects, and undertaking emergency management exercising and training together.

## VULNERABLE PEOPLE IN EMERGENCIES

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

The MEMP contains information pointing to systems which indicates locations where vulnerable people might be located (e.g. schools, childcare 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 has maintained a high involvement with emergency management partners and stakeholders at local, regional, and state level in planning for multi-agency exercises which help all involved in emergency management to be prepared for a number of contingencies.

Examples of exercises Council has been involved with include:

- a flood response exercise conducted by the Victorian State Emergency Service (VICSES); and
- a multi-agency exercise conducted at the Stawell Gold Mine (SGM) which tested the mines Emergency Management Plans and involved a large number of Emergency Services personnel and a number of SGM staff

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 (e.g. setting restrictions for permits to burn and working with CFA and DELWP staff on fire management activities and fuel reduction and risk reduction strategies)
- 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 RESPONSE AND RECOVERY ACTIVITIES

Council worked with and supported other agencies with several minor incidents during the year requiring emergency management activation. Although the shire responded to a few minor incidents, the year passed without any major emergency activation.

### Incidents:

29 Jul 15 - vehicle collision, Western Highway. Council provided coordination between Victoria Police and VicRoads.

Jul-Sep 15 - DELWP Fire Response, Grampians - Flat Rock Crossing

Jul-Sep 15 - DELWP Fire Response, Grampians - Mount Difficult Road

Jul-Sep 15 - DELWP Fire Response, Devils Garden - Forest Road

Oct 15 - DELWP Fire Response, Grampians - near Reed

Lookout (lightning started the fire)

7 Oct 15 - motor vehicle fatality, Western Highway, Stawell.

9 Oct 15 - single house fire, St Arnaud

19 Oct 15 - fire from pizza oven heat beads, Carapooee West

10 Dec 15 - haystack fire near Mokepilly/Halls Gap

22 Dec 15 - single house fire, Stawell

16 Feb 16 - haystack fire, Joel South

17 May 16 - single house fire, Grampians Road

23 May 16 - CFA/NGSC/Parks Victoria (PV) joint effort in fuel reduction burn on private property at Roses Gap as a continuing recovery process of the 2014 Grampians Complex Fire. This planned fuel reduction burn was a great success.

26 May 16 - single house fire, Stawell



*Council continues to play an important role in emergency response and recovery activities.*



## 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.

An engagement and communications strategy was prepared to support the development of the Northern Grampians Shire Municipal Fire Management Plan (MFMP) 2016-2019, which included a review of Community Information Guides (CIG) for Halls Gap, St Arnaud, and Stawell. The plan and guides were open for community and stakeholder feedback and input for just over a month, with community information sessions being held in Stawell, St Arnaud, and Halls Gap. The MFMP was very committed to consulting with stakeholders and the community to develop, further improve, and validate the information contained in the plan.

Council supported Red Cross in the RediPlan Emergency Preparedness program. The program involves community messaging that highlights activities around individual and household preparedness and resilience.

The MEMPC endorsed the draft Halls Gap Flood and Landslide Guide. VICSES is seeking final formal approvals from stakeholder agencies prior to the final publication and subsequent launch of the guide.

Community and stakeholder consultation was a big part of the development of the guide with a joint VICSES and Council community information and feedback session held at Halls Gap.

## 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 inspected and maintained to enable better prediction of possible flooding from the Grampians catchment.

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

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

### BRIDGE AND MAJOR CULVERT UPGRADES

Council undertook works on 26 major culverts or bridges over the 2015/2016 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 or installation. In the past less attention has been given to this area, requiring more attention now and into the future. Among other projects, culverts have been replaced at both Landsborough Road and Wallaloo East Road, widening the road and replacing old damaged culverts.

### ON THE ROAD AGAIN

Over the past year, Council's Infrastructure Works team has completed one of the largest capital works programs of recent years, including a number of major road renewal and upgrade works. The intersection of Stawell-Avoca Road and Wallaloo East Road North of Stawell was upgraded to improve road safety. In a bid to try and reduce ongoing road maintenance costs on gravel roads, Council undertook several road upgrade projects. These projects either involved reshaping, then bituminous sealing the existing gravel road, or preparing, then sealing the gravel shoulders to standard seal width.

Council upgraded several of the highest-used rural roads, including Banyena Road which is highly used by heavy vehicles and Saunders Road which is one of Council's highest ranking rural residential roads. Shoulder widening took place on Landsborough Road to allow cars to pass each other without having to leave the sealed surface. Landsborough Road is one of Council's busiest rural roads. Works were performed at both Church Street and Bayliss Street, upgrading the drainage and pedestrian access within those busy areas. The works performed helped formally define the space and designate separation between vehicles and pedestrians, making the whole area safer and more aesthetically pleasing.

### AIRPORTS TAKING OFF

2015/2016 saw less physical works being performed at the Council's aerodromes than in previous years. A lot of work has gone into formalising and updating the agreements on the leased hangars which has been a long time coming. Further to this, time and effort has been put towards formulating the scope of works for Stawell Airport Stage 5.



*A great deal of work has been done on formalising and updating agreements for leased hangars at local airports.*



## NEW LIFE FOR CENTRAL BUSINESS DISTRICT, ST ARNAUD

Two particularly large projects have been delivered in St Arnaud, breathing new life into the area.

The St Arnaud Civic Precinct completion included:

- an upgrade to Council's customer service area making the space a more effective and approachable office space, aligning the function with the organisational initiative
- a face lift for the Perry Room, making the space more functional and appealing to use as a public meeting space
- new accessible toilets, available to the public or users of the Perry room, removing a previous inconvenience
- the installation of a lift to provide access to the public rooms on the first floor of the Town Hall which would have been inaccessible previously

The secondary project in St Arnaud was the St Arnaud Streetscape stage 6 which was developed after feedback from pedestrians expressing their safety concerns when crossing the north end of the Napier Street near the pharmacy. Council sourced grant funding for Stage 6, which included the installation of the raised pedestrian crossing addressing this concern. The construction of this crossing has dramatically slowed traffic and now provides safe passage for pedestrians of all abilities across this busy street. The newly designed section of road has also provided a less severe crossfall on the road providing better function for both pedestrians and drivers. Garden beds and paving works also took place to improve the visual look of the area.



Stage 6 of the St Arnaud Streetscape project was completed in 2016. Council is now seeking funding for stage 7.

## 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 of these buildings either because of programmed works or a problem arising with some components of the building.

The following is a list of buildings where substantial works were carried out during the 2015-2016 financial year:

- Western Highway Community Precinct completion making a functional base for the Stawell Historical Society and community groups
- St Arnaud Town Hall/Civic Precinct completion including an upgrade to the Customer Service area, the Perry Room, new accessible toilets and installation of a lift
- The Energy Efficiency program saw the installation of solar powered systems on five Council-owned buildings including the:
  - Stawell library
  - St Arnaud library
  - Stawell depot
  - St Arnaud depot
  - Western Highway Community Precinct
- The Toilet Renewal Program saw the demolition of three public toilets at Central Park, Stawell and the Old Court House, Stawell
- Work has been performed at the St Arnaud Depot, relocating and refurbishing a shed to make the space more functional and accessible. Through these works a new shed was also installed to cover and protect heavy plant.
- A new electronic lock system has been rolled out across various Council-owned buildings. The continued roll out of the system will enable one effective security system providing more control over who has access to Council-owned buildings.

## CREWS BUSY IN ST ARNAUD

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

- Four intersection safety treatments in both urban and rural areas
- Drainage works completed on Kings Avenue between Will Street and Gray Street
- Rehabilitation of a section of Queens Ave to cater for the increasing heavy vehicle usage around Ridley Agriproducts
- Ongoing seal widening project on Wedderburn Road was finished
- An open drain was replaced with a concrete pipe on Burke St improving aesthetics, function, and reducing maintenance costs



## PARKS AND GARDENS UPGRADES IN 2015/2016

Works were completed to improve open space assets for all users. Works that have been undertaken during the 2015/2016 financial year are as follows:

- Installation of 24 park benches and picnic tables at Cato Park, North Park, and the Maud Street dam reserve in Stawell. These works replace existing aged park furniture, add value to existing items, and maintain a consistent park furniture theme. Seating has been placed to take advantage of vistas, and selected and installed to cater for all abilities. The project was financed through Council's Capital Works budget.
- Installation of 170 meters of heritage security fencing along the boundary of the main drain in Queen Mary Gardens, St Arnaud. The heritage style fencing completes the overall project, fencing the entire boundary of the drain inside the Gardens. This project not only resolves the issue of risk but works towards the overall future plan of the site.
- Continuation of landscaping works at Cato Park with difficult to manage/unsightly areas being planted out with low input plantings to improve the outlook for all users. Cato Park also saw the installation of 60 meters of retaining wall, finishing the larger project, retaining the entire boundary of the lake.
- Approximately 120 lineal meters of rock edging installed at Queen Mary Gardens to enhance this highly valued community asset.
- 10 grapevines and cages with associated infrastructure were installed in the St Arnaud Central Business District to continue the developing theme being established and to enhance the existing aesthetically pleasing outlook for all residents and visitors.
- Due to the busy nature of some of the traffic treatment sites, the Parks and Gardens team installed irrigation systems, helping increase efficiency and reducing operational risk. These sites include the War Memorial site, Stawell, the Commonwealth site, Stawell and the Darlington Road roundabout, Stawell.
- As part of the Western Highway Community Precinct project, the Parks and Gardens team worked on the building surround landscaping, installing trees, plants and irrigation within the project constraints.
- Two new active-type play equipment items were installed at Taylors Gully Reserve, Stawell and one at Market Square, St Arnaud. Items selected are designed to be active units and to create a diverse activity option for various age groups. To accommodate the new items, the playground area at Market Square was enlarged.
- Installation of 30 Gift winner plaques at the base of the trees on Main Street, Stawell.
- Continuation of improving the aesthetics of townships by planting out various intersections, traffic treatments, unkempt locations, and difficult to manage areas as resources and opportunities permit. These works are generally funded through the Parks and Gardens infrastructure operations budget unless associated with traffic realignment projects.

# SERVICE INDICATORS

## Asset Initiatives

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

Service/Indicator/measure	Result 2015	Result 2016	Material Variations
<b>Roads</b> <b>Satisfaction of use</b> Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	2	5	Council is able to more accurately record the number of requests due to the introduction of a new customer request management system
<b>Condition</b> Sealed local roads below the intervention level <i>[Number of kilometres of sealed local roads below the renewal intervention level set by council / Kilometres of sealed local roads] x100</i>	100%	78%	Introduction of a new asset management system has enabled a more accurate calculation of this measure. Increased Roads to Recovery funding of \$2.4 Million has enabled additional works to be undertaken
<b>Service Cost</b> Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$27	\$52	Council's major road reconstruction in 2016 was Napier Street St Arnaud which had a significantly higher asphalt specification of 150mm (Normally 40mm) which increased the unit cost
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$4	\$4	No material variance
<b>Satisfaction</b> Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	49%	58%	Increased road work activity due to additional Roads to Recovery funding and clearer explanation of what constitutes council roads in questionnaire



# WASTE INITIATIVES

## TRANSFER STATION OPERATION PLANS

A review of Council's transfer stations was undertaken to improve site layout, capacity to store and process materials, traffic management, site safety, and ease of use for patrons, as well as maximise resource recovery and diversion from landfill. This resulted in site plans being developed to inform operational and capital works at the transfer stations.

Council was successful in gaining a co-contribution grant from Sustainability Victoria to upgrade the Stawell transfer station (almost completed) and St Arnaud transfer station. The project will result in the extension of existing outbuildings, signage, pedestrian access, and material collection bays. The works at St Arnaud commenced in 15/16 and will be complete in the 16/17 financial year.

## TRANSFER STATION FEE SUBSIDISATION

Council adopted a uniform subsidisation of transfer station gate fees as part of the 14/15 budget, which will result in Council and transfer station users eventually contributing an equal amount to the cost of waste management by the 16/17 financial year.

The implementation of the staged subsidisation commenced 1 August 2014, with a communications plan developed to inform the community of the changes.

## COMMUNITY EDUCATION PROGRAM

Council worked with its kerbside collection contractor and a consulting company to develop and deliver a waste education program to improve community understanding and usage of Council's kerbside service which in turn will divert waste from landfill.

The program included targeted newspaper and radio advertising, an in-class engagement program at



Marnoo, Navarre and Concongella primary schools, and visual bin inspections in Stawell and St Arnaud.

## GARAGE SALE TRAIL

Council has signed a three-year agreement to host the Garage Sale Trail. A successful event was held in October 2015 for which Council received the Best Overall Campaign award.

16/17 planning has commenced with the event being held again in October.

## E-WASTE AGREEMENT FOR COLLECTION

Council is currently negotiating an agreement with MRI E-Cycle Solutions which will enable Council transfer stations to receive e-waste without charge to the community.



# SERVICE INDICATORS

## Waste Initiatives

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

Service/Indicator/measure	Result 2015	Result 2016	Material Variations
<b>Waste Collection</b> <b>Satisfaction</b> Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1,000</i>	37	62	New drivers employed by contractors during the year have increased this measure
<b>Service standard</b> Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	2	4	New drivers employed by contractors during the year have increased this measure
<b>Service cost</b> Cost of kerbside garbage collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$114	\$117	No material variance
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$38	\$38	No material variance
<b>Waste Diversion</b> 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</i>	38%	35%	No material variance





# DATA AND INFORMATION INITIATIVES



## CONTINUING TOWARDS MOBILE EFFICIENCY

In line with recommendations for improvement identified in the 2013-2017 Information Communication Technology Strategy, 2015/16 saw the continuation of projects aimed at increasing efficiencies and improving service delivery to the community.

Mobile and web-based technology has been implemented in leisure services and maternal child health, and work is underway on road defect maintenance management.

Significant work has been undertaken on network services providing Council's workforce with almost a totally mobile workplace environment, providing efficiencies in service delivery, as well as cost and environmental savings.

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

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





# 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 15/16, as set out in the Audit Committee Charter. The committee focuses on risks identified by the Risk Management Committee, reviewing processes to provide assurance regarding Council's performance, risk management, financial, and governance responsibilities.

Work towards long term sustainability is ongoing, however the freezing of Financial Assistance Grants by the federal government at the 13/14 level is continuing to have a financial impact on Council's capacity to provide services to the community. In addition to this the introduction by the state government of rate capping from the 16/17 financial year will restrict Council's ability to continue to fund future services and maintain the current levels of expenditure on the maintenance of Council's large infrastructure network.





# SERVICE INDICATORS

## Financial Sustainability Initiatives

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

Service/Indicator/measure	Result 2015	Result 2016	Material Variations
<b>Financial Performance</b> <b>Operating position</b> Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (or deficit)/Adjusted underlying revenue]</i>	15%	-21%	The higher result in 2014-15 and corresponding lower result in 2015-16 is due to the advance payment of 50% of the 2016 Grants Commission in 2015
<b>Liquidity</b> Working capital <i>[Current assets/Current liabilities]</i>	198%	212%	No material variance
Unrestricted cash <i>[Unrestricted cash/Current Liabilities]</i>	145%	151%	No material variance
<b>Obligations</b> Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings/Rate revenue]</i>	25%	22%	Council has not utilised any new borrowings in the 2015-16 financial year and there are new borrowings forecast for future financial years. Variation due to continued principle repayments
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings]</i>	3%	3%	No material variance
Non-current liabilities compared to own source revenue <i>[Non-current liabilities/Own source revenue]</i>	17%	29%	Own source revenue decreased in 2015-16 due to the recognition of disposals on infrastructure assets being recognised for the first time due to a new asset management system. Non current liabilities have increased due to the reclassification of an existing loan from current to non-current as it was transferred onto a long-term repayment schedule during 2015-16. These two factors have created a large movement from 2014-15 to 2015-16 in this indicator. Council expects own source revenue and non-current liabilities to remain steady for the near future
Asset renewal compared to depreciation <i>[Asset renewal expenses/Asset depreciation]</i>	49%	46%	Additional Roads to Recovery funding will increase this figure in 2016-17 and 2017-18

<b>Stability</b> Rates compared to adjusted underlying revenue <i>[Rate revenue/Adjusted underlying revenue]</i>	39%	60%	The low result in 2014-15 and increased rate in 2015-16 is as a result of 50% of the 2015-16 Grants Commission being received in advance. The 2016-17 result is forecast to be lower than normal due to a significant one off grant for the Stawell Underground Physics Laboratory project
Rates compared to property values <i>[Rate revenue/Capital improved value of rateable properties in the municipality]</i>	0.76%	0.80%	No material variance
<b>Efficiency</b> Expenses per property assessment <i>[Total expenses/Number of property assessments]</i>	\$3,585	\$3,561	No material variance
Average residential rate per residential property assessment <i>[Residential rate revenue/Number of residential property assessments]</i>	\$1,563	\$1,681	No material variance
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations/Average number of permanent staff for the financial year]</i>	13%	14%	No material variance
<b>Sustainability</b> <b>Population</b> Expenses per head of municipal population <i>[Total expenses/Municipal population]</i>	\$2,831	\$2,929	No material variance
Infrastructure per head of municipal population <i>[Value of infrastructure/Municipal population]</i>	\$34,882	\$34,286	No material variance
Population density per length of road <i>[Municipal population/Kilometres of local roads]</i>	3.4	3.4	No material variance
<b>Own-source revenue</b> Own-source revenue per head of municipal population <i>[Own-source revenue/Municipal Population]</i>	\$1,995	\$1,603	Council's decision to not provide child care services in Stawell has significantly reduced the level of fee income
<b>Recurrent Grants</b> Recurrent grants per head of municipal population <i>[Recurrent grants/Municipal population]</i>	\$1,285	\$754	Improved result in 2014-15 as a result of 50% of the 2016 Grants Commission being received in advance as a consequence the 2015-16 result is lower than normal
<b>Disadvantage</b> Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.0	3.0	No material variance

# CUTTING RED TAPE INITIATIVES



## COMMITTED TO IMPROVING CONVENIENCE

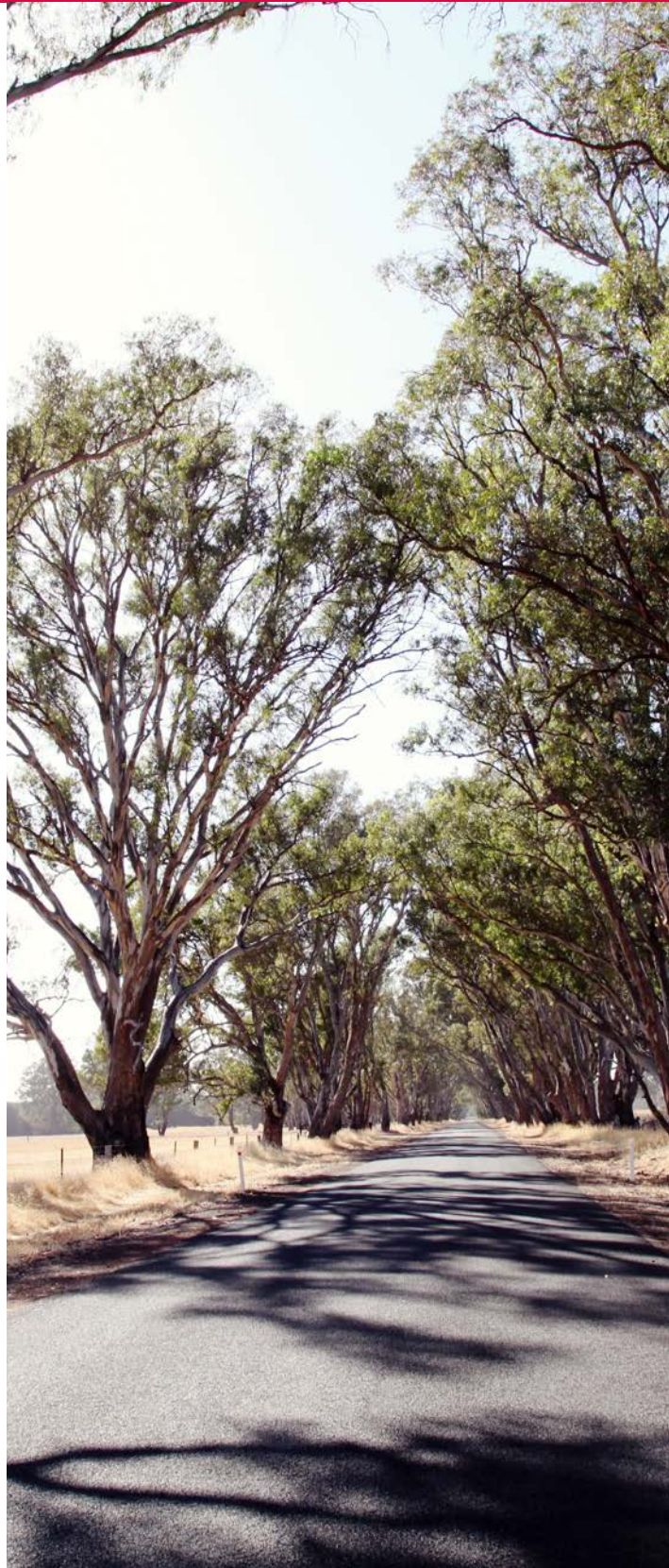
Council is committed to reducing red tape where possible. The issue is being approached from two angles - firstly, advocating for reduced red tape from other levels of government that applies to the organisation, and secondly, reviewing our own processes.

## ADVOCATING FOR LESS RED TAPE

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

## REDUCING OUR OWN RED TAPE

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

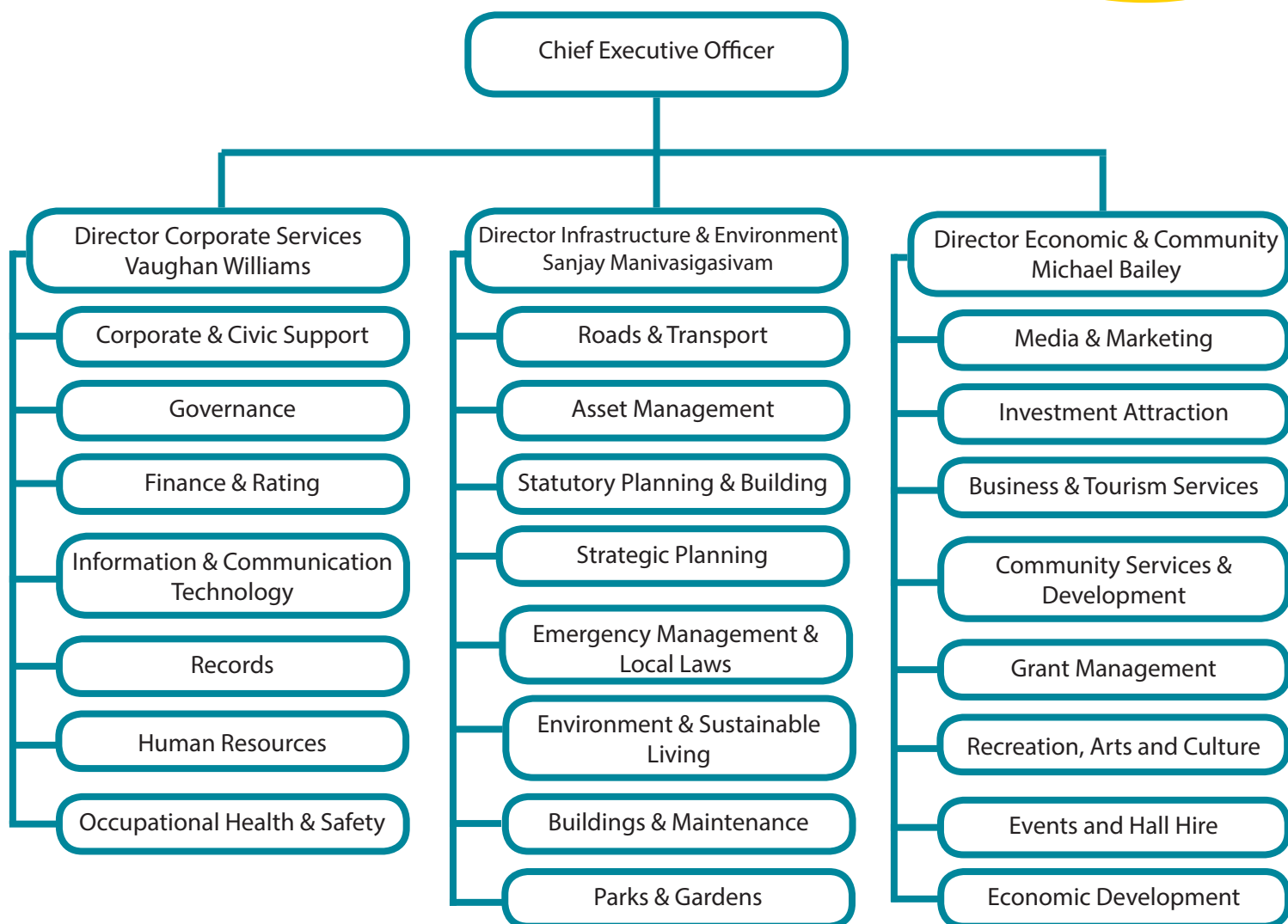




# CORE SERVICES INITIATIVES

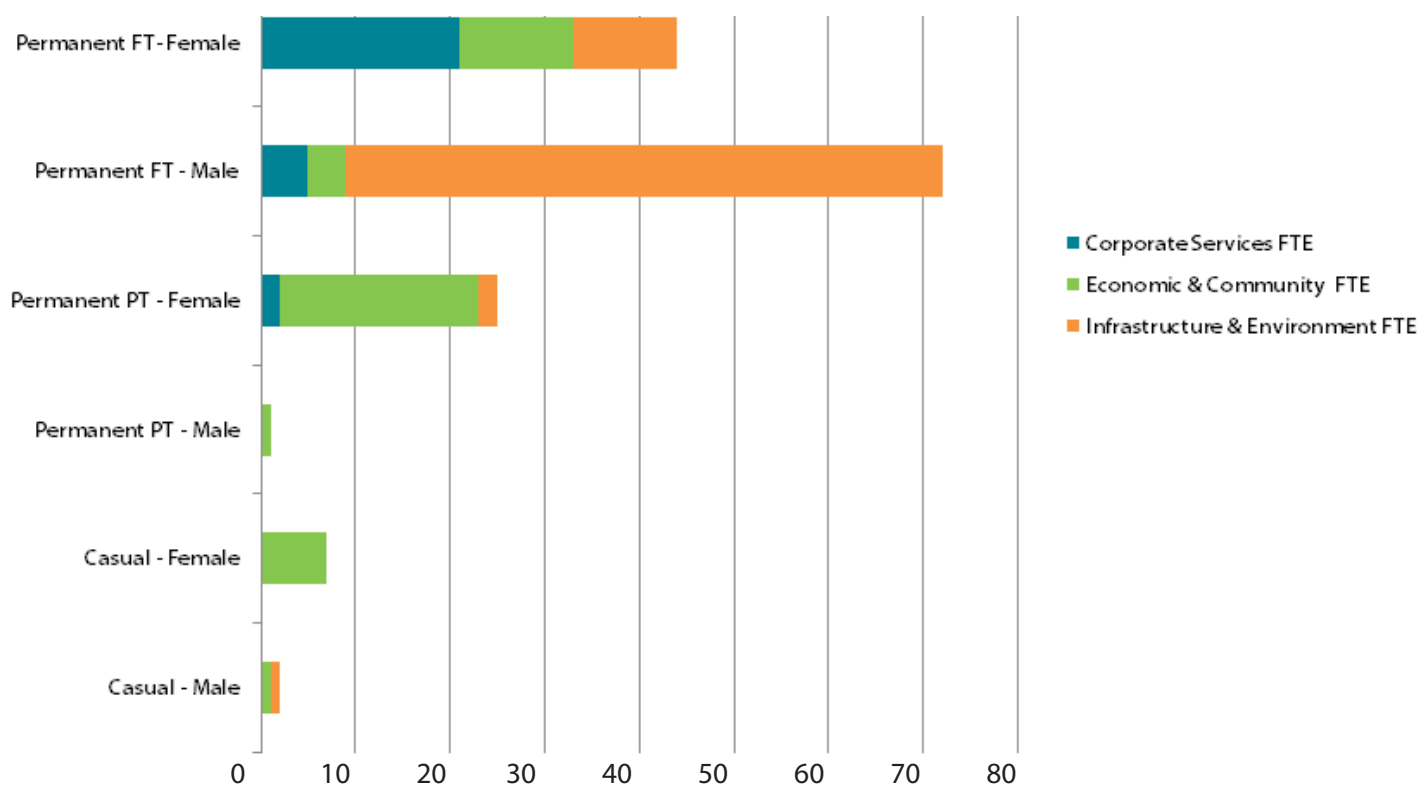
Northern Grampians Shire Council has customer service centres located in Stawell and St Arnaud. These centres provide an important resource for the community and serve as the principal point of contact from which staff provide information. Our friendly customer service staff will endeavour to answer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

## ORGANISATIONAL STRUCTURE



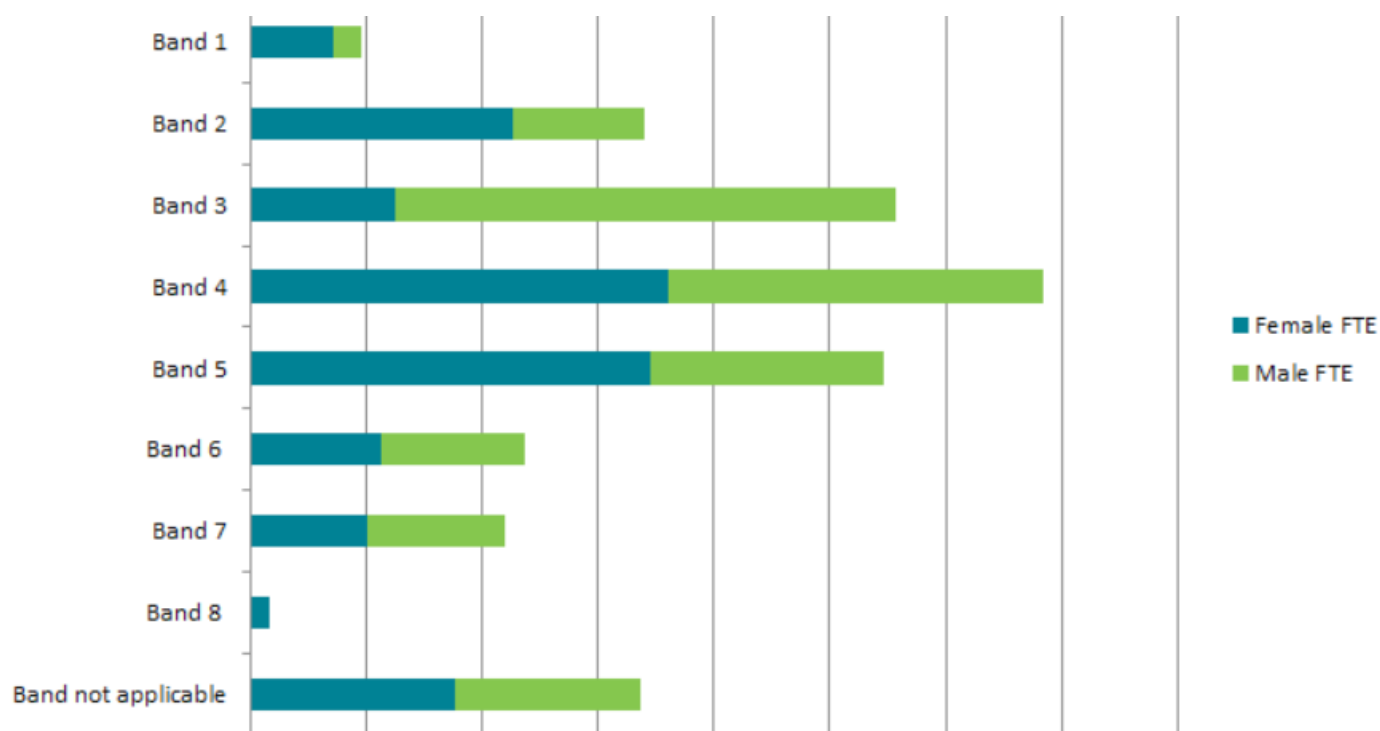
## COUNCIL STAFF

Employment type/gender	Corporate Services FTE	Economic & Community FTE	Infrastructure & Environment FTE	Total FTE
Permanent FT - Female	21	12	11	44
Permanent FT - Male	5	4	63	72
Permanent PT - Female	2	21	2	25
Permanent PT - Male	0	1	0	1
Casual - Female	0	7	0	7
Casual - Male	0	1	1	2
<b>Total</b>	<b>28</b>	<b>46</b>	<b>77</b>	<b>152</b>



## EMPLOYMENT CLASSIFICATION

Employment classification	Female FTE	Male FTE	Total FTE
Band 1	3.6	1.2	4.8
Band 2	11.3	5.7	17.0
Band 3	6.2	21.6	27.8
Band 4	18.0	16.2	34.2
Band 5	17.3	10.0	27.3
Band 6	5.6	6.2	11.8
Band 7	5.0	6.0	11
Band 8	0.8	0	0.8
Band not applicable	8.8	8.0	16.8
Total	77	78	152





## EQUAL OPPORTUNITY

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

Northern Grampians Shire Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. Council is committed to combating discrimination, harassment, bullying and vilification by:

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

## HUMAN RIGHTS

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

- Recognition and equality before the law
- Right to life
- Protection from torture and cruel, inhumane, 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 & SAFETY

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

## ACTIVITY BASED WORKING

In August 2015 a consultation process was commenced to relocate 25 employees to the Stawell Town Hall. To achieve this, Northern Grampians Shire Council committed to implementing an activity based working model. The outcomes expected to be achieved are to:

- progress towards our preferred culture
- improve productivity
- create a healthier and more active workplace
- foster collaboration across the organisation, and;
- realise operational and financial efficiencies



*Council staff have embraced the new Activity Based Working environment across all work sites.*



## OTHER STAFF MATTERS

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

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



# GOVERNANCE, MANAGEMENT AND OTHER INFORMATION



## GOVERNANCE

The Northern Grampians Shire Council is constituted under the Local Government Act 1989 to provide leadership for the good governance of the municipal district and the local community. The primary role of the Council is to provide leadership for the good governance of the 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; and
- fostering community cohesion and encouraging active participation in civic life.

Council is committed to effective and sustainable forms of democratic and corporate governance as the key to ensuring that Council and its administration meet the community's priorities. The community has many opportunities to provide input into Council's decision-making processes including community consultation, public forums, and the ability to make submissions.

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

## COUNCIL MEETINGS

Council conducts open public meetings on the first Monday of each month at 6.00pm. 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 2015/2016 there were 10 ordinary Council meetings and five special Council meetings.

The following table provides a summary of Councillor attendance at these meetings for 2015/2016.

	Ordinary Council meetings attended	Special Council meetings attended
<b>Number of meetings</b>	<b>10</b>	<b>5</b>
Cr Murray Emerson	10	5
Cr Kevin Erwin	10	5
Cr Tony Driscoll	9	5
Cr Merrilee Reid	10	5
Cr Wayne Rice	10	5
Cr Karen Hyslop	10	5
Cr Jason Hosemans	10	5



Councillor briefings	
<b>Number of briefings</b>	<b>35</b>
Cr Murray Emerson	34
Cr Kevin Erwin	32
Cr Tony Driscoll	32
Cr Merrilee Reid	32
Cr Wayne Rice	31
Cr Karen Hyslop	33
Cr Jason Hosemans	30

Audit committee	
<b>Number of meetings</b>	<b>4</b>
Cr Murray Emerson	4
Cr Kevin Erwin	4

## SPECIAL COMMITTEES

The following committees have been established under Section 86 of the Local Government Act 1989 for the purpose of advising Council on specific matters. Meetings of these committees are open to the public and minutes of these meetings are available for public inspection.

- Queen Mary Botanic Gardens Committee
- Stawell Community Recreation Committee
- St Arnaud Community Recreation Committee

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

	Councillors	Officers	Other	Purpose
<b>Queen Mary Gardens Committee</b>	1	1	12	To care and manage the facilities at the Queen Mary Botanic Gardens and Pioneer Park for the benefit of the community.
<b>Stawell Community Recreation Committee</b>	1	1	6	To care for the facilities at the Stawell recreation reserves, Central Park, North Park, and Old Lake Oval for the benefit of the community.
<b>St Arnaud Community Recreation Committee</b>	2	1	6	To care for the facilities at the St Arnaud recreation reserves, Lord Nelson Park, and King George's Park for the benefit of the community.



## GOVERNANCE CODE

The Local Government Act 1989 (the Act) requires a Council to develop and maintain a Councillor Code of Conduct. The Councillor Code of Conduct is required to be periodically reviewed. A Councillor Code of Conduct was adopted by Council on 27 June 2016 to comply with the requirements of the Act.

The purpose of local government is to provide a system under which Councils perform the functions and exercise the powers conferred by or under the Local Government Act 1989 and any other Act for the peace, order, and good government of their municipal districts. Good governance is fundamental to a Council being able to perform its purpose. Good governance relies on good working relations between Councillors.

This 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; and
- mandates Councillor conduct designed to build public confidence in the integrity of local government.

## CONFLICT OF INTEREST

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings 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 2015/2016, 12 conflicts of interest were declared at Council meetings and Assemblies of Councillors.

## COUNCILLOR ALLOWANCES

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

The state government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance, Northern Grampians Shire Council is recognised as a category one Council.

In December 2015, the Minister for Local Government, the Hon Natalie Hutchins, reviewed the limits and ranges of the Mayoral and Councillor allowances and, having had regard to movements in remuneration of executives within the meaning of the Public Administration Act 2004, determined they be increased by an adjustment factor of 2.5% from 1 December 2015. Council was required to increase the allowances accordingly at \$19,350 per annum for the Councillor allowance and \$57,812 per annum for the Mayoral allowance. The amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5 per cent) is payable in addition to these amounts.

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

Councillor	Councillor and Mayoral allowance (\$)
Cr Murray Emerson (Mayor 2015/16)	57,342
Cr Kevin Erwin	19,193
Cr Tony Driscoll	19,193
Cr Merrilee Reid	19,193
Cr Wayne Rice	17,823
Cr Karen Hyslop	19,193
Cr Jason Hosemans	19,193

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

Councillor	Remote travel allowance (\$)
Cr Murray Emerson (Mayor 2015/16)	240
Cr Kevin Erwin	240
Cr Tony Driscoll	1,240
Cr Merrilee Reid	240
Cr Wayne Rice	240
Cr Karen Hyslop	1,280
Cr Jason Hosemans	240

## COUNCILLOR EXPENSES

In accordance with with Section 75 of the Local Government Act 1989, Council is required to reimburse a Councillor for expenses incurred whilst performing his or her duties as a Councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for Councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities, and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor and member of a Council Committee paid by the Council.

No Councillor or member of a Council special committee was reimbursed for expenses incurred in 2015/2016.

## 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. A Committee Charter sets out the appropriate authority, composition, meeting requirements and responsibilities of the committee to ensure good practice and compliance with the requirements of the Local Government Act 1989, and is supported by Council's Audit Committee Guidelines.

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

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

## INTERNAL AUDIT

Council's internal audit function provides independent and objective assurance that the appropriate processes and controls are in place across Council. Internal audit projects are selected from items identified within the Council's Risk Register and appropriately qualified persons/organisations 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.



The following reviews were undertaken in 2015/2016:

- Contract Management (Targeted Risk Appraisal Report) - conducted by MAV Insurance
- Home and Community Care Services - DJK Consulting Local Government Financial and Management Consulting Services

## EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2015/2016 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

The Council's Risk Management Strategy, established business practices, policies, and procedures are reviewed annually to ensure that they are not in conflict with Risk Management Standard ISO 31000:2009 guidelines.

The strategy demonstrates Council's commitment to managing risk by detailing the Risk Management framework to be employed by all Councillors, staff members, contractors, committees, and volunteers engaged in Council business and defining the responsibilities of individuals and committees involved in the risk management process.

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

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

## RECORDS MANAGEMENT

Council has particular responsibilities under the Public Records Act 1973 and, as a means to achieve compliance, participates in the MAV Electronic Content Management (ECM) Step Program. The ECM STEP Program is a step-by-step capacity and capability building program for Electronic Content Management within Victorian Local Government. Its focus is to encourage Councils to increase capability in managing electronic content to support and promote more digital business within local government.

Council undertook an ECM Compliance Audit in July 2015 which demonstrated a marked increase in the percentage of compliance achieved against the number of compliance requirements since the previous audit. This is largely due to the work done in the implementation of Council's ECM system since going live in 2014.

## MEMBERSHIPS

Council was a member of the following organisations during the 2015/2016 year:

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



## GOVERNANCE AND MANAGEMENT CHECKLIST

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

COLUMN 1	COLUMN 2	
Governance and Management Items	Assessment	
1. Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Council uses the International Association of Public Participation (IAP2) as the base policy for Community Engagement	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Council uses the International Association of Public Participation (IAP2) Spectrum of Public Participation as the guideline for community engagement	✓
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Strategic Resource Plan adopted in accordance with section 126 of the Act Date of adoption: 27 June 2016	✓
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: 27 June 2016	✓
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"> <li>Part A - General Information associated with managing all asset groups</li> <li>Part B – Road and Streets Network Plan</li> <li>Part C – Bridges and Major Culverts Plan</li> <li>Part D – Buildings and Facilities Asset Plan</li> <li>Part E - Stormwater Drainage System Plan</li> </ul> Date of operation of current plans: 19 November 2009	✓
6. Revenue and Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Revenue and Rating Strategy in place Date of operation of current strategy: 3 March 2014	✓
7. Risk Management Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Risk Management Policy in place Date of operation of current policy: 14 April 2015	✓
8. Fraud Prevention Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Fraud Prevention Policy in place Date of operation of current policy: 4 March 2013	✓
9. Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response, and recovery)	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 4 August 2014	✓
10. Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices, and procedures that will apply to all purchases of goods, services, and works)	Procurement Policy prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 27 June, 2016	✓

<b>11.</b> Business Continuity Management Framework - including Business Continuity Management Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of approval: 18 February 2014	✓
<b>12.</b> Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Included in the Business Continuity Management Plan Date of approval: 18 February 2014	✓
<b>13.</b> Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations)	Strategy Date of approval: 11 August 2015	✓
<b>14.</b> 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	✓
<b>15.</b> Internal audit (independent accounting professionals engaged by the Council to provide analysis 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.	✓
<b>16.</b> 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	✓
<b>17.</b> 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 undertaken at Councillor Briefing Session Date of Briefing Session: 29 February 2016	✓
<b>18.</b> Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 7 September 2015, 9 November 2015, 7 March 2016, 2 May 2016	✓
<b>19.</b> Risk reporting (regular reports to Audit Committee of strategic risks to Council's operations, their likelihood, and consequences of occurring and risk minimisation strategies)	Report on the commencement of a process of rolling risk reviews discussed at 25 November 2014 Audit committee meeting. Updated risk register presented to the Audit Committee meeting on 28 August 2015. Review of Section 86 Committees presented to 27 June 2016 meeting. Date of report: 25 November 2014	✓
<b>20.</b> 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)	Performance reporting legislation progress report provided to Council for the six months ended 31 December 2015 Date of report: 7 March 2016	✓



<b>21.</b> Annual Report (Annual Report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Annual Report considered at a meeting of Council in accordance with section 134 of the Act Date statements presented: 19 October 2015	✓
<b>22.</b> Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Councillor Code of Conduct reviewed in accordance with section 76C of the Act Date reviewed: 27 June 2016	✓
<b>23.</b> Delegations (a document setting out the powers, duties, and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of Review: 1 February 2016	✓
<b>24.</b> Meeting procedure (a Local Law governing the conduct of meetings of Council and special committees)	Meeting Procedure Local Law made in accordance with section 91(1) of the Act Date local law made: 28 January 2010	✓
<b><i>I certify that this information presents fairly the status of Council's governance and management arrangements.</i></b>		
 Vaughan Williams Acting Chief Executive Officer Dated: 30 June 2016	 Cr Murray Emerson Mayor Dated: 30 June 2016	

## STATUTORY INFORMATION

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

Documents made available for public inspection (Local Government (General) Regulations 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 three 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.

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 Reimbursement Policy
- Procurement Policy
- Protected Disclosure Procedure
- Roadside Vegetation Management Plan



## CARERS RECOGNITION ACT 2012

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

- Provision of Carers brochure in Home and Community Care client assessment packs
- Holding annual Seniors Day celebration events across the shire
- Providing links to state government resources on Council's website
- Networking with and providing information to allied organisations
- Advocating for carers' rights according to the Act in Home and Community Care client newsletters

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

- Council induction and training programs for Home and Community Care and disability staff
- Access for all staff to Carers Recognition Act 2012 link on the internet and upon request
- Council induction and training programs for staff working in front-line positions with the general community

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

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

## CONTRACTS

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

## EVERYONE BENEFITS FROM GOOD ACCESS

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

The Community Access Advisory Group (CAAG) was established in 2002 to advise Council in relation to disability access issues in the community and compliance with the Disability Discrimination Act (DDA) 1992 (now the Disability Act 2006). The CAAG reviewed the Community Access Plan in 2015 to reflect the progress that had occurred since the last review and the importance of considering community access for all citizens in our community. The CAAG importantly also oversees the implementation of Council's Community Access Plan and supports initiatives of Council that improve accessibility. Accessibility is a very broad term covering all aspects of assuring that all people can participate and have the same choices in our community. The CAAG has continued to meet bi-monthly for the past 12 months in both Stawell and St Arnaud, making recommendations to the infrastructure department regarding the priorities of the DDA budget.



## DOMESTIC ANIMAL MANAGEMENT PLAN

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

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

- Introduction of a new registration structure for cats to encourage more cat owners to register their pets. This followed on from a letter of support provided to the state in support for an application for a grant from a local rescue group to be able to subsidise desexing of cats. This was successful and complements the new registration structure.
- Reduction in rates of the euthanasia of impounded dogs to 14%
- Maintenance of the high percentage of dogs returned to owners (69%)
- Development of six new 84Y agreements with dog rescue groups to maintain the adoption rate of impounded dogs (15%) which equates to 72% of available dogs.

## FOOD ACT MINISTERIAL DIRECTIONS

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

No such ministerial directions were received during the financial year.

## FREEDOM OF INFORMATION

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

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

Council received three requests under Freedom of Information for the period 1 July 2015 to 30 June

2016. Full access to documents was given for the three requests. There were no applications for review of a decision made. There was no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$78.60 in fees was collected by Council. Fees for one request were waived.

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

## PROTECTED DISCLOSURE

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 its 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 2015/2016 no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

## ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

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

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

## LOCAL LAWS

The Local Laws current at 30 June, 2015 are:

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

# SERVICE INDICATORS

## Governance Initiatives

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

Service/Indicator/measure	Result 2015	Result 2016	Material Variations
<b>Governance</b> <b>Transparency</b> Council resolutions at meetings closed to the public <i>[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</i>	18%	13%	Less confidential decisions were made in the 2015-16 financial year. Confidential decisions can include awarding contracts and discussions regarding the CEO's performance review
<b>Consultation and engagement</b> Satisfaction with community consultation and engagement <i>[Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]</i>	58%	50%	The 2014-15 Survey was undertaken as part of a broader survey on Council services while the 2015-16 survey was a phone survey
<b>Attendance</b> Council attendance at Council meetings <i>[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special council meetings) x (Number of Councillors elected at the last Council general election)] x100</i>	95%	98%	No material variance
<b>Service cost</b> Cost of governance <i>[Direct cost of the governance service / Number of councillors elected at the last Council general election]</i>	\$32,519	\$32,435	No material variance
<b>Satisfaction</b> 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]</i>	58%	53%	Councils decision to no longer provide child care services in Stawell and hand back the provision of school crossing services to Vicroads have affected this result

## AUSTRALIA DAY AWARDS 2016

In 2016, Northern Grampians Shire Council 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 ambassador Mr David Rayner OAM.

### **Citizen of the Year**

Kevin Erwin (Stawell)

Maurie and Pat Wood (St Arnaud)

### **Senior of the Year**

David Hines (St Arnaud)

### **Young Citizen of the Year**

Lauren Dempsey (Stawell)

Eleanor Parry (St Arnaud)

### **Local Hero Award**

Greta Carey (Stawell)

### **Community Event of the Year**

Stawell Winter Woolies Festival (Stawell)

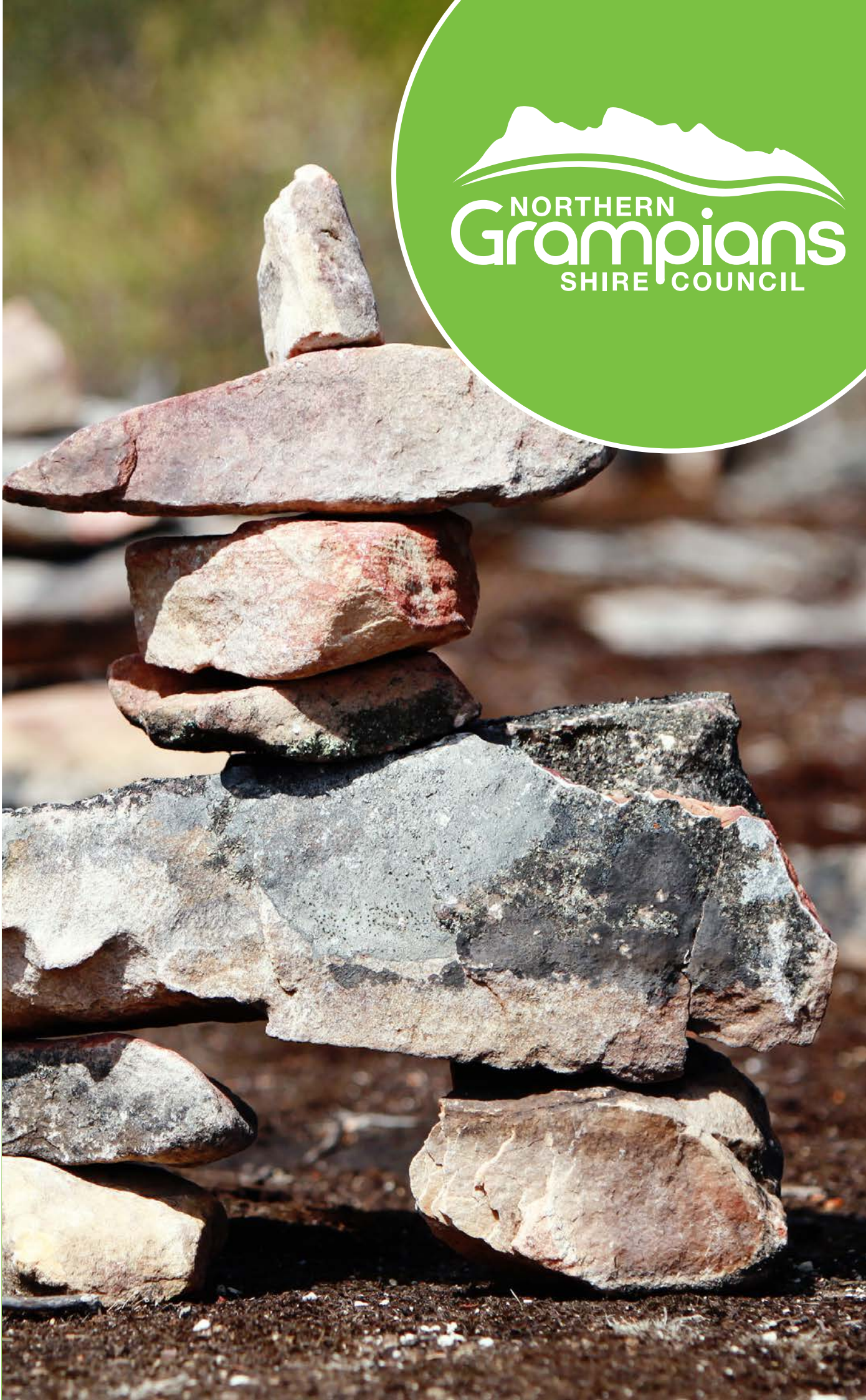
RSL 100 Year Celebration (St Arnaud)





# ANNUAL FINANCIAL STATEMENTS

Northern Grampians Shire Council



# Northern Grampians Shire Council

## Financial Report

### Table of Contents

<b>FINANCIAL REPORT</b>	<b>Page</b>
<b>Financial Statements</b>	
Comprehensive Income Statement	55
Balance Sheet	56
Statement of Changes in Equity	57
Statement of Cash Flows	58
Statement of Capital Works	59
<b>Notes to Financial Statements</b>	
Introduction	60
Note 1 Significant accounting policies	60
Note 2 Budget comparison	67
Note 3 Rates and charges	70
Note 4 Statutory fees and fines	70
Note 5 User fees	70
Note 6 Grants	71
Note 7 Contributions	72
Note 8 Net gain / (loss) on disposal of property, infrastructure, plant and equipment	72
Note 9 Other income	72
Note 10 Employee costs	73
Note 11 Materials and services	74
Note 12 Bad and doubtful debts	74
Note 13 Depreciation	74
Note 14 Finance costs	74
Note 15 Other expenses	74
Note 16 Investment in associates	75
Note 17 Cash and cash equivalents	77
Note 18 Trade and other receivables	77
Note 19 Other financial assets	78
Note 20 Inventories	78
Note 21 Other assets	78
Note 22 Property, infrastructure, plant and equipment	79
Note 23 Trade and other payables	87
Note 24 Trust funds and deposits	87
Note 25 Provisions	87
Note 26 Interest-bearing loans and borrowings	88
Note 27 Reserves	89
Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)	91
Note 29 Reconciliation of cash and cash equivalents	91
Note 30 Financing arrangements	91
Note 31 Commitments	92
Note 32 Operating leases	93
Note 33 Contingent liabilities and contingent assets	93
Note 34 Financial instruments	96
Note 35 Related party transactions	97
Note 36 Events occurring after balance date	98
Certification of the Financial Report	99

## Comprehensive Income Statement For the Year Ended 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Income</b>			
Rates and charges	3	15,914	15,058
Statutory fees and fines	4	229	193
User fees	5	1,856	2,136
Grants - operating	6	5,407	12,163
Grants - capital	6	5,093	2,890
Contributions - monetary	7	459	675
Contributions - non monetary	7	-	54
Share of net profits/(losses) of associates	16	2	46
Found assets	22	112	5,564
Other income	9	380	315
<b>Total income</b>		<b>29,452</b>	<b>39,094</b>
<b>Expenses</b>			
Employee costs	10	(13,135)	(13,171)
Materials and services	11	(8,680)	(9,832)
Bad and doubtful debts	12	(13)	27
Depreciation	13	(8,858)	(7,054)
Finance costs	14	(176)	(167)
Relinquished assets	22	-	(2,121)
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	8	(1,659)	66
Other expenses	15	(1,185)	(855)
<b>Total expenses</b>		<b>(33,706)</b>	<b>(33,107)</b>
<b>Surplus/(deficit) for the year</b>		<b>(4,254)</b>	<b>5,987</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment/(decrement)	22	5,323	117,005
Share of other comprehensive income of associates	16	10	(26)
<b>Items that may be reclassified to surplus or deficit in future periods</b>			
Fair value adjustments for financial assets at fair value	27	(7)	(9)
<b>Total comprehensive result</b>		<b>1,072</b>	<b>122,957</b>

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



## Balance Sheet As at 30 June 2016

	Note	2016 \$'000	2015 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	17	8,981	8,760
Trade and other receivables	18	1,500	1,870
Other financial assets	19	-	1,007
Inventories	20	21	27
Other assets	21	72	230
<b>Total current assets</b>		<b>10,574</b>	<b>11,894</b>
<b>Non-current assets</b>			
Trade and other receivables	18	107	70
Investment in associates	16	878	867
Property, infrastructure, plant and equipment	22	410,945	408,778
<b>Total non-current assets</b>		<b>411,930</b>	<b>409,715</b>
<b>Total assets</b>		<b>422,504</b>	<b>421,609</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	23	1,776	1,531
Trust funds and deposits	24	100	92
Provisions	25	2,821	3,117
Interest-bearing loans and borrowings	26	300	1,283
<b>Total current liabilities</b>		<b>4,997</b>	<b>6,023</b>
<b>Non-current liabilities</b>			
Provisions	25	1,601	1,452
Interest-bearing loans and borrowings	26	3,246	2,546
<b>Total non-current liabilities</b>		<b>4,847</b>	<b>3,998</b>
<b>Total liabilities</b>		<b>9,844</b>	<b>10,021</b>
<b>Net assets</b>		<b>412,660</b>	<b>411,588</b>
<b>Equity</b>			
Accumulated surplus		133,056	137,525
Reserves	27	279,604	274,063
<b>Total Equity</b>		<b>412,660</b>	<b>411,588</b>

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

## Statement of Changes in Equity For the Year Ended 30 June 2016

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
<b>2016</b>					
Balance at beginning of the financial year		411,588	137,525	271,156	2,907
Surplus/(deficit) for the year		(4,244)	(4,244)	-	-
Net asset revaluation increment	27(a)	5,316	-	5,316	-
Transfers from other reserves	27(b)	-	(225)	-	225
<b>Balance at end of the financial year</b>		<b>412,660</b>	<b>133,056</b>	<b>276,472</b>	<b>3,132</b>

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

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

## Statement of Cash Flows For the Year Ended 30 June 2016

	Note	2016 Inflows/ (Outflows) \$'000	2015 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		15,904	14,991
Statutory fees and fines		229	193
User fees		2,074	2,163
Grants - operating		5,429	12,193
Grants - capital		5,093	3,941
Contributions - monetary		459	675
Interest received		-	-
Trust funds and deposits taken		8	74
Other receipts		368	327
Net GST refund/payment		127	169
Employee costs		(13,358)	(13,577)
Materials and services		(8,220)	(10,308)
Other payments		(1,185)	(855)
<b>Net cash provided by operating activities</b>	28	<b>6,928</b>	<b>9,986</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	22	(7,748)	(7,827)
Proceeds from sale of property, infrastructure, plant and equipment	8	537	298
Proceeds from sale of investments		1,000	-
Loans and advances made		(37)	-
Payments of loans and advances		-	-
<b>Net cash (used in) investing activities</b>		<b>(6,248)</b>	<b>(7,529)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(176)	(167)
Proceeds from borrowings		-	1,000
Repayment of borrowings		(283)	(353)
<b>Net cash provided by financing activities</b>		<b>(459)</b>	<b>480</b>
Net increase/(decrease) in cash and cash equivalents		221	2,937
Cash and cash equivalents at the beginning of the financial year		8,760	5,823
<b>Cash and cash equivalents at the end of the financial year</b>	29	<b>8,981</b>	<b>8,760</b>
Financing arrangements	30	230	200
Restrictions on cash assets	17	600	474

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



## Statement of Capital Works For the Year Ended 30 June 2016

	2016 \$'000	2015 \$'000
<b>Property</b>		
Land	-	84
<b>Total land</b>	-	84
Buildings	996	1,336
<b>Total buildings</b>	996	1,336
<b>Total property</b>	996	1,420
<b>Plant and equipment</b>		
Plant, machinery and equipment	1,264	1,327
Fixtures, fittings and furniture	3	29
Computers and telecommunications	217	106
<b>Total plant and equipment</b>	1,484	1,462
<b>Infrastructure</b>		
Roads	4,184	3,683
Bridges	498	536
Footpaths and cycleways	265	225
Drainage	103	203
Parks, open spaces and streetscapes	218	298
<b>Total infrastructure</b>	5,268	4,945
<b>Total capital works expenditure</b>	7,748	7,827
<b>Represented by:</b>		
New asset expenditure	1,146	2,699
Asset renewal expenditure	4,045	3,430
Asset expansion expenditure	-	746
Asset upgrade expenditure	2,557	952
<b>Total capital works expenditure</b>	7,748	7,827

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

### Introduction

The Northern Grampians Shire Council was established by an Order of the Governor in Council on 20 January, 1995 and is a body corporate.

The Council's main office is located at 59-69 Main Street, Stawell.

### Statement of compliance

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

## Note 1 Significant accounting policies

### (a) Basis of accounting

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

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

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

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

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

### (b) Changes in accounting policies

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

### (c) Committees of management

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

**Note 1 Significant accounting policies (cont.)**

**(d) Accounting for investments in associates**

*Associates*

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

**(e) Revenue recognition**

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

*Rates and Charges*

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

*Statutory fees and fines*

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

*User fees*

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

*Grants*

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

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

*Contributions*

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

*Sale of property, infrastructure, plant and equipment*

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

*Interest*

Interest is recognised as it is earned.

*Other Income*

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



**Note 1 Significant accounting policies (cont.)**

**(f) Fair value measurement**

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

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

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

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

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

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

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

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

**(g) Cash and cash equivalents**

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

**(h) Trade and other receivables**

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

**(i) Other financial assets**

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

**(j) Inventories**

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

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

**Acquisition**

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

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

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

**Note 1 Significant accounting policies (cont.)**

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

*Revaluation*

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

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

In addition, Council undertakes an indexation revaluation on an annual basis of Building and Infrastructure assets. 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 4 to 5 years. The valuation is performed either by experienced council officers or independent experts.

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

*Land under roads*

Council recognises land under roads it controls at fair value.

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

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

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

Road formations are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

For buildings, consumption based depreciation is charged on the remaining service potential of the asset as determined each year.

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

**Note 1 Significant accounting policies (cont.)**

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

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

**(n) Repairs and maintenance**

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

**(o) Impairment of assets**

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



**Note 1 Significant accounting policies (cont.)**

**(p) Trust funds and deposits**

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

**(q) Borrowings**

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

*Borrowing costs*

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on borrowings.

**(r) Employee costs and benefits**

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

*Wages and salaries and annual leave*

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

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

*Long service leave*

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

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

The components of this current liability are measured at :

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

*Classification of employee costs*

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

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

**(s) Landfill rehabilitation provision**

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

**Note 1 Significant accounting policies (cont.)**

**(t) Leases**

Operating leases

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

**(u) Goods and Services Tax (GST)**

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

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

**(v) Financial guarantees**

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

**(w) Contingent assets and contingent liabilities and commitments**

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

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

**(x) Pending accounting standards**

Certain new AAS's have been issued that are not mandatory for the 30 June 2016 reporting period. Council has assessed these pending standards and has identified that no material impact will flow from the application of these standards in future reporting periods.

**(y) Rounding**

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

## Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 22 June 2015. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

### a) Income and expenditure

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
<b>Income</b>				
Rates and charges	15,810	15,914	104	
Statutory fees and fines	118	229	111	1
User fees	2,238	1,856	(382)	2
Grants - operating	9,818	5,407	(4,411)	3
Grants - capital	3,200	5,093	1,893	4
Contributions - monetary	162	459	297	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	-	(1,659)	(1,659)	6
Share of net profits/(losses) of associates	-	2	2	
Found assets	-	112	112	
Other income	623	380	(243)	7
<b>Total income</b>	<b>31,969</b>	<b>27,793</b>	<b>(4,176)</b>	
<b>Expenses</b>				
Employee costs	(13,096)	(13,135)	(39)	
Materials and services	(11,622)	(8,680)	2,942	8
Bad and doubtful debts	-	(13)	(13)	
Depreciation	(7,628)	(8,858)	(1,230)	9
Borrowing costs	(196)	(176)	20	
Other expenses	(847)	(1,185)	(338)	10
<b>Total expenses</b>	<b>(33,389)</b>	<b>(32,047)</b>	<b>1,342</b>	
<b>Surplus/(deficit) for the year</b>	<b>(1,420)</b>	<b>(4,254)</b>	<b>(2,834)</b>	



(i) Explanation of material variations

Note 2 Budget comparison (cont.)

Variance Ref	Item	Explanation
1	Statutory fees and fines	There were more building permits and information certificates required during 2015/16 than expected.
2	User fees	Due to the closure of Taylors Gully Childcare Centre there wasn't as much income received for childcare services as what was budgeted.
3	Grants - operating	Council budgeted to receive a full financial year of Grants Commission funding. However, half of our \$6m allocation was received in June 2015 therefore decreasing our 2015/16 amount received by \$3m. Council is also expecting federal funding for the Stawell Underground Physics Laboratory project of \$1.5m which wasn't received in 2015/16.
4	Grants - capital	Council received an additional \$1m of Roads to Recovery funding in 2015/16 than what we were initially allocated. As well as our final payment for natural disaster funding for works that were performed in 2014/15.
5	Contributions - monetary	Council budgeted for an upgrade of power to occur with a contribution. This project hasn't happened in 2015/16. Council also had budget to receive higher contributions from childcare services that didn't occur due to the closure of Taylors Gully Childcare Centre.
6	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Council now has the ability to write out the value of assets it is replacing due to the investment in an asset management system. Council disposed of \$2,196m of existing assets that were either replaced or sold for proceeds during the year. Council can calculate this amount now due to each asset being listed and valued in the asset management system. Previously Council was not able to individually dispose of parts of an asset as the value that had been disposed could not be calculated. Council is comfortable with this method and expects the Net gain/(loss) on disposal of property, infrastructure, plant and equipment to remain comparable to this year's value in the future.
7	Other income	Council budgeted conservatively for interest income and performed better than expected. Council also received an unbudgeted reimbursement of \$30k for the Lighting the Region project that came in underbudget throughout the region.
8	Materials and services	Council's Stawell Underground Physics Laboratory project had been budgeted to have more work completed in 2015/16. There is over \$1m of carry forward works to be completed on that project. There is also a substantial saving of \$300k in fuel expenses due to a new contract Council has entered into. The remaining underspend results from efforts by Council to operate more efficiently.
9	Depreciation	Due to the implementation of a new asset management system Council's depreciation calculation has changed from manual to automatic (based on parameter sinput into the system). The variation is due to the change in depreciation method and the additional capital works performed when compared to the budget.
10	Other expenses	During 2015/16 Council agreed to Grampians Tourism taking over the running of the Tourism Information Centres in the Northern Grampians Shire Council for a set annual contribution.

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2016 \$'000	Actual 2016 \$'000	Variance 2016 \$'000	Ref
<b>Property</b>				
Land improvements	85	-	(85)	1
Buildings	1,000	996	(4)	
<b>Total Property</b>	<b>1,085</b>	<b>996</b>	<b>(89)</b>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	1,252	1,264	12	2
Fixtures, fittings and furniture	-	3	3	
Computers and telecommunications	-	217	217	
<b>Total Plant and Equipment</b>	<b>1,252</b>	<b>1,484</b>	<b>232</b>	
<b>Infrastructure</b>				
Roads	2,725	4,184	1,459	3
Bridges	760	498	(262)	4
Footpaths and cycleways	-	265	265	5
Drainage	110	103	(7)	6
Parks, open spaces and streetscapes	535	218	(317)	
<b>Total Infrastructure</b>	<b>4,130</b>	<b>5,268</b>	<b>1,138</b>	
<b>Total Capital Works Expenditure</b>	<b>6,467</b>	<b>7,748</b>	<b>1,281</b>	
<b>Represented by:</b>				
New asset expenditure	60	1,146	1,086	
Asset renewal expenditure	4,612	4,045	(567)	
Asset expansion expenditure	-	-	-	
Asset upgrade expenditure	1,795	2,557	762	
<b>Total Capital Works Expenditure</b>	<b>6,467</b>	<b>7,748</b>	<b>1,281</b>	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Stawell Transfer Station upgrade works were budgeted under land improvements for 2015/16. Some of these works were performed but were capitalised under different asset classes as the land improvements class doesn't allow for appropriate maintenance of the assets.
2	Computers and telecommunications	Council purchased a new radio network that became part of the computers and telecommunications assets class. This was originally budgeted for under a different area.
3	Roads	Council received additional Roads to Recovery funding in 2015/16.
4	Bridges	There is a substantial amount of Bridge and Major Culvert works that were started in 2015/16 but not finished. These works will form part of Councils carry forward works for 2016/17.
5	Footpaths and cycleways	There were works done on footpaths during 2015/16 that were budgeted under other asset classes instead of footpaths. These were mostly from the streetscapes category.
6	Parks, open spaces and streetscapes	As discussed above, there were a number of assets that were budgeted under streetscapes but formed part of other asset categories.

**Note 3 Rates and charges**

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 2015-16 was \$1,995 million (2014-15, \$1,989 million). The 2015-16 rate in the capital improved value dollar was 0.7261 cents (2014-15 0.6915 cents).

**General rates**

Residential rates	7,143	6,733
Commercial rates	925	881
Industrial rates	323	304
Farm rates	3,955	3,782
<b>Total general rates</b>	<b>12,346</b>	<b>11,700</b>

**Other rates and charges**

Municipal charge	1,162	1,091
Waste management charge	2,393	2,254
Cultural and recreational	13	13
<b>Total other rates and charges</b>	<b>3,568</b>	<b>3,358</b>
<b>Total rates and charges</b>	<b>15,914</b>	<b>15,058</b>

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2014, & the valuation first applied in the rating year commencing 1 July 2014.

**Note 4 Statutory fees and fines**

Infringements and costs	8	11
Town planning fees	10	77
Land information certificates	26	11
Permits	185	94
<b>Total statutory fees and fines</b>	<b>229</b>	<b>193</b>

**Note 5 User fees**

Aged and health services	505	506
Leisure centre and recreation	324	354
Child care/children's programs	217	368
Registration and other permits	210	171
Waste management services	179	172
Tourism and event fees	5	59
Hire income	8	8
Rental fees	75	75
Infrastructure fees	37	290
Shared services	135	95
Other fees and charges	161	38
<b>Total user fees</b>	<b>1,856</b>	<b>2,136</b>

Note 6 Grants	2016 \$'000	2015 \$'000
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	7,754	12,141
State funded grants	2,746	2,912
<b>Total</b>	<b>10,500</b>	<b>15,053</b>
<b>Operating grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Victorian Grants Commission	3,373	9,828
Child care	86	65
Plant, machinery and equipment	84	84
<i>Recurrent - State Government</i>		
Aged care	721	724
School crossing supervisors	12	24
Maternal and child health	148	162
Community safety	32	42
Pre school	206	104
Youth	106	117
Other	259	93
<b>Total recurrent operating grants</b>	<b>5,027</b>	<b>11,243</b>
<i>Non-recurrent - Commonwealth Government</i>		
Family and children	-	44
Tourism and events	-	15
Natural disaster recovery	-	204
Environmental planning	3	110
<i>Non-recurrent - State Government</i>		
Public safety	42	142
Fire prevention	120	120
Economic development	9	195
Environmental planning	5	35
Recreation	159	35
Natural disaster recovery	8	15
Other	34	5
<b>Total non-recurrent operating grants</b>	<b>380</b>	<b>920</b>
<b>Total operating grants</b>	<b>5,407</b>	<b>12,163</b>



	2016 \$'000	2015 \$'000
<b>Note 6 Grants (cont.)</b>		
<b>Capital grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	3,686	1,438
<i>Recurrent - State Government</i>		
Aged Care	11	-
<b>Total recurrent capital grants</b>	<b>3,697</b>	<b>1,438</b>
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	150	300
Natural disaster reconstruction	372	53
<i>Non-recurrent - State Government</i>		
Buildings	618	260
Aerodromes	-	552
Recreational facilities	192	38
Infrastructure	-	90
Natural disaster reconstruction	4	87
Other	60	72
<b>Total non-recurrent capital grants</b>	<b>1,396</b>	<b>1,452</b>
<b>Total capital grants</b>	<b>5,093</b>	<b>2,890</b>
<b>Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	451	1,571
Received during the financial year and remained unspent at balance date	324	382
Received in prior years and spent during the financial year	(275)	(1,502)
Balance at year end	<b>500</b>	<b>451</b>
<b>Note 7 Contributions</b>		
Monetary	459	675
Non-monetary	-	54
<b>Total contributions</b>	<b>459</b>	<b>729</b>
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>		
Land	-	54
<b>Note 8 Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
Proceeds of sale	537	298
Written down value of assets disposed	(2,196)	(232)
<b>Total net gain on disposal of property, infrastructure, plant and equipment</b>	<b>(1,659)</b>	<b>66</b>
Refer to Note 2a for further information on the movement in Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
<b>Note 9 Other income</b>		
Interest	200	182
Interest on rates	67	79
Other	113	54
<b>Total other income</b>	<b>380</b>	<b>315</b>

	2016 \$'000	2015 \$'000
<b>Note 10 (a) Employee costs</b>		
Wages and salaries	12,067	12,263
less capitalised wages and salaries	(443)	(511)
	<b>11,624</b>	<b>11,752</b>
Wages and salaries	11,624	11,752
WorkCover	166	141
Superannuation	1,057	1,071
Fringe benefits tax	66	76
Other	222	131
<b>Total employee costs</b>	<b>13,135</b>	<b>13,171</b>
<b>Note 10 (b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	89	99
	<b>89</b>	<b>99</b>
Employer contributions payable at reporting date.	3	2
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	660	689
Employer contributions - other funds	308	283
	<b>968</b>	<b>972</b>
Employer contributions payable at reporting date.	29	21

Refer to Note 33 for further information relating to Council's superannuation obligations.

	2016 \$'000	2015 \$'000
<b>Note 11 Materials and services</b>		
Advertising and communications	342	366
Building maintenance	199	134
Consultants	546	671
Consumables	135	188
Contract employees	776	1,033
Contractors	2,404	3,325
Contributions	160	461
Fuel	493	622
General maintenance	641	622
Information technology	406	403
Insurance	324	334
Legal expenses	92	150
Materials and services	571	273
Memberships and subscriptions	175	178
Minor equipment	61	61
Office administration	239	166
Security costs	62	61
Training	249	
Uniforms and protective clothing	55	64
Utilities	467	404
Waste management	283	316
<b>Total materials and services</b>	<b>8,680</b>	<b>9,832</b>

**Note 12 Bad and doubtful debts**

Local law debtors	4	8
Childcare debtors	6	3
Sundry debtors	3	(38)
<b>Total bad and doubtful debts</b>	<b>13</b>	<b>(27)</b>

**Note 13 Depreciation**

Property	744	716
Plant and equipment	962	917
Infrastructure	7,152	5,421
<b>Total depreciation</b>	<b>8,858</b>	<b>7,054</b>

*Refer to Note 23 and 25 for a more detailed breakdown of depreciation and amortisation charges*

**Note 14 Finance costs**

Interest - Borrowings	176	167
<b>Total finance costs</b>	<b>176</b>	<b>167</b>

**Note 15 Other expenses**

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	12	25
Auditors' remuneration - Internal	10	2
Councillors' allowances	190	187
Regional library contribution	392	386
Tourism contribution	295	-
Community contributions	217	136
Operating lease rentals	47	95
Other	22	24
<b>Total other expenses</b>	<b>1,185</b>	<b>855</b>

	2016 \$'000	2015 \$'000
<b>Note 16 Investment in associates</b>		
<b>a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	786	776
- Wimmera Development Association	92	91
	<b>878</b>	<b>867</b>
Change in equity share apportionment	<b>10</b>	<b>(26)</b>
Share of surplus/(deficit) for year	<b>2</b>	<b>46</b>
<b>Wimmera Regional Library Corporation</b>		
Background		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
<b>Fair value of Council's investment in Wimmera Regional Library Corporation</b>	<b>786</b>	<b>776</b>
<b>Council's interest in equity</b>	<b>25.15%</b>	<b>24.83%</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	346	355
Change in equity share apportionment	5	(12)
Reported surplus/(deficit) for year	-	32
Transfers (to)/from reserves	3	(29)
Council's share of accumulated surplus/(deficit) at end of year	<b>354</b>	<b>346</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	430	415
Change in equity share apportionment	5	(14)
Transfers (to)/from reserves	(3)	29
Council's share of reserves at end of year	<b>432</b>	<b>430</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	776	770
Change in equity share apportionment	10	(26)
Share of surplus/(deficit) for year	-	32
Carrying value of investment at end of year	<b>786</b>	<b>776</b>



	2016 \$'000	2015 \$'000
<b>Note 16 Investment in associates (cont.)</b>		
<b>Wimmera Development Association</b>		
<i>Background</i>		
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
<b>Fair value of Council's investment in Wimmera Development Association</b>	<b>92</b>	<b>91</b>
<b>Council's interest in equity</b>	<b>20.17%</b>	<b>20.17%</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	64	51
Reported surplus/(deficit) for year	1	14
Transfers (to)/from reserves	(2)	(1)
Council's share of accumulated surplus/(deficit) at end of year	<b>63</b>	<b>64</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	27	26
Transfers (to)/from reserves	2	1
Council's share of reserves at end of year	<b>29</b>	<b>27</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	91	77
Share of surplus/(deficit) for year	2	14
Carrying value of investment at end of year	<b>93</b>	<b>91</b>

	2016 \$'000	2015 \$'000
<b>Note 17 Cash and cash equivalents</b>		
Cash on hand	1	2
Cash at bank	3,180	8,758
Term deposits	5,800	-
	<b>8,981</b>	<b>8,760</b>
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 24)	100	92
- Unspent grants (Note 6)	500	382
Total restricted funds	<b>600</b>	<b>474</b>
Total unrestricted cash and cash equivalents	<b>8,381</b>	<b>8,286</b>
<b>Intended allocations</b>		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	825	549
- Reserve funds (Note 27)	3,132	2,907
Total funds subject to intended allocations	<b>3,957</b>	<b>3,456</b>
Refer also to Note 19 for details of other financial assets held by Council.		
<b>Note 18 Trade and other receivables</b>		
<b>Current</b>		
Rates debtors	891	881
Loans and advances to community organisations	16	23
Other debtors	355	801
Provision for doubtful debts - other debtors	(7)	(4)
Net GST receivable	245	169
Total current trade and other receivables	<b>1,500</b>	<b>1,870</b>
<b>Non-current</b>		
Loans and advances to community organisations	107	70
Total non-current trade and other receivables	<b>107</b>	<b>70</b>
<b>Total trade and other receivables</b>	<b>1,607</b>	<b>1,940</b>
<b>a) Ageing of Receivables</b>		
At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	266	576
Past due by up to 30 days	49	90
Past due between 31 and 90 days	5	15
Past due between 91 and 365 days	7	122
Past due by more than 1 year	44	21
Total trade & other receivables	<b>371</b>	<b>824</b>
<b>b) Movement in provisions for doubtful debts</b>		
Balance at the beginning of the year	4	89
New Provisions recognised during the year	6	3
Amounts already provided for and written off as uncollectible	(3)	(2)
Amounts provided for but recovered during the year	-	(86)
Balance at end of year	<b>7</b>	<b>4</b>

	2016 \$'000	2015 \$'000
<b>Note 18 Trade and other receivables (cont.)</b>		
<b>c) Ageing of individually impaired Receivables</b>		
At balance date, other debtors representing financial assets with a nominal value of \$7,000 (2015: \$3,845) were impaired. The amount of the provision raised against these debtors was \$7,000 (2015: \$3,845). They individually have been impaired as a result of their doubtful collection.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Past due between 91 and 365 days	-	3
Past due by more than 1 year	7	1
<b>Total trade &amp; other receivables</b>	<b>7</b>	<b>4</b>
<b>Note 19 Other financial assets</b>		
Floating rate note at fair value	-	1,007
<b>Total other financial assets</b>	<b>-</b>	<b>1,007</b>
<b>Note 20 Inventories</b>		
Inventories held for distribution	19	25
Inventories held for sale	2	2
<b>Total inventories</b>	<b>21</b>	<b>27</b>
<b>Note 21 Other assets</b>		
Prepayments	39	209
Accrued income	33	21
<b>Total other assets</b>	<b>72</b>	<b>230</b>

**Note 22 Property, infrastructure, plant and equipment**

**Summary of property, infrastructure, plant and equipment**

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV 30 June 2016	At Fair Value 30 June 2015	Accumulated Depreciation	WDV 30 June 2015
Land	11,045	(26)	11,019	10,978	-	10,978
Buildings	68,427	(9,042)	59,385	66,557	(8,297)	58,260
Plant and Equipment	13,422	(6,392)	7,030	13,928	(7,054)	6,874
Infrastructure	384,417	(50,942)	333,475	375,446	(43,311)	332,135
Work in progress	36	-	36	531	-	531
	<u>477,347</u>	<u>-</u>	<u>410,945</u>	<u>467,440</u>	<u>(58,662)</u>	<u>408,778</u>

**Summary of Work in Progress**

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	531	25	(531)	-	25
Infrastructure	-	11	-	-	11
Total	<u>531</u>	<u>36</u>	<u>(531)</u>	<u>-</u>	<u>36</u>



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

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 2015	10,499	347	132	<b>10,978</b>	66,557	<b>66,557</b>	531	<b>78,066</b>
Accumulated depreciation at 1 July 2015	-	-	-	-	(8,297)	<b>(8,297)</b>	-	<b>(8,297)</b>
	10,499	347	132	<b>10,978</b>	58,260	<b>58,260</b>	531	<b>69,769</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	-	-	-	-	996	<b>996</b>	25	<b>1,021</b>
Revaluation increments/decrements	-	-	-	-	1,276	<b>1,276</b>	-	<b>1,276</b>
Found assets	112	-	-	<b>112</b>	-	-	-	<b>112</b>
Fair value of assets disposed	-	(45)	-	<b>(45)</b>	(933)	<b>(933)</b>	-	<b>(978)</b>
Transfers	-	-	-	-	531	<b>531</b>	(531)	-
	112	(45)	-	<b>67</b>	1,870	<b>1,870</b>	(506)	<b>1,431</b>
<b>Movements in accumulated depreciation</b>								
Depreciation	-	-	(26)	<b>(26)</b>	(718)	<b>(718)</b>	-	<b>(744)</b>
Accumulated depreciation of disposals	-	-	-	-	142	<b>142</b>	-	<b>142</b>
Revaluation adjustment on accumulated depreciation	-	-	-	-	(169)	<b>(169)</b>	-	<b>(169)</b>
	-	-	(26)	<b>(26)</b>	(745)	<b>(745)</b>	-	<b>(771)</b>
At fair value 30 June 2016	10,611	302	132	<b>11,045</b>	68,427	<b>68,427</b>	25	<b>79,497</b>
Accumulated depreciation at 30 June 2016	-	-	(26)	<b>(26)</b>	(9,042)	<b>(9,042)</b>	-	<b>(9,068)</b>
	10,611	302	106	<b>11,019</b>	59,385	<b>59,385</b>	25	<b>70,429</b>

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

<b>Plant and Equipment</b>	<b>Plant machinery and equipment</b>	<b>Fixtures fittings and furniture</b>	<b>Computers and telecomms</b>	<b>Total plant and equipment</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At fair value 1 July 2015	11,430	432	2,066	<b>13,928</b>
Accumulated depreciation at 1 July 2015	(4,900)	(394)	(1,760)	<b>(7,054)</b>
	<b>6,530</b>	<b>38</b>	<b>306</b>	<b>6,874</b>
<b>Movements in fair value</b>				
Acquisition of assets at fair value	1,264	3	217	<b>1,484</b>
Fair value of assets disposed	(990)	(85)	(915)	<b>(1,990)</b>
	<b>274</b>	<b>(82)</b>	<b>(698)</b>	<b>(506)</b>
<b>Movements in accumulated depreciation</b>				
Depreciation	(859)	(11)	(92)	<b>(962)</b>
Accumulated depreciation of disposals	656	85	883	<b>1,624</b>
	<b>(203)</b>	<b>74</b>	<b>791</b>	<b>662</b>
At fair value 30 June 2016	11,704	350	1,368	<b>13,422</b>
Accumulated depreciation at 30 June 2016	(5,103)	(320)	(969)	<b>(6,392)</b>
	<b>6,601</b>	<b>30</b>	<b>399</b>	<b>7,030</b>

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

<b>Infrastructure</b>	<b>Roads</b>	<b>Bridges</b>	<b>Footpaths and cycleways</b>	<b>Drainage</b>	<b>Parks open spaces and streetscapes</b>	<b>Other Infrastructure</b>	<b>Work In Progress</b>	<b>Total Infrastructure</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At fair value 1 July 2015	253,147	82,067	14,452	19,659	5,449	672	-	<b>375,446</b>
Accumulated depreciation at 1 July 2015	(19,297)	(10,092)	(4,650)	(8,087)	(974)	(211)	-	<b>(43,311)</b>
	233,850	71,975	9,802	11,572	4,475	461	-	<b>332,135</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	4,184	498	265	103	218	-	11	<b>5,279</b>
Revaluation increments/decrements	3,335	1,070	191	256	-	-	-	<b>4,852</b>
Fair value of assets disposed	(791)	(246)	(54)	(58)	-	-	-	<b>(1,149)</b>
	6,728	1,322	402	301	218	-	11	<b>8,982</b>
<b>Movements in accumulated depreciation</b>								
Depreciation	(5,620)	(798)	(302)	(194)	(223)	(15)	-	<b>(7,152)</b>
Accumulated depreciation of disposals	82	43	13	19	-	-	-	<b>157</b>
Revaluation adjustment on accumulated depreciation	(323)	(141)	(65)	(107)	-	-	-	<b>(636)</b>
	(5,861)	(896)	(354)	(282)	(223)	(15)	-	<b>(7,631)</b>
At fair value 30 June 2016	259,875	83,389	14,854	19,960	5,667	672	11	<b>384,428</b>
Accumulated depreciation at 30 June 2016	(25,158)	(10,988)	(5,004)	(8,369)	(1,197)	(226)	-	<b>(50,942)</b>
	234,717	72,401	9,850	11,591	4,470	446	11	<b>333,486</b>

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

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



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

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

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

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

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

*Valuation of land and buildings*

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

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Land	-	302	-
Specialised land	-	-	10,611
Land improvements	-	-	132
Buildings	-	-	68,427
Total	-	302	79,170

*Valuation of infrastructure*

Valuation of infrastructure assets has been determined by Mr Trenton Fithall B.E (Civil) Hons as at 30 June 2016.

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2016 are as follows:

	Level 1	Level 2	Level 3
Roads	-	-	259,875
Bridges	-	-	83,389
Footpaths and cycleways	-	-	14,854
Drainage	-	-	19,960
Parks, open space and streetscapes	-	-	5,667
Other infrastructure	-	-	672
Total	-	-	384,417

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

*Description of significant unobservable inputs into level 3 valuations*

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

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated by individual building components and the remaining useful lives are determined on the basis of the current condition of each of the 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.

	2016	2015
	\$'000	\$'000
<b>Reconciliation of specialised land</b>		
Land under roads	7	7
Parks and reserves	4,431	4,431
Vacant land	192	192
Water management	248	248
Waste management	257	257
Gravel reserves	209	209
Aerodromes	284	284
Carparks	498	498
Recreation	405	405
Zoning restrictions	1,114	1,114
Council controlled	2,376	2,264
Other	590	590
<b>Total specialised land</b>	<b>10,611</b>	<b>10,499</b>



	2016 \$'000	2015 \$'000
<b>Note 23 Trade and other payables</b>		
Trade payables	1,277	1,117
Accrued wages and salaries	364	264
Accrued expenses	135	150
<b>Total trade and other payables</b>	<b>1,776</b>	<b>1,531</b>
<b>Note 24 Trust funds and deposits</b>		
Refundable deposits	8	8
Fire services levy	92	84
<b>Total trust funds and deposits</b>	<b>100</b>	<b>92</b>

*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.

**Note 25 Provisions**

	Landfill restoration \$ '000	Gravel pit restoration \$ '000	Total \$ '000
<b>2016</b>			
Balance at beginning of the financial year	1,119	121	1,240
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	72	3	75
Balance at the end of the financial year	<b>1,191</b>	<b>124</b>	<b>1,315</b>
<b>2015</b>			
Balance at beginning of the financial year	1,119	275	1,394
Additional provisions	-	(154)	(154)
Balance at the end of the financial year	<b>1,119</b>	<b>121</b>	<b>1,240</b>

	2016 \$'000	2015 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave	697	780
Rostered days off	81	68
Long service leave	54	87
	<b>832</b>	<b>935</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	590	575
Long service leave	1,366	1,581
	<b>1,956</b>	<b>2,156</b>
<b>Total current provisions</b>	<b>2,788</b>	<b>3,091</b>
<b>Non-current</b>		
Long service leave	318	238
<b>Total non-current provisions</b>	<b>318</b>	<b>238</b>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	2,788	3,091
Non-current	318	238
<b>Total aggregate carrying amount of employee provisions</b>	<b>3,106</b>	<b>3,329</b>

	2016 \$'000	2015 \$'000
<b>Note 25 Provisions (cont.)</b>		
<b>(b) Land fill restoration</b>		
Non-current	1,191	1,119
	<b>1,191</b>	<b>1,119</b>
<b>c) Gravel pit restoration</b>		
Current	33	26
Non-current	92	95
	<b>125</b>	<b>121</b>
<b>Note 26 Interest-bearing loans and borrowings</b>		
<b>Current</b>		
Borrowings - secured	300	1,283
	<b>300</b>	<b>1,283</b>
<b>Non-current</b>		
Borrowings - secured	3,246	2,546
	<b>3,246</b>	<b>2,546</b>
<b>Total</b>	<b>3,546</b>	<b>3,829</b>
a) The maturity profile for Council's borrowings is:		
Not later than one year	300	1,283
Later than one year and not later than five years	1,057	1,186
Later than five years	2,189	1,360
	<b>3,546</b>	<b>3,829</b>
b) Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	300	1,283
Non-current	3,246	2,546
	<b>3,546</b>	<b>3,829</b>

Note 27 Reserves

	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
<b>2016</b>			
<b>Property</b>			
Land	5,646	-	5,646
Buildings	53,157	1,107	54,264
	58,803	1,107	59,910
<b>Infrastructure</b>			
Roads	153,616	3,012	156,628
Bridges	52,202	929	53,131
Footpaths and cycleways	6,287	126	6,413
Drainage	222	149	371
	212,327	4,216	216,543
	271,130	5,323	276,453
<b>Other</b>			
Financial assets	7	(7)	-
Investment in associates	19	-	19
	26	(7)	19
<b>Total asset revaluation reserves</b>	<b>271,156</b>	<b>5,316</b>	<b>276,472</b>
<b>2015</b>			
<b>Property</b>			
Land	5,596	50	5,646
Buildings	53,157	-	53,157
	58,753	50	58,803
<b>Infrastructure</b>			
Roads	57,855	95,761	153,616
Bridges	28,397	23,805	52,202
Footpaths and cycleways	4,919	1,368	6,287
Drainage	4,202	(3,980)	222
	95,373	116,954	212,327
<b>Other</b>			
Financial assets	16	(9)	7
Investment in associates	19	-	19
	35	(9)	26
<b>Total asset revaluation reserves</b>	<b>154,161</b>	<b>116,995</b>	<b>271,156</b>

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

Note 27 Reserves (cont.)

	Balance at beginning of reporting period \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
<b>(b) Other reserves</b>			
<b>2016</b>			
Plant replacement	1,017	156	1,173
Economic development	7	172	179
St Arnaud cemetery	4	(4)	-
Gravel pits restoration	122	-	122
Community loans	208	(30)	178
Waste management	739	(239)	500
Long service leave	310	(30)	280
Defined benefits	300	-	300
Loan repayments	200	200	400
<b>Total other reserves</b>	<b>2,907</b>	<b>225</b>	<b>3,132</b>
<b>2015</b>			
Plant replacement	1,084	(67)	1,017
Economic development	9	(2)	7
St Arnaud cemetery	-	4	4
Gravel pits restoration	122	-	122
Community loans	217	(9)	208
Waste management	459	280	739
Long service leave	306	4	310
Defined benefits	200	100	300
Loan repayments	-	200	200
<b>Total other reserves</b>	<b>2,397</b>	<b>510</b>	<b>2,907</b>

**Plant Replacement Reserve** - Used to smooth out cash flow demands of future plant purchases.

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

**Gravel Pits Restoration** - Provision for future rehabilitation of pits.

**Community Loans Reserve** - Funds held for the restoration of shop front verandahs and other community benefits.

**Waste Management** - Funds held for the restoration of waste sites and bin replacement.

**Long Service Leave Reserve** - Funds held for employee long service leave.

**Defined Benefits Reserve** - Funds held for future calls on defined benefits superannuation.

**Loan Repayments Reserve** - Funds are being held for the future repayment of interest only loans



**Note 28 Reconciliation of cash flows from operating activities to surplus/(deficit)**

	2016 \$'000	2015 \$'000
Surplus/(deficit) for the year	(4,254)	5,987
Depreciation	8,858	7,054
Net gain on disposal of property, infrastructure, plant and equipment	1,659	(66)
Relinquished and found assets	(112)	(3,443)
Share of profit/(loss) of associates	(2)	(46)
Contributions - Non-monetary assets	-	(54)
Finance costs	176	167
Other - WIP movements	(38)	31
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	370	1,014
Increase/(decrease) in other assets	(12)	12
Increase/(decrease) in trade and other payables	424	(404)
(Increase)/decrease in inventories	6	19
Increase/(Decrease) in provisions	(147)	(285)
Net cash provided by/(used in) operating activities	<b>6,928</b>	<b>9,986</b>

**Note 29 Reconciliation of cash and cash equivalents**

Cash and cash equivalents (see Note 17)	8,981	8,760
Less bank overdraft	(200)	(200)
	<b>8,781</b>	<b>8,560</b>

**Note 30 Financing arrangements**

Bank overdraft	200	200
Credit Card Facilities	30	30
Total Facilities	<b>230</b>	<b>230</b>
Used facilities	-	-
Unused facilities	<b>230</b>	<b>230</b>

**Note 31 Commitments**

The Council has entered into the following commitments

2016	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Waste management	706	717	-	-	1,423
Special projects	238	-	-	-	238
Cleaning services	434	121	-	-	555
Meals for delivery	183	183	-	-	366
Provision of transfer stations	221	112	-	-	333
Software license agreement	191	131	72	-	394
<b>Total</b>	<b>1,973</b>	<b>1,264</b>	<b>72</b>	<b>-</b>	<b>3,309</b>
<b>Capital</b>					
Buildings	59	-	-	-	59
<b>Total</b>	<b>59</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>59</b>

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

**Note 32 Operating leases**

**(a) Operating lease**

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

	2016 \$'000	2015 \$'000
Not later than one year	2	26
Later than one year and not later than five years	6	7
Later than five years	11	90
	<b>19</b>	<b>123</b>

**Note 33 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 2016, this was 9.5% as required under Superannuation Guarantee legislation).

**Defined Benefit**

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

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

**Funding Arrangements**

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 105.8%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 7.0% pa  
Salary information 4.25% pa  
Price inflation (CPI) 2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2016 was 102.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2015 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

**Employer Contributions**

**Regular Contributions**

On the basis of the results of the 2015 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 2016, this rate was 9.5% of members' salaries (9.5% in 2014/2015). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

### Funding Calls

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

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

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

### 2015 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2015 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$130.8 million; and  
A total service liability surplus of \$239 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 2015. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2015 VBI during August 2015.

### Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2017 is \$83,000.

## Note 34 Contingent liabilities and contingent assets

### Contingent liabilities

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

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 33. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

### 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.

	2016 \$'000	2015 \$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	110
Minister for Agriculture & Resources	6	6
	<b>166</b>	<b>166</b>

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



**Note 35 Financial Instruments**

**(a) Objectives and policies**

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

**(b) Credit risk**

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

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

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 33.

**(c) Liquidity risk**

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

To help reduce these risks Council:

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

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

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

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

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

**(d) Fair value**

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

*Fair value hierarchy*

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

**(e) Sensitivity disclosure analysis**

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.75%.

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.

**Note 36 Related party transactions**

**(i) Responsible Persons**

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

**Councillors**

Mayor Murray Emerson  
Councillor Kevin Erwin  
Councillor Wayne Rice  
Councillor Karen Hyslop  
Councillor Tony Driscoll  
Councillor Merrilee Reid  
Councillor Jason Hosemans

**Chief Executive Officer** Justine Linley (July 2015 - May 2016)

**(ii) Remuneration of Responsible Persons**

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

	<b>2016 No.</b>	<b>2015 No.</b>
\$10,000 - \$19,999	1	1
\$20,000 - \$29,999	5	4
\$30,000 - \$39,999	-	1
\$40,000 - \$49,999	-	1
\$60,000 - \$69,999	1	-
\$220,000 - \$299,999	1	1
	<b>8</b>	<b>8</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	<b>\$ 414</b>	<b>\$ 406</b>

**(iii) Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$139,000

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

	<b>2016 No.</b>	<b>2015 No.</b>
Income Range:		
< \$138,999	-	2
\$180,000 - \$189,999	2	2
\$200,000 - \$209,999	1	-
	<b>3</b>	<b>4</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	<b>\$ 575</b>	<b>\$ 473</b>

**Note 36 Related party transactions (cont.)**

**(iv) Responsible persons retirement benefits**

The aggregate amount paid during the reporting period by Council in connection with the retirement of responsible persons was NIL (2015 - NIL)

**(v) Loans to responsible persons**

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

*NIL*

**(vi) Transactions with responsible persons**

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

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid \$1,117 to this business. This is a related party entity of Councillor Merrilee Reid.

Council engaged the provision of printing services from Grampians Printing & Design during the financial year. In total Council paid \$280 to this business. This is a related party entity of Justine Linley - CEO.

**Note 37 Events occurring after balance date**

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

## Certification of the Financial Statements

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



Jay Petty B.Com CA  
Principal Accounting Officer

Date : 27/09/2016  
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2016 and the financial position of the Council as at that date.

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

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



Cr Murray Emerson  
Councillor

Date : 27/09/2016  
Stawell



Cr Kevin Erwin  
Councillor

Date : 27/09/2016  
Stawell



Michael Bailey  
Chief Executive Officer

Date : 27/09/2016  
Stawell

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Northern Grampians Shire Council

#### *The Financial Report*

I have audited the accompanying financial report for the year ended 30 June 2016 of the Northern Grampians Shire Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of capital works, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial statements.

#### *The Councillors' Responsibility for the Financial Report*

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

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

#### *Auditor's Responsibility*

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

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

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

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



## Independent Auditor's Report (continued)


### *Independence*

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

### *Opinion*

In my opinion the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2016 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

MELBOURNE  
28 September 2016

  
Andrew Greaves  
Auditor-General

## Performance Statement

### For the year ended 30 June 2016

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

#### Location

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

#### National Parks

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

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

#### Industry

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

#### QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,509

Road Length: 3,350km of local roads

Rateable Properties: 9,264

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

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

**Sustainable Capacity Indicators**  
For the year ended 30 June 2016

Indicator/measure	Result 2015	Result 2016	Material Variations
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,995	\$1,603	Councils decision to not provide child care services in Stawell has reduced significantly the level of fee income.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,285	\$754	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance as a consequence the 2016 result is lower than normal.
<b>Population</b> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,831	\$2,929	No material variance
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$34,882	\$34,286	No material variance
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.4	3.4	No material variance
<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	3	No material variance

**Definitions**

"adjusted underlying revenue" means total income other than -

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

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

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

"population" means the resident population estimated by council

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

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

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

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

**Service Performance Indicators**  
For the year ended 30 June 2016

Service/indicator/measure	Result 2015	Result 2016	Material Variations
<b>Governance</b> <b>Satisfaction</b> <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]	58	53	Councils decision to no longer provide child care services in Stawell and hand back the provision of school crossing services to Vicroads have affected this result
<b>Statutory Planning</b> <b>Decision making</b> <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%	No Council decisions were challenged in VCAT during the 2014-2015 and 2015-2016 financial years.
<b>Roads</b> <b>Satisfaction</b> <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]	49	58	Increased road work activity due to additional Roads to Recovery funding and clearer explanation of what constitutes council roads in questionnaire.
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	19.0%*	15.4%	* The 2015 result has been reduced from 20.7 % as it had included transactions that did not meet the definition but could not be identified at the time by the reporting software which has now been rectified and recalculated on last years data.
<b>Waste Collection</b> <b>Waste diversion</b> <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	38.3%	35.1%	No material variance
<b>Aquatic Facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i>  [Number of visits to aquatic facilities / Municipal population]	4.8	4.8	No material variance
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i>  [Number of successful animal management prosecutions]	0	0	No animal prosecutions were undertaken during the 2014-2015 and 2015-2016 financial years.
<b>Food Safety</b> <b>Health and safety</b> <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	100.0%	97.4%	1 Premises closed after non compliant inspection.

**Service Performance Indicators**  
For the year ended 30 June 2016

Service/indicator/measure	Result 2015	Result 2016	Material Variations
<b>Home and Community Care (HACC)</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	27.8%	23.3%	No material variations
<b>Participation</b> <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	7.5%	9.5%	No material variance
<b>Maternal and Child Health (MCH)</b> <b>Participation</b> <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	66.2%	—	In 2016 there was an initiative to transition the majority of Victorian councils offering Maternal and Child Health services to a new database. The database is not expected to provide reliable information until the end of September 2016. Therefore Council is unable to report this data for the 2015-2016 financial year.
<b>Participation</b> <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	63.3%	—	

"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 serious threat to public health but may do so if no remedial action is taken

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

"population" means the resident population estimated by council

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

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



**Financial Performance Indicators**  
For the year ended 30 June 2016

Dimension/indicator/measure	Result 2015	Result 2016	Forecasts				Material Variations
			2017	2018	2019	2020	
<b>Operating position</b>							
<b>Adjusted underlying result</b>							
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	14.8%	-21.4%	-6.4%	-11.2%	-11.9%	-11.9%	Improved result in 2015 and corresponding lower result in 2016 is due to the advance payment of 50% of the 2016 Grants Commission in 2015.
<b>Liquidity</b>							
<b>Working capital</b>							
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	197.5%	211.6%	156.1%	143.1%	140.1%	140.2%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance and savings achieved from reduction of costs from services reviews in 2016.
<b>Unrestricted cash</b>							
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	145.2%	154.7%	113.8%	101.0%	97.1%	95.9%	Improved result in 2015 as a result of 50% of the 2016 Grants Commission being received in advance and savings achieved from reduction of costs from services reviews in 2016.
<b>Obligations</b>							
<b>Loans and borrowings</b>							
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	25.4%	22.3%	19.9%	17.5%	15.1%	13.4%	No new borrowings forecast from 2015 onward.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.5%	2.9%	2.9%	2.9%	2.8%	2.0%	No new borrowings forecast from 2015 onward.
<b>Indebtedness</b>							
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17.1%	28.9%	23.7%	21.3%	19.6%	18.2%	No new borrowings forecast from 2015 onward.
<b>Asset renewal</b>							
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	48.6%	45.7%	55.9%	55.2%	49.6%	48.1%	Additional Roads to Recovery funding will increase this figure in 2016 - 2017 and 2017 -2018.
<b>Stability</b>							
<b>Rates concentration</b>							
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	38.7%	60.3%	50.9%	57.0%	57.8%	58.1%	The low result in 2015 and increased rate in 2016 is as a result of 50% of the 2016 Grants Commission being received in advance. The 2017 rate is forecast to be lower than normal due to a significant one off grant for the Stawell Underground Physics Laboratory project.
<b>Rates effort</b>							
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.76%	0.80%	0.78%	0.80%	-8.00%	0.82%	No material variance.
<b>Efficiency</b>							
<b>Expenditure level</b>							
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,585	\$3,561	\$3,793	\$3,631	\$3,691	\$3,763	Expenditure in 2017 are expected to increase because of the additional expenditure relating to the Stawell Underground Physics Laboratory project.
<b>Revenue level</b>							
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,563	\$1,721	\$1,766	\$1,810	\$1,855	\$1,901	No material variance.
<b>Workforce turnover</b>							
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.0%	14.0%	7.4%	7.4%	7.4%	7.4%	Restructure within childcare, tourism and school crossing services has inflated the turn over figures for both 2013-2014 and 2015-2016.

**Financial Performance Indicators**  
**For the year ended 30 June 2016**

---

**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 asset that returns the service capability of the asset to its original capability

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

## Other Information

### For the year ended 30 June 2016

#### 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 or 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 27 June 2016 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be viewed on council's website [www.ngshire.vic.gov.au](http://www.ngshire.vic.gov.au).

## Certification of the performance statement

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



**Jay Petty-CA, BCom**  
**Principal Accounting Officer**

**Dated:** 27/9/2016

In our opinion, the accompanying performance statement of the Northern Grampians Shire Council for the year ended 30 June 2016 presents fairly the results of council's performance in according with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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



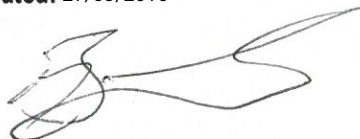
**Cr Murray Emerson**  
**Councillor**

**Dated:** 27/09/2016



**Cr Kevin Erwin**  
**Councillor**

**Dated:** 27/09/2016



**Michael Bailey**  
**Chief Executive Officer**

**Dated:** 27/09/2016

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Northern Grampians Shire Council

#### *The Performance Statement*

I have audited the accompanying performance statement for the year ended 30 June 2016 of the Northern Grampians Shire Council which comprises the statement, the related notes and the certification of the performance statement.

#### *The Councillors' Responsibility for the Performance Statement*

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

#### *Auditor's Responsibility*

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

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

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



## Independent Auditor's Report (continued)

### *Independence*

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

### *Auditor's Opinion*

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2016 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
28 September 2016

70.2 L  
Andrew Greaves  
Auditor-General