



2020-21

Annual Report



Live | Work | Invest | Visit



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Message from the Mayor...

Cr Murray Emerson



Last year, the Coronavirus pandemic completely changed the narrative of our lives, and we wondered when and if it would resume to normal.

We now know that in order to exit out of this cycle, we will be required to “roll up a sleeve” and vaccinate our way out of the pandemic to a slow but steady recovery of our economy and the lifestyle that we love and enjoy in our beautiful shire.

Coronavirus lockdowns may have dampened our spirits and put a dint in our economy but I am happy to report that they certainly have not hampered Council’s ability to move ahead with our plans and achieve many significant milestones for our community this past year.

Supporting local businesses and tourism operators throughout the pandemic has been a key concern for Council. We have assiduously sought a raft of measures to bolster them through these tough trading times. The Business Support Team has promoted local businesses, coordinated merchandising workshops, and communicated grants, support and assistance

to businesses to help them meet stringent Covid-19 compliance requirements and this has been very well received by this sector.

We have worked hard to secure the future of our most iconic tourist attraction on the sporting calendar, the Stawell Gift, with the establishment of a management body, Stawell Gift Event Management Ltd, ensuring this event remains commercially viable for all of its stakeholders and a successful event that our community endorses as economically and culturally important and indeed worthy of promotion worldwide.

On the works front, I am very pleased to see so many projects finalised and much anticipated improvements come to fruition. The impressive facility of North Park Community Sports Centre, a multipurpose clubroom development, was officially opened in April and now dominates the North Park sporting precinct providing the Stawell sporting community and its visitors with a new social space that meets all the expected accessibility standards of a premium sports venue. At the other end of our shire, we will soon witness a similar transformation at Lord Nelson Park with foundation works for a multipurpose sporting facility already underway. Many other building and grounds improvements have also taken place across the shire from amenities blocks, grandstands, playgrounds, street furniture and building interiors and exteriors.

In Environment and Community Health, we have seen the advent of an all new online environmental health registration system

removing red tape for applicants and streamlining the administration for our officers.

It goes without saying that all of our accomplishments this year would not have been possible without the very generous support of our community, stakeholder groups and State and Federal Government funding. We as a Council are very grateful for this assistance. It has helped us deliver many necessary forms of support to our residents and improve their local facilities without placing too much duress on our ratepayers or cutting corners with service provision.

During this incredibly tough year for our community, I feel very privileged to have served as your Mayor and to have witnessed the efforts we have all taken to keep ourselves safe and buoyant, to share, support and gather when possible to celebrate achievements both grand and small. I look forward to the next 12 months with optimism that we will see our lifestyle improve and economy bounce back.

Finally, I extend my gratitude to my fellow Councillors, the CEO and council staff for their stoic commitment to get things done for their community despite unpredictable circumstances. Thank you.

A handwritten signature in black ink, appearing to read "Murray Emerson".

Cr Murray Emerson

Northern Grampians Shire Council Mayor



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."

Acknowledgement of Country

Council acknowledges the traditional owners of the land on which we meet, and we pay our respects to their elders, past, present and emerging.

Our Core Values

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

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



Our Motto



Live



Work



Invest



Visit



Our Goals

Enhance Lifestyles and Community

Boost Economic Growth

Provide Sustainable Infrastructure

Improve Organisational Effectiveness





Our Councillors

L-R: Mayor Cr Murray Emerson (Stawell Ward) Term expires: October 2021
Cr Eddy Ostarcevic PhD (Kara Kara Ward), Cr Rob Haswell (Stawell Ward), Cr Lauren
Dempsey (Stawell Ward), Cr Trevor Gready (South West Ward), Cr Kevin Erwin
(Central Ward), Cr Tony Driscoll (Kara Kara Ward)

Our Shire at a Glance

Economic Profile

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

Workforce

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

Location

Stawell is located in Central West Victoria on the Western Highway between Adelaide (500km) and Melbourne (230km). St Arnaud is located

on an important transport link at the junction of the Sunraysia and Wimmera Highways between Melbourne and Mildura, providing excellent access to the west, north-west and south-east. St Arnaud has railway links to Melbourne and Mildura. Other links include Horsham, Ballarat and Bendigo.

Transport

Airports are located at Stawell (24-hour sealed airport with instrument panel) and St Arnaud and national gauge railway connects Stawell to Adelaide, Melbourne, Geelong and Portland.

Climate

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

Telecommunications

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



Northern Grampians
Shire

Melbourne

Quick Stats

11420	Residents
3375	Kilometres of local road
9408	Rateable properties
\$18.9M	Rates/Charges Revenue
\$41M	Total Revenue
700+	Businesses
1M	Tourists and Visitors



Core Service Initiatives

Customer Service

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

Media and Communications

In 2020-21, Media and Communications continued its focus on improving council's communication and engagement with its communities. A new requirement of the Local Government Act 2020, Council's first Community Engagement Policy was developed with community input and endorsed by Council on 1 March 2021. The policy outlines the principles Council commits to community members to increase their participation in Council planning and decision making. As a consequence of Covid-19 and as part of council's commitment to engaging with its community, work commenced on sourcing live streaming equipment which should be operative later in 2021. A key focus for media and communications has been consistent messaging to the community about council activities, and visually promoting the benefits of the shire through photos and video footage which is being shown on our external and internal televisions located in our main administration centres and on social media.

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 councilors will be immediately acted upon in accordance with Council's Equal Opportunity, Harassment & Bullying Policy and Procedure. Contact Officers are trained and committed to assist and support fellow colleagues to explore a range of options and access information relating to their concerns. Contact Officers are just one way our organisation is committed to ensuring all employees are treated fairly and equitably in the workplace. Northern Grampians Shire Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. Council is committed to combatting 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 & Responsibilities is a legal document requiring all public authorities to act in compliance with its standards and provides legal protection over the basic freedoms and rights of all Victorians. Council is legally obliged to take into account the following human rights in all decision-making processes and day-to-day operations.

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

Child Safe Statement

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

We all play an important role in protecting children, especially if we have concerns for a child's safety. We aim to create a culture of child safety that reduces the

opportunity for harm and gives staff a clear process to follow when someone raises concerns about child safety or reports abuse. We encourage the reporting of concerns. Our Child Safe Statement of Commitment applies to all employees, volunteers, work experience students, contractors, contract employees and Councillors.

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.

Northern Grampians Shire Council is insured for Work-cover through Gallagher and Bassett and through this relationship aims to provide the following benefits:

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

Local Government Indicators

Performance Reporting

Effective performance reporting is essential for letting our residents and ratepayers know how public money is being spent, the quality of services delivered, the outcomes being achieved and how the outcomes relate to our strategic objectives.

The Local Government Performance Reporting Framework and the establishment of the Know Your Council website enables local communities to compare how their council has performed during the year against others.

The Local Government Performance Reporting Framework

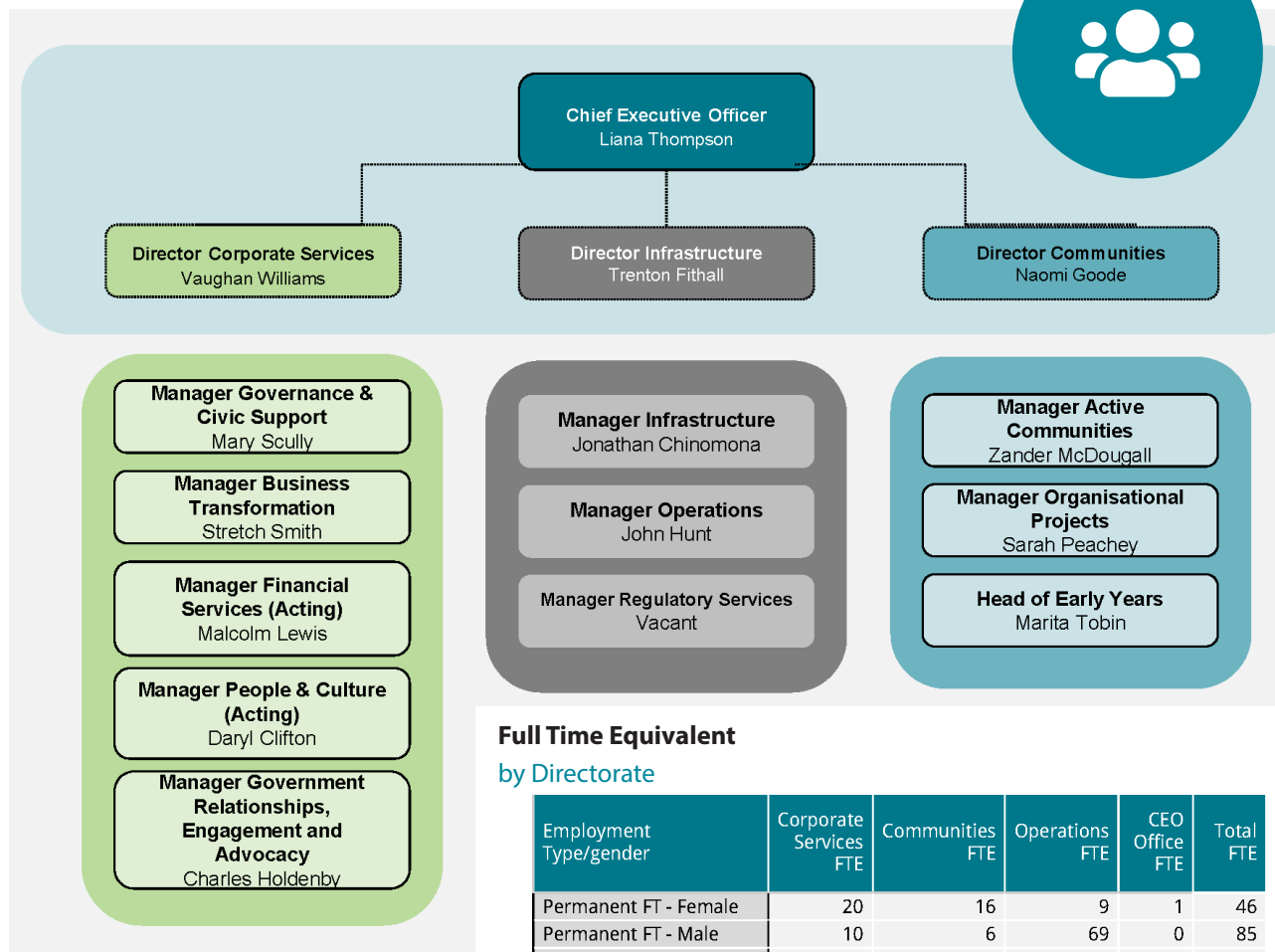
The State Government established a suite of performance measures that are compulsory for every Victorian council to report against. Called the 'Local Government Performance Reporting Framework' (LGPRF), the indicators are now part of the Local Government Act 1989.

You will see three comparatives in the report. Comments have been included for indicators that have moved significantly and other indicators where we think they may be useful.

Know Your Council Website

The Know Your Council website enables residents and ratepayers to compare results for the Northern Grampians Shire with other councils across key service areas and financial performance for the last financial year and the year ended 30 June 2021 via the Know Your Council website www.knowyourcouncil.vic.gov.au. These results will help us understand our performance better and contribute to improved transparency of Council activity.

Organisational Structure



Full Time Equivalent by Directorate

Employment Type/gender	Corporate Services FTE	Communities FTE	Operations FTE	CEO Office FTE	Total FTE
Permanent FT - Female	20	16	9	1	46
Permanent FT - Male	10	6	69	0	85
Permanent PT - Female	7	35	3	0	28.6
Permanent PT - Male	1	3	3	0	3.6
Temporary FT - Female	3	0	3	1	7
Temporary FT - Male	0	0	7	0	7
Temporary PT - Female	0	3	1	1	2.8
Temporary PT - Male	0	1	0	0	0.84
Casual - Female	0	31	0	0	5.86
Casual - Male	0	6	2	0	1.7
Total FTE					188.4

Full Time Equivalent by Band

FTE	Permanent Full Time - Female	Permanent Full Time - Male	Permanent Part Time - Female	Permanent Part Time - Male	Casual - Female	Casual - Male	Total
All other	7	9	4.8	0			20.8
Band 1					4	1.2	5.2
Band 2	0	1	0.4	0	1	0.2	2.6
Band 3	2	31	11.7	1.3	1.2	0.1	47.3
Band 4	16	18	5.9	0.6	0.2	0.2	40.9
Band 5	14	14	4.7	1.7			34.4
Band 6	7	12	0.7	0			19.7
Band 7	9	6	1.5	0			16.5
Band 8	1						1
FTE	Total FTE						188.40

Economic Indicators

Over the later part of 2020 and early 2021, council worked closely with the Economic Development Strategy and Action Plan 2021-31 Steering Committee. Made up of key industry sector representatives, the committee worked together to draft a ten-year plan to uplift the economic well-being and quality of life of the community. Council selected steering committee representatives with expertise and knowledge from the largest industry sectors in our shire, as well as from sectors that have been heavily impacted by COVID-19, the education and health and human services sectors.

While COVID-19 has presented unprecedented challenges, the committee recognised that council has a window of opportunity to think differently and reset the way council and wider community participate in economic development. The draft strategy, based on a thorough research and industry engagement process, was adopted in May and gives priority to achieving the best outcomes for the community, based on evidence and community engagement.

The economic development strategy tells the story of:

- Our unique strengths and opportunities.
- Our overarching goal.
- Our biggest challenges and the benefit of addressing them.
- What investment we need to make to realise the benefits.
- How we will know if we have been successful (KPIs).

Partnerships Fostering Business Success

Council strive to boost economic growth and business vitality in the Northern Grampians Shire by providing support and advice to business and industry, government advocacy, partnership opportunities, networking and training programs and investment attraction activities.

The partnership between the Planning and Development and the Engagement Departments provides support for potential investors, existing business owners, people starting a business, developers and investors. It also encourages and facilitates the development of strategies and policies that blend planning requirements with community aspirations for sustainable economic growth, industry development, environmental protection and social cohesion in Northern Grampians Shire.

Strong Economic Activity

Land use development is one key factor that influences the economic growth of the shire. Planning permit data provides an important economic indicator of future building and land use activity within the shire and is used to monitor economic activity, employment and investment.

Council's Planning Department issued a total of 97 planning permits worth over \$40 million in the 2020-21 financial year compared to 79 planning permits worth \$14 million in 2019/20. This equates to a 23% increase in permits issued and a 192% increase in the total estimated cost of works for permits issued which is a substantial investment in the Shire.

Throughout 2020/21, Council received a total of 126 new planning permits application compared to 91 applications in 2019/20 which is an increase in 38.5% of new proposed development in the Shire.

Visitor Economy

The visitor economy is a critical sector in driving the municipality's economic development and job creation.

Council takes a regional approach to tourism destination marketing and investment, partnering with Grampians Tourism.

Visitor information centres in Stawell, St Arnaud and Halls Gap are run in partnership with Grampians Tourism and a significant number of volunteers.

One in six jobs in Northern Grampians Shire is directly or indirectly reliant on tourism spending. The impact of COVID-19 has been significant for the tourism, hospitality and accommodation sectors.

Council has committed to a new Grampians Tourism Crisis Response & Recovery Taskforce with Local Government and industry partners. The taskforce is driving and delivering new plans to target key domestic markets and position the region to recover quickly from COVID-19 impacts. Council will continue to support the 2020/21 Tourism Reactivation Strategy, and drive advocacy to delivery key infrastructure priorities across the municipality.

Business Assistance Scheme

In 2020/21 Council's Business Assistance Scheme supported both new and existing business from across Northern Grampians Shire by way of grant funding and professional development.

The scheme awarded just over \$55,000 in financial assistance to 36 businesses. Council delivered two programs through the scheme, including the Business Support and the Business beautification programs. Just over \$80,000 was granted through the business support program, providing support to twenty-one business across the municipality. Fifteen businesses were supported through the Business Beautification Program, with Council granting \$50,000.

A total of eight visual merchandising workshops were also delivered as part of the scheme. This workshop series provided business owners with practical skills in visual merchandising to improve the aesthetics of a product in a retail display using low-cost materials. As part of these workshops, delivered both face to face and virtually, Business Owners gained critical skills in the marketing funnel cycle, taking prospective customers from product awareness through to sales conversion and advocacy.

Focus on Business

Local businesses have participated in Council's regular Focus on Business social media posts. This social media series promotes the diversity of businesses across the municipality; with the objective to increase exposure for businesses and encourage supporting local businesses.

Business E-news

In response to covid19, Business E-news distribution increased to weekly distribution to the extensive mailing list. Subscribers have been provided with regular updates on opportunities for:

- Funding available to businesses
- Mentoring and business support services
- Business development opportunities
- Business Training, learning and professional development for business

Small Business Friendly Charter

As a signatory to the Victorian Small Business Charter, Northern Grampians Shire Council is committed to positive outcomes for local small businesses.

A number of localised initiatives have ensured compliance with the charter and further supporting local businesses:

- Faster permit approvals through the Better Approvals Project
- Prompt payment to small business
- Working with businesses to manage disruption during infrastructure projects
- Working with local small business networks to communicate information from the State Small Business Commission

Grampians Peaks Trail

Situated in the Grampians National Park (Gariwerd), the Grampians Peaks Trail (GPT) is a 160km, world-class natural and cultural walking experience that will extend from Mt Zero in the north through to the township of Dunkeld in the south. The project is expected to be complete in spring 2021

The first stage of the project, in the central area of the park, opened to the public in 2015 while four day-walk sections opened in May 2021

Once finished, the GPT will include 12 campsites (11 hike-in camps and one group camp) and be accessible for people to experience Gariwerd through day walks, overnight sections, or as one 13-day journey.

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

The project has been funded with a \$20.2 million contribution from the Victorian Government and a \$10 million contribution from the Australian Government.

Council continues to work with Parks Victoria and other key stakeholders to develop tourism and visitor experiences including the trailhead at Halls Gap which has been identified as the location to attract the greatest number of visitors for entry and exit to the trail for day walks, segment and multi segment walks.

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

Halls Gap Action Plan Stage Two

Council delivered a number of works to upgrade and enhance pedestrian access, public space and amenity in Halls Gap. The Halls Gap Activation project was designed to ensure Halls Gap can better service the additional visitation generated from the completion of the Grampians Peaks Trail which is expected to generate 80,000 visitor nights in the region by 2025.

The capital works included:

- Stoney Creek Pedestrian Bridge to improve east-west pedestrian and cycle connectivity across Grampians Road to key tourism destinations.
- Heath Street Upgrade – footpath works, kerbing and drainage works along the street.

The next priorities for the Halls Gap Action Plan are to secure investment for a trailhead at Halls Gap to connect the new street front plaza and Stoney Creek Bridge & Boardwalk to the Grampians Peaks Trail; and develop the Heath Street road reserve to prevent arterial traffic cutting through the heart of the town on Grampians Road.

B Double Upgrades

B-Double upgrades is part of the annual Capital Works Programs which is designed to deliver a number of critical infrastructure upgrades which will enable a quick and efficient movement of freight on our local roads. With the local economy being underpinned by agriculture, there is an increasing demand for heavy vehicle access to our road network, to enable primary producers to take their produce to the market.

As part of the Heavy Vehicle Safety and Productivity Program grant, Council was able to complete Scollary and Rinaldi Road upgrade in FY 2020/21 and 3km of sealing was completed for improved heavy vehicle access.





Stawell Underground Physics Laboratory

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

The Project was allocated \$10.2M from Victorian State and Commonwealth Funding in early 2019, with the Hon Dan Tehan MP announcing funding of \$35 million to establish a Centre of Excellence for Dark Matter Particle Physics in late 2019. In June 2021 Anita Vecchies replaced Amanda Western as the Chief Operating Officer of the Centre of Excellence for Dark Matter Particle Physics.

In March 2021 the current Steering Committee was dissolved to instead form two governance groups; the first, a Project Control Group (PCG) to oversee construction, and manage scope, budget and program. The PCG makes recommendations and provides progress reports to the University of Melbourne (UoM) Oversight Committee. The Manager Government Relations, Engagement & Advocacy represents Council on the PCG. The second governance group is a Design Specification Committee (DSC) to provide technical advice and decision making with respect to lab directions.

With the design stage completed in early 2020 following a competitive process H. Troon were awarded the Main Works Contract for SUPL. Issue for Construction (IFC) documentation has been developed by the SUPL project engineers, Woods, to University of Melbourne (UoM) and H. Troon. Material Testing and works on site commenced in May 2021. While there is no current activity from the SUPL partners or the Dark Matter Centre with regard to any outreach/education or a visitor information centre, the centre has developed an education program which they have piloted with the Stawell Secondary College.

The project is currently reporting that it is within Budget, although this is dependent on delivery within an uninterrupted delivery phase. As at July 2021, total expenditure to date is \$3,585,393 or approx. 31% of total end cost (TEC).

Stawell Gift

After the Stawell Gift was cancelled for first time since World War II due to COVID-19 in 2020, great strides have been made to solidify the Stawell Gift's long term future. The Stawell Gift Event Management Ltd (SGEM) has been established to deliver this iconic event annually on the Easter weekend at Central Park, Stawell. SGEM brings together representatives from the Stawell Athletic Club, council, Victorian Government as well as people with strong commercial and marketing expertise to ensure the success of the Stawell Gift.

A new naming rights partner has also been secured, with Powercor signing on for five years, and despite the ongoing challenges caused by COVID-19, the Stawell Gift made a triumphant return in 2021.

The Stawell Gift is Australia's richest and most prestigious foot race. Run on grass over 120 metres at Central Park in Stawell, Victoria, the Stawell Gift Carnival held over the Easter long weekend is the pinnacle event for professional running in Australia.

The event has been a must-see for locals and a big drawcard for tourists since it was first run in 1878. Not only has it been run for longer than the modern Olympic Games - its history and prestige are inextricably linked to Stawell.

The Stawell Gift remains an important driver of the local economy and a terrific showcase for the region with Finals Day on Easter Monday broadcast nationally on the Seven Network.

The Victorian Government has provided \$1.22 million and council \$150,000 over four years from 2020 to reform the operating model of the Stawell Gift to maximise growth and sustainability of the event and reduce the reliance on government funding.



Sloane Street Housing Development

For a number of years the growth of the Stawell has been constrained by the lack of suitable available land to further expand residential areas within proximity to the Stawell township.

In 2013 Northern Grampians Shire Council rezoned an 8.1 hectare site owned by Council at Crown Allotments 1 and 2, Section B Parish of Stawell.

Since that time, Council has been unable to attract interest from developers to purchase the greenfield site and unlock this development opportunity due to a market failure situation which has hindered investment attraction to construct new housing.

Facing increasing pressure to solve local housing shortages, Council went to market in August 2019 to seek Expressions of Interest to develop the land. In February 2020, Council selected PassivePlace as the preferred developer. Shortly after, COVID-19 hit Australia.

After months of negotiation, in August 2021 Council signed a contract with PassivePlace to embark upon a staged development delivering various housing types and accommodation requirements over the next five years.

This move makes PassivePlace the developer of the site in a contract structure that ensures PassivePlace are to work in partnership with council and community

to deliver affordable housing, specialist disability accommodation, retirement living, and long-term rental accommodation with 6.5-star energy standards for each dwelling and residential building.

Expected to commence in 2022, the land now known fondly as the 'Sloane Street Development', will become an exemplar for other regional communities around Australia by illustrating a flexible housing delivery model that identifies a communities unique housing and accommodation need and delivers on that need.

To address the market failure that has made the development above unviable, Council applied for funding from the Victorian Government via Regional Development Australia (RDV). In March 2020 Council was able to secure this funding to assist with the delivery of essential utilities and infrastructure. Work covered in the grant include footpaths, Street Lights, Drainage and intersection works, and portable water and sewer services (75% complete). Portable water and Sewer works are expected to be completed by end of this year.

St Arnaud Civic Precinct Projects

Market Square

In partnership with the local community, Council developed the Market Square Master Plan which would inform the redevelopment of Market Square to create the town's premier event space for the community, young people and visitors alike.

Located in the heart of the St Arnaud Civic Precinct, the Market Square redevelopment will provide engaging play spaces to support children of all abilities; a powered, sheltered performance area to take advantage of the natural amphitheatre of the park; enhanced gathering space including drinking fountains, shelters and seating; a skate park and basketball half court; accessible paths; and upgrades to the car park including a raised pedestrian crossing and motorhome parking for visitors.

To date Stage two works (Nature Play Area) have been completed, 50% of Stage One works (Junior Play and Surrounds) are complete, Utility works for Stage four works (Restrooms) have been installed. Council is now working toward the completion of Stage two (Performance Area) and the delivering Stage three works (Car Park and Senior Play Area) this financial year.





2020-21 Council Emergency Management Activities

November



Fire Prevention

- Victoria Fire Risk Register Bushfire (VFRR-B) Review
- Neighbourhood Safer Places - Bushfire Places of Last Resort (NSP-BPLRs) Annual Inspection

Annual Fire Hazard Inspection

(FPN)

Training

Introduction to Emergency Management
MFPO
MRM

Emergency and Risk Initiatives

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

May



June



July



Municipal Emergency Management Officer (MEMO) Training

MEMPC Meeting

Northern Grampians Emergency Relief Centre (ERC) Audits
Stawell, Marnoo, Navarre and St Arnaud.

Stawell ERC Exercise
Grampians Health Centre Joint Fire Management Planning Meeting regarding fuel reduction

Emergency Management Planning

Council has continued to monitor, review and action requirements of relevant EM legislation and guidance material, including the review and ongoing development of the Municipal Emergency Management Plan (MEMP) and associated sub plans. Council has implemented changes in response to the Emergency Management Legislation Amendment Act 2018, which came into effect on 1 December 2020.

The Northern Grampians Shire Municipal Emergency Management Planning Committee (NGS MEMPC) meets four times annually with very good participation and coordination being achieved with the relevant agencies and organisations that constitute the committee.

Council keeps abreast of strategic and regional planning through participation on the Regional Strategic Fire Management Planning Committee and the Regional Emergency Management Planning Committee. Involvement on these committees assists council to understand the changes being introduced throughout the state as a result of changes to EM processes being driven by Emergency Management Victoria and changes to EM legislation.

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

Grants and Funding Opportunities

Municipal Emergency Resource Funding (MERP) supplies grant funding for council's emergency management activities.

Stawell South Fuel Reduction Project

Council was approved to undertake fuel reduction works on two separate council properties in Stawell under the CFA's Regional Works Plan. The two properties are: 2-14 Hears Street (Old tip site) and Cnr Sutherland and Burgh Streets (Old Lake Oval).

Grampians Road Fuel Reduction Project

This project has resulted from a Municipal Fire Management Planning Committee action item and will treat an area of road reserve on the east side of Grampians Road. The current state of the road reserve presents a bushfire risk, a risk to road user safety and impedes road maintenance works.

Safer Together - Halls Gap Community Preparedness & Resilience Project.

Bushfire Recovery Victoria (BRV)- Funding received from BRV to undertake activities facilitating recovery and renewal following the Black Summer Bushfires in Victoria. Whilst NGSC was not directly impacted by these fires, we are listed as an eligible LGA.

Stakeholder Collaboration

Additional collaborative work includes the review of Neighbourhood Safer Places - Bushfire Places of Last Resort and the Victorian Fire Risk Register-Bushfire with the assistance of the Country Fire Authority (CFA) and other Municipal Fire Management Planning Committee members and stakeholders.

In partnership with the Department of Environment Land Water and Planning (DELWP), CFA, and Municipal Fire Prevention Officers we meet to discuss fire management issues such as setting restrictions for permits to burn and working with CFA and DELWP staff on fire management activities and fuel reduction and risk reduction strategies) has occurred throughout the year.

We also liaise with Regional Roads Victoria to discuss issues relating to Emergency Road Diversions.

Council has representation on the following committees:

- MEMPC (Municipal Emergency Management Planning Committee)
- MFMPC (Municipal Fire Management Planning Committee)
- Grampians REMPC (Grampians Regional Emergency Management Planning Committee)
- GREMTEC (Grampians Regional Emergency Management Training & Exercising Committee)
- MEMEG (Municipal Emergency Management Enhancement Group)

Additionally, we collaborate with CFA, Parks Victoria, DELWP, Grampians Tourism, and Melbourne University to investigate ways to address the lack of visitor understanding of the Halls Gap emergency risk landscape.

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

Vulnerable People in Emergencies

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

The MEMP contains information pointing to systems which indicate locations where vulnerable people might be located (eg schools, child care facilities, hospitals, intellectually disabled, disabled, and aged care facilities). It also recognises the need for these people to be encouraged to be prepared to relocate early if an emergency situation threatens and the need to work with the various service providers to ensure plans are in place for any assisted evacuations.

Emergency Response and Recovery Activities

Council continues to work with and support other agencies and the community during the COVID-19 pandemic. Council has also supported other agencies with several minor incidents during the year requiring EM activation.

Meeting Local Priorities

Council staff are provided with internal and external training to help prepare for their roles as Deputy Municipal Emergency Resource Officers, Deputy Municipal Recovery Managers, Vulnerable Persons Register Coordinators, and Municipal Emergency Coordination Centre Administrators. Several newly appointed staff completed the Victoria State Emergency Service Introduction to Emergency Management Course to ensure they understood the part they play in EM within the state. Two new staff also undertook the CFA's Municipal Fire Prevention Officer training.

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

Asset Initiatives



On the Road Again

In a bid to try and reduce ongoing road maintenance costs on gravel roads or improve road functionality and safety, council undertook several road upgrade projects. These projects included upgrading several rural residential roads, including Zalas Road, Black Range Road and Trajul Road. Hill and Thompson Streets in Halls Gap were upgraded from gravel to seal while works commenced on upgrading Watsons Lake Service Road in St Arnaud. Works commenced to realign the intersection of Slater and Evans Roads to cater for heavy vehicles and increase road safety. A 1.2km section of the Banyena Road was rehabilitated and widened.

Works were undertaken on three of Council's roads to widen the road seal width. 4.0km of Wedderburn Road and 9.2km of the Campbells Bridge Road was widened to a 6.2m seal to improve road safety. The

final stage of the Dunolly Road Widening Project has now been completed which has resulted in 19km of road widening to improve road safety.

Drainage improvement works were completed at Rose and Pascoe Lanes in Stawell. New kerb and channel works were completed at Grant Street in St Arnaud and Leslie Street in Stawell. Footpath installation was carried out at McLaughlin Street in Stawell, Millett Street in St Arnaud and works commenced on the Abattior Road footpath and lighting project. Works continued on the Halls Gap Bike Path with the Tymna Drive connection to Lakeside Caravan Park now complete. On top of this 1.8km of existing bike path from Brambuk to the Mini Golf Centre was upgraded with a new asphalt overlay.

Council's resheeting program renewed 53km of gravel roads while the resealing program renewed 39km of sealed roads.

Asset Initiatives



Airports Taking off

Time and effort has been put towards formulating the scope and exploring funding opportunities for Stawell Airport Stage 5,6 and 7. Grant funding was sourced in 2019-20 and Council was able to achieve a large section of perimeter vermin proof fence. Additional grant funding was received 2020-21 and works have commenced which will complete the installation of the remaining perimeter fencing. This fencing work is aimed at eliminating the risk of native animals entering the aerodrome creating an unnecessary hazard for pilots taking off and landing. Fencing works are expected to be completed November 2021.

Other works to be achieved with the 2020- 21 funding are:
Extension of the general apron area.

- Additional cables and tie-downs to provide additional apron parking.
- Reseal of the existing general apron area.
- LED lighting upgrade which will upgrade existing lights and reuse the Pilot Activated (PAALC) controls from the RAP1 upgrade.
- Line marking of both runways ,taxiways & apron areas.

These works are expected to be completed April 2022.

Additional work during 2020/21 has also been carried out for the subdivision of the hangar sites, which are aimed at the eventual sale of these sites to existing lease tenants. Subdivision certification is well underway with utility service providers approvals in progress and review of contract scope and documents needed for the subdivision certification progressing.

Bridge and Major Culvert Upgrades

Council completed 4 major culvert and bridge projects. Some of the completed works on the assets include deck strengthening to cater for heavy vehicle loads, upgrading guardrails to increase safety, and replacement of culverts which were at their end of useful life. Major strengthening works continued on two Landsborough Road Bridges and a Bridge on the Dunolly Road. Culvert replacement works were completed at the Willaring Road and guardrail upgrades were undertaken on a Dunolly Road Culvert and Wyndarra Road Culvert.

Buildings Improvements and Maintenance



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

Building Works 2020-21

North Park Multipurpose Clubrooms	New building and grounds as part of clubroom development project.
Cato Park Toilet Block	Renewal to align with the council's toilet renewal program, decorative steel panel installation
Halls Gap Public Hall	Refurbishment works including internal painting, sanding and recoating of floors, and installation of heating and cooling units
St Arnaud Childcare	Renovation of old storeroom to a new sleep room to allow for additional space for the centre.
Outdoor Park and Street Furniture	Rejuvenation works
Stawell Sports and Aquatic Centre	Toilets, showers and foyer refurbished. Outside pool and slide were repairs and repainting.
Stawell Town Hall	Window frames repaired, prepped and painted. Foyer recarpeting and interior of the Town Hall was repaired and painted.
Shop 108	Full internal repair, preparation and painting of the shop
Hank Neil Grandstand	Repairs and painting of steel and wooden parts of the grandstand.
St Arnaud Depot	Water meter improvements for washdown and fire prevention.
Navarre Clubrooms and Grandstand	Repairs and painting throughout facilities

Waste Initiatives

Initiatives

- Green Waste Trial shire wide to assist community with garden organics and ascertain data on green waste volumes and participation.
- Finalised the 2019/20 bin strap trail roll

out, targeting Halls Gap public litter concerns

- Initiated the “Wonders of Waste” e-newsletter to educate and offer information on the current waste services of council and inform the community of changes in the waste sector. Almost 100 residents have signed up and received this quarterly newsletter.
- Extended Kerbside Collection Contract- to align with the Recycling Reform timeline. Our current Kerbside Collection Contract collects 6,353 waste bins weekly and 6,204 recycling bins fortnightly- shire wide.
- Commenced Public Place Recycling trial in Halls Gap, assisting in increased volumes of waste during peak holiday periods. 18 new bin enclosures installed, bringing the total bins in Halls Gap CBD to 54 (24 recycling and 30 waste). Bin audits will be ongoing throughout 2021 to determine the effectiveness of the trial.





Plans

- Waste Management Strategy 2020-2030- completed and adopted by council, an overarching strategy that provides direction for council's waste services for the next ten years.
- Waste Action Plan was adopted by Council, detailing activities that will be undertaken to achieve the Waste Strategy objectives.
- Draft Transition Plan developed in preparation for the separation of glass and introduction of FOGO (Food Organic & Garden Organic) services, as per mandated changes in State Recycling Reform.

Project Funding

- Successful grant application for Organic Feasibility study which will be completed by early 2022- to research and assist with implementation for FOGO collection and processing, in preparation for the mandated requirements of the State Recycling Reform and Council Draft Transition Plan. The project is a shared study with surrounding councils, as to determine a means for a local, regional approach.
- Successful grant application for Transfer Station Upgrade which will be completed by 2023- to implement glass separation measures, in preparation for the mandated requirements of the State Recycling Reform and Council Draft Transition Plan.



Social, Community and Environment Initiatives



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, people in care relationships and the wider community by:

- Undertaking Home Support and home care assessments, including assessing the care and support which carers may need
- Holding annual Seniors Day celebration events across the municipality, recognising the important role of carers and providing opportunities for carers to participate
- Networking with and providing information to organisations that provide services and support to older people and their carers
- Advocating for carers' rights according to the Act in Positive Ageing client newsletters

Council induction and training programs for staff, contractors and volunteers include information about the principles and obligations of the Act.

Regional Assessment Service

Council provides the Regional Assessment Service for the local area, meaning that the council's trained assessment staff undertake face to face visits in the home with potential clients, to determine care needs, eligibility for services, and to develop a support plan which addresses client needs, goals and preferences.

During these assessments, clients are given information about costs and are able to choose their service/s of choice. Throughout 2020-21, the council has provided 250 regional assessments. Proudly, 100% of these were completed within the required timeframe set by the Australian Government.

Positive Ageing

The Positive Ageing Department has delivered an exceptional year of high quality services to 495 residents across the shire.

The fantastic Direct care workers have delivered a total of 17,087 service hours directly supporting shire residents.

A mix of staff and dedicated volunteers delivered 10,827 meals to residents living in Stawell and St Arnaud, coming fresh out of our two major health services East Wimmera Health Service and Stawell Regional Health. Due to new covid-19 infection control procedures, council staff are delivering meals during restricted periods. This will continue to be reviewed as per the State Government advice.



Children's Week 2020

Due to Covid-19 restrictions Children's Week transitioned to an event online. Children in the Northern Grampians Shire (primary school, kindergarten and playgroup children) were given the opportunity to submit a photo of a creative artwork that reflected the children's week theme of "Children have the right to choose their own friends and safely connect with others." Winners were selected for each category and were displayed in an online virtual art gallery. All participants received a certificate of participation and prizes were awarded for selected winners.



IDAHOBIT Day 2021

Northern Grampians Shire councilors assembled out the front of Stawell council chambers to participate in a flag raising ceremony for IDAHOBIT day. IDAHOBIT is internationally observed as a day to stand against homophobia, biphobia, interphobia and transphobia. To support community inclusion and safety for all, the ceremonial rainbow flag raising observed physical distancing requirements and was shared via our online community.



16 Days of Activism

Council proudly supported Respect Victoria to deliver its Respect Women: 'Call It Out' campaign. The campaign was part of the global 16 Days of Activism against Gender-Based Violence. Council worked in partnership with local artists, community service providers, and other groups to deliver a campaign over the 16 days to raise awareness and educate the community on respect and violence prevention. The theme of the 2020 campaign was 'Respect Is...' and messages of equality and respect were highlighted across the shire and the state.



10,827

Meals



17,087

Service Hours



495

Residents in our care

Social, Community Environment Initiatives

Supporting Our Community Groups

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

Projects that have benefited from Council funding in 2020/21 include:

Community Grant Recipients

Community Grant funding focusing on health and wellbeing and waste initiatives up to \$5000:

- St. Arnaud Citizens Band Inc for the St Arnaud Band Hall refurbishment
- Stawell Primary School installed hands free water stations (part funded)
- Stawell Gymnastics Club Inc. To hold Free G, Baby Gym, Move My Way & Fitter for Life gymnastics program
- Ararat and Stawell Archer Inc. purchased off grid solar power system for the clubrooms
- Wallaloo Golf Club renovated their club kitchen
- Stawell Golf Club Inc. Invested in new golf clubs and bags (part funded)



- Paradise Hall Committee installed a new switchboard
- St Arnaud Raillery Hub Inc. for new artwork displays (part funded)
- Marnoo Hall Inc. Upgraded the kitchen to improve hygiene
- Stawell Railway Station Gallery upgraded the flooring
- Buloke & Northern Grampians Landcare held events in St Arnaud during Landcare week
- Moco Gallery will hold Creative Workshops for the community
- St Mary's Primary School is upgrading the oval for the school and community groups to use
- Halls Gap Primary School is activating the Halls Gap community garden
- St Arnaud Primary School to purchase and install new bubble taps
- Grampians Studio and Gallery will support local artists to attend Grampians Brushes and Textures weekends
- St Arnaud Senior Citizens have purchased new chairs to improve comfort and safety for its members
- Stawell Football Netball Club purchased a portable electronic netball scoreboard
- St Arnaud ArtSpace will hold a 2021 Art Exhibition

Minor Grant Recipients

- St Arnaud Resource Centre purchased a digital notice board to keep the community informed
- Stawell Secondary College VCAL students built a vegetable garden
- Stawell Orchid Society purchased flags to advertise their orchid shows
- St Arnaud Community Kitchen held an Easter egg hunt event to celebrate easter
- Deb McSparron, Anna Sullivan, Leigh Johnston, Tania Dignan were supported to attend the VW Scramble Golf Championships on the Gold Coast
- Stawell Amateur Athletics Club bought an ipad for recording participant running times
- Glenorchy Improvement Group purchased a new battery for their community defibrillator

Community Events

Bazz Music - Halls Gap summer music events

Grampians Wine Makers - Grampians Wine Weekend

Stawell Ararat Cross Country - Lindsay Kent Memorial Fun Run

Run the Gap - Fun Run





Community Action Plans provide ideas, activities and actions to guide direction for community led alignment to council's strategic plans, and inform decision making for infrastructure, community programs and service delivery over the next four years.

Marnoo

The Marnoo community provided input into the community plan through one on one interviews, casual individual and group conversations and group gatherings such as school council and CWA. Key priorities included; scoping options for a shop to reopen, holding local and tourist events, increased housing, town beautification, development of new business and tourism opportunities, improved tennis club rooms, kitchen upgrade for the hall. On 8 February 2021 a Council briefing was held in Marnoo to explore the town while discussing opportunities to progress and enhance Marnoo identified by the community. After the tour a delicious lunch with a group of community members was held at the Marnoo Hub.

Navarre

After meetings with key community members and the school community a community meeting was held at the Navarre Memorial Hall with 16 community representatives, Councillors and council staff to discuss the priorities for the town into the future.

Council conducted a briefing at Navarre on 10 May to walk the sites and key places in the town before meeting at the recreation reserve to listen and discuss key messages from local community members.

Key priorities and opportunities described in the Community Planning Strategy for Navarre include:

- keeping the Navarre Store operating
- actioning the Navarre Recreational Reserve Master Plan
- installing wayfinding signage and a town entrance sign
- holding community and tourist events, a hall kitchen upgrade, improving drainage
- scoping options for Navarre to be an RV friendly town and holding activities for children.

Stawell Sports and Aquatic Centre (SSAC)

The team at SSAC developed a business plan to help support the centre develop and grow. The vision statement for SSAC is we are committed to providing fun and engaging programs and services to benefit the well-being of the community. The plan focuses on four key areas of: Staff, Customer Service, Participation and Financial Sustainability. Key pieces of work that will commence are:

- Customer Service Review
- Swim Program Review
- Membership Review

SSAC was closed due to the COVID-19 Global pandemic for 13.5 weeks, however we finished the year with 263 members and up to 274 Swim and Survive students during the peak summer months and had over 30,000 visits for the year.

During the closure period SSAC offered free virtual group fitness classes for the extended community, during this time we also focused on some maintenance and repair work, including infrastructure repairs, new carpet and new shower cubicles.

SSAC has seen a large demographic of patrons, however notably the 50+ age group has been a consistently committed group participating in our Active Aging classes and leading the way with technology to comprise the greatest portion of virtual group memberships during our COVID closure.

St Arnaud Early Learning Centre

St Arnaud Early Learning Centre is continuing to offer three long day care age group programs and two funded kindergarten programs. The newly funded 3 year old Kindergarten program has been well supported by families with ongoing positive feedback from families, educators and the Department of Education as we moved from 5hr sessions to 7.5hr sessions to suit our service.

Both the 3 & 4 year old Kindergarten children now have extended learning opportunities with these longer sessions. This allows them to have more focused learning experiences, relaxation time, self-help morning tea, group dance and pilates. As Covid outbreaks have limited the availability of performances, Kinder have involved families in sending home videos of their professions for the child to watch on the smart TV. These include dancing sessions, martial arts, farm tours and construction sites. The 4 year kinder group are also participating in the Resilience Project to help the children understand Gratitude, Empathy and Mindfulness through tailored weekly programs.

There are currently a total of 124 children enrolled at the service, including the kindergarten programs that have:

- 30 active four-year-old kinder children
- 25 active three-year-old kinder children

The centre has recently finished the construction of a new outdoor play space for the growing amount of children attending. With nature play based aesthetics, the playground is inviting and engaging for children of all age groups.

The service is at capacity in relation to staff/child ratios on most days and has a waiting list consisting of 0-3 years of age children.

St Arnaud Early Learning Centre (cont.)

The centre continues to stay open through pandemic state lockdowns to support the working and vulnerable families of St Arnaud. The service is participating in monthly family welfare meetings with local schools, Uniting Wimmera and Children's Services to collaborate unified support for families who have children across these education sites. This has also led to a pilot program: By Five, which includes two pediatricians joining these meetings. This program also provides the ELC with access to weekly pediatrician consultations and ongoing appointments for families in need.

School readiness funding has enabled the centre to utilise an existing employee to work more hours to be employed as a well-being officer who works closely with families and liaises with our onsite MCH nurse. The funding has also allowed a breakfast club for children introducing them to healthy eating.

Maternal and Child Health

Council continues to offer a Maternal and Child Health Service to families across the shire. An increase of births was noted during 2020/2021 compared to previous years, NGSC received 116 birth notifications.

MCH continued to run first time parent groups and for the first time this year the nurses ran a series of informative parent sessions covering a range of important parent topics.

MCH services were affected during COVID-19 lockdown periods but continued to be open at all times. Service delivery was adjusted and alternative options were utilised including telehealth. Face to face groups went online when necessary. All recommendations were followed as per DHHS/MAV guidelines.

The following home visits and key age and stage appointments were conducted by the nurses this year:

- Home visits -123
- 2 week KAS - 119
- 4 week KAS -123
- 8 week KAS - 111
- 4 month KAS 1-16
- 8 month KAS -105
- 12 month KAS -100
- 18 month KAS - 88
- 2 year KAS -86

Immunisation Service

Council Immunisation Service children aged 0-5 years

- Stawell : 149 children
- St Arnaud: 108 children

Influenza

Children received their influenza immunisation when they attended the regular monthly council immunisation session.

Stawell:

40 children, 0-5 years received an influenza vaccine.

St Arnaud:

42 children, 0-5 years received an influenza vaccine.

The total immunisations for NGSC for influenza last year was 190, this year was 82. This data is consistent with statewide data reflecting less uptake of the influenza vaccine.

The service continues to attend secondary schools and provide vaccinations for year seven and year ten students.

The immunisation online booking system remains in place to allow parents/carers to schedule children's immunisation appointments.

Supported Playgroup

Supported Playgroup is funded by the Department of Health and Human Services. In 2020/2021 Northern Grampians Shire Council was provided funding to employ one facilitator working part time 16 hours a week.

Supported playgroups were offered at the Stawell Library, Marnoo Primary School and the extra service of in-home support was also offered. Due to COVID 19 restrictions face to face playgroups were unable to be delivered at various times throughout the year. Staff adapted to restrictions by offering playgroup sessions online in a virtual capacity.

Supported playgroups provided extra support to families during these tough times by delivering craft packs to children and families. The Supported Playgroup facilitator also assisted with the Children's week online virtual art show which was a great success with primary schools, kinders and playgroups taking on the challenge of creating various artworks.

Moving forward Supported playgroups will continue to provide Northern Grampians Shire residents a vital service assisting vulnerable families and children.

Lord Nelson Park Multipurpose Clubroom Development

The Lord Nelson Park Multipurpose Sporting Facility Development forms part of Council's ten-year plan for the Lord Nelson Park St Arnaud Precinct. The upgrade will see the facility recognised as a key modern sport, recreation and community hub for the district.

When complete the facility will house a commercial grade kitchen, unisex, female-friendly change rooms inclusive of all abilities access, umpire amenities, a trainer and first aid room and inviting indoor and outdoor social spaces set to establish it locally as a very appealing venue for functions.

Federal MP Anne Webster attended the turning of the first sod ceremony on 3 May 2021 with councillors and members of the St Arnaud Recreation Advisory Group.

Stawell Parks Precinct Plan

Designed to focus on the spaces of Central Park, Cato Park and Norman Castle Reserve (previously referred to as Maud Street Dams), the project engaged the Stawell community in a process of consultation and feedback to inform the existing and future needs for the diverse spaces. Additionally, the examination of existing infrastructure, operational requirements and exploration of how the reserves can support and be an integral component of local community life has provided a reinvigoration of ideas for the spaces.

The plan, through the annual council budget process, has enabled the delivery of several key projects in 2020-21 including Cato Park Fountains, Cato and Norman Castle Reserve pathways, Central Park Ticket Booth Restoration, Waites Robson site planning, Cato Park Toilet construction and concept designs for Central Park female friendly changerooms and netball courts.

North Park Multipurpose Clubroom Development

North Park Multipurpose Clubroom Development was completed and officially opened to the community by Federal Member Anne Webster on 1 May 2021. Community members attended a walkthrough of the new building with council on 16 April and a timeline of final external works, primarily signage, landscaping and minor roadworks was outlined.

Completion of the external works will be completed once Swifts Football/Netball Club complete the 2021 season.

Walkers Lake

Recreational water continues to be a significant contributor to the social and economic wellbeing of rural communities. Walkers Lake continues to host many visitors for skiing, fishing, recreational and natural environment enjoyment.

The Walkers Lake Advisory Group has established a list of draft actions to commence the process to deliver the outcomes of the management plan over the next 12 months. A qualified consulting agency has been engaged to complete a full ecology and cultural heritage review of the lake to assist the advisory group in completing actions from the management plan.

Slashing was completed to reduce fire risk for the reserve and designated fire pits were placed in camping areas.

Grampians Lakes Fishing Competition

Perched in a large headworks water catchment area under the control of GWM Water, Northern Grampians Shire is host to several waterways that are critical to our region's environment and health through water supply. In a recent study, the Wimmera Southern Mallee Socio-Economic Value of Recreational Water report (a joint initiative of Wimmera Development Association, GWM Water, the Wimmera Catchment Management Authority, and Local Councils), Lake Fyans, in the heart of the Grampians tourism region, was the water facility generating the largest estimated contribution from visitors and other users, with overnight visitors making the overwhelming majority of this contribution.

This event was impacted by Covid-19 and did not proceed in 2020 and has also been cancelled for 2021.

Data and Information Initiatives

Business Transformation



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

Combining the key components of people, processes, technology and change management, council has continued to focus on the implementation of innovative solutions that provide integrated, easy to use, accessible services, prioritising customer experience,

digital first and data management in order to improve service delivery and customer experience.

This year saw a major project to convert from the Google environment to our new Microsoft 365 platform, in order to enable council to better collaborate with its neighbour councils, and to leverage the Microsoft platform to improve telecommunications and records management.

The project saw successful implementation of the Teams platform, supporting collaboration and a "working out loud" environment, along with systematic introduction of Microsoft applications to improve business efficiency. Implementation of the Teams calling platform to replace our ageing telecommunication system will see improved customer service, and migration to a modern approach to "in place" records management in the coming months will see increased efficiency and compliance with legislative requirements.

Our continuous improvement framework, LeaniNG Forward, has continued across the organisation, identifying and mapping current

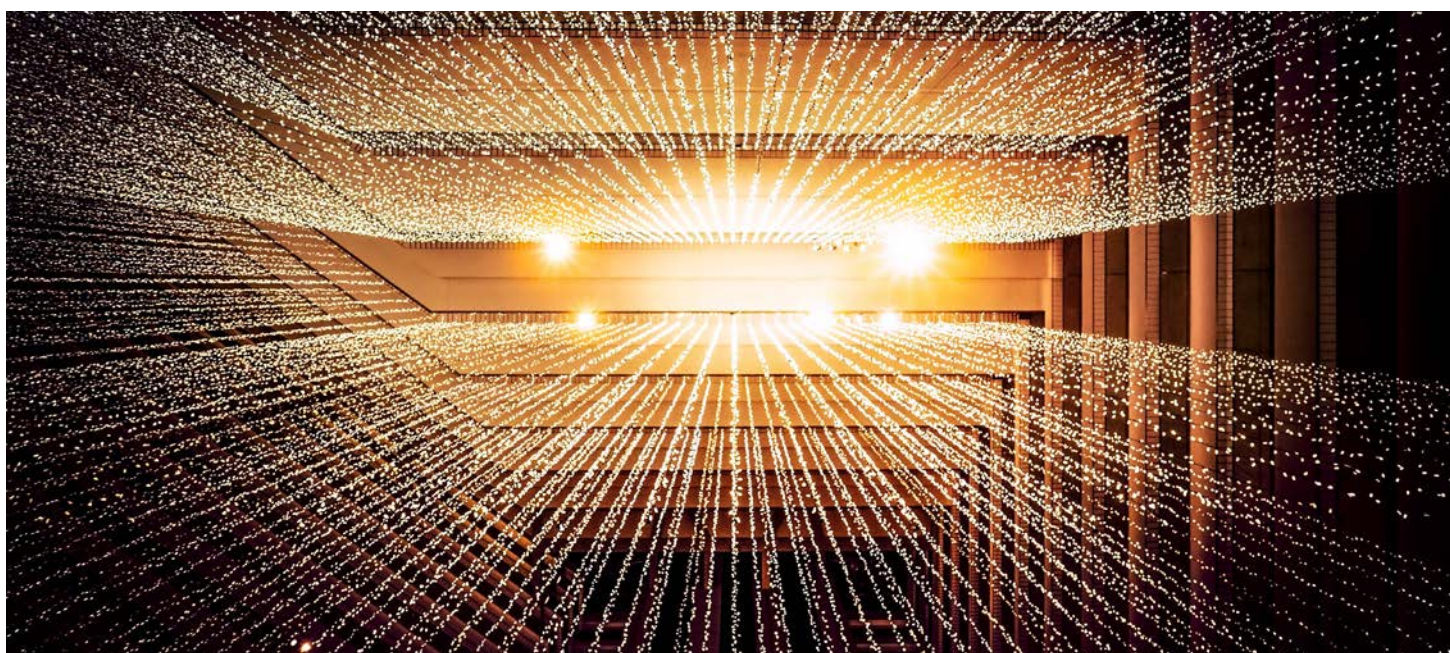
process to not only provide council with corporate knowledge to provide a consistent customer experience, but also the opportunity to analyse and improve service delivery.

Council is proud of its use of technology and with an innovative and progressive approach is working in partnership with a technology provider to implement improved process solutions identified through activities undertaken as part of the LeaniNG Forward framework. This, again, has seen new streamlined processes designed and implemented resulting in considerable reductions in administrative burden and improved customer experience.

With the continuing COVID-19 situation, over 100 employees continue to be supported with equipment and technology to enable 'working from home'.

Next year a review and update of council's Business Transformation Strategy is planned, and work will continue to be undertaken to improve future service delivery and further support our move towards a web enabled environment, with a customer first focus.

Governance Management and Other Information



The Northern Grampians Shire Council is constituted under the *Local Government Act 2020* to provide good governance of its municipal district for the benefit and wellbeing of the municipal community.

Council must in the performance of its role give effect to the overarching governance principles:

- council decisions are to be made and actions taken in accordance with the relevant law;
- priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- the municipal community is to be engaged in strategic planning and strategic decision making;
- innovation and continuous improvement is to be pursued;
- collaboration with other Councils and Governments and statutory bodies is to be sought;
- the ongoing financial viability of the Council is to be ensured;
- regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- the transparency of Council decisions, actions and information is to be ensured.

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. Council delegates the majority of its decision-making to council staff; these delegations are exercised in accordance with adopted council policies.

the community and Public Question Time is a regular feature at council meetings, giving residents the opportunity to ask questions on any council related matter.

During 2020-21 there were 11 council meetings and two unscheduled council meetings.

Council Meetings

Council meetings are held on the first Monday of each month at 12.30pm and venues for meetings alternate between Stawell and St Arnaud. Any additional unscheduled meetings or changes to the council meeting timetable are publicised through local media avenues. Meetings are open to members of

Councillor Briefings

Councillors and administration meet weekly, informally, for the purpose of discussing the business of Council. In 2020-21, 32 councillor briefings were held.

Councillor Meeting Attendance 2020-21

	Council	Unscheduled Council	Briefings
No. of Meetings	11	2	32
Cr Lauren Dempsey	7	1	19
Cr Kevin Erwin	11	2	32
Cr Murray Emerson	11	2	31
Cr Tony Driscoll	11	2	31
Cr Trevor Gready	6	-	16
Cr Rob Haswell	10	2	28
Cr Eddy Ostarcevic	4	-	10
Cr Karen Hyslop	4	1	13
Cr Jason Hosemans	4	1	11
Cr Merrilee Reid	4	1	12

Audit & Risk Committee Councillor Attendance

No. of Meetings	3
Cr Kevin Erwin	3
Cr Murray Emerson	2
Cr Karen Hyslop*	1

*to 9/11/2020

Councillor Code of Conduct

The *Local Government Act 2020* requires a Council to develop a Councillor Code of Conduct within four months after a general election. The purpose of the Code of Conduct is to set out the Standards of Conduct with which Councillors must comply and to describe the principles, values, standards and behaviours that will guide Council collectively and Councillors individually in fulfilling their role and functions. The Code of Conduct sets out the internal arbitration process and provides guidance in the event of any breach of the Code of Conduct and/or Standards of Conduct.

Councillors prepared the Code of Conduct in compliance with the relevant legislation and took the opportunity to include additional obligations, values and expectations as they considered that these would contribute to the good governance, integrity and responsible operation of Council.

The Code must be adopted by a formal resolution of the Council and passed by at least two-thirds of the total number of Councillors elected to the Council. Council's Code was adopted at a Council Meeting on 1 February 2021 and at the time each councillor took the Oath of Office following the Council election they made a declaration they they had read and will abide by the Northern Grampians Shire Councillor Code of Conduct.

Conflict of Interest

By its very nature, local government is close to the community and it must be clear that personal or private interests do not affect the way duties for council are performed or compromise the ability to act in the public interest. Councillors are elected by the residents and ratepayers to act in the best interests of the community and that 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. The LGA 2020 defines the circumstances when there may be a conflict of interest and describes the actions that must be taken when a conflict exists. Council's Governance Rules set out the procedures by which conflicts of interest must be declared.

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 conflicts of interests. During 2020-21 eight conflicts of interest were declared at council meetings and four conflicts of interest at informal meetings of councillors.

It is a new requirement of the Local Government Act 2020 that councils must have a Councillor Gift Policy and council's policy adopted on 12 April 2021 includes procedures for the maintenance of a gift register. The 2020 Act also requires that Council's Code of Conduct for Staff must include a gifts policy and in developing the Councillor Gift Policy, council amended the existing Gifts, Benefits & Hospitality Policy for Council staff.

Councillor Allowances

Mayors and councillors are entitled to receive an allowance while performing their duty as an elected official. The Victorian Government sets the levels for allowances paid and while the Local Government Act 2020 transfers responsibilities in determining allowances to the Independent Remuneration Tribunal, in 2020-21 the allowance framework under the Local Government Act 1989 continued to apply. Council reviewed the allowances for a Category 1 council and on 28 June 2021 set the councillor allowance at \$21,049pa and the mayoral allowance at \$62,884.

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

Councillor Expenses

Councillors and delegated committee members are to be supported in undertaking their duties by assuring that reimbursement of expenses and access to resources and support are provided in an equitable manner to cater for their full participation in council business, while also recognising individual needs and circumstances. In accordance with the Local Government Act 2020 council adopted its Council Expenses Policy on 3 August 2020.

The policy provides guidance on the reimbursement of out of pocket expenses and provision of support for councillors and members of delegated committees of council to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official council duties. Guidance is also included on entitlements, the process for reimbursement and reporting requirements.

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. 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 and Risk Committee

Council must establish an Audit and Risk Committee, an independent advisory committee to council, established to:

- monitor the compliance of council policies and procedures with overarching governance principles and relevant legislation;
- monitor council financial and performance reporting;
- monitor and provide advice on risk management and fraud prevention systems and controls.

Allowances and Expenses Paid to Councillors

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

Councillors	Allowance \$	Remote Area Travel Allowance \$	Council paid expenses directly \$	Total \$
Cr Murray Emerson (Mayor)	68,858.04	80.00	21,034.66	89,972.70
Cr Lauren Dempsey	16,914.73	80.00	7,721.52	24,716.25
Cr Kevin Erwin	24,597.61	80.00	3,626.77	28,304.38
Cr Tony Driscoll	24,597.61	440.00	3,245.00	28,282.61
Cr Trevor Gready	15,651.76	0.00	2,975.23	18,626.99
Cr Rob Haswell	24,812.11	0.00	3,029.70	27,841.81
Cr Eddy Ostarcevic PhD	9,303.35	120.00	3,036.35	12,459.70
Cr Jason Hosemans	7,682.88	0.00	0.00	7,682.88
Cr Karen Hyslop	8,369.03	0.00	0.00	8,369.03
Cr Merrilee Reid	7,682.88	200.00	34.90	7,917.78
Total	208,470.00	1,000.00	44,704.13	254,174.13

Allowances and Expenses Paid to Councillors

The Local Government Planning and Reporting Regulations 2014 require councils to detail councillor expenses in their Annual Reports in five distinct categories and the above summary of Council paid expenses amounting to \$44,704.13 is detailed below into these categories:

Councillors	Travel Expenses	Car Mileage	Childcare	Information & Communication Technology	Conference & Training Expenses
Cr Murray Emerson (Mayor)	324.00	15,960.34	0.00	2,553.00	2,197.32
Cr Lauren Dempsey	365.72	35.66	0.00	2,573.00	4,747.14
Cr Kevin Erwin	0.00	233.07	0.00	2,736.56	657.14
Cr Tony Driscoll	0.00	106.21	0.00	2,372.56	766.23
Cr Trevor Gready	0.00	0.00	0.00	2,209.00	766.23
Cr Rob Haswell	0.00	0.00	0.00	2,372.56	657.14
Cr Eddy Ostarcevic PhD	0.00	61.12	0.00	2,209.00	766.23
Cr Jason Hosemans	0.00	0.00	0.00	0.00	0.00
Cr Karen Hyslop	0.00	0.00	0.00	0.00	0.00
Cr Merrilee Reid	0.00	34.90	0.00	0.00	0.00
Total	689.72	16,431.30	0.00	17,025.68	10,557.43

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

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 2020, and is supported by council's Audit Committee Guidelines.

The Audit and Risk Committee consists of three independent members and two councillors. Sitting independent members are Mr Peter Knights (Chair), Mr Tony Roberts and Mrs Lynn Jenz. 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 and Risk Committee meets at least four times a year and has authority to convene additional meetings, as circumstances require.

The Chair is paid an annual allowance of \$2,000 and the independent members a remuneration of \$250 per meeting attended.

Audit & Risk Committee Independent Members	Remuneration
Mr Peter Knights	\$2000
Mr Tony Roberts	\$0 (Donates time)
Mrs Lynn Jenz	\$750.00
Total	\$2750

Records Management

Council has particular responsibilities under the Public Records Act 1973 and has a current Records Management Policy which establishes a council wide consistency in the management of records and a framework for the creation, capture, access, management, storage and disposal of records of all agency functions, irrespective of format, within the council. Council also has a current Records Digitisation Policy which establishes a framework for the conversion of hard copy documents (source records) to digital format and the subsequent disposal of the source records.

The policy is supported by the Records Digitisation Procedure which outlines the digitisation process in detail so that full, accurate and complete converted records will be generated. It is mandatory for all Victorian government agencies that are digitising physical records with the view to disposing of the physical source records to comply with Public Records Office of Victoria (PROV) Digitisation Specifications.

Memberships

Council was a member of the following organisations during the 2020-21 year:

- Aquatics & Recreation Victoria
- Australasian Performing Right Association Pty Ltd
- Australian Airports Association
- Civil Contractors Federation
- Compelling Economics (REMPLAN)
- Dial Before you Dig Vic/Tas
- Employment Office Australia Pty Ltd
- FOI Assist Pty Ltd
- Greendesk Pty Ltd
- Ibis World Pty Ltd
- ID Consulting Pty Ltd
- International Association for Public Participation
- IPWEA Victorian Division
- Life Saving Victoria Ltd
- Lift Brands (Australia) Pty Ltd
- Local Government Professionals (LGPRO Incorporated)
- Municipal Association of Victoria
- Municipal Works Australia
- North West Municipalities Association
- Position Partners Pty Ltd
- Rail Freight Alliance
- Revenue Management Association
- Rural Councils Victoria Incorporated
- SAI Global Australia Pty Ltd
- Standards Australia
- TaxEd Pty Ltd
- Technogym Australia Pty Ltd
- TenderLink.com
- Vicsport
- Victorian Local Governance Association
- Victorian Municipal Building Surveyors
- Wimmera Development Association

Organisational Risk Management

During 2020-21, Council registered all of its strategic and operational risks into new risk management software that has the ability to manage risk performance and provide a simple reporting mechanism to inform the Audit & Risk Committee and Executive on the highest risks facing council, treatment plans developed and actioned and the meeting of timeframes. Together with the Risk Management Strategy 2021, this ensures that council and management have a common and clear view of the purpose of risk management, the activities to be pursued and the plan to build risk management capability and maturity.

The Risk Committee met quarterly and over this period the matters considered by the committee included:

- Review of findings from Local Government Inspectorate/Ombudsman reports
- Monitoring of implementation and compliance with relevant legislative updates
- Review of internal/external audit findings and best practice forums for improvement opportunities
- Review of new and updated Council policy and strategy to ensure inclusion of adequate risk control measures
- Review of high risk incidents including any privacy breaches
- Monitoring and reporting risk management maturity objectives to the Executive Leadership Team and the Audit Committee
- Setting risk management key performance indicators.

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.

Freedom of Information

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

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

Council received three requests under Freedom of Information for the period 1 July 2020 to 30 June 2021. Access was granted in full for two requests and one request did not proceed. There were no applications for review of a decision made and no disciplinary action taken against any person in respect of the administration of the Act. The amount of

\$86.70 in fees was collected and \$28.90 in fees waived by council.

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

Public Interest Disclosures

The *Public Interest Disclosures Act 2012* (the Act) aims to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures.

In accordance with section 69 of the Act a council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. Procedures on how to make a disclosure are publicly available on council's website.

Council is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year. During 2020-2021 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.

Australia Day Awards 2021

In 2021, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo and Stuart Mill.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassador Sally Tucker.

Kara Kara Ward

- Citizen of the Year - Troy Hendy
- Senior Citizen of the Year - Gordon Wright
- Young Citizen of the Year - Callum Edwards
- Community Event of the Year - St Arnaud Young Farmers

Stawell, Central and South West Wards

- Citizen of the Year - Ian and Margaret Taylor
- Local Hero - Kerry Wilson
- Young Citizen of the Year - Taia Hayter
- Community Event of the Year - Stawell Regional Health Y-Zetts



Governance and Management Checklist



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

Governance and Management Items		Assessment	
1.	Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Council adopted a Community Engagement Policy in line with the new LGA 2020 on 1 March 2021.	✓
2.	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Council uses the guidelines set out in its Community Engagement Policy which was adopted on 1 March 2021	✓
3.	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Strategic Resource Plan adopted in accordance with section 126 of the Act. Date of adoption: N/A	✓
4.	Annual Budget (plan under s.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: 28 June 2021	✓
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)	Council developed a new Sustainable Asset Management Strategy V3 in September 2020 Date of operation of current plans: N/A	✓
6.	Rating Strategy (strategy setting out the rating structure of council to levy rates and charges)	Council adopted its Revenue and Rating Policy on 28 June 2021. Date of operation of current strategy:	✓
7.	Risk Policy (policy outlining council's commitment and approach to minimising the risks to Council's operations)	Risk Management Policy in place Date of operation of current policy: 6 May 2019	✓
8.	Fraud Policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Fraud Prevention Policy in place. Date of operation of current policy: 30 June 2017	✓
9.	Municipal Emergency Management Plan (plan under section 20 of the 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 adoption of V4 of plan: 2 June 2020	✓
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: 7 October 2019	✓
11.	Business Continuity Management Framework (incl Business Continuity Management Plan) (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan currently being reviewed Date of approval: 18 February 2014	✓
12.	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Included in the Business Continuity Management Plan, currently being reviewed Date of approval: 18 February 2014	✓
13.	Risk Management Framework (framework outlining council's approach to managing risks to the council's operations)	The Risk Management Framework forms a part of the council's Risk Management Strategy. Date of approval: 7 May 2021	✓
14.	Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: Council's Audit & Risk Committee was established on 3 August 2020	✓
16.	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Local Government Performance Reporting Indicators Policy and Procedure in place Date of adoption by Senior Leadership Team: 25 August 2015	✓

Governance and Management Checklist (cont.)

Governance and Management Items	Assessment
17. Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Action Plan adopted by Council on 6 September 2021 provides the key actions that Northern Grampians Shire Council will deliver over the next 12 months to accomplish the strategic objectives set out in the Council Plan. Council Plan 2021-25 adopted by Council on 28 June 2021. CAMMS software populated to track the Council Plan objectives, strategies and actions for 2021-25. ✓
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act Date statements presented: 23/11/2020; 01/02/2021; 28/06/2021 and scheduled for 4/10/2021 ✓
19. Risk reporting (regular reports to Audit Committee of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reporting is understood to be an important area for Local Government. The Risk Committee monitors strategic and operational risks and reports to the Executive Leadership Team monthly and to each Audit & Risk Committee meeting to provide the opportunity to comment on Council's direction and operational management of risk. In 2020-21 the Audit & Risk Committee received an update from officers about the new risk management framework and regular reporting process commenced. Dates of Audit Committee Meetings: 16 September 2020; 2 December 2020; 3 March 2021 ✓
20. Performance reporting (six monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Performance reporting legislation progress report provided to council for the six months ended 31 December 2018. Date of report: 1/7/2018-31/12/2018 reported to council 9/4/2018 ✓
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Annual Report considered at a meeting of council in accordance with section 134 of the Act. Date statements presented: 20 September 2021 18 October 2021 ✓
22. Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Councillor Code of Conduct reviewed in accordance with section 76C of the Act Date reviewed: 1 February 2021 ✓
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act, sections 11 and 47 LGA 2020 ✓ Date of Review: 5 March 2021
24. Meeting procedure (a local law governing the conduct of meetings of council and special committees)	Meeting Procedure Local Law 2020 made in accordance with section 91(1) of the Act revoked and replaced with Governance Rules and Common Seal and Miscellaneous Penalties Local Law 2020 Date Governance Rules and local law made: 3 August 2020 ✓

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

	
Liana Thompson Chief Executive Officer Dated: 30 June 2021	Cr Murray Emerson Mayor Dated: 30 June 2021

Environment and Community Safety Initiatives

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 2017-21 on 2 October 2017 and it was developed through consultation with council's Community Safety Team and consideration of input from other council departments, animal welfare groups and legislative agencies. The purpose of the DAMP is to:

- Document current processes and practices under NGSC animal management responsibilities
- Increase compliance with the Domestic Animals Act 1994
- Increase pet owners' knowledge of the principles of responsible pet ownership
- Enhance community safety and awareness
- Assist the Bureau of Animal Welfare to achieve its stated objectives of reducing the numbers of dogs and cats being euthanised
- Maximise the numbers of dogs and cats that are registered in the NGSC municipality
- Take community views on animal

management matters into account

- Comply with the relevant provisions of the Domestic Animals Act 1994.
- NGSC DAMP 2017-21 review has shown areas of success of the DAMP 2017-21:
- Community Safety Officers held two microchip and registration days across the shire
- All impounded animals were registered prior to release
- "Responsible Pet Ownership" education has been distributed to resident pet owners
- Increase in distribution of cat traps to reduce feral cat population in shire
- A reduction in reports of dogs wandering at large
- A reduction in menacing dog declarations
- Created a customer friendly and accessible electronic medium for residents to adopt and reclaim animals



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.

Digital Annual Health Registration Renewals

Council's requirements under the Public Health and Wellbeing Act 2008 and Food Act 1984, require particular food, prescribed accommodation and health premises to be registered with Council. Registration and review of registration ensures appropriate information is gathered, allows for regular inspections to take place and informs/educates properties of new/updated legislative requirements. These requirements ensure reasonable standards of hygiene, sanitation and maintenance are undertaken, reducing the risk of spreading communicable diseases and food is safe for public consumption.

Over the past 12 months, the Environmental Health Team has converted the registration renewal process to digital, allowing for a simple, convenient customer interface. This project has been well received by the local properties, reducing the burden of the annual process, setting clear convenient means of communication while reducing red tape and administrative burden on officers.

Women in Building Surveyors Program

Launched as part of the 2020-21 State Budget, the Women Building Surveyors Program commits \$6.3 million over two years to give 40 women new opportunities to become building surveyors with councils across Victoria.

Council was successful in the recruitment of a Cadet Building Surveyor and participation in the program which provided council with \$75,000 a year to allow the Cadet begin the professional qualifications, gain work experience and attend development opportunities.

Council involvement in the program is aimed to build local professional capacity in the building sector and provide greater confidence in council's workforce capacity moving into the future.

Financial Sustainability Initiatives

Keeping Financials in Check

Council continues to meet its reporting and accountability requirements. The Audit and Risk Committee, consisting of two councillors and three external representatives, meet during each financial year as set out in the Audit and Risk Committee Charter. The committee's role is to focus on identified risks to the organisation, risk management, financial and governance responsibilities and to review processes to provide assurance regarding the council's performance.

Work towards long term sustainability is ongoing. Council has been systematically assessing its services to review what is offered and how it is offered. The aim is to better match the services provided to that expected by the community at a value they are prepared to pay. In the process council seeks to provide services in a smarter and more innovative way. The State Government rate cap has put a limit on income Council can generate thereby necessitating annual service reviews to ensure our services remain sustainable..

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



...these reviews will mean making difficult decisions and changing the services we deliver to the community... to ensure financial sustainability in the long-term.

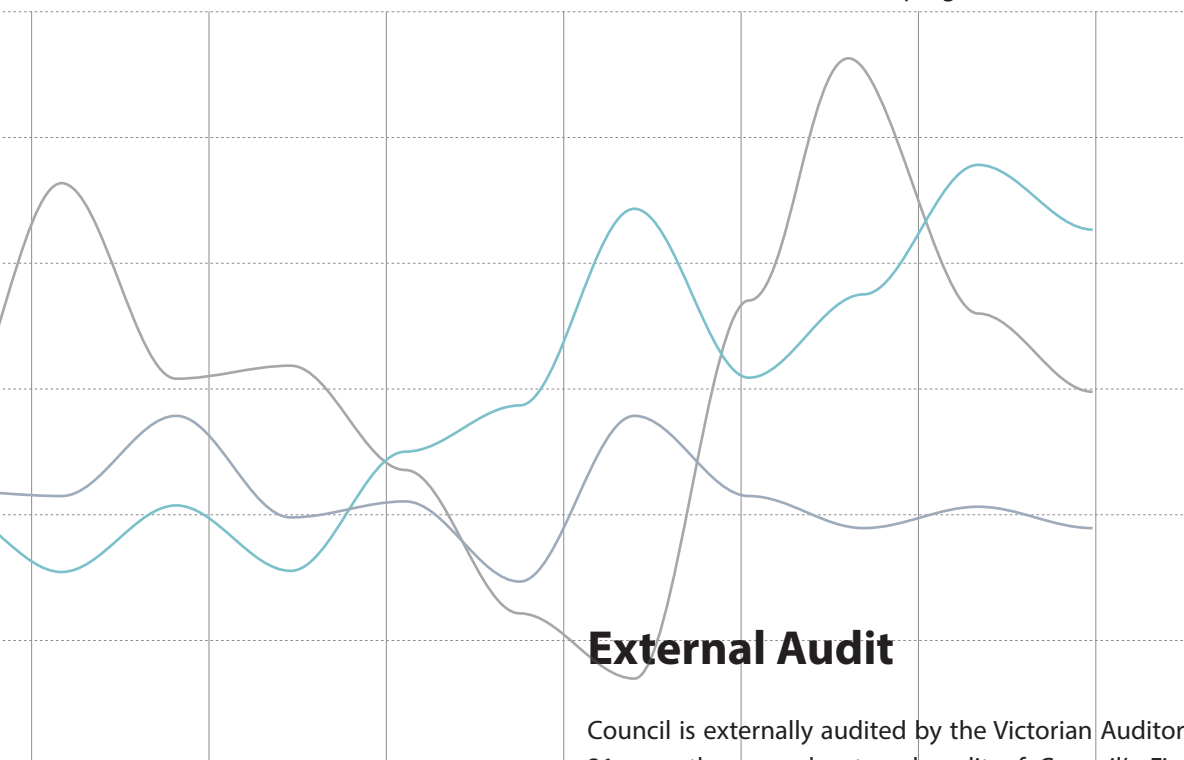


Internal Audit

Council is reviewing the internal audit function that is designed to provide independent and objective assurance that the appropriate processes and controls are in place across council. Internal audit projects are selected from items deemed to be of inherently high risk and appropriately qualified persons/organisations are engaged to undertake the audit. Third party audits and inspections by WorkSafe are reviewed by the Audit and Risk Committee and progress

on addressing any issues raised is monitored.

Major reviews undertaken during 2020-21 included the Occupational Health and Safety management report, Worksafe Audit, review of the findings into the VAGO Local Road Maintenance Efficiency Audit as well as a review and amendment to the Procurement Policy control environment.



External Audit

Council is externally audited by the Victorian Auditor-General. For the 2020-21 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 & Risk Committee.

Northern Grampians Shire Council

Financial Report

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Certification of the Financial Statements

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



Malcolm Lewis, FCPA
Principal Accounting Officer

Date : 29 September 2021
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2021 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
Mayor

Date : 29 September 2021
Stawell



Cr Kevin Erwin
Councillor

Date : 29 September 2021
Stawell



Ms Liana Thompson
Chief Executive Officer

Date : 29 September 2021
Stawell

Independent Auditor's Report

To the Councillors of Northern Grampians Shire Council

Opinion	<p>I have audited the financial report of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2021 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cashflows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2021 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

MELBOURNE
5 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Income			
Rates and charges	3.1	18,260	17,857
Statutory fees and fines	3.2	455	370
User fees	3.3	1,434	1,582
Grants - operating	3.4	12,572	11,036
Grants - capital	3.4	6,810	8,029
Contributions - monetary	3.5	193	668
Assets recognised for the first time	3.6	99	-
Reversal of restoration provisions	5.5	(5)	45
Share of net profits/(loss) of associates	6.3	218	7
Other income	3.7	836	426
Total income		40,872	40,020
Expenses			
Employee costs	4.1	(16,952)	(13,218)
Materials and services	4.2	(9,997)	(9,710)
Depreciation	4.3	(13,750)	(12,066)
Amortisation - Right of use assets	4.4	(114)	(105)
Bad and doubtful debts	4.5	2	(76)
Borrowing costs	4.6	(93)	(111)
Finance Costs - Leases	4.7	-	(3)
Net loss on disposal of property, infrastructure, plant and equipment	4.8	(3,124)	(1,553)
Other expenses	4.9	(1,127)	(1,701)
Total expenses		(45,155)	(38,543)
Surplus/(deficit) for the year		(4,283)	1,477
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.2	-	12,373
Share of other comprehensive income of associates	6.3	-	(63)
Total comprehensive result		(4,283)	13,787

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

Balance Sheet As at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	30,232	27,208
Trade and other receivables	5.1 (c)	1,948	1,979
Inventories	5.2 (a)	138	58
Non current assets classified as held for sale	6.1	-	66
Other assets	5.2 (b)	30	212
Total current assets		32,348	29,523
Non-current assets			
Trade and other receivables	5.1 (c)	9	9
Investment in associates	6.3	416	197
Property, infrastructure, plant and equipment	6.2	431,959	435,226
Right-of-use assets	5.8	95	209
Total non-current assets		432,480	435,641
Total assets		464,828	465,164
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	3,622	2,373
Trust funds and deposits	5.3 (b)	6	123
Unearned Income	5.3 (c)	4,601	1,752
Provisions	5.5	3,305	2,874
Interest-bearing loans and borrowings	5.4	1,092	218
Lease liabilities	5.8	87	114
Total current liabilities		12,713	7,454
Non-current liabilities			
Provisions	5.5	380	313
Interest-bearing loans and borrowings	5.4	1,097	2,189
Unearned Income	5.3 (c)	600	800
Lease Liabilities	5.8	-	87
Total non-current liabilities		2,077	3,389
Total liabilities		14,790	10,843
Net assets		450,038	454,321
Equity			
Accumulated surplus		129,101	134,212
Reserves	9.1	320,937	320,109
Total Equity		450,038	454,321

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

Statement of Changes in Equity For the Year Ended 30 June 2021

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2021					
Balance at beginning of the financial year		454,321	134,212	314,487	5,622
Surplus/(Deficit) for the year		(4,283)	(4,283)	-	-
Transfers from other reserves	9.1	-	(828)	-	828
Balance at end of the financial year		450,038	129,101	314,487	6,450

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		440,534	133,929	302,114	4,491
Surplus/(Deficit) for the year		1,477	1,477	-	-
Net asset revaluation increment	9.1	12,373	-	12,373	-
Net asset revaluation in associates	6.3	(63)	(63)	-	-
Transfers from other reserves	9.1	-	(1,131)	-	1,131
Balance at end of the financial year		454,321	134,212	314,487	5,622

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

Statement of Cash Flows For the Year Ended 30 June 2021

	Note	2021 Inflows/ (Outflows) \$'000	2020 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		18,246	17,751
Statutory fees and fines		455	370
User fees		1,461	1,296
Grants - operating		12,572	11,036
Grants - capital		6,810	8,029
Contributions - monetary		193	668
Trust funds and deposits taken/(paid)		(117)	15
Other receipts		1,009	492
Net GST refund / (payment)		(10)	386
Employee costs		(16,458)	(13,457)
Materials and services		(6,173)	(7,467)
Other payments		(1,127)	(1,547)
Net cash provided by operating activities	9.2	16,861	17,572
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(13,612)	(10,903)
Proceeds from sale of property, infrastructure, plant and equipment		171	101
Loans and advances		29	21
Net cash used in investing activities		(13,412)	(10,781)
Cash flows from financing activities			
Finance costs		(93)	(111)
Repayment of borrowings		(218)	(211)
Interest paid - lease liability		-	(3)
Repayment of lease liabilities		(114)	(113)
Net cash used in financing activities		(425)	(438)
Net increase in cash and cash equivalents		3,024	6,353
Cash and cash equivalents at the beginning of the financial year		27,208	20,855
Cash and cash equivalents at the end of the financial year	5.1 (a)	30,232	27,208
Financing arrangements	5.6		
Restrictions on cash assets	5.1 (b)		

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

Statement of Capital Works For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
Property		
Land improvements	600	-
Total land	600	-
Buildings	3,805	1,443
Total property	4,405	1,443
Plant and equipment		
Plant, machinery and equipment	257	1,030
Library resources	-	400
Computers and telecommunications	26	17
Total plant and equipment	283	1,447
Infrastructure		
Roads	6,872	5,387
Bridges	604	1,425
Footpaths and cycleways	772	657
Drainage	311	190
Parks, open spaces and streetscapes	365	755
Total infrastructure	8,924	8,414
Total capital works expenditure	13,612	11,304
Represented by:		
New asset expenditure	6,212	2,245
Asset renewal expenditure	5,250	6,319
Asset upgrade expenditure	2,150	2,740
Total capital works expenditure	13,612	11,304

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

OVERVIEW

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*.

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 AASB's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- the determination of landfill provisions (refer to Note 5.5)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- other areas requiring judgments

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation (except where transitional requirements of AASB 15 Revenue from Contracts with Customers, AASB 16 Leases and AASB 1058 Income of Not-for-Profit Entities do not require restatement of comparatives under the modified retrospective approach adopted by the Council), and disclosure has been made of any material changes to comparatives.

OVERVIEW (cont)

(b) Impact of COVID-19 crisis on council operations and 2020-21 financial report

On 11 March 2020, COVID-19 was declared as a global pandemic by the World Health Organisation. Since then, various measures were taken by all three levels of Government in Australia to reduce the spread of COVID-19. This crisis and measures taken to mitigate it has impacted council operations in the following areas for the financial year ended 30 June 2021:

During the 2020/21 financial year Council's sports and aquatic centre experienced a reduction in attendance resulting in an estimated loss of revenue in the order of \$0.36m compared to budget. This loss of income was offset by savings in the areas of tourism and events that was partly due to the ongoing impact of COVID-19 lockdowns and restrictions.

Council provided waiver of some user fees and rental income pursuant to the COVID-19 Financial Support and Hardship Policy. The impact of this policy resulted in the waiver of user charges plus penalty rates interest that totalled in the order of \$0.16m.

There was minimal impact on staffing costs as the majority of impacted staff were able to be redeployed.

Council received a total of \$1.11m Working for Victoria allocation to fund additional staff positions that was expended during the 2020/21 financial year. In addition an amount of \$0.31m was received for business hospitality and support to provide relief from the impact of COVID enforced lockdowns.

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 1 Performance against budget

The performance against budget 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 \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 22 June 2020. The Budget was based on assumptions that were relevant at the time of adoption. Council sets guidelines and parameters for income and expense targets in the 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 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

1.1 Income and expenditure

	Budget 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Income					
Rates and charges	18,262	18,260	(2)	0%	
Statutory fees and fines	318	455	136	43%	
User fees	1,258	1,434	176	14%	
Grants - operating	6,822	12,573	5,751	84%	1
Grants - capital	5,617	6,810	1,193	21%	2
Contributions - monetary	98	193	95	97%	
Reversal of restoration provisions	-	(5)	(5)	100%	
Assets recognised for the first time	-	99	99	0%	
Share of net profits/(loss) of associates	-	218	218	100%	
Other income	703	836	133	19%	
Total income	33,078	40,873	7,794	24%	
Expenses					
Employee costs	(16,169)	(16,952)	(783)	5%	3
Materials and services	(10,065)	(9,998)	68	-1%	
Depreciation	(11,378)	(13,750)	(2,372)	21%	4
Amortisation - Right of use assets	(99)	(114)	(15)	100%	
Bad and doubtful debts	-	2	2	100%	
Borrowing costs	(102)	(93)	9	-9%	
Finance Costs - Leases	(3)	-	3	100%	
Net loss on disposal of property, infrastructure, plant and equipment	-	(3,124)	(3,124)	100%	5
Other expenses	(1,455)	(1,127)	328	-23%	6
Total expenses	(39,271)	(45,156)	(5,885)	15%	
Surplus for the year	(6,193)	(4,283)	1,910	-31%	

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - Operating	Financial assistant grants of \$4.3m due 2021-22 received during the 2020-21 financial year. A further \$0.3m was received for the Early Learning Centre grants mainly due to the impact from COVID-19. Allocation of \$0.2m for major events not included to the adopted budget. Additional \$0.4m grant income to fund fire prevention and bushfire management.
2	Grants - Capital	The additional Income mainly relates to the Federal Government allocation for the Local Roads and Community Infrastructure Fund not known at the time of budget adoption.
3	Employee Costs	Variance mainly due to increased provision for Long Service Leave \$0.4m and increased provision for Annual Leave \$0.2m not anticipated at the time of budget adoption.
4	Depreciation	Higher depreciation expenses is mainly due to the impact of the 2019-20 prior year road asset revaluation not known at the time of budget adoption.
5	Net loss on Disposal of Property, Infrastructure, Plant & Equipment	Net loss is due to the need to write off the un-depreciated book value of assets that were replaced during the course of the financial year.
6	Other Expenses	Lower than expected expenditure in the areas of tourism and major events that was partly due to the impact of COVID-19.

Notes to the Financial Report
For the Year Ended 30 June 2021

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget adopted 2021 \$'000	* Budget reclassified 2021 \$'000	Actual 2021 \$'000	Variance 2021 \$'000	Variance 2021 %	Ref
Property						
Land	-	-	-	-	0%	
Land improvements	-	900	600	(300)	-33%	
Total Land	-	900	600	(300)	-33%	1
Buildings	1,750	4,395	3,805	(590)	-13%	
Total Buildings	1,750	4,395	3,805	(590)	-13%	2
Total Property	1,750	5,295	4,405	(890)	-17%	
Plant and Equipment						
Plant, machinery and equipment	685	685	257	(428)	-62%	3
Fixtures, fittings and furniture	-	-	-	-	0%	
Library resources	-	-	-	-	0%	
Computers and telecommunications	-	-	26	26	0%	
Total Plant and Equipment	685	685	283	(402)	-59%	
Infrastructure						
Roads	4,636	4,597	6,872	2,275	49%	4 & 5
Bridges	1,125	1,125	604	(521)	-46%	6
Footpaths and cycleways	130	199	772	573	288%	4 & 7
Drainage	65	88	311	223	253%	4 & 8
Parks, open spaces and streetscapes	5,001	1,403	365	(1,038)	-74%	4 & 9
Total Infrastructure	10,957	7,412	8,924	1,512	20%	
Total Capital Works Expenditure	13,392	13,392	13,612	220	2%	
Represented by:						
New asset expenditure	1,901	1,901	6,212	4,311	227%	
Asset renewal expenditure	7,886	7,886	5,250	(2,636)	-33%	
Asset upgrade expenditure	3,605	3,605	2,150	(1,455)	-40%	
Total Capital Works Expenditure	13,392	13,392	13,612	220	2%	

* Budget reclassified - Council reclassified projects between asset classes to align the Budget with the disclosure of Note 6.2 Property, Infrastructure, Plant and Equipment.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land	\$0.3m of land budget variance relates to the Open Spaces SMART Waste Technology project that commenced during 2020-21 but is still in early stages and will carry forward to 2021-22.
2	Buildings	The \$0.6m variance is due to \$1.4m unspent budget for Lord Nelson Park Multipurpose Sporting Facility Redevelopment that will be carried forward to 2021-22. This is partially offset by \$0.7m higher spend than budgeted on the North Park Multipurpose Facility.
3	Plant, Machinery & Equipment	Major plant acquisition of a Hino truck replacement has not yet been delivered. Commitment of \$0.4m at 30 June 2021.
4	Roads, footpath, drainage and streetscapes	Two unbudgeted projects have significantly contributed to variances across a range of Infrastructure classes. We spent \$0.7m on St Arnaud Napier Street and \$0.3m on Grampians Heath Street streetscapes projects.

**Notes to the Financial Report
For the Year Ended 30 June 2021**

5	Roads	The allocation of budget for roads includes bridges, footpaths and drainage. The variance is primarily due to \$0.7m spent on Campbells Bridge Road and \$0.6m on Dunolly Road under the Major Rural Roads Program without budget. A further \$0.6m relates to the commentary at Item 4.
6	Bridges	\$0.6m of unspent budget relates to Landsborough Road Bridge strengthening projects that did not commence during 2020-21.
7	Footpath & Cycleways	\$0.2m variance relates to Item 4. \$0.3m worth of costs from the streetscapes and open spaces programs were actually footpath assets and therefore these figures are not a direct comparison.
8	Drainage	Substantial drainage works that were completed and capitalised in 2020-21 contribute to \$0.1m of the variance, some of these works were also budgeted under other asset classes. A further \$0.1m relates to Item 4.
9	Parks, Open Spaces and streetscapes	The variance is primarily due to a number of budgeted projects that did not commence in 2020-21 including \$0.5m Aerodrome Program, \$0.35m Waites Robson Site Redevelopment, and \$0.3m Great Western Trail.

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Your Lifestyle

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

Growing Our Economy

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

Maintaining Assets

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

Community Safety

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

Governance

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
2021	\$'000	\$'000	\$'000	\$'000	\$'000
Your Lifestyle	12,180	7,273	4,907	7,202	5,815
Growing Our Economy	4,163	4,491	(328)	1,716	-
Maintaining Assets	16,368	22,689	(6,321)	7,071	426,570
Community Safety	2,949	3,414	(465)	1,084	-
Governance	5,213	7,289	(2,076)	2,310	32,442
	40,873	45,156	(4,283)	19,383	464,828

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets *
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Your Lifestyle	8,485	6,015	2,470	4,383	5,587
Growing Our Economy	3,315	2,892	423	1,655	-
Maintaining Assets	16,561	19,342	(2,781)	9,776	429,794
Community Safety	3,149	3,147	2	1,433	-
Governance	8,510	7,147	1,363	1,818	29,783
	40,020	38,543	1,477	19,065	465,164

Notes to the Financial Report For the Year Ended 30 June 2021

Note 3 Funding for the delivery of our services

3.1 Rates and charges

2021
\$'000

2020
\$'000

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.

The valuation base used to calculate general rates for 2020-21 was \$3,200 million (2019-20, \$2,800 million). The 2020-21 rate in the capital improved value dollar was 0.6129 cents (2019-20 0.6697 cents).

General rates

Residential rates	8,025	8,004
Commercial rates	783	919
Industrial rates	291	310
Farm rates	4,993	4,504
Total general rates	14,092	13,737

Other rates and charges

Municipal charge	1,313	1,283
Waste management charge	2,820	2,800
Rates in lieu	24	23
Cultural and recreational	11	14
Total other rates and charges	4,168	4,120
Total rates and charges	18,260	17,857

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2020, and the valuation first applied in the rating year commencing 1 July 2020.

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

3.2 Statutory fees and fines

Infringements and costs	8	10
Town planning fees	178	139
Land information certificates	18	15
Permits	253	206
Total statutory fees and fines	455	370

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

3.3 User fees

Aged and health services	458	442
* Leisure centre and recreation	319	370
Child care/children's programs	276	225
* Registration and other permits	139	203
Waste management services	44	34
Tourism and event fees	-	-
Hire income	-	6
Rental fees	68	103
Infrastructure fees	102	181
Shared services	-	-
Other fees and charges	28	18
Total user fees	1,434	1,582

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

* The impact of COVID-19 has resulted in a \$0.52m loss of user fees, compared to budget, mainly from leisure centres \$0.36m, in addition to waiver of health registrations \$0.08m, rates interest \$0.06m and facility rental income \$0.02m.

Notes to the Financial Report
For the Year Ended 30 June 2021

3.4 Funding from other levels of government

Grants were received in respect of the following

Summary of grants

Commonwealth funded grants

State funded grants

Total

(a) Operating grants

Recurrent - Commonwealth Government

Financial Assistance Grants

Aged care

Libraries

Other

Recurrent - State Government

Aged care

Libraries

Maternal and child health

Recreation

Community safety

Pre school

Youth

Other

Total recurrent operating grants

Non-recurrent - Commonwealth Government

Economic development

Family and children

Other

Non-recurrent - State Government

Aged care

Family and children

Youth

Economic development

Working for Victoria

COVID business and hospitality support

Recreation

Other

Total non-recurrent operating grants

Total operating grants

(b) Capital grants

Recurrent - Commonwealth Government

Roads to recovery

Total recurrent capital grants

Non-recurrent - Commonwealth Government

Aerodromes

Parks, open spaces & streetscapes

Infrastructure

Natural disaster reconstruction

Non-recurrent - State Government

Buildings

Parks, open spaces & streetscapes

Land & land improvements

Infrastructure

Natural disaster reconstruction

Total non-recurrent capital grants

Total capital grants

	2021 \$'000	2020 \$'000
	13,431	12,274
	5,952	6,791
	19,383	19,065
	7,860	7,848
	655	654
	11	-
	27	24
	104	121
	152	-
	302	269
	220	200
	266	120
	464	334
	50	50
	75	75
	10,187	9,695
	27	222
	28	-
	21	-
	107	34
	189	62
	-	1
	402	115
	724	383
	310	
	-	11
	578	513
	2,386	1,341
	12,572	11,036
	1,858	1,858
	1,858	1,858
	4	-
	2,441	19
	50	255
	449	1,394
	-	202
	774	2,155
	100	-
	1,133	1,946
	-	200
	4,952	6,171
	6,810	8,029

Notes to the Financial Report For the Year Ended 30 June 2021

3.4 Funding from other levels of government (cont.)

(c) Unspent grants received on condition that they be spent in a specific manner

Operating

Balance at start of year	2,120	1,072
Received during the financial year and remained unspent at balance date	-	1,181
Received in prior years and spent during the financial year	(1,057)	(133)
Balance at year end	1,063	2,120

Capital

Balance at start of year	1,793	409
Received during the financial year and remained unspent at balance date	4,841	2,523
Received in prior years and spent during the financial year	(1,093)	(1,139)
Balance at year end	5,541	1,793

Grant income is recognised at the point in time when the Council satisfies its performance obligations as specified in the underlying agreement.

3.5 Contributions

Monetary

Monetary	193	668
Total contributions	193	668

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

3.6 Assets recognised for the first time

Net increment on revalued assets (found assets)	173	-
Net decrement on revalued assets (lost assets)	(74)	-
Total net increment on revalued assets	99	-

Assets recognised for the first time are recognised as revenue when Council obtains control over the asset. The found assets include road and footpath segments that were identified by geographic information system (GIS) mapping undertaking during 2020/21. Likewise, lost assets are assets previously recognised, that could not be identified by the GIS and removed from the asset register.

3.7 Other income

Interest Income	19	216
Other Income	816	210
Total other income	836	426

Interest is recognised as it is earned.

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

**Notes to the Financial Report
For the Year Ended 30 June 2021**

Note 4 The cost of delivering services

4.1 (a) Employee costs

	2021 \$'000	2020 \$'000
Salary & wages	15,766	13,314
less capitalised wages and salaries	(940)	(1,376)
	14,826	11,938

Wages and salaries	14,826	11,938
Workcover	291	265
LSL provision movement	400	(207)
Superannuation	1,427	1,177
Fringe Benefit Tax	7	45
Total employee costs	16,952	13,218

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

63 60

63 60

Employer contributions payable at reporting date.

1 43

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

792 685

Employer contributions - other funds

571 433

1,363 1,118

Employer contributions payable at reporting date.

(62) (210)

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$70,000. Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials & Services

Advertising and communications	203	185
Building maintenance	197	136
Consultants	193	205
Consumables	109	113
Contract employees	391	548
Contractors	3,279	3,396
Contributions	472	211
Fuel	463	566
General maintenance	638	729
Information technology	870	793
Insurance	319	683
Legal expenses	224	77
Materials and services	962	588
Memberships and subscriptions	171	219
Minor equipment	267	80
Office administration	349	130
Security costs	43	33
Training	-	103
Uniforms and protective clothing	63	92
Utilities	356	404
Waste management	428	419
Total materials and services	9,997	9,710

* The impacts of COVID-19 resulted in a small savings to the operation of the leisure facilities due to closures and limited opening hours.

Notes to the Financial Report For the Year Ended 30 June 2021

4.3 Depreciation

	2021 \$'000	2020 \$'000
Buildings	1,767	1,790
Plant and equipment	915	872
Infrastructure	11,068	9,404
Total depreciation	13,750	12,066

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

4.4 Amortisation - Right of use assets

Vehicles	114	105
Total Amortisation - Right of use assets	114	105

Refer to note 5.8 for a more detailed breakdown of amortisation charges and accounting policy.

4.5 Bad & Doubtful Debts

Other debtors	(2)	76
Total bad and doubtful debts	(2)	76

Movement in provisions for doubtful debts

Balance at the beginning of the year	78	2
New provisions recognised during the year	-	76
Balance at the end of year	78	78

Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.

* Council has reviewed the disclosure of bad and doubtful debts in the context of COVID-19 and assessed that no further provision is required.

4.6 Borrowing costs

Interest on loans	93	111
Total borrowing costs	93	111

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

4.7 Finance Costs - Leases

Interest - lease liabilities	-	3
Total finance costs	-	3

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

Proceeds from sale of assets	171	101
Written down value of assets disposed	(3,228)	(1,654)
Written down value of disposed asset held for sale	(66)	-
Total net loss on disposal of property, infrastructure, plant and equipment	(3,124)	(1,553)

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

Notes to the Financial Report For the Year Ended 30 June 2021

4.9 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals

2021
\$'000

2020
\$'000

34

29

Auditors' remuneration - Internal

3

2

Councillors' allowances

213

208

Regional library contribution

-

472

Tourism contribution

-

318

Community contributions

287

395

Operating lease rentals

344

251

Other

245

26

Total other expenses

1,127

1,701

* The impacts of COVID-19 partly contributed to a \$0.32m expense reduction in the areas of tourism and events.

Notes to the Financial Report For the Year Ended 30 June 2021

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand

Cash at bank

2021 \$'000	2020 \$'000
2	2
30,230	27,206
30,232	27,208

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

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

- Unspent grants (Note 3.4)

(b) Total restricted funds

Total unrestricted cash and cash equivalents

6	123
6,604	3,913
6,610	4,036
23,623	23,172

Intended allocations

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

- Cash held to fund carried forward capital works

- Cash held to fund carried forward projects

- Reserve funds (Note 9.1)

Total funds subject to intended allocations

8,514	2,459
366	70
6,450	5,622
15,330	8,151

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors

Net GST receivable

Non statutory receivables

Loans and advances to community organisations

Other debtors

Provision for doubtful debts - other debtors

Total current trade and other receivables

Non-current

Non statutory receivables

Loans and advances to community organisations

Total non-current trade and other receivables

Total trade and other receivables

1,038	1,025
211	201
70	99
707	732
(78)	(78)
1,948	1,979
9	9
9	9
1,957	1,988

Short term receivables are carried at invoice amount. Long term receivables are carried at amortised cost using the effective interest rate method.

(d) Ageing of Receivables *

The ageing of the Council's trade & other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)

Past due by up to 30 days

Past due between 31 and 90 days

Past due between 91 and 365 days

Past due by more than 1 year

Total trade & other receivables

507	415
183	229
1	8
27	105
68	83
786	840

* Council has reviewed the ageing of receivables in the context of COVID-19 and assessed that no further impairments are required.

Notes to the Financial Report For the Year Ended 30 June 2021

5.1 Financial assets (cont)

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$27,000 (2020: \$105,000) were impaired. The amount of the provision raised against these debtors was \$77,895 (2020: \$78,000). They individually have been impaired as a result of their doubtful collection.

The ageing of receivables that have been individually determined as impaired at reporting date was:

Current (not yet due)

Past due by up to 30 days

Past due between 31 and 90 days

Past due between 91 and 365 days

Past due by more than 1 year

Total trade & other receivables

2021	2020
\$'000	\$'000
-	-
-	-
-	-
16	9
62	69
78	78

5.2 Non-financial assets

(a) Inventories

Inventory held for distribution

Inventories held for sale

Total inventories

138	56
-	2
138	58

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

(b) Other assets

Prepayments

Accrued income

Total other assets

30	39
-	173
30	212

Notes to the Financial Report
For the Year Ended 30 June 2021

5.3 Payables

(a) Trade and other payables

Trade payables	2,289	1,813
Accrued wages and salaries	214	111
Accrued expenses	1,119	449
Total trade and other payables	3,622	2,373

(b) Trust funds and deposits

Refundable deposits	6	6
Fire service levy	-	115
Retention amounts	-	2
Total trust funds and deposits	6	123

Deposits & Trusts

(c) Unearned Income

Grants received in advance - operating	800	220
Grants received in advance - capital	4,401	2,332
Total unearned income	5,201	2,552

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Unearned Income

This represents grants received in advance for capital and operating projects to be recognised when the specific obligations for the grant agreement have been fulfilled; other income in advance comprised of fees and contributions with specific obligations to be recognised when they have been fulfilled.

Purpose and nature of items

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

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

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

5.4 Interest-bearing loans

Current

Borrowings - secured (1)

1,092	218
1,092	218

Non-current

Borrowings - secured (1)

1,097	2,189
1,097	2,189

Total

2,189	2,407
--------------	--------------

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

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

Not later than one year	1,092	218
Later than one year and not later than five years	97	1,189
Later than five years	1,000	1,000
	2,189	2,407

Notes to the Financial Report For the Year Ended 30 June 2021

5.4 Interest-bearing loans (cont)

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

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

5.5 Provisions

2021

Balance at beginning of the financial year	3,068
Additional provisions	946
Amounts used	(447)
Provision reversed	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(4)
Balance at the end of the financial year	3,563

Employee Provisions \$ '000	Landfill restoration \$ '000	Gravel pit restoration \$ '000	Total \$ '000
3,068	62	57	3,187
946	-	8	954
(447)			(447)
-	(5)	-	(5)
(4)	-	-	(4)
3,563	58	65	3,685

2020

Balance at beginning of the financial year	3,307
Additional provisions	(457)
Amounts used	(1,188)
Provision reversed	-
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	1,406
Balance at the end of the financial year	3,068

3,307	67	97	3,471
(457)	-	-	(457)
(1,188)	-	-	(1,188)
-	(5)	(40)	(45)
1,406	-	-	1,406
3,068	62	57	3,187

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

Annual leave	977	850
Rostered days off	15	12
Long service leave	24	21
	1,016	883

2021 \$'000	2020 \$'000
977	850
15	12
24	21
1,016	883

Current provisions expected to be wholly settled after 12 months

Annual leave	639	556
Long service leave	1,650	1,435
	2,289	1,991

639	556
1,650	1,435
2,289	1,991

Total current provisions

3,305	2,874
-------	-------

Non-current

Long service leave	257	194
--------------------	-----	-----

257	194
-----	-----

Total non-current provisions

257	194
-----	-----

Aggregate carrying amount of employee provisions:

Current

3,305	2,874
-------	-------

Non-current

257	194
-----	-----

Total aggregate carrying amount of employee

3,563	3,068
-------	-------

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

Notes to the Financial Report For the Year Ended 30 June 2021

5.5 Provisions (cont)

Annual leave

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

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

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:

- inflation rate

2021	2020
3.00%	3.00%

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

(b) Land fill restoration

Non-current

2021 \$'000	2020 \$'000
58	62
58	62

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

c) Gravel pit restoration

Non-current

65	57
65	57

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

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2021

Interest bearing loans

Bank overdraft

Credit card facilities

Total facilities

2,189	2,407
200	200
250	250
2,639	2,857
450	450
450	450

Unused facilities

Unused facilities

Notes to the Financial Report
For the Year Ended 30 June 2021

5.7 Commitments

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

2021	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Waste management	1,561	-	-	-	1,561
Provision for Meals on Wheels	166	-	-	-	166
Cleaning services	431	328	335	-	1,094
Provision of transfer stations	71	73	37	-	181
Infrastructure & environment	132	132	-	-	264
Financial services	56	56	-	-	112
Software licence agreement	222	226	192	-	640
Total	2,639	815	564	-	4,018
Capital					
Roads	2,258	1,680	5,110	-	9,048
Recreation facilities	3,042	-	-	-	3,042
Total	5,300	1,680	5,110	-	12,090

2020	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Waste management	1,040	-	-	-	1,040
Provision for Meals on Wheels	162	166	-	-	328
Cleaning services	493	503	973	-	1,969
Provision of transfer stations	70	71	109	-	250
Infrastructure & environment	274	278	282	-	834
Financial services	56	56	56	-	168
Software licence agreement	218	222	418	-	858
Tourism	42	-	-	-	42
Architect services	168	-	-	-	168
Total	2,523	1,296	1,838	-	5,657
Capital					
Bridges	230	-	-	-	230
Roads	2,008	2,048	4,945	-	9,001
Recreation facilities	3,089	-	-	-	3,089
Total	5,327	2,048	4,945	-	12,320

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under *AASB 16 Leases* which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Report

For the Year Ended 30 June 2021

Right-of-Use Assets

Balance at 1 July 2020

Amortisation charge

Balance at 30 June 2021

2021	2020
\$'000	\$'000
Vehicles	Vehicles
209	314
(114)	(105)
95	209

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows

Less than one year

One to five years

Total undiscounted lease liabilities as at 30 June:

88	116
-	88
88	204

Lease liabilities included in the Balance Sheet at 30 June:

Lease Liability

Non current lease liability

Total lease liabilities

87	114
-	87
87	201

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Expenses relating to:

Short-term leases

Total

122	122
122	122

Notes to the Financial Report

For the Year Ended 30 June 2021

Note 6 Assets we manage**6.1 Non current assets classified as held for sale**

Cost of acquisition

Total non current assets classified as held for sale

2021	2020
\$'000	\$'000
-	66
-	66

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2020	Acquisitions	Transfers	Found & Relinquished Assets	Revaluation	Depreciation	Disposal	At Fair Value 30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	11,650	-	-	-	-	-	-	11,650
Buildings	53,570	3,579	1,163	-	-	(1,767)	(102)	56,443
Plant and Equipment	6,118	283	-	-	-	(915)	(81)	5,405
Infrastructure	360,010	6,196	2,130	99	-	(11,068)	(3,045)	354,322
Work in progress	3,878	3,554	(3,293)	-	-	-	-	4,139
	435,226	13,612	-	99	-	(13,750)	(3,228)	431,959

Summary of Work in Progress

	Opening \$'000	Additions \$'000	Transfers \$'000	Write Offs \$'000	Closing WIP \$'000
Buildings	1,167	826	(1,163)	-	830
Infrastructure	2,711	2,728	(2,130)	-	3,309
Total	3,878	3,554	(3,293)	-	4,139

(a) Land and Buildings	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2020	11,332	318	132	11,782	73,438	73,438	1,167	86,387
Accumulated depreciation at 1 July 2020	-	-	(132)	(132)	(19,868)	(19,868)	-	(20,000)
	11,332	318	-	11,650	53,570	53,570	1,167	66,387
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	3,579	3,579	826	4,405
Fair value of assets disposed	-	-	-	-	(171)	(171)	-	(1,334)
Transfers	-	-	-	-	1,163	1,163	(1,163)	
	-	-	-	-	4,571	4,571	(337)	4,234
Movements in accumulated depreciation								
Depreciation	-	-	-	-	(1,767)	(1,767)	-	(1,767)
Accumulated depreciation of disposals	-	-	-	-	69	69	-	69
	-	-	-	-	(1,698)	(1,698)	-	(1,698)
At fair value 30 June 2021	11,332	318	132	11,782	78,009	78,009	830	90,621
Accumulated depreciation at 30 June 2021	-	-	(132)	(132)	(21,566)	(21,566)	-	(21,698)
	11,332	318	-	11,650	56,443	56,443	830	68,923

Notes to the Financial Report
For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont.)

	Plant machinery and equipment	Fixtures fittings and furniture	Library Resources	Computers and telecoms	Total plant and equipment
(b) Plant and Equipment	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	11,812	440	400	1,320	13,972
Accumulated depreciation at 1 July 2020	(6,257)	(362)	-	(1,235)	(7,854)
	5,555	78	400	85	6,118
Movements in fair value					
Acquisition of assets at fair value	257	-	-	26	283
Fair value of assets disposed	(258)	-	-	-	(258)
Transfers	-	15	(15)	-	-
	(1)	15	(15)	26	25
Movements in accumulated depreciation					
Depreciation	(796)	(25)	(39)	(55)	(915)
Accumulated depreciation of disposals	177	-	-	-	177
	(619)	(25)	(39)	(55)	(738)
At fair value 30 June 2021	11,811	455	385	1,346	13,997
Accumulated depreciation at 30 June 2021	(6,876)	(387)	(39)	(1,290)	(8,592)
	4,935	67	347	56	5,405

	Roads	Bridges	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
(c) Infrastructure	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2020	303,354	94,015	19,449	22,040	6,852	209	2,711	448,630
Accumulated depreciation at 1 July 2020	(56,014)	(10,146)	(7,886)	(9,678)	(2,142)	(43)	-	(85,909)
	247,340	83,869	11,563	12,362	4,710	166	2,711	362,721
Movements in fair value								
Acquisition of assets at fair value	5,453	177	500	-	66	-	2,728	8,924
Found & relinquished assets at fair value	(7)	-	111	-	-	-	-	104
Fair value of assets disposed	(3,060)	(841)	(9)	-	-	-	-	(3,910)
Transfers	1,150	756	134	(109)	199	-	(2,130)	-
	3,536	92	736	(109)	265	-	598	5,118
Movements in accumulated depreciation								
Depreciation	(9,210)	(916)	(444)	(233)	(263)	(2)	-	(11,068)
Accumulated depreciation of disposals	759	103	4	-	-	-	-	866
Accumulated depreciation of found & relinquished	1	-	(6)	-	-	-	-	(5)
Transfers	-	-	-	35	(35)	-	-	-
	(8,451)	(813)	(446)	(198)	(298)	(2)	-	(10,208)
At fair value 30 June 2021	306,890	94,107	20,185	21,931	7,117	209	3,309	453,748
Accumulated depreciation at 30 June 2021	(64,465)	(10,959)	(8,332)	(9,876)	(2,440)	(45)	-	(96,117)
	242,425	83,148	11,853	12,055	4,677	164	3,309	357,631

Notes to the Financial Report For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont)

Acquisition

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

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

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

Land under roads

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

Depreciation

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

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

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

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

Asset recognition thresholds and depreciation periods

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

Repairs and maintenance

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

Notes to the Financial Report For the Year Ended 30 June 2021

6.2 Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land was undertaken by qualified independent valuers Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd as at 30/06/2018. A revaluation and condition assessment of buildings was undertaken by Ashay Prabhu of Assetic Pty Ltd, MIE (Aust) CPEng, NPER: Membership 1102199 in the 2019/20 financial year. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. 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.

The date of the current valuation (DoV) is detailed in the table below together with details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2020 which are as follows:

	\$'000	\$'000	\$'000	
	Level 1	Level 2	Level 3	DoV
Non-specialised land	-	318	-	06/18
Specialised land	-	-	11,332	06/18
Land improvements	-	-	-	06/18
Buildings	-	-	56,443	06/19
Total	-	318	67,775	

Valuation of infrastructure

The valuation method used for Council Infrastructure assets depends on the asset class. Roads, bridges, footpaths and drainage are all valued using the Fair Value method. Parks & open spaces and other infrastructure are valued using the cost method. All assets are reviewed for fair value on an annual basis.

Valuation of road and footpath assets has been determined in accordance with an internal valuation undertaken by Mr Kandee Balasingham B.Engineering (Civil) MIE Aust as at 31/03/2020. This valuation was reviewed at 30 June 2021 with no material changes to valuations.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2021 are as follows:

	\$'000	\$'000	\$'000	
	Level 1	Level 2	Level 3	DoV
Roads	-	-	242,426	03/20
Bridges	-	-	83,148	07/19
Footpaths and cycleways	-	-	11,854	03/20
Drainage	-	-	12,054	07/19
Parks (etc)	-	-	4,678	N/A
Other infrastructure	-	-	164	N/A
Total	-	-	354,324	

6.2 Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$0.05 and \$202.61 per square metre.

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

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

Reconciliation of specialised land

	2021 \$'000	2020 \$'000
Land under roads	2	2
Parks and reserves	5,023	5,023
Vacant land	716	716
Water management	242	242
Waste management	286	286
Gravel reserve	263	263
Aerodromes	269	269
Carpark	619	619
Recreation	511	511
Zoning restrictions	726	726
Council controlled	2,062	2,062
Other	613	613
Total specialised land	11,332	11,332

Notes to the Financial Report
For the Year Ended 30 June 2021

6.3 Investment in associates

Investments in associates

Investments in associates accounted for by the equity method are:

- Wimmera Development Association

Change in equity share apportionment

Share of (deficit)/surplus for year

(a) Wimmera Regional Library Corporation

Background

Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting

Council's interest in equity

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Change in equity share apportionment

Transfers (to)/from reserves

Council's share of accumulated surplus at end of year

Council's share of reserves

Council's share of reserves at start of year

Change in equity share apportionment

Transfers (to)/from reserves

Council's share of reserves at end of year

Movement in carrying value of specific investment

Carrying value of investment at start of year

Withdrawal from WRLC

Carrying value of investment at end of year

2021 \$'000	2020 \$'000
416	197
416	197
-	(63)
218	7
0.00%	27.20%
-	332
-	(723)
-	391
-	-
-	454
-	(63)
-	(391)
-	-
-	787
-	(787)
-	-

Council withdrew from the Wimmera Regional Library Corporation effective from 30 June 2020 in accordance with the terms of the agreement signed with the library corporation. This decision was made on 01 April 2019.

Notes to the Financial Report
For the Year Ended 30 June 2021

	2021 \$'000	2020 \$'000
6.3 Investment in associates (cont.)		
(b) Wimmera Development Association		
<i>Background</i>		
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Fair value of Council's investment in Wimmera Development Association	416	197
Council's interest in equity	20.17%	20.17%
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	93	100
Reported surplus for year	218	7
Transfers (to)/from reserves	(0)	(14)
Council's share of accumulated surplus at end of year	312	93
Council's share of reserves		
Council's share of reserves at start of year	136	122
Change in equity share apportionment	-	-
Transfers (to)/from reserves	-	14
Council's share of reserves at end of year	136	136
Movement in carrying value of specific investment		
Carrying value of investment at start of year	197	190
Share of surplus for year	218	7
Carrying value of investment at end of year	415	197

Notes to the Financial Report For the Year Ended 30 June 2021

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Northern Grampians Shire Council is the parent entity.

Associates

Interests in associates are detailed in note 6.3.

(b) Key Management Personnel

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

Councillors

Councillor Brian Emerson (Mayor)
Councillor Kevin Erwin
Councillor Anthony Driscoll
Councillor Rob Haswell
Councillor Lauren Dempsey (Oct 20 to Present)
Councillor Trevor Gready (Dec 20 to Present)
Councillor Eddy Ostarcevic (Mar 21 to Present)
Councillor Merrilee Reid (Resigned Oct 20)
Councillor Jason Hosemans (Resigned Oct 20)
Councillor Karen Hyslop (Resigned Nov 20)

Key Management

Chief Executive Officer - Liana Thompson (Nov 19 to present)
Director Corporate Services - Vaughan Williams
Director Infrastructure - Trenton Fithall
Director Communities - Naomi Goode

Total Number of Councillors

Chief Executive Officer and other Key Management Personnel

Total Key Management Personnel

2021	2020
No.	No.
10	7
4	5
14	12
2021 \$'000	2020 \$'000
1,039	948
23	21
93	86
1,155	1,055

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

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

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

\$0,000 - \$9,999
\$10,000 - \$19,999
\$20,000 - \$29,999
\$30,000 - \$39,999
\$50,000 - \$59,999
\$60,000 - \$69,999
\$110,000 - \$119,999
\$130,000 - \$139,999
\$210,000 - \$299,999
\$220,000 - \$229,999
\$270,000 - \$279,999

2021	2020
No.	No.
3	-
3	-
3	5
-	1
-	1
1	-
-	1
-	1
1	3
2	-
1	-
14	12

Notes to the Financial Report For the Year Ended 30 June 2021

7.1 Council and key management (cont)

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$151,000

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

Income Range:

\$130,000 - \$139,999

\$160,000 - \$169,999

\$170,000 - \$179,999

\$180,000 - \$189,999

Total Remuneration for the reporting year for Senior Officers included above, amounted to

2021 No.	2020 No.
-	1
5	-
1	-
1	-
7	1
1,180	130

7.2 Related party disclosures

(a) Transactions with related parties

Nil

(b) Loans to/from related parties

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

Council provided a community loan to Exclusive Space Pty Ltd in November 2015 in line with its Community Loan Policy. As at 1 July 2020, total loan repayable to Council totalled \$1,145. This has now been repaid in full as per schedule. This is a related party entity of Councillor Robert Haswell.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent liabilities

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

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

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

MAV WorkCare

In November 2017, the Victorian WorkCover Authority (the Authority) granted the Municipal Association of Victoria (MAV) a three-year self-insurance licence allowing it to provide workers' compensation insurance to Victorian councils. When the MAV WorkCare Scheme commenced, there were 31 inaugural members, including the MAV.

In accordance with the Authority's decision not to renew the MAV's self-insurance licence, the MAV WorkCare Scheme ceased operation on 30 June 2021. The MAV is continuing to support the orderly transition of claims management responsibilities to the Authority. Council was a participant of the MAV WorkCare Scheme.

The MAV WorkCare Scheme participation agreement stated that each participant would remain liable to make further contributions to the Scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability would continue whether or not the participant remained a participant in future insurance years.

The net financial impact on Council as a result of the cessation of the MAV WorkCare Scheme for the 2020-21 financial year is yet to be determined. Any obligation is dependent upon the Authority's initial actuarial assessment of the tail claims liabilities of the MAV WorkCare Scheme.

In accordance with the Workplace Injury Rehabilitation and Compensation Act 2013, there is a six year liability period following the cessation of the MAV WorkCare Scheme. During the liability period, adjustment payments may be required (or received) by Council. The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by the Authority.

(b) Contingent Assets

There are no known contingent assets as at balance date.

(c) Guarantees for loans to other entities

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

	2021 \$'000	2020 \$'000
Minister for Resources	-	50
Minister for Energy and Resources	93	110
Minister for Agriculture and Resources	6	6
Department of Sustainability and Environment	50	-
	148	166

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

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2021 reporting period. Council assessed the impact of these new standards. As at 30 June 2021 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2022 that are expected to impact Council.

8.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in notes to 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) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rate.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

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

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

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

- council may require collateral where appropriate; and
- council only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1.

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

8.3 Financial Instruments (cont)

(d) Liquidity risk

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

To help reduce these risks Council:

- have a long term financial plan which forecasts the cash and cash equivalent requirements over a long term period to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have an investment policy that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

(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 1.5%.

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

8.4 Fair value measurement

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

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

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

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

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

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset.

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

Council subsequently undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 5 to 10 years. The valuation is performed either by experienced council officers or independent experts.

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

8.4 Fair value measurement (cont)

Impairment of assets

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

8.5 Events occurring after balance date

During the 2020-21 financial year there were ongoing impacts as a result of COVID-19 in Victoria. This impact has continued in the period since 30 June 2021. The Victorian Government continues to implement measures to contain the spread of the virus, including travel restrictions, quarantines, curfews, social distancing, and closures of non-essential services. This has triggered significant disruptions to businesses throughout regional and rural Victoria, resulting in ongoing economic slowdown. Several of Council services have now been or continue to be impacted including Council's indoor/outdoor sporting facilities. Essential services continue to be provided.

The COVID-19 impact has resulted in a loss of income, in the order of \$0.5 million for the 2020-21 year, mainly as a result of the closure or restricted usage of the leisure centre as well as the waiver of user fee income pursuant to the implementation of the Financial Support and Hardship Policy. Council has determined that these events are non-adjusting subsequent events. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the consequences, as well as their impact on the financial position and results of Northern Grampians Shire Council for future periods.

Council is not aware of any other after reporting date events.

Notes to the Financial Report For the Year Ended 30 June 2021

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2021			
Property			
Land	6,619	-	6,619
Buildings	52,966	-	52,966
	59,585	-	59,585
Infrastructure			
Roads	181,735	-	181,735
Bridges	65,715	-	65,715
Footpaths and cycleways	6,863	-	6,863
Drainage	570	-	570
	254,883	-	254,883
	314,468	-	314,468
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	314,487	-	314,487
2020			
Property			
Land	6,619	-	6,619
Buildings	52,966	-	52,966
	59,585	-	59,585
Infrastructure			
Roads	169,919	11,816	181,735
Bridges	65,715	-	65,715
Footpaths and cycleways	6,306	557	6,863
Drainage	570	-	570
	242,510	12,373	254,883
	302,095	12,373	314,468
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	302,114	12,373	314,487

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

Notes to the Financial Report For the Year Ended 30 June 2021

Note 9 Other matters (cont.)

	Balance at beginning of reporting period	Transfer to / (from) accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000
2021			
Economic development	247	81	328
Gravel pits restoration	57	(57)	-
Community loans	40	2	42
Waste management	3,189	716	3,905
General		250	250
Long service leave	289	(289)	-
Defined benefits	300	-	300
Loan repayments	1,500	125	1,625
Total other reserves	5,622	828	6,450
2020			
Economic development	247	-	247
Gravel pits restoration	97	(40)	57
Community loans	(2)	42	40
Waste management	2,320	869	3,189
Long service leave	304	(15)	289
Defined benefits	300	-	300
Loan repayments	1,225	275	1,500
Total other reserves	4,491	1,131	5,622

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

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

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

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

General - Funds generated from operational savings to be reinvested in future efficiency gains and service reviews.

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2021**

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2021 \$'000	2020 \$'000
Surplus/(deficit) for the year	(4,283)	1,477
Depreciation	13,750	12,066
Amortisation - Right of Use Assets	114	105
Net loss on disposal of property, infrastructure, plant and equipment	3,124	1,553
Assets recognised for the first time	(99)	-
Reversal of Provision	5	(45)
Share of (profit)/loss of associates	(218)	(7)
Finance costs (included in financing activities)	93	111
Finance Costs - Leases (included in financing activities)	-	3
Withdrawal from Investment in Associates	-	323
Other - WIP movements	-	24
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	1	70
(Increase)/decrease in other assets	162	418
Increase/(decrease) in trade and other payables	3,915	1,715
(Decrease)/increase in other liabilities	(117)	15
(Increase) in inventories	(80)	(17)
Increase/(Decrease) in provisions	494	(239)
Net cash provided by operating activities	16,861	17,572

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2021, 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.

A triennial actuarial review for the Defined Benefit category as at June 2020 was conducted and completed by the due date of 31 December 2020.

The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 104.6%. The financial assumptions used to calculate the VBI were:

Net investment returns	5.6% pa
Salary information	2.5% pa for two years and 2.75% pa thereafter
Price inflation (CPI)	2.0% pa

As at 30 June 2021, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the estimated VBI at 30 June 2021 was 109.7%. The financial assumptions used to calculate this VBI were:

Net investment returns	4.8% pa
Salary information	2.75% pa
Price inflation (CPI)	2.25% pa

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2020 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

9.3 Superannuation (cont)

Employer Contributions

Regular Contributions

On the basis of the results of the 2020 triennial 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 2021, this rate was 9.5% of members' salaries (9.5% in 2019/20). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation. 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

The 2020 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2020. The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2020 (Triennial) \$m	2019 (Interim) \$m
A VBI surplus	\$100.0	\$151.3
A total service liability surplus	\$200.0	\$233.4
A discounted accrued benefits surplus	\$217.8	\$256.7

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 2020. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2020. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2020. Council was notified of the 30 June 2020 VBI during August 2020 (2019: August 2019).

2021 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2021 as the Fund provides lifetime pensions in the Defined Benefits category. It is anticipated that this actuarial investigation will be completed by October 2021. Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

Notes to the Financial Report For the Year Ended 30 June 2021

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2021 are detailed below:

Scheme	Type of scheme	Rate	2021 \$000	2020 \$000
Vision Super	Defined benefits	9.5%	63	60
Vision Super	Accumulation	9.5%	792	685
Other Funds	Accumulation	9.5%	571	433

There were no contributions outstanding as at 30 June 2021.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2022 is \$70,000.

Northern Grampians Shire Council Performance Statement For the year ended 30 June 2021

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

Location

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

National Parks

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

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

Industry

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

QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,420

Road Length: 3,369km of local roads

Rateable Properties: 9,408

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

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

Northern Grampians Shire Council
Sustainable Capacity Indicators
For the year ended 30 June 2021

Indicator/measure	Result 2018	Result 2019	Result 2020	Result 2021	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal</i> [Own-source revenue / Municipal population]	\$1,804	\$1,769	\$1,779	\$1,868	Higher own source revenue due to increased cash (Council contribution) required to fund the carry forward capital works program from 20/21 year to 21/22 year.
Recurrent grants <i>Recurrent grants per head of municipal</i> [Recurrent grants / Municipal population]	\$981	\$915	\$1,013	\$1,056	Consistent to prior year.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,465	\$3,311	\$3,380	\$3,960	2021 increase mainly due to the write off of projects previously identified as capital works.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$35,120	\$39,634	\$37,149	\$36,860	Minimal change as no 2021 revaluation impact.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.4	3.4	3.4	3.4	No change.
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	No change.
Workforce Turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	20.1%	22.9%	15.0%	17.9%	Annual turnover rate is reflective of small rural councils and impacted during 20/21 by the short term engagement of Working for Victoria staff.

Definitions

"adjusted underlying revenue" means total income other than -

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2021

Service/indicator/measure	Result 2018	Result 2019	Result 2020	Result 2021	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	47	51	50	55	Improved result compared to prior years.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.0%	0.0%	0.0%	0.0%	There were no matters referred to VCAT.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48	53	50	54	Marginal improvement to the satisfaction rating notwithstanding the funding restrictions for the renewal and maintenance to infrastructure assets.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	15.2%	14.0%	12.9%	10.6%	Reduction due to COVID enforced closure of library branches.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	33.6%	33.6%	31.7%	32.0%	Diversion rate is consistent with the last two financial years.
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.9	4.1	4.4	3.2	Visitation was significantly reduced due to COVID - both industry closure as well as restrictions on the number of attendees.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	No recorded prosecutions to date.
Food Safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100.0%	114.3%	100.0%	88.9%	Total of eight notifications were followed up of which one non-compliant business was not operating and remained closed as the owner was stranded overseas due to COVID.

**Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2021**

Service/indicator/measure	Result 2018	Result 2019	Result 2020	Result 2021	Material Variations
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	90.7%	85.9%	84.0%	87.3%	High rate of participation is consistent with prior years.
<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	83.3%	93.3%	89.4%	89.2%	High rate of participation is consistent with prior years.

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

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

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

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

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

"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

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

"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

"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

"population" means the resident population estimated by council

"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

"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

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

"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

Northern Grampians Shire Council
Financial Performance Indicators
For the year ended 30 June 2021

Dimension/indicator/measure	Result 2018	Result 2019	Result 2020	Result 2021	Forecasts				Material Variations
					2022	2023	2024	2025	
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	-20.6%	-19.6%	-16.2%	-26.4%	-23.0%	-23.7%	-22.7%	-23.3%	Consistent negative result reinforces sustainability issue of small rural Councils to fully fund increasing depreciation charge for infrastructure assets.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	362.2%	368.0%	396.1%	254.4%	192.2%	168.5%	159.7%	135.5%	Gradual reduction in this ratio due to the expected deployment of available cash to the capital works program.
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	268.0%	191.0%	235.1%	131.7%	158.5%	134.8%	126.2%	106.2%	Gradual reduction in this ratio due to the expected deployment of available cash to the capital works program.
[Unrestricted cash / Current liabilities] x100									
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	17.5%	15.0%	13.5%	12.0%	5.8%	5.2%	5.1%	7.3%	Reduction due to the repayment of outstanding loans.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	2.7%	2.6%	1.8%	1.7%	6.2%	0.7%	0.2%	0.2%	Higher percentage in some years due to the repayment of interest only loans.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	15.1%	13.9%	16.7%	9.8%	9.6%	9.4%	9.2%	6.7%	Reduction due to the repayment of outstanding loans.
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New 2020	New 2020	75.1%	53.8%	99.8%	76.8%	44.4%	120.2%	Reduction in some further years reflects sustainability issue of small rural Councils with limited capacity to fund ageing infrastructure.
[Asset renewal and asset upgrade expenses / Asset depreciation] x100									
<i>Asset renewal compared to depreciation</i>	29.8%	55.4%	Retired 2020	Retired 2020					This measure was replaced by O5 in 1 July 2019.
[Asset renewal expenses / Asset depreciation] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	50.8%	55.1%	53.8%	51.1%	54.8%	54.7%	54.7%	54.7%	Consistent reliance on rate revenue to fund Council services.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.80%	0.66%	0.64%	0.51%	0.52%	0.52%	0.52%	0.52%	Consistent result due to impact of rate capping.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$4,281	\$4,047	\$4,126	\$4,799	\$4,396	\$4,436	\$4,398	\$4,419	2021 higher result due to asset write off that is not forecasted for future years.
[Total expenses / Number of property assessments]									
Revenue level									
<i>Average rate per property assessment</i>	New 2020	New 2020	\$1,608	\$1,637	\$1,630	\$1,630	\$1,630	\$1,630	Marginal increase from 2021 due to rates in lieu from wind farms.
[General rates and Municipal charges / Number of property assessments]									
<i>Average residential rate per residential property assessment</i>	\$1,641	\$1,778	Retired 2020	Retired 2020					This measure was replaced by E4 from 1 July 2019.
[Residential rate revenue / Number of residential property assessments]									

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

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

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

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

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

"non-recurrent grant" means a grant obtained on the condition that is to be expended in a specific manner and is not expected to be received again during the period covered by Council's four year adopted budget.

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

"population" means the resident population estimated by council

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

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

"residential rates" means revenue from general rates, municipal charges, service

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

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

Northern Grampians Shire Council
Other Information
For the year ended 30 June 2021

Basis of preparation

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 measures 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 (as per the transitional provisions of the Local Government Act 2020).

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 28 June 2021 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 2021/22 adopted budget can be viewed on councils website www.ngshire.vic.gov.au.

Impact of COVID-19

While the COVID-19 pandemic has resulted in a loss of budgeted income to Council, any such financial impact has not adversely impacted the performance statement.

Where appropriate the performance statement includes separate commentary where there is a material change to individual performance measures. Any material change to a performance measure is mainly due to a loss of fee income relating to Council's sports / aquatic facilities, early learning centre plus a waiver to penalty interest relating to the payment of rates and statutory charges. This loss of income totals in the order of 0.52m with some savings offsets mainly in the areas of tourism and events due to the ongoing impacts of state government imposed lockdowns and restrictions.

Northern Grampians Shire Council Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).



Malcolm Lewis, FCPA
Principal Accounting Officer
Dated: 29 September 2021

In our opinion, the accompanying performance statement of the Northern Grampians Shire Council for the year ended 30 June 2021 presents fairly the results of council's performance in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014 (as per the transitional provisions of the Local Government Act 2020).

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: 29 September 2021



Cr Kevin Erwin
Councillor
Dated: 29 September 2021



Liana Thompson
Chief Executive Officer
Dated: 29 September 2021

Independent Auditor's Report

To the Councillors of Northern Grampians Shire Council

Opinion	<p>I have audited the accompanying performance statement of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2021 • sustainable capacity indicators for the year ended 30 June 2021 • service performance indicators for the year ended 30 June 2021 • financial performance indicators for the year ended 30 June 2021 • other information and • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2021 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

MELBOURNE
5 October 2021



Sanchu Chummar

as delegate for the Auditor-General of Victoria



Contact Us

Northern Grampians Shire Council

PO Box 580
Stawell VIC 3380

P : +61 3 5358 8700

E : ngshire@ngshire.vic.gov.au

www.ngshire.vic.gov.au



Stawell (Headquarters)

Stawell Town Hall
59-69 Main St,
Stawell

St Arnaud

St Arnaud Town Hall,
Napier St, St Arnaud
Telephone: 03 5358 8700

