



NORTHERN GRAMPIANS SHIRE COUNCIL

ANNUAL REPORT
2016/17

www.ngshire.vic.gov.au



OUR AFFIRMATION

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

OUR SHIRE AT A GLANCE

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

LOCATION

Located in the picturesque Grampians region of Victoria, the shire covers 5,900 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.

FAST FACTS

1705
LOCAL
BUSINESSES

11,500
RESIDENTIAL
POPULATION

3,350 KM
OF LOCAL
ROADS

\$32.6 MILLION
TOTAL REVENUE
incl. grants

9,288
RATEABLE
PROPERTIES

5,900 KM²
IN AREA

COUNCILLORS



CR TONY DRISCOLL

*Mayor 2016/17
Kara Kara Ward*



CR MURRAY EMERSON

*Mayor 2015/16
Stawell Ward*



CR KEVIN ERWIN

Central Ward



CR ROB HASWELL

Stawell Ward



CR JASON HOSEMANS

Halls Gap Ward



CR KAREN HYSLOP

Stawell Ward



CR MERRILEE REID

Kara Kara Ward



CR WAYNE RICE

*Stawell Ward
Term completed Oct. '16*

EXECUTIVE LEADERSHIP TEAM



MICHAEL BAILEY

CHIEF EXECUTIVE OFFICER



VAUGHAN WILLIAMS

*DIRECTOR
CORPORATE SERVICES*



DEBBIE BACH

*DIRECTOR
ECONOMIC & COMMUNITY
DEVELOPMENT*

Appointed November 11, 2016



SANJAY MANIVASAGASIVAM

*DIRECTOR
INFRASTRUCTURE &
ENVIRONMENT*

Resigned August 4, 2017

ECONOMIC INITIATIVES



LAND USE AND DEVELOPMENT BOOM

The development and use of land in the municipality stimulates, guides and influences the economic growth of the shire. Planning and building 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 Unit issued planning permits worth over \$45.5 million in the 2016/2017 financial year, with a further \$6.4 million under consideration at the end of the financial year. Council also administered building permits for developments worth a total of \$12.6 million, with a further \$70,000 under consideration at the end of the financial year. At its June 2016, Council's Economic Development staff were working with private investors seeking to invest in the order of \$750 million in the area.

PLANNING SCHEME UPDATES

In 2016/17 Council's Planning Unit ensured updates to Council Policy and amendments were made to the Northern Grampians Scheme to reflect current Council direction, reduce red tape and simplify the planning process.

Amendments made to the Municipal Strategic Statement (MSS) ensured current council policy is included in the Local Planning Policy Framework (LPPF) and that outdated policy references and Planning Scheme content were deleted. The amendment provided Northern Grampians Shire and the community with a contemporary LPPF and Planning Scheme which aligns with the State Planning Policy Framework (SPPF). It also implements the policy directions of the Council Plan 2013-2017, the Wimmera Southern Mallee Regional Growth Plan 2014, the Northern Grampians Shire 2014 MSS Review and key adopted council strategies including the Land Development Strategy 2013 – 2017, Great Western Future Plan 2014 – 2024, Halls Gap Master Plan for Commercial, Investment and Public Land Development, 2016 and Ararat – Stawell-Halls Gap Triangle Rural Zone Review, Final Report, 2012.

Other land use planning policy changes included:

- Simplifying requirements for applications triggered under the Bushfire Management Overlay (BMO) by rescinding Council's internal BMO policy;
- Clarifying and formalising the decision making process by introducing the Planning Delegation Policy;
- Ensuring the protection of the Stawell Airports Obstacle Limitation Surface by amendment to the Planning Scheme; and
- Simplifying and clarifying requirements for developments in areas susceptible to landslides in Halls Gap by amending the Planning Scheme.

ECONOMIC INITIATIVES



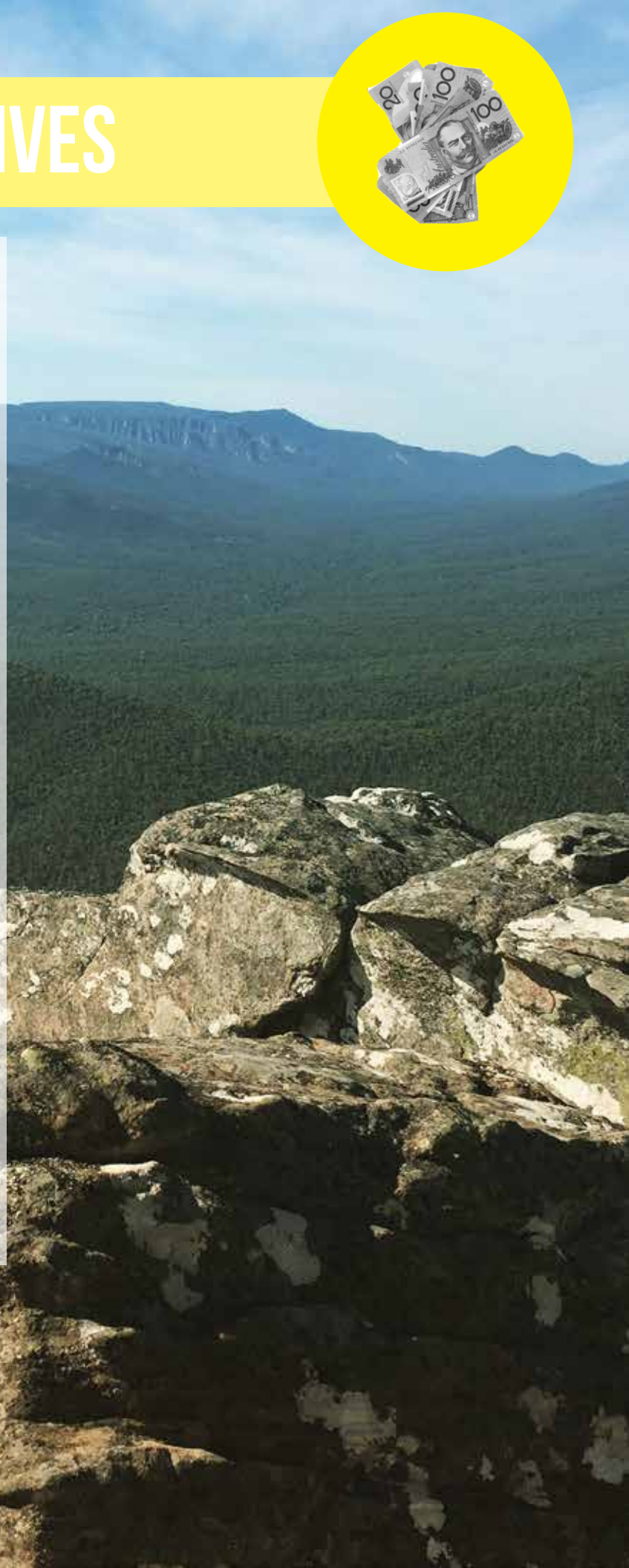
HALLS GAP MASTERPLAN

To help lift Halls Gap to world class tourist village status, Northern Grampians Shire Council (NGSC) adopted the Halls Gap Master Plan for Commercial Investment and Public Land Development (Master Plan) in 2016.

The Master Plan identifies a number of initiatives for the town in the areas of events and attractions, services and development, the Grampians Peaks Trail and Public Open Space. To implement key findings of the Master Plan and to act as a prospectus for private investment a development plan will be prepared for the Halls Gap Village centre.

The Plan is concerned with how we plan, design, deliver and manage the Halls Gap Village centre to enable and encourage a range of experiences, and commercial activity. The project will focus on pedestrian access and movement, in particular from parts of Grampians Road and the Stoney Creek Shops, directly to Heath Street. The plan will also ensure that the best location for the Grampians Peak Trailhead (GPT) is chosen and will address car parking needs associated with the GPT. Specifically the Development Plan will steer future access and carparking infrastructure, landscaping, build form and signage design guidelines for the Halls Gap Village centre.

In 2016/17 Council commenced the background and context work and undertook early consultation with key stakeholder groups. The project will be delivered over three stages. Implementation will involve a series of infrastructure and landscaping projects and planning scheme amendments in the coming years.



ECONOMIC INITIATIVES



PARTNERSHIPS FOSTERING BUSINESS SUCCESS

Council's Economic Growth department provides a helpful, 'can do' first point of contact. The partnership between the Planning and Economic Development Units 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.

The 2016 Sector Plan Update helped guide the development of the 2016/17 business growth and expansion program through outlining the structure, issues and opportunities for industry sector development. The update also helped guide investment attraction activities by identifying priority investment and development opportunities.

BUSINESS SERVICES ON THE GROUND

The overarching purpose of the Economic Development Unit is to attract and support businesses to build economic resilience and diversity of industry in the Shire. The Business Services Unit does this through delivering a business growth and expansion program comprising of a range of strategic projects, events, funding programs and support services. Services offered to existing businesses and potential investors include:

- Business planning, mentoring, marketing and promotion;
- Funding and coordinating support through the Council permit and approvals process;
- Networking and capacity building opportunities through business workshops;
- Provision of data and locational information to businesses looking to expand or establish their operations (secure new investment and developments); and
- Delivering strategic plans and reports aimed at facilitating sustainable economic development.

The Business Services portfolio includes case managing businesses in the areas of 'Tourism and Business Support' and 'Investment Attraction'. The team determines the re-

quirements, issues and opportunities for the business and then awards an appropriate "Case Manager". This process provides both a structure for the team and consistency for the business operator.

In the 2016/17 financial year, Council provided direct support to 16 businesses through the Business Assistance Scheme and supported the delivery of 16 Major Events in the Shire.

BUSINESS SUPPORT WORKSHOPS

In the 2016/17 financial year a series of free business support workshops were delivered in Stawell and St Arnaud. These monthly workshops aimed to provide local businesses with an opportunity for networking and capacity building through offering a relevant and responsive program delivered by high profile guest speakers. The series attracted a total of 192 local business attendees throughout the series, plus 12 attendees from outside our shire. The 2017 Business Services Survey found that a notable portion of participants provided very positive feedback about the series and that Council should maintain and develop the NGSC Workshop Series.

Planning for the 2017/18 series is well underway. Council will partner with industry stakeholders and will focus on topics indicated by respondent to the Business Services Survey as being of greatest interest. Topics including: digital business and social media, developing online strategy, marketing, achieving financial success and business planning will feature in the 2017/18 program.

OPPORTUNITY KNOCKS

In 2016/17 the Business Services Team delivered its first Jobs Expo - Opportunity Knocks. The expo aimed to:

- Promote career, job and training opportunities within our region and to target industry skills shortages;
- Encourage the retention of the younger generation within the Shire;
- Address youth unemployment and promote career opportunities within the region;

ECONOMIC INITIATIVES



CONNECTING LOCAL CONTRACTORS WITH LOCAL PROJECTS

In 2016 Council hosted a number of information sessions for local contractors on upcoming opportunities. Sessions included Flood Repair works in December attended by 16 local contractors and the Stawell Underground Physics Laboratory session in August 2016, attended by 16 local contractors. This session provided a snapshot of the project's construction scope and gave interested parties the opportunity to ask questions relating to the expression of interest and tender process.

STRONGER ASSOCIATIONS

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

CELEBRATING BUSINESS EXCELLENCE

In 2016/17 financial year Council commenced preparations for the Grampians Pyrenees Business Awards, set to be hosted by Northern Grampians Shire Council in October 2017. The Awards are delivered in partnership with Ararat City Council and Pyrenees Shire Council. Key objectives of the awards include:

To recognise, celebrate and promote the achievements of existing businesses within the Region.

To enable business owners, managers and staff to review, analyse and reflect on their procedures and structures to facilitate growth.

A total of 16 sponsors totalling contributions of \$51,000 in cash and \$5,000 in kind have been secured, with the Awards launched at Seppelt, Great Western in mid-June 2017.

MAINTAINING A RELEVANT AND EFFECTIVE SERVICE

In the late part of the 2016/17 financial year Council collected baseline data regarding the effectiveness of existing NGSC business services and support offered to develop a better understanding of the future needs of the business community with regard to the provision of support, training and other services. A mixed-method approach to data collection was utilised, including an online survey (via SurveyMonkey) and three in-depth one-on-one telephone interviews. The survey was open to all businesses within the Northern Grampians Shire. Valuable information and data was collected via both the online survey (79 participants) and the in-depth interviews.

The survey provided a valuable insights and recommended a number of strategies and actions going forward including:

- Develop and implement an awareness raising campaign/communication strategy to ensure local businesses are informed of existing NGSC services, particularly the Business Assistance Scheme, the Mentoring Program and Business Planning services
- Promote the dates on which the Small Business Victoria bus visits (e.g., bus comes to Stawell on Monday, 26 June);
- Request Small Business Victoria to provide the bus during the Small Business Festival (August);
- Maintain and further develop the NGSC Business Directory as it is viewed favourably by businesses;
- Review planning application/permit processes to identify opportunities for improvement and ensure adherence to best practice approaches;
- Implement a continuous improvement program aimed at seeking and implementing customer feedback in relation to planning services to better understand the strengths and weaknesses of this aspect of NGSC service delivery; and
- Further investigate customer/business owner perceptions and experiences of the Business Assistance Scheme and undertake a full review of the scheme

ECONOMIC INITIATIVES



STAWELL UNDERGROUND PHYSICS LABORATORY (SUPL)

NGSC has continued to work with stakeholders to secure the SUPL project within Northern Grampians Shire. Requiring a site at least 1 km underground, the laboratory will host the Sodium-iodide with Active Background REjection (SABRE) experiment. SABRE collaborators include the University of Melbourne, Princeton University (USA) and the Italian Institute for Nuclear Physics (INFN) and is designed to detect dark matter particles. The laboratory will be the first of its kind in the southern hemisphere and one of only a handful of underground physics laboratories in the world. Being the only such facility in the southern hemisphere provides SUPL with a competitive advantage over the other laboratories and will provide many opportunities for further research and laboratory development. SUPL has the potential to develop into an ultra-low radiation background national facility which can be configured to host a wide range of physics and biology experiments over a lifetime well in excess of the present five-year operating plan.

Nectar Farms expansion will be powered by Neoen's 196MW wind farm and 20MW of battery storage, being 100 percent renewable-powered and will see more than 1,300 new jobs created in the shire and a diversifying of the local economy. These projects represent not only local confidence, but also recognise and build on the competitive strengths and comparative advantages of the region.

NECTAR FARMS

In 2016/17 Council continued to take a strategic and proactive approach to progressing not only Stage 1 but Stage 2 of the protected cropping development to supply vegetables to local and international markets. In August 2016 Council approved the Planning Permit for Stage 1 of the development including 10 hectare state-of-the-art hydroponic glasshouse, packaging and processing technology and plant nursery. The provision of Stawell Gold Mine land and State Government funding was also secured for Stage 1 ensuring the realisation of the project and the creation of between 60-80 new jobs. In the same year, Council also secured a 40ha expansion of Nectar farms by facilitating the signing of a State Government Memorandum of Understanding (MOU) for the \$565 million expansion. Council worked with Nectar Farms and Neoen to find a unique and world first solution to addressing Nectar's energy requirements. Nectar Farms will expand on land adjoining the Bulgana Wind Farm known as the 'Bulgana Green Power Hub'.

ECONOMIC INITIATIVES



Following one of the worst droughts in years, Council's Business Services staff worked closely with WDA, RDV and the seasonal conditions committee to help provide support to farmers. Funding received enabled workshops to be run covering topics such as bore information sessions and dry summer workshops, as well as family days and providing mental health information. NGSC delivered and funded a variety of community events through the Drought Response Package. The program aimed to support families and farmers and small business impacted by the drought affected period. Events included tailored education and information sessions, mental health information and support and Christmas/New Year's Eve community gatherings. All were events that brought communities together to support each other, created partnerships and built community resilience whilst increasing visitation and access to external fund raising money. For example, one community hosted a celebrity chef cooking demonstrations attracting over 160 people visitors and fundraised some much-needed money for the community.

Networking and joint collaboration was the key to the program's success. In addition, Council purchased local tickets, vouchers and food and hired many facilities that generated a direct economic benefit to local businesses.

Workshops and projects delivered as part of the program included:

- Women's workshop
- Women's Rural
- Town Entrance Signage Frames x4
- Advertising
- Four Bore info workshops
- Wimmera Machinery Field Days tickets
- Advertising for WMFD Free Vouchers
- Playgroup Victoria Family Day
- \$500 rural community contribution to community events
- Sheep and You Workshop x 2
- Mental Health Support Workshop
- \$500 Rural Vouchers
- Sam Bailey
- Rates Info Sheet
- San Jolly Workshop
- St Arnaud Harvest Cut Out
- Farm Business Management Essentials
- Dry summer workshop

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



MEDIA AND COMMUNICATIONS

In 2016/2017, media and communications focused on improving Council's communication and consultation with its communities via social media and increased content on Facebook and Twitter, allowing us to share information instantly and with a wider community. Follow us on Facebook Northern Grampians Shire Council @ngshire and Twitter @ngshire and @NGSC Mayor. Council's Media and Communications Officer is facilitating the Working with Council campaign internally, which will see film of Council staff talking to the community about why they work for Council. These film clips will be screened later in 2017 to be used to promote the Council as a great place to live and work. A key focus for media and communications has been consistent messaging to the community about Council activities and visually promoting the benefits of the shire through photos and drone footage now being shown on televisions in our main administration centres and on social media. Local businesses are being marketed on social media as well, where traditionally, this was done in the print media and the take-up by businesses to this promotion has been amazing.

REGIONAL ASSESSMENT SERVICE

With the introduction of My Aged Care in July 2016, it has been an exciting change to the way home care services are accessed. Now via a new phone Federal Government screening process, clients wishing to access home care services will have a client record created in the My Aged Care system.

The Council provides the Regional Assessment Service for the local area, meaning that 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.

AGED & DISABILITY SERVICE

The large and busy team of home care employees have again delivered an exceptional range of home care services

to local residents throughout the year. With the aim of supporting and empowering residents to live independently, services are individually designed to cater for individual needs. Domestic assistance and personal care support is the largest component of service, along with meals on wheels. Our incredibly dedicated team of volunteers delivered more than 12,000 meals over the past year. Our Direct Care Workers also provide much needed respite to support local carers, social support, and small home maintenance and modifications to ensure safety, wellbeing and independence for residents.

COMMUNITY PROJECTS AND EVENTS

STAWELL AVENUE OF HONOUR

Northern Grampians Shire Council, partnered with the Stawell RSL, Stawell Rotary and Stawell Lions Club completed the Stawell Avenue of Honour project. This impressive avenue along Patrick Street, and memorial at the Stawell Library, commemorates soldiers from Stawell and District who died in World War I. The Avenue consists of attractive large individual trees with a small monument at the base, dedicated to each soldier. The official unveiling on Remembrance Day in 2016 saw over 200 people from the community coming together to celebrate. With reflection stories of local soldiers during the War as part of the ceremony, it was an impressive event for the community to pay their respects.

JOHN WOOD PLAY MENTAL HEALTH SUICIDE PREVENTION PLAY

Council joined forces with East Wimmera Health Service and Grampians Pyrenees Primary Care Partnership to host an entertaining play in St Arnaud on the realities of dealing with mental health.

Over 70 people attended with, 90 percent being male. People came from Joel Joel, Marnoo, Wallaloo, a bus load of men from Donald, St Arnaud and surrounds.

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



Danny Stone from EWHS spoke about support services and staff available from locally to support residents experiencing difficulty with mental health. Friends of Queen Mary Gardens volunteers provided a lovely supper at the end of the evening, while everyone could reflect on the play and information provided.

STAWELL COLOUR FESTIVAL- NATIONAL YOUTH WEEK

The Youth Action Council members and the NGSC community development team launched Stawell's first ever Colour Festival in April. Starting at North Park, participants ran and walked through the ironbarks, enjoyed the splashes of colour along the way, and finished back at North Park with a free BBQ and fruit. With more than 276 participants from across the region, this event was a highlight for our community! Of the participants surveyed, 100% rated the event as 'perfect' and requested it to be an annual event.

2017 YOUTH SUMMIT

Our Youth Action Council members with our community development team recently attended the Victorian Youth Summit at the MCG with Minister for Youth Affairs Jenny Mikakos. The youth summit provided an opportunity for engagement for young people to connect with Government and shape change.

They meet with some inspirational young people and got the chance to have a say in shaping new policies regarding areas in education, mental health, employment etc for the youth of Victoria.

COMMUNITY CONSULTATIONS FOR MUNICIPAL PUBLIC HEALTH & WELLBEING PLAN

The Municipal Public Health & Wellbeing Plan 2017-2021 is in development, with a strong agency working group including representation from all East Wimmera Health Service, Stawell Regional Health, Grampians Community Health, Grampians Pyrenees Primary Care Partnership, Womens Health Grampians, Wimmera Sports Assembly and NGSC community development staff.

The working group has undertaken a thorough consultation across the community to capture and highlight areas

of need focus to improve the health and wellbeing of our residents. The plan will focus on strategies across four main priorities areas: Healthy eating, Active Living, Mental Wellbeing and Preventing Violence & Injury. To make significant impact in these areas for our Region, we will be partnering with many agencies, community groups and individuals to deliver innovative projects, programs and initiatives for our residents.

WESTERN BULLDOGS LEADERSHIP TEAM

Council has sponsored students across our Shire to participate in the Western Bulldogs Community Foundation leadership and development program. The program has provided eight local young people with hands on opportunities to contribute and grow as leaders in their chosen field. A highlight of the program so far was a weekend camp in Melbourne, starting with team building and the introduction of leadership concepts. The group will continue to learn and develop skills, completing the course at the end of 2017.

COMMUNITY ACTION PLANS

Marnoo and Navarre Communities have spent several months reviewing previous community priorities, and reflecting back on many achievements of the projects they've completed. NGSC has assisted both communities to identify current needs, to develop a shared vision and set of priorities for future projects. Now with Community Action Plans in hand, the Council look forward to assisting these communities to bring further local projects to life.

ST ARNAUD COMMUNITY MOSAIC

The St Arnaud Community Mosaic unveiling in Market Square was a true celebration of local history, uniqueness, and artistic talent. The St Arnaud Neighbourhood house project saw the creation of a large community mosaic, gifted to Council.

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



With children from all local schools and the Children's Precinct, there were well over 100 people celebrating this achievement. The mosaic wall will be enjoyed by our residents and visitors for many years to come.

WALK TO SCHOOL

With eight local schools participating in October Walk to School month, participation was the highest on record for the shire. Children enjoyed the challenge of being more active, including walking / riding / scooting to school, and enjoy more time being active in the outdoors. New initiatives included a colouring competition, opportunities to walk at school for children who live rurally or travel to school by bus, a 'family selfie' competition to encourage families to engage in activity together, and community activities such as lunch in the park. Vouchers for prizes for the competitions were given out to spend on local sports and leisure goods.

SENIORS WEEK EVENTS

Cr Erwin and Cr Driscoll travelled to Government House in October with Senior community members to enjoy the Victorian Senior Week Awards and to undertake a tour of parts of Government House. This year we choose our volunteers from our local RSLs to be recognised for their volunteering.

Stawell hosted the Honey Bee and the Stingers Concert at the Stawell Entertainment Centre with a free light luncheon, Mayor Murray Emerson opened the event with 100 seniors attending.

St Arnaud hosted Colleen Hewett for their entertainment for their Seniors Concert at the St Arnaud Town Hall. With 180 local seniors, there was dancing, laughing, and enjoying company for hours. Attendees enjoyed a light luncheon, and the St Arnaud Community Cinema offered two sittings of the movie Florence Foster Jenkins at popular demand.

SUPPORTING OUR COMMUNITY GROUPS

It is often a labour of love to commit to local community and not for profit groups. Council recognises the ideas and contributions that our community organisations and groups make by allocating grants each year. In 2016/17, NGSC awarded various grants from our five funding streams, Community Grants, Youth, Events, Arts and Culture and Minor Grants. Projects that have benefited from Council grants in 2016/2017

Community Grants

- Stawell Historical Society
- St Arnaud Harness Racing Club
- Navarre Hall Ramp
- St Arnaud Neighbourhood House
- St Arnaud Pipe Band
- Access Ministries

Youth Grants

- St Arnaud Secondary College
- Marnoo Primary School
- Gramps Mate Mentoring
- St Arnaud & District Dance Club Fundraising Group
- St Arnaud Country Music
- St Arnaud Bible Museum

Minor Grants

- Stawell RSL
- Stawell Secondary College
- Rich Avon Fire Brigade
- Stawell Lutheran Church
- Stawell Stingrays
- Stawell Little Athletics
- Wine Challenge Request
- Grampians Pyrenees Primary Care Partnership
- St Arnaud Arts Space
- St Arnaud Kinder Parents AC
- Stuart Mill Progress Association
- Stawell Interchurch W Ass

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



- Navarre Australia Day
- Great Western Race Boat
- Stawell Lions Club
- St Arnaud Murray to Moyne
- St Arnaud CFA Brigade
- McCallum St Arnaud - Tri State Games
- St Arnaud Resource Centre
- Stawell Ballet School
- St Arnaud Mens Shed
- Stawell Fire Brigade
- Arts and Culture
- St Arnaud Bible Museum
- Event Funding
- St Arnaud Country Music Inc
- Great Western Future Committee
- Elmhurst Bush Nursing Centre
- St Arnaud Country Music Inc
- Stawell Golf Club
- Spaci
- St Arnaud Football Club Committee
- St Arnaud Young Farmers
- Stawell Mothers Day Classic
- EWHS
- Glenorchy Hall
- St Arnaud Arts Council
- Stawell Tennis Club
- Banyena Hall
- Great Western School
- Western Region Athletics- Halls Gap
- St Arnaud Playgroup - Art Evolution
- St Arnaud EWHS Foundation- Broadway to St Arnaud
- St Arnaud Learning Alliance

RECREATIONAL LAKES ON THE RADAR

Recreational water continues to be a significant contributor to the social and economic wellbeing of rural communities. At Walkers Lake regular meetings have been held with representatives of the community and key stakeholders to continue to maintain the natural amenity of the lake reserve for the benefit of all users. This outstanding community asset will continue to evolve as a destination place for locals and visitors however it will need the care and consideration of its environment from all involved to

maintain this natural setting.

There has been plenty of activity at both Lake Lonsdale and Lake Fyans with projects involving infrastructure improvements to enhance the experience at these venues. Continued good levels of water will see increased usage in the 2017/18 seasons.

STRENGTHENING TOURISM TIES

A regional approach to tourism marketing is the result of Council's membership with Grampians Tourism. This ongoing relationship ensures Council is involved in all Grampians Tourism projects, events and promotional activities. Northern Grampians Shire has a strong presence in their Official Visitor Guide, touring maps and online platforms and features in all marketing opportunities.

GRAMPIANS PEAKS TRAIL

The Grampians Peaks Trail is a world-class long distance walk of 13 days and 12 nights. The trail will be completed in 2019 and showcases the spectacular Grampians National Park. The central section of the trail is now open and allows you to complete a three day/two night walk through some of the park's most famous scenery. Planning and construction will continue on the remaining sections of the trail until late 2019 when the full experience will be open. Council is involved in advisory groups and planning taskforce groups to support the Grampians Peaks Trail project.

LEISURE FACILITIES

Learn to Swim and lifesaving courses remained popular, while swimming lessons were also well patronised. During the 2016/17 year, there were in excess of 50,000 visits to the Stawell Leisure Complex, and on top of this are the many people who visit the stadiums, courts and swimming pools as spectators. Council has continued to invest in its annual maintenance program for the facility to ensure the community have a great experience whilst visiting.

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



The 'no fees' policy at the St Arnaud Swimming Pool continues to see over 10,000 visits to the pool making it a popular place during the warm weather. Recent upgrades to the changerooms, additional shade and a new irrigation system has ensured the facilities are in the best order for patrons.

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

ST ARNAUD CHILDREN'S PRECINCT

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

They continue to aspire to empower children, by following and extending their ideas and interests to develop the curriculum. Promotion of each child's confidence and positive self image through a range of experiences, activities and opportunities that build upon their understandings, skills, values, and enhances relationships with others assists the children's enjoyment at the precinct.

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

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

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

Last years inclusion of the Kindergarten "Bush Kinder" program has been well received and enjoyed by the children. This initiative by the staff at St Arnaud Children's Precinct is a reflection on the belief in the importance of nature and outside play in a child's learning and development which is supported by numerous studies and Government frameworks.



SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



Social, Community and Environmental Initiative

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Aquatic Facilities				
Satisfaction User satisfaction with aquatic facilities (optional) <i>[User satisfaction with how council has performed on provision of aquatic facilities]</i>	\$0.00	\$0.00	\$0.00	
Service standard Health inspections of aquatic facilities <i>[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]</i>	0	2	2	Two half yearly inspections conducted at each of Council's two aquatic facilities.
Health and Safety Reportable safety incidents at aquatic facilities <i>[Number of WorkSafe reportable aquatic facility safety incidents]</i>	0	0	0	There were no reportable safety incidents this financial year
Service cost Cost of indoor aquatic facilities <i>[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]</i>	\$3.00	\$3.42	\$4.22	Increased utilisation of casual staff during recruitment for permanent employees combined with a decrease in visits has increased the cost of indoor facilities.
Service Cost Cost of outdoor aquatic facilities <i>[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]</i>	\$8.00	\$8.47	\$9.36	While expenses have remained comparable to previous years, cooler weather during summer months reduced the number of visits which has therefore increased the cost per visit.
Utilisation Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	5.0	4.8	4.5	
Animal Management				
Timeliness Time taken to action animal management requests <i>[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]</i>	0	1	1.64	Increase is due to implementation of new customer request management system that has collected more accurate information in relation to first response time.
Service standard Animals reclaimed <i>[Number of animals reclaimed / Number of animals collected] x100</i>	39.00%	36.25%	46.09%	Local microchipping programs and the use of social media have resulted in more animals being reunited with their owners.
Service cost Cost of animal management service <i>[Direct cost of the animal management service / Number of registered animals]</i>	\$66.00	\$81.51	\$78.75	
Health and safety Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	0	0	0	There were no animal prosecutions this financial year

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



Social, Community and Environmental Initiative

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Food Safety Timeliness Time taken to action food complaints <i>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</i>	0	3.14	2.75	The introduction of a new client request management system has improved the efficiency of actioning food complaints
Service standard Food safety assessments <i>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</i>	61.00%	89.39%	98.33%	Increased focus placed on undertaking inspections.
Service cost Cost of food safety service <i>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</i>	\$487.00	\$458.83	\$346.14	The reduction in cost is due to numerous staff vacancies therefore a decrease in employee costs.
Health and safety Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100.00%	90.00%	100.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. All critical and major non-compliance notifications were followed up during the 2016 calendar year.
Libraries Utilisation Library collection usage <i>[Number of library collection item loans / Number of library collection items]</i>	2.00	2.09	2.17	
Resource standard Standard of library collection <i>[Number of library collection items purchased in the last 5 years / Number of library collection items] x100</i>	46.00%	49.72%	44.51%	As active members have remained consistent there has been no need to upgrade current library collection.
Service cost Cost of library service <i>[Direct cost of the library service / Number of visits]</i>	\$6.00	\$6.54	\$6.38	
Participation Active library members <i>[Number of active library members / Municipal population] x100</i>	19.00%	15.37%	15.44%	

SOCIAL, COMMUNITY & ENVIRONMENTAL INITIATIVES



Social, Community and Environmental Initiative

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Maternal and Child Health (MCH)				
Satisfaction Participation in first MCH home visit <i>[Number of first MCH home visits / Number of birth notifications received] x100</i>	103.00%	104.50%	104.67%	
Service standard Infant enrolments in the MCH service <i>[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100</i>	103.00%	97.30%	99.07%	
Service cost Cost of the MCH service <i>[Cost of the MCH service / Hours worked by MCH nurses]</i>	\$0.00	\$60.28	\$62.85	
Participation Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	66.00%	82.24%	89.05%	
Participation Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	63.00%	76.00%	94.74%	Increase is due to an increase in number of Aboriginal children participating in MCH services. As our community has a small aboriginal community, an aboriginal family of 3 children enrolled in the service has increased the percentage.
Statutory Planning				
Timeliness Time taken to decide planning applications <i>[The median number of days between receipt of a planning application and a decision on the application]</i>	85	80	78	
Service standard Planning applications decided within required time frames <i>[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100</i>	64.00%	24.72%	25.93%	From 1 July 2016 this indicator will be updated to include VicSmart planning applications which should be assessed within 10 days. This may result in some variances year on year.
Service cost Cost of statutory planning service <i>[Direct cost of the statutory planning service / Number of planning applications received]</i>	\$3,422.00	\$3,472.65	\$3,524.86	
Decision making Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	0.00%	0.00%	0.00%	No planning decisions taken to VCAT

EMERGENCY & RISK INITIATIVES



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

Examples of exercises Council has been involved with include:

- Exercise Abrupt - Functional test of Grampians Rescue Plan - 18 August, 2016
- Exercise Crossover - Response to Highly Pathogenic Avian Influenza - 12 May, 2017
- Joint Stawell Tyre Stockpile Working Group/Steering Committee Forum - 8 June, 2017

EMERGENCY MANAGEMENT PLANNING

Council has continued to monitor, review and action requirements of the Victorian Bushfires Royal Commission Final Report dated July 2010 including the review and ongoing development of the Municipal Emergency Management Plan (MEMP) and associated sub-plans. The aim is to make sure that the MEMP and other associated sub-plans better meet guidance and requirements stemming from the Emergency Management Acts and to ensure that applicable recommendations from the 2009 Victorian Bushfires Royal Commission and the 2011 Victorian Floods Review are implemented.

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

Council keeps abreast of strategic and regional planning through participation on the Regional Strategic Fire Management Planning Committee (RSFMPC) and the Regional Emergency Management Planning Committee (REMP). The involvement on these committees assists Council to understand the changes being introduced throughout the State as a result of changes to emergency

management processes being driven by Emergency Management Victoria (EMV) and changes to Emergency Management legislation.

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

VULNERABLE PEOPLE IN EMERGENCIES

Council works in partnership with the Department of Health and Human Services (DHHS) and other service providers for the aged and infirm to identify vulnerable persons not receiving services in the municipality. It is important to note the strong working relationships that are maintained with the various health service providers and other organisations in ensuring the database list of vulnerable persons and the identified locations of these people is maintained and kept up to date. The systems utilised mean that the information is readily available to authorised organisations and to Victoria Police when planning for, or responding to, emergency events or incidents. The MEMP contains information pointing to systems which indicates locations where vulnerable people might be located (eg schools, child care facilities, hospitals, intellectually disabled, disabled, and aged care facilities). It also recognises the need for these people to be encouraged to be prepared to relocate early if an emergency situation threatens and the need to work with the various service providers to ensure plans are in place for any assisted evacuations.

EMERGENCY & RISK INITIATIVES



PARTNERSHIPS AND COLLABORATIONS

Council is currently investigating the efficacy of an Emergency Management collaboration or resource sharing agreement between Southern Grampians Shire Council and Ararat Rural City Council.

Additional collaborative work includes:

- The review of Neighbourhood Safer Places (NSPs) and the Victorian Fire Risk Register-Bushfire (VFRR-B) with the assistance of the CFA and other MFMPC members and stakeholders.
- Coordination with the Department of Environment Land Water and Planning (DELWP), CFA, and Municipal Fire Prevention Officers (MFPOs) on fire management issues (eg setting restrictions for permits to burn and working with CFA and DELWP staff on fire management activities and fuel reduction and risk reduction strategies) has occurred throughout the year.
- Council has been 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.
- Council has also participated in the Stawell Tyre Stockpile Working Group and Steering Committee which has developed a number of plans and strategic actions related to the tyre stockpile. The working group has helped develop an Evacuation Plan, CFA Operational Plan, DHHS Stawell Tyre Stockpile Relief and Relocation Plan and council's Operational Plan.

EMERGENCY RESPONSE AND RECOVERY ACTIVITIES

Council worked with and supported other agencies with several minor incidents during the year requiring Emergency Management activation. As well as responding to these minor incidents, Council activated the MECC and conducted a Post Emergency Needs Assessment in response to the September floods. Damage to roads and associated infrastructure was estimated in excess of \$5 million.

Incidents

- 6 September 2016 - House Fire, 13 Fenwick Street Deep Lead
- 12 September 2016 - Floods

- 19 December 2016 - Missing Person, Glenorchy
- 3 January 2017 - House Fire, 48 Sloane Street St Arnaud
- 11 January 2017 - House Fire, 42 Sharpley Ave Stawell
- 18 February 2017 - Road Accident - Cnr Greenhole Road and Pickering Road Lake Lonsdale.
- 9 April 2017 - House Fire - 4 Sentinel Court Halls Gap

COMMUNITY ENGAGEMENT IN EMERGENCY MANAGEMENT

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

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

EMERGENCY & RISK INITIATIVES



MEETING LOCAL PRIORITIES

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

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

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



ASSET INITIATIVES



ON THE ROAD AGAIN

Over the past year, Council's Infrastructure works team have completed the largest Road and Bridges Capital Programs over the last few years, including a number of major road renewal and upgrade works. In a bid to try and reduce ongoing road maintenance costs on gravel roads Council undertook several road upgrade projects. These projects either involved reshaping, then bituminous sealing the existing gravel road or preparing, then sealing the gravel shoulders to standard seal width. Council continued to upgrade several of the highest used rural roads, including Banyena Road which is highly used by heavy vehicles and Landsborough Road. Ganawarra Road, Sloane Road and Medlyns Road are Council's highest ranking rural residential roads and saw upgrades this year. The intersections of Joel Joel / Frampton Road and Marl Street / Glenorchy Road were realigned to a safe standard.

Works were performed at Fisher Street, upgrading the drainage and pedestrian access within the residential area. Footpath installation was installed in both Stawell and St Arnaud at four separate locations.

BRIDGE AND MAJOR CULVERT UPGRADES

Council undertook works on 12 major culvert or bridges over the 2016/2017 financial year. These works involved renewing assets that were at the end of their useful life or improving road safety at stream crossings. The Bridge and Major Culvert Upgrades program largely consists of guardrail replacement or installation. In the past less attention has been given to this area, requiring more attention now and into the future. Among other projects, culverts have been replaced at Traynors Lagoon Road, widening the road and replacing old damaged culverts.

AIRPORTS TAKING OFF

2016/2017 saw less physical works being performed at the Council's aerodromes than in previous years. A lot of work has gone into formalising and updating the agreements on the leased hangars which has been a long time coming. Further to this, time and effort has been put towards formulating the scope and looking for funding

opportunities for Stawell Airport Stage 5.

BUILDINGS

The Council has a substantial portfolio of buildings that it is responsible for. Every year capital improvement and/or maintenance is carried out on a number either because of programmed works or due to a problem arising with some components of the building. The following is a list of buildings where substantial works were carried out during the 2016-2017 financial year.

- The Energy Efficiency program saw the installation of solar powered systems on two of Council's highest energy consuming buildings, Stawell Leisure Complex and Town Hall
- The Toilet Renewal Program saw the demolition of two public toilets around the shire, and the building of two portable toilet facilities that can be shipped around to specific events when required.

CREWS BUSY IN ST ARNAUD

A number of projects were completed in and around St Arnaud. These projects included the following: Upgrading over 2 km's of rural residential road. Footpath works was undertaken on Northern Western Road and Queens Avenue connecting elderly to the CBD and extending the physical path of the St Arnaud Historical trail.

Kerb and Channel was installed on a section of Queens Avenue to cater for drainage and parking issues. The ongoing seal widening project on Banyena Road. A open drain was replaced with a concrete pipe on an unnamed lane improving aesthetics and function, and reducing risk to the public.

ASSET INITIATIVES



PARKS AND GARDENS UPGRADES IN 2016/2017

Work/upgrades that have been undertaken during the 2016/2017 financial year to work towards achieving Council's 2017/2021 plan to enhance the natural and built environment to improve lifestyle and visitation are as follows:

- Development of the Queen Mary Garden extension over the old bowling green and initial works were undertaken to implement that plan. Further work to complete the plan will occur over time as resources permit.
- Landscaping and irrigation installation works in Church Street and Bayliss Street Car Parks as part of infrastructure alteration project.
- Three picnic tables and five park benches (purchase 15/16 financial year) installed at the Maude Street and North park retention dams. These areas as resources become available are being developed as natural areas with native plantings.
- Shade sail installed at Cato Park playground (grant).
- Native tree and shrub plantings Western Highway, Taylors Gully Park, Magdala Reserve and Taylor's Gully Reserve.
- Expansion of landscape Commonwealth gardens.
- Fifty trees planted Stawell caravan Park to replace depleting tree stocks and trees that were removed due to safety concerns the previous year.
- Landscaping Wimmera Street roundabout part of infrastructure alteration works.
- Installation of water fill stations Halls Gap, North Park and shire office lawns St Arnaud. (Units provided by GWMWater)
- Continue replacement plantings of street trees and park trees as required various locations.
- Refurbishment of plantings Stawell Library.
- Continuation of improving the aesthetics of townships by planting out various intersections, traffic treatments, unkept locations and difficult to manage areas as resources and opportunities permit. Generally funded through the Parks and Gardens Infrastructure operations budget unless associated with a traffic realignment projects.



ASSET INITIATIVES



Asset Initiatives

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Roads				
Satisfaction of use				
Sealed local road requests <i>[Number of sealed local road requests / Kilometres of sealed local roads] x100</i>	2	5.12	8.54	Our sealed road network was badly damaged following a flood in September 2016, which saw an increase to the number of sealed road requests.
Condition				
Sealed local roads maintained to condition standards <i>[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100</i>	100%	78.41%	82.85%	
Service cost				
Cost of sealed local road reconstruction <i>[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]</i>	\$27.00	\$52.16	\$65.11	Due to prolonged wet weather, the pavement for the road had to be reworked numerous times before sealing commenced. This rework therefore increased the cost of reconstruction. Further to this the area of reconstruction was considerably smaller than previous year which also contributed to the higher unit cost for replacement.
Service Cost				
Cost of sealed local road resealing <i>[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]</i>	\$4.00	\$4.41	\$4.00	The size of resealed area was considerably higher than previous year which in turn brought down the unit cost of resealing.
Satisfaction				
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	49	58	54	

WASTE INITIATIVES



Rehabilitation at the Hard Hills Landfill site will commence this year with a closure plan which outlines regulatory requirements almost complete.

INITIATIVES 2017/18

- Rehabilitate at Hard Hills
- Completion of the process to reduce the subsidy for Transfer Station fees to 50 per cent by 2017/18

TRANSFER STATION OPERATION PLANS

The St Arnaud Transfer Station Development was completed in June 2017 with the co-located Landfill site due to close officially on August 31st 2017.

The tender process to develop specifications for a Joint Feasibility Study into a “Super Transfer Station” to be developed between the Northern Grampians Shire Council and the Ararat Rural City Council has been released for application.

An extension has been given at all Transfer Stations contracts for a further twelve months before looking at options for the next five year period.

TRANSFER STATION FEE SUBSIDISATION

A revised Communications Strategy is being developed to inform the community about the final increase in Transfer Station Fees to meet the 50 per cent subsidy rate. This final increase is due on 1 August, 2017.

COMMUNITY EDUCATION PROGRAM

The next planned Community Education Program will involve three phases. Phase one has commenced with educational tours and talks provided to schools around the relative values of Transfer Stations as opposed to Landfills and what we can all do to divert waste from Landfills. Phase two provides an understanding of what function a Landfill provides. An option is being explored to offer tours through the Pomonal Road Landfill as part of this process. Phase three will involve the Grampians Central West Waste and Resource Recovery Group (GCWRRG) offering a RETHINK Program. They will also soon be able to offer their educational resource, “Little Green Wagon” for use within our communities.

GARAGE SALE TRAIL

This year the Garage Sale Trail covers two days, 21-22 October. It is our hope to have most of the local schools to participate in one big garage sale at the Stawell Show. St Arnaud has an ongoing garage sale event on this same weekend and therefore is unable to participate in this program.

E-WASTE AGREEMENT FOR COLLECTION

Legislation has recently been passed which bans e-waste from landfills and comes into effect within the next 6-12 months. Council is working with GCWRRG and other stakeholders to appreciate the ongoing requirements of this legislative change.

WASTE INITIATIVES



Waste Initiatives

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Waste Collection				
Satisfaction				
Kerbside bin collection requests <i>[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000</i>	37.00	62.29	67.20	
Service standard				
Kerbside collection bins missed <i>[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000</i>	2.00	3.54	5.38	New staff employed by contractors have increased this measure. As new staff are learning the routes, more bins have been missed.
Service cost				
Cost of kerbside garbage bin collection service <i>[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]</i>	\$114.00	\$117.18	\$125.85	
Service cost				
Cost of kerbside recyclables collection service <i>[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]</i>	\$38.00	\$38.05	\$39.02	
Waste diversion				
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	38.00%	35.14%	31.90%	

DATA & INFO INITIATIVES



Following on from previous work, this year saw the continuation of projects aimed at increasing efficiencies and improving service delivery to the community.

In August, as part of the Wimmera Southern Mallee Councils Shared Regional Geographic Information Systems (GIS) Community Mapping Project, Council's new online community map was launched. This provides the community with a tool for viewing a range of information, such as rubbish collection days, Councillor information and the location of services, all from one place.

With almost all of the recommendations identified in the 2013-2017 Information Communication Technology Strategy being achieved, this year the focus has largely shifted from internal efficiencies to how our technology can directly benefit the community.

Significant work has been undertaken on Council's information and communication technology (ICT) network infrastructure resulting in much improved backup and disaster recovery processes, and has laid the foundation for projects aimed at improving the online experience for customers wishing to engage electronically with Council.

This work will enable the finalisation of the public WiFi project in St Arnaud, which was delayed due to insufficient bandwidth.

With ICT increasingly becoming an integral part of service delivery, and changing at such a rapid pace with new solutions constantly offering opportunities to improve operational efficiency, development of an updated Information Communication Technology Strategy will commence shortly, for implementation over the next four years.

CUTTING RED TAPE INITIATIVES



Council is committed to reducing red tape where possible. During this past year Council has embarked on a complete conversion of our online forms from PDF's to online electronic forms. The advantage to the users is that electronic forms can be filled out online and don't require printing and posting. Northern Grampians Shire Council has close to 80 PDF forms and has completed about five of those so far and anticipates to review the rest over the next 18 months. The biggest part of this process was to work out the best way to capture electronic online forms. During the conversion process forms will be simplified, where possible, and given a format review to have a consistent look and feel.

FINANCIAL SUSTAINABILITY INITIATIVES



Council continues to meet its reporting and accountability requirements. The Audit Committee, consisting of two Councillors and three external representatives, met four times during 2016/17, as set out in the Audit Committee Charter. The Committee focuses on risks identified by the Risk Management Committee, reviewing processes to provide assurance regarding Council's performance, risk management, financial and governance responsibilities. Work towards long term sustainability is ongoing. Although Council has, in the short term, absorbed barriers to its ability to raise revenue due to the freezing of the Federal Financial Assistance Grants for the four years up to 2017/18 and the impact of the rate cap set by the State Government, it has been recognised that Council needs to do the hard work now so we can provide services to the community and maintain our large infrastructure network into the future.

Council has committed to reviewing each of its services over the next three years. These reviews must provide a potential saving of three million dollars in operations in order to put our Shire in a financially sustainable position ten years from now. Although these reviews will mean making difficult decisions and changing the services we deliver to the community, Council's financial position forecasted into the future is something we can't ignore.

FINANCIAL SUSTAINABILITY INITIATIVES



Financial Sustainability Initiatives

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Efficiency Revenue level Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$ 1,563.00	\$1,562.36	\$1,565.80	2015/16 Data updated to reflect correct calculation of total residential rates revenue
Expenditure level Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$ 3,585.00	\$3,560.78	\$3,595.22	
Workforce turnover Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average]</i>	13.00%	13.99%	9.95%	More resignations in 2015/16 financial year
Liquidity Working capital Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	198.00%	211.61%	300.99%	Council received half of our 2017/18 \$6.9M Victorian Grants Commission allocation in June 2017 which resulted in higher cash balances at year end compared to prior year.
Unrestricted cash Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	145.00%	151.21%	246.31%	Council received half of our 2017/18 \$6.9M Victorian Grants Commission allocation in June 2017 which resulted in higher cash balances at year end compared to prior year.
Obligations Asset renewal Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	49.00%	45.66%	35.53%	In 2016/17 council completed capital works on a higher percentage of new assets than renewal projects.
Loans and borrowings Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	25.00%	22.28%	19.76%	There were no new loans in 2016/17 and council has continued to make principal repayments on existing loans.
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and]</i>	3.00%	2.88%	2.72%	There were no new loans in 2016/17 and council has continued to make principal repayments on existing loans.
Indebtedness Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	17.00%	28.88%	24.61%	There were no new long term loans in 2016/17 and council has continued to make principal repayments on existing loans.
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100</i>	15.00%	-21.39%	2.37%	Council received half of our 2017/18 \$6.9M Victorian Grants Commission allocation in June 2017 which was recognised as revenue in the 2016/17 financial year.
Stability Rates concentration Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	39.00%	60.28%	48.06%	Council received half of our 2017/18 \$6.9M Victorian Grants Commission allocation in June 2017 which was recognised as revenue in the 2016/17 financial year. These grants are classified as operating grants therefore included in adjusted underlying revenue.

FINANCIAL SUSTAINABILITY INITIATIVES



Financial Sustainability Initiatives

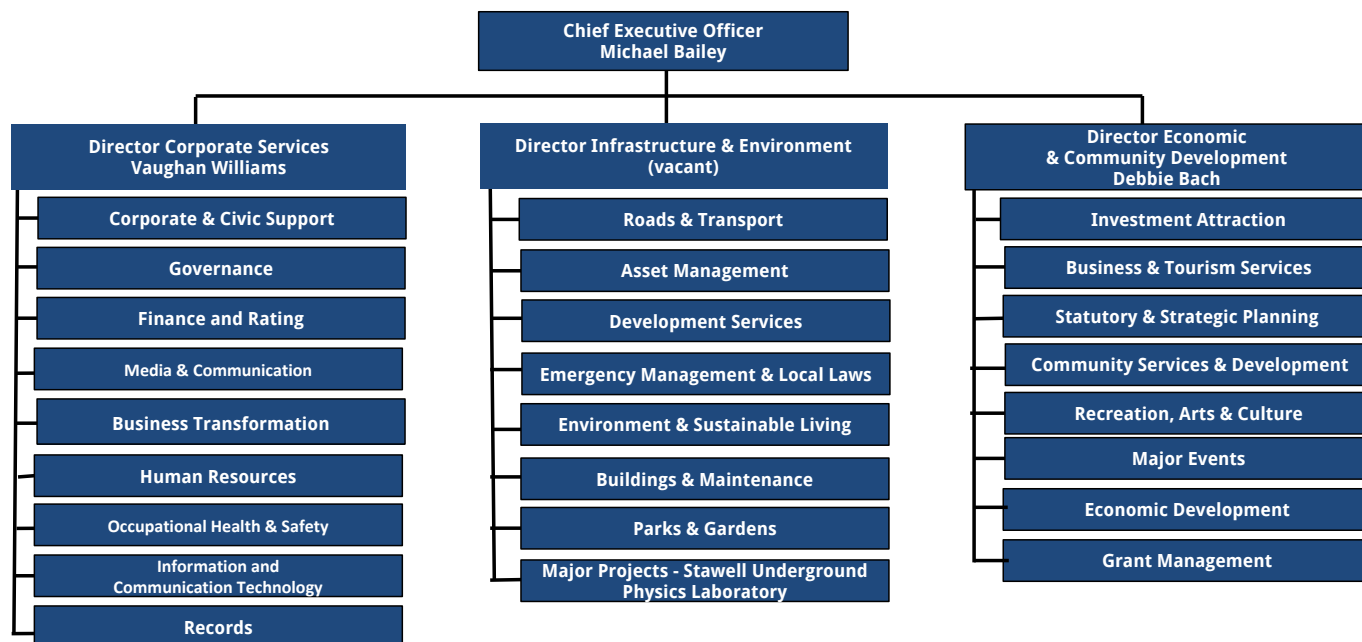
The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.76%	0.80%	0.79%	
Sustainability Population Expenses per head of municipal population [Total expenses / Municipal population]	\$2,831.00	\$2,929.27	\$2,912.28	
Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$34,882.00	\$34,286.47	\$35,078.63	
Population density per length of road [Municipal population / Kilometres of local roads]	3.40	3.44	3.35	
Own-source revenue Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$1,995.00	\$1,603.01	\$1,584.69	
Recurrent grants Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$1,285.00	\$753.58	\$1,275.22	Council received half of our 2017/18 \$6.9M Victorian Grants Commission allocation in June 2017 which was recognised as revenue in the 2016/17 financial year.
Disadvantage Relative Socio-Economic Disadvantage [Index of Relative Socio-Economic Disadvantage by decile]	3	1	1	

CORE SERVICES INITIATIVES



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



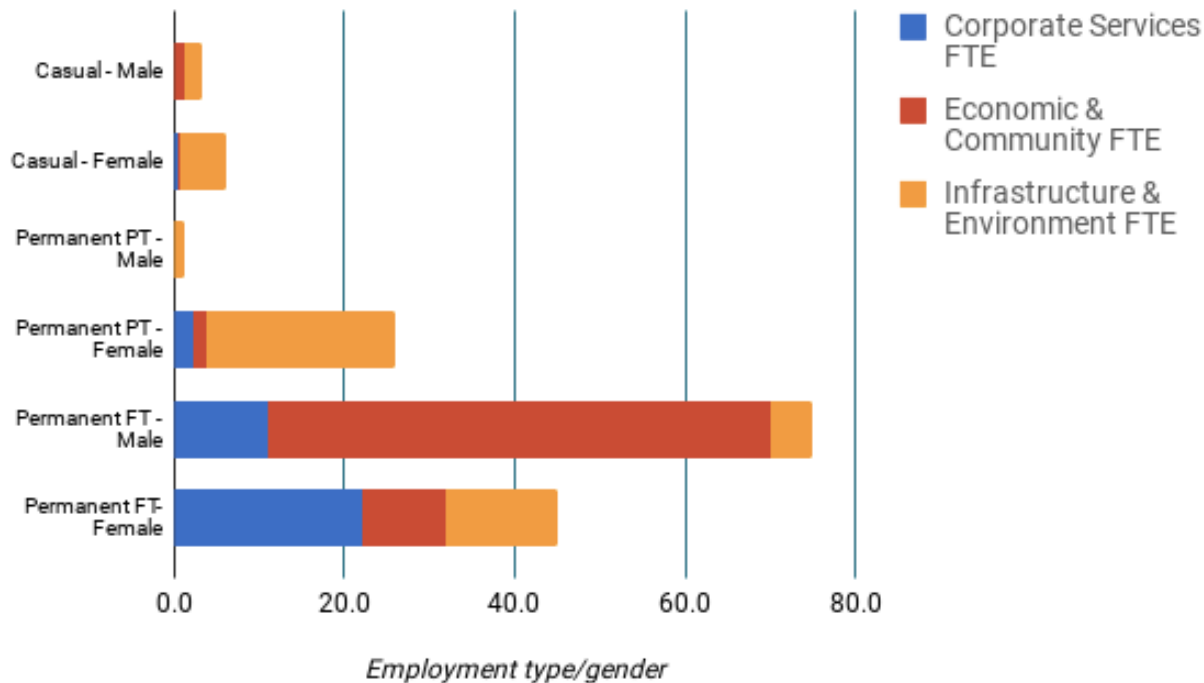
Employment Type/gender	Corporate Services FTE	Economic & Community FTE	Infrastructure & Environment FTE	Total FTE
Permanent FT- Female	22.0	10.0	13.0	45.0
Permanent FT - Male	11.0	59.0	5.0	75.0
Permanent PT - Female	2.2	1.6	22.2	26.0
Permanent PT - Male			1.3	1.3
Casual - Female	0.4	0.2	5.6	6.2
Casual - Male		1.2	2.0	3.2
Total	35.6	72.0	49.1	156.7

FT - Full Time PT - Part Time

CORE SERVICES INITIATIVES



Employee FTE



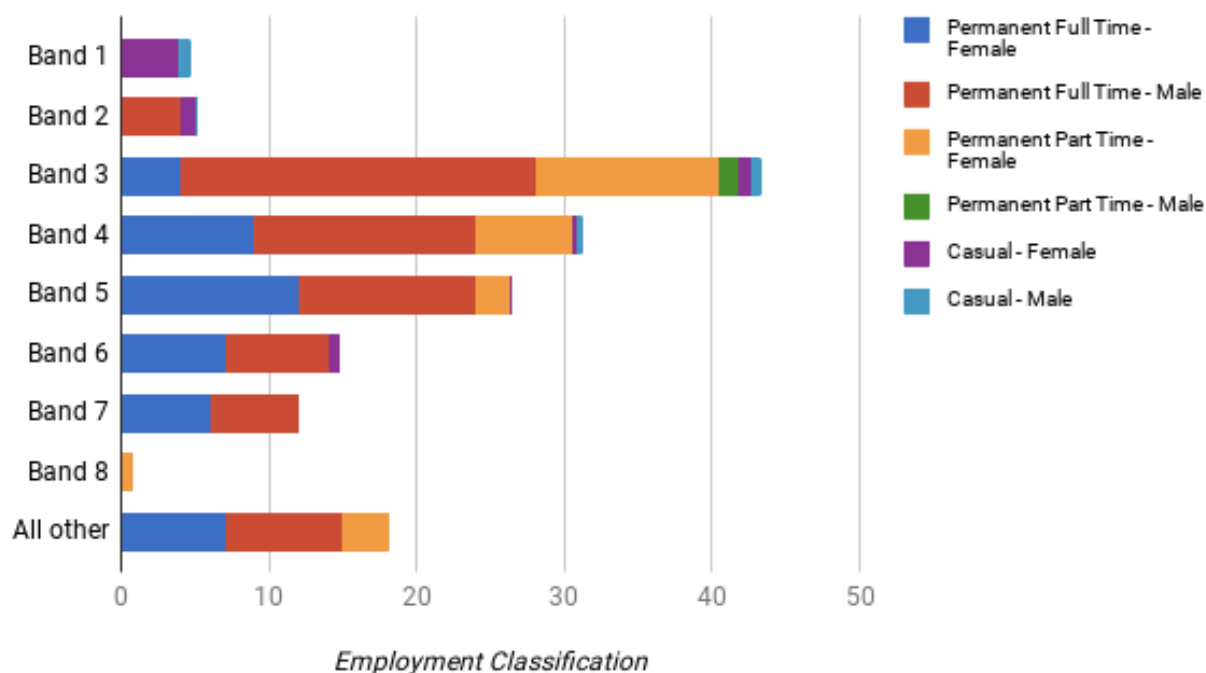
Employment Classification

Classification	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female			4.0	9.0	12.0	7.0	6.0		7.0	45.0
Permanent Full Time - Male		4.0	24.0	15.0	12.0	7.0	6.0		8.0	76.0
Permanent Part Time - Female			12.4	6.6	2.3			0.8	3.1	25.2
Permanent Part Time - Male			1.3							1.3
Casual - Female	3.8	1.0	1.0	0.2	0.2	0.8				7.0
Casual - Male	1.0	0.2	0.6	0.4						2.2
TOTAL	4.8	5.2	43.3	31.2	26.5	14.8	12.0	0.8	18.1	156.7

CORE SERVICES INITIATIVES



Employment Classification



EQUAL OPPORTUNITY

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

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

CORE SERVICES INITIATIVES



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 OF COMMITMENT

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

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

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

OCCUPATIONAL HEALTH AND SAFETY

The Northern Grampians Shire Council is committed to providing and maintaining a working environment for employees, Councillors, contractors, volunteers, clients and members of the public that is safe and without risks to health, so far as is reasonably practicable.

Northern Grampians Shire Council has registered to participate in the Municipal Association of Victoria application for self insurance which aims to provide the following benefits:

- continuous improvement in health and safety and return to work performance
- improve injury prevention
- better human and financial outcomes
- projected premium savings of 15 percent over the first three years of the Scheme operation based on the WorkSafe premium notice 2016/17

GOVERNANCE



The Northern Grampians Shire Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community.

The role of the council includes:

- acting as a representative government by taking into account the diverse needs of the local community in decision making;
- providing leadership by establishing strategic objectives and monitoring their achievement;
- maintaining the viability of the Council by ensuring that resources are managed in a responsible and accountable manner;
- advocating the interests of the local community to other communities and governments;
- acting as a responsible partner in government by taking into account the needs of other communities; and
- fostering community cohesion and encouraging active participation in civic life.

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

Council's formal decision-making processes are conducted through council meetings and special committees of

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

COUNCIL MEETINGS

Council conducts open public meetings on the first Monday of each month at 5.00 pm. Venues for council meetings alternate between Stawell and St Arnaud. Any additional special meetings or changes to the timetable are publicised through the media. Meetings are open to members of the community. Public question time is a regular feature at ordinary meetings, giving residents the opportunity to ask questions on any council related matter.

During 2016/2017, there were 11 ordinary council meetings and five special council meetings. There were 35 Councillor briefings.

The following table provides a summary of councillor attendance at these meetings for 2016/2017.

	Ordinary Council Meetings attended	Special Council Meetings attended
No. of meetings	11	5
Cr Tony Driscoll	11	5
Cr Murray Emerson	11	4
Cr Kevin Erwin	10	4
Cr Rob Haswell (from Oct. 2016)	8	4
Cr Karen Hyslop	10	5
Cr Jason Hosemans	10	4
Cr Merrilee Reid	11	4
Cr Wayne Rice (up to Oct. 2016)	4	1

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Audit Committee Meetings	
No. of meetings	3
Cr Murray Emerson	3
Cr Kevin Erwin	3

Councillor Briefings	
No. of Briefings	35
Cr Tony Driscoll	34
Cr Murray Emerson	32
Cr Kevin Erwin	26
Cr Rob Haswell (from Oct. 2016)	22
Cr Karen Hyslop	30
Cr Jason Hosemans	29
Cr Merrilee Reid	31
Cr Wayne Rice (up to Oct. 2016)	12

SPECIAL COMMITTEES

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

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

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

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

GOVERNANCE



Stawell Community Recreation Committee	1	1	6	To care for the facilities at the Stawell recreation reserves, Central Park, North Park and Old Lake Oval for the benefit of the community
St Arnaud Community Recreation Committee	1	1	6	To care for the facilities at the St Arnaud recreation reserves, Lord Nelson Park and King George's Park for the benefit of the community

COUNCILLOR CODE OF CONDUCT

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

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

The Code:

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

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

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

GOVERNANCE



CONFLICT OF INTEREST

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

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all council and committee meetings and councillor briefings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2016/2017 seven conflicts of interest were declared at council meetings and assemblies of councillors.

COUNCILLOR EXPENSES

Section 74 of the Act requires each council to review

and determine the level of the councillor and mayoral allowances within the period of six months after a general election or by the next 30 June, whichever is later. Allowances set through this process remain in force for the next four financial years unless one of the following applies: a) a review may be conducted if an Order in Council varies the limits or ranges of allowances payable; b) a review may be conducted if an Order in Council changes the category of Council.

The Minister for Local Government recently reviewed the limits and ranges of the current mayoral and councillor allowances, and has determined under section 73B of the Act that these allowances be increased by 2.5% from 1 December, 2016. In making this determination, the Minister had regard to the equivalent movement in remuneration of executives within the meaning of the *Public Administration Act 2004*. For Council which is a Category 1 Council, based on population and revenue, the adjusted range limits which apply are: Category 1 : Councillors: \$8,324 - \$19,834 pa; Mayors: up to \$59,257 per annum. The amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5%) is payable in addition to these amounts.

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

Councillors	Councillor and Mayoral Allowances (\$)
Cr Tony Driscoll (Mayor 2016/17)	52,205.61
Cr Murray Emerson (Mayor 2015/16)	30,015.51
Cr Kevin Erwin	20,618.68
Cr Rob Haswell	15,891.19
Cr Jason Hosemans	20,618.68
Cr Karen Hyslop	20,180.47
Cr Merrilee Reid	20,618.68
Cr Wayne Rice	4,727.49

GOVERNANCE



COUNCILLOR EXPENSES CONT.

Councillors are also entitled to a Remote Area Travel Allowance. If a councillor normally resides more than 50 kms 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.

Councillors	Remote Area Travel Allowance (\$)
Cr Tony Driscoll (Mayor 2016/17)	1,360.00
Cr Murray Emerson	160.00
Cr Kevin Erwin	280.00
Cr Rob Haswell	80.00
Cr Jason Hosemans	200.00
Cr Karen Hyslop	240.00
Cr Merrilee Reid	1,240.00
Cr Wayne Rice	200.00

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

Council is required to review and amend its existing policy following each general election. The policy provides guidance on the reimbursement of out of pocket expenses and provision of support for councillors and members of council committees to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official Council duties. The policy covers areas such as travel expenses, use of vehicles, training, dependant care expenses, civic support, facilities and equipment. The policy was reviewed and minor changes were made prior to Council adopting the policy on 3 April, 2017.

No councillor or member of a council special committee was reimbursed for expenses incurred in 2016/2017.

GOVERNANCE



MANAGEMENT

Council has implemented a number of statutory and better practice items to strengthen its management framework. Having strong governance and management frameworks leads to better decision making by council. The Act requires council to undertake an assessment against the prescribed governance and management checklist and include this in its report of operations. Council's Governance and Management Checklist results are set out in the section below. The following items have been highlighted as important components of the management framework.

AUDIT COMMITTEE

The Audit Committee is an independent advisory committee to council, established to assist in the effective conduct of council's responsibilities for good governance, the management of risk, financial reporting and maintenance of reliable systems and internal controls in order to facilitate the achievement of its organisational objectives in an efficient, effective and ethical manner.

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

- seeking resolution on any disagreements between management and the external auditors on financial reporting
- reviewing all auditing, planning and outcomes
- seeking any information it requires from councillors and council staff via the Chief Executive Officer and external parties
- formally meeting with council staff, internal and external auditors as necessary.
- A Committee Charter sets out the appropriate authority, composition, meeting requirements and responsibilities of the committee to ensure good practice and compliance with the requirements of the *Local Government Act 1989*, and is supported by Council's Audit Committee Guidelines.

The Audit Committee consists of three independent members and two councillors. Sitting independent

members are Mr Peter Knights (Chair) and Mr Tony Roberts. Mr Rabin Bangaar resigned in November 2016 and this position is currently vacant. Independent members are appointed for a three-year term with the appointment of each staggered to ensure that only one new appointment is made in any one year. The Audit Committee meets at least four times a year and has authority to convene additional meetings, as circumstances required.

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

INTERNAL AUDIT

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

The following reviews were undertaken in 2016/2017:

- Stawell Aerodrome Safety Inspection Report - Airports Plus .
- Pensioner Concession Audit - Pitcher Partners.
- St Arnaud Children's Precinct Strategic and Financial Advice Review - Deloitte.

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2016/2017 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the September Audit Committee meeting to present the annual Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.

GOVERNANCE



RISK MANAGEMENT

The council's Risk Management Strategy, established business practices, policies and procedures are reviewed annually to ensure that they are not in conflict with Risk Management standards and guidelines.

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

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

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

RECORDS MANAGEMENT

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

government.

During 2016/2017, council adopted its Records Digitisation Policy which is an ECM Compliance Audit requirement. The policy 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 2016/2017 year:

- Municipal Association of Victoria
- Local Government Professionals
- Local Government Finance Professionals
- Revenue Management Association
- Victorian Local Governance Association
- Wimmera Development Association
- VECCI
- North West Municipalities Association
- Early Learning Association Australia
- Keep Australia Beautiful Victoria Inc
- Our Community Group
- VicSport
- Economic Development Australia
- Grampians Produce
- Municipal Works Operations Association
- Civil Contractors Federation
- Rail Freight Development Alliance
- Sunraysia Highway Improvement Committee
- Australian Airports Association
- Wimmera Regional Library Corporation

GOVERNANCE



Governance and Management Items	Assessment	Completed
Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Council uses the International Association of Public Participation (IAP2) as the base policy for Community Engagement	No - Draft policy to be presented at 4 September 2017 council meeting
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Council uses the International Association of Public Participation (IAP2) Spectrum of Public Participation as the guideline for community engagement	Yes
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: 26 June 2017	Yes
Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Annual Budget adopted in accordance with section 130 of the Act Date of adoption: 26 June 2017	Yes
Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Services Asset Management Plan in place which includes Part A - General Information associated with managing all asset groups Part B – Road & Streets Network Plan Part C – Bridges & Major Culverts Plan Part D – Buildings & Facilities Asset Plan Part E - Stormwater Drainage System Plan Date of operation of current plans: 19 November 2009	Yes

GOVERNANCE



Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Revenue and Rating Strategy in place - currently being reviewed Date of operation of current strategy: 3 March 2014	Yes
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: 14 April 2015	Yes
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	Yes
Municipal Emergency Management Plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the Emergency Management Act 1986 Date of preparation: 26 June, 2016	Yes
Procurement Policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Procurement Policy prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 27 June, 2016	Yes
Business Continuity Management Framework (incl Business Continuity Management Plan) (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of approval: 18 February 2014	Yes
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Included in the Business Continuity Management Plan Date of approval: 18 February 2014	Yes

GOVERNANCE



Risk Management Framework (framework outlining council's approach to managing risks to the Council's operations)	<p>Strategy</p> <p>Date of approval: 11 August 2015 (Under review)</p>	Yes
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)	<p>Established in accordance with section 139 of the Act</p> <p>Date of establishment: 13 May 1999</p>	Yes
Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Internal audit projects are selected from items identified within the Council's Risk Register and appropriately qualified persons/organisations engaged to undertake the audit. Accounting professionals are employed when the project is relevant to their skill set.	Yes
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)	<p>Local Government Performance Reporting Indicators Policy and Procedure in place</p> <p>Date of adoption by Senior Leadership Team: 25 August 2015</p>	Yes
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)	<p>Council Plan performance undertaken at Councillor Briefing Session</p> <p>Date of Briefing Session: 6 February 2017</p>	Yes

GOVERNANCE



Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	<p>Statements presented to council in accordance with section 138(1) of the Act</p> <p>Date statements presented: Annual Report 2015-16 05/09/2016; November Finance Report 05/12/2016; December Finance Report 06/02/2017; March Finance Report 01/05/2017</p>	Yes
Risk reporting (regular reports to Audit Committee of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	<p>Risk reporting is understood to be an important area for Local Government. Risk Committee disbanded (final meeting 9/8/2016) Council's executive leadership team monitor strategic risk at each of their weekly meetings and SLT (Senior Leadership Team) monthly. The Audit Committee discusses risk at every meeting to provide the opportunity to comment on Council's direction and operational management of risk. In June 2017 the Audit Committee received an update from officers about the operational direction for managing risks for the future.</p> <p>Date of Audit Committee Meetings: 18 April 2017, 27 June 2017</p>	Yes
Performance reporting (six monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	<p>Performance reporting legislation progress report provided to Council for the six months ended 31 December 2016</p> <p>Date of report: Full year 2015-16 report 5/9/2016. Half year 2016-17 report 6 February 2017</p>	Yes

GOVERNANCE



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: 5 September 2016	Yes
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: 13 February 2017	Yes
Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of Review: 6 February 2017	Yes
Meeting procedure (a local law governing the conduct of meetings of council and special committees)	Meeting Procedure Local Law made in accordance with section 91(1) of the Act Date local law made: 28 January 2010	Yes

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

Michael Bailey,
Chief Executive Officer
Dated - 30 June, 2017

Cr Tony Driscoll,
Mayor
Dated - 30 June, 2017

GOVERNANCE



STATUTORY INFORMATION

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

Documents made available for public inspection (*Local Government (General) Regulations 2015*)

R.12 For the purposes of section 222 of the *Local Government Act 1989* (the Act), the following are prescribed documents if they are not published on the Internet website of the Council-

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

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

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

GOVERNANCE



CARERS RECOGNITION ACT 2012

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

- Undertaking Home Support assessments, and NGSC home care assessments which include appropriate assessment of care and support needed for individual carers
- Provision of carers brochure in Aged & Disability client assessment packs
- Holding annual Seniors Day celebration events across the Shire
- Providing links to state government resources on council's website and
- Networking with and providing information to allied organisations
- Advocating for carers rights according to the Act in Aged and Disability Client newsletters

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

- Council induction and training programs for Aged & Disability staff
- Access for all staff to *Carers Recognition Act 2012* link on the internet and upon request
- Council induction and training programs for staff working in front-line positions with the general community.

CONTRACTS

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

EVERYONE BENEFITS FROM GOOD ACCESS

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

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

GOVERNANCE



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 is currently reviewing the Domestic Animal Management Plan 2016-2020. The Plan was previously adopted on 16 September 2013 and was developed through consultation with council's local laws team and consideration of input from other council departments. Actions undertaken since the plan was adopted include:

Continuing to implement a new registration structure for cats to encourage more cat owners to register their pets. This followed on from a letter of support provided to the State in support for an application for a grant from a local rescue group, to be able to subsidise desexing of cats. This was successful and complements the new registration structure.

- Reduced the year's euthanasia rate of 14% to 8% of impounded dogs.
- Increased the high percentage of dogs returned to owners from the previous years 69% to 87%.
- Developed 4 new 84Y agreements with dog rescue groups to improve the adoption rate of impounded dogs from 15% to 32%.

FOOD ACT MINISTERIAL DIRECTIONS

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

No such ministerial directions were received during the financial year.

FREEDOM OF INFORMATION

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

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

Council received one request under Freedom of Information for the period 1 July 2016 to 30 June 2017. The request lapsed. There were no applications for review of a decision made. There was no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$27.90 in fees was collected by Council.

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

PROTECTED DISCLOSURE

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

In accordance with section 69 of the Act a council must include in their annual report information about how to access the procedures established by the Council under Part 9 of that Act. Procedures on how to make a disclosure are

GOVERNANCE



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 2016/2017 no disclosures were notified to council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

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

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

LOCAL LAWS

The Local Laws current at 30 June, 2017 are:

- Meeting Procedure Local Law 2013
- General Local Law 2017

AUSTRALIA DAY AWARDS 2017

In 2017, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, and Navarre.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Ms Alice Pung (Stawell) and Mr Tony Luo (St Arnaud).

CITIZEN OF THE YEAR

Neil and Sheila Thornton (Stawell)

Wayne Rourke (St Arnaud)

SENIOR OF THE YEAR

Yvonne Nevill (St Arnaud)

YOUNG CITIZEN OF THE YEAR

Kate Douglas (St Arnaud)

Ryan Kell (Stawell)

LOCAL HERO AWARD

Avenue of Honour (Stawell)

COMMUNITY EVENT OF THE YEAR

Zumbo Just Desserts Drought Relief Event (Stawell)

Let's Get Together (St Arnaud)

GOVERNANCE



Governance Initiatives

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

Service Performance Indicators Service/indicator/measure	Results 2015	Results 2016	Results 2017	Material Variations and Comments
Governance				
Transparency				
<i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	18.00%	12.50%	15.45%	Council decisions made in closed council relate to contracts for the purchase of goods and services. Increase in 2016/17 result is due to a number of contracts or tenders being awarded in comparison to previous year.
Consultation and engagement				
<i>Satisfaction with community consultation and engagement</i> Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58	50	47	
Attendance				
<i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	95.00%	98.10%	92.86%	
Service cost				
<i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$32,519.00	\$32,435.20	\$33,812.29	
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]	58	53	44	Satisfaction with council decisions has decreased over the past financial year. However of participants surveyed, 72% of respondents were either satisfied or very satisfied with decisions made in the interest of the community.



NORTHERN
Grampians
SHIRE COUNCIL

**NORTHERN
GRAMPIANS
SHIRE COUNCIL
ANNUAL
FINANCIAL
STATEMENTS
2016/17**

Northern Grampians Shire Council

Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	16,443	15,914
Statutory fees and fines	4	298	229
User fees	5	1,976	1,856
Grants - operating	6	12,764	5,407
Grants - capital	6	4,014	5,093
Contributions - monetary	7	296	459
Share of net profits/(loss) of associates	16	(21)	2
Found assets	21	-	112
Other income	9	371	380
Total income		36,141	29,452
Expenses			
Employee costs	10	(12,093)	(13,135)
Materials and services	11	(10,803)	(8,680)
Bad and doubtful debts	12	1	(13)
Depreciation	13	(9,192)	(8,858)
Finance costs	14	(151)	(176)
Net loss on disposal of property, infrastructure, plant and equipment	8	(889)	(1,659)
Other expenses	15	(1,169)	(1,185)
Total expenses		(34,296)	(33,706)
Surplus/(deficit) for the year		1,845	(4,254)
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	26	6,321	5,323
Share of other comprehensive income of associates	16	54	10
Items that may be reclassified to surplus or deficit in future periods			
Fair value adjustments for financial assets at fair value	26	-	(7)
Total comprehensive result		8,220	1,072

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

Balance Sheet As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	17	14,157	8,981
Trade and other receivables	18	2,053	1,500
Inventories	19	32	21
Other assets	20	132	72
Total current assets		16,374	10,574
Non-current assets			
Trade and other receivables	20	150	107
Investment in associates	16	912	878
Property, infrastructure, plant and equipment	21	413,380	410,945
Total non-current assets		414,442	411,930
Total assets		430,816	422,504
Liabilities			
Current liabilities			
Trade and other payables	22	2,086	1,776
Trust funds and deposits	23	107	100
Provisions	24	2,939	2,821
Interest-bearing loans and borrowings	25	309	300
Total current liabilities		5,441	4,997
Non-current liabilities			
Provisions	24	1,533	1,601
Interest-bearing loans and borrowings	25	2,940	3,246
Total non-current liabilities		4,473	4,847
Total liabilities		9,914	9,844
Net assets		420,902	412,660
Equity			
Accumulated surplus		134,405	133,056
Reserves	26	286,497	279,604
Total Equity		420,902	412,660

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

Statement of Changes in Equity For the Year Ended 30 June 2017

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2017					
Balance at beginning of the financial year		412,660	133,056	276,472	3,132
Surplus for the year		1,920	1,920	-	-
Net asset revaluation increment	26(a)	6,322	-	6,322	-
Transfers from other reserves	26(b)	-	(571)	-	571
Balance at end of the financial year		420,902	134,405	282,794	3,703

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2016					
Balance at beginning of the financial year		411,588	137,525	271,156	2,907
Deficit for the year		(4,244)	(4,244)	-	-
Net asset revaluation increment	26(a)	5,316	-	5,316	-
Transfers from other reserves	26(b)	-	(225)	-	225
Balance at end of the financial year		412,660	133,056	276,472	3,132

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

Statement of Cash Flows For the Year Ended 30 June 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		16,438	15,904
Statutory fees and fines		298	229
User fees		1,390	2,074
Grants - operating		12,764	5,429
Grants - capital		4,014	5,093
Contributions - monetary		296	459
Trust funds and deposits taken		7	8
Other receipts		379	368
Net GST refund		39	127
Employee costs		(12,056)	(13,358)
Materials and services		(10,569)	(8,220)
Other payments		(1,169)	(1,185)
Net cash provided by operating activities	27	11,831	6,928
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(6,518)	(7,748)
Proceeds from sale of property, infrastructure, plant and equipment	8	354	537
Proceeds from sale of investments		-	1,000
Loans and advances made		(43)	(37)
Net cash used in investing activities		(6,207)	(6,248)
Cash flows from financing activities			
Finance costs		(151)	(176)
Repayment of borrowings		(297)	(283)
Net cash used in financing activities		(448)	(459)
Net increase in cash and cash equivalents		5,176	221
Cash and cash equivalents at the beginning of the financial year		8,981	8,760
Cash and cash equivalents at the end of the financial year	17	14,157	8,981
Financing arrangements	29	450	230
Restrictions on cash assets	17	758	600

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

Statement of Capital Works For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Property		
Buildings	380	996
Total property	380	996
Plant and equipment		
Plant, machinery and equipment	1,199	1,264
Fixtures, fittings and furniture	-	3
Computers and telecommunications	58	217
Total plant and equipment	1,257	1,484
Infrastructure		
Roads	3,708	4,184
Bridges	366	498
Footpaths and cycleways	457	265
Drainage	90	103
Parks, open spaces and streetscapes	205	218
Other infrastructure	68	-
Total infrastructure	4,894	5,268
Total capital works expenditure	6,531	7,748
Represented by:		
New asset expenditure	1,640	1,146
Asset renewal expenditure	3,266	4,045
Asset upgrade expenditure	1,625	2,557
Total capital works expenditure	6,531	7,748

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

Introduction

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

Statement of compliance

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

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

(b) Changes in accounting policies

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

(c) Committees of management

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

Note 1 Significant accounting policies (cont.)

(d) Accounting for investments in associates

Associates

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

(e) Revenue recognition

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

Rates and Charges

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

Statutory fees and fines

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

User fees

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

Grants

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

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

Contributions

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

Sale of property, infrastructure, plant and equipment

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

Interest

Interest is recognised as it is earned.

Other Income

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

Note 1 Significant accounting policies (cont.)

(f) Fair value measurement

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

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

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

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

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

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

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

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

(g) Cash and cash equivalents

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

(h) Trade and other receivables

Short term receivables are carried at invoice amount as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

(i) Other financial assets

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

(j) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

Note 1 Significant accounting policies (cont.)

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

Acquisition

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

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

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

Revaluation

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

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 21, Property, infrastructure, plant and equipment.

In addition, Council undertakes an indexation revaluation on an annual basis of Building and Infrastructure assets. The indexations are calculated using generally accepted industry methods and analysis of Council's most frequently used materials.

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

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.

Note 1 Significant accounting policies (cont.)

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

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

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

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

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

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

Asset recognition thresholds and depreciation periods

	Depreciation Period	Threshold Limit \$'000
Property		
land	- All assets	
land improvements	5 years	5
land under roads	- All assets	
Buildings		
buildings	20-100 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	15-80 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	15-50 years	5
drainage	20-120 years	5
parks, open spaces and streetscapes	25-28 years	5
heritage assets	100 years	10

(m) 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.

Note 1 Significant accounting policies (cont.)

(n) 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.

(o) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 23).

(p) Borrowings

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

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

Borrowing costs

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

(q) Employee costs and benefits

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

Wages and salaries and annual leave

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

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

Note 1 Significant accounting policies (cont.)

Long service leave

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

Classification of employee costs

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

The components of this current liability are measured at :

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

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

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

(r) Landfill rehabilitation provision

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

(s) Leases

Operating leases

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

(t) Goods and Services Tax (GST)

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

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

(u) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the balance sheet are disclosed at Note 32 Contingent Liabilities and Contingent Assets.

Note 1 Significant accounting policies (cont.)

(v) Contingent assets and contingent liabilities and commitments

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

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

(w) Pending accounting standards

The following new accounting AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term. Council currently has no significant operating leases that will be impacted as a result of this change.

(x) Rounding

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

Notes to the Financial Report For the Year Ended 30 June 2017

Note 2 Budget comparison

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$162,000 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 27 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for revenue and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

a) Income and expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	16,338	16,443	105	
Statutory fees and fines	272	298	26	1
User fees	1,768	1,976	208	2
Grants - operating	9,914	12,764	2,850	3
Grants - capital	3,813	4,014	201	4
Contributions - monetary	294	296	2	
Net loss on disposal of property, infrastructure, plant and equipment	-	(889)	(889)	5
Share of net profits/(losses) of associates	-	(21)	(21)	
Other income	207	371	164	6
Total income	32,606	35,252	2,646	
Expenses				
Employee costs	(12,408)	(12,093)	315	7
Materials and services	(11,537)	(10,803)	734	8
Bad and doubtful debts	-	1	1	
Depreciation	(9,108)	(9,192)	(84)	
Borrowing costs	(179)	(151)	28	9
Other expenses	(906)	(1,169)	(263)	10
Total expenses	(34,138)	(33,407)	731	
Surplus/(deficit) for the year	(1,532)	1,845	3,377	

Notes to the Financial Report For the Year Ended 30 June 2017

Note 2 Budget comparison (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	There were more planning applications received during 2016/17 than expected.
2	User fees	Council received an addition \$0.1m in infrastructure private works. Additionally Council generated an additional \$0.1m in receipts from increased shared service arrangements with neighbouring local government authorities.
3	Grants - operating	Council budgeted to receive a full financial year of Grants Commission funding. However, half of our 2017/18 \$6.9m allocation was received in June 2017 therefore increasing our 2016/17 amount received by \$3.5m. Council was also expecting federal funding for the Stawell Underground Physics Laboratory project of \$1.1m in 2016/17 which wasn't received. Council reallocated \$90k of government fuel rebates to other income.
4	Grants - capital	Council received an additional \$0.2m of Local Roads to market funding in 2016/17 than was initially expected.
5	Net loss on disposal of property, infrastructure, plant and equipment	Council now has the ability to write out the value of assets it is replacing due to the investment in an asset management system. Council disposed of \$896k of Roads and Bridges during it's renewal program in 2016/17. Previously Council was not able to individually dispose of parts of an asset as the value that had been disposed could not be calculated.
6	Other Income	Council received an additional \$50k in interest income and reallocated \$90k of government fuel rebates from operating grants.
7	Employee costs	During the 2016/17 financial year Council recruited a number of senior positions. The favourable variance from the budget is due to the positions being vacant during the recruitment period.
8	Materials and services	Council's Stawell Underground Physics Laboratory project had been budgeted to have more work completed in 2016/17. There is over \$1.5m of carry forward works to be completed on the project. Offsetting this is \$1.6m of emergency flood restoration works that were unbudgeted for in 2016/17. \$150k relating to Council's road conditions assessment report was deferred until the completion of flood restoration activities. Council recorded \$150k savings in infrastructure maintenance contractors and \$60k savings in contractor costs related to a collaborative geographical information system initiative. Council recorded \$70k of savings in utility costs as a result of energy efficiency projects conducted on Council owned buildings. There is also a substantial saving of \$100k in fuel expenses due to the application of conservative budgeting principles to allow for the volatility in fuel prices over the past 5 years. \$0.3m relating to tourism contributions were reallocated to other expenses. The remaining underspend results from efforts by Council to operate more efficiently.
9	Borrowing costs	At the signing of the most recent loan the interest rate was more favourable than expected resulting in decreased interest expenditure for the year.
10	Other expenses	Variance to budget relates to \$0.3m tourism contribution that was reallocated from materials and services to other expenses.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 2 Budget comparison (cont)

b) Capital Works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land improvements	320	-	(320)	1
Buildings	980	380	(600)	2
Total Property	1,300	380	(920)	
Plant and Equipment				
Plant, machinery and equipment	1,251	1,199	(52)	
Computers and telecommunications	-	58	58	3
Total Plant and Equipment	1,251	1,257	6	
Infrastructure				
Roads	3,763	3,708	(55)	
Bridges	366	366	-	
Footpaths and cycleways	147	457	310	4
Drainage	20	90	70	5
Parks, open spaces and streetscapes	475	205	(270)	6
Other infrastructure	-	68	68	7
Total Infrastructure	4,771	4,894	123	
Total Capital Works Expenditure	7,322	6,531	(791)	
Represented by:				
New asset expenditure	297	1,640	1,343	
Asset renewal expenditure	5,095	3,266	(1,829)	
Asset expansion expenditure	175	-	(175)	
Asset upgrade expenditure	1,755	1,625	(130)	
Total Capital Works Expenditure	7,322	6,531	(791)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Stawell Transfer Station upgrade works were budgeted under land improvements for 2016/17. Some of these works were performed but were capitalised under different asset classes as the land improvements class doesn't allow for appropriate maintenance of the assets.
2	Buildings	St Arnaud Town Hall Precinct Stage 2 was budgeted pending grant approval, however the grant wasn't approved.
3	Computers and telecommunications	Council purchased a new radio network that became part of the computers and telecommunications assets class. This was originally budgeted for under the plant, machinery and equipment area.
4	Footpaths and cycleways	There were works done on footpaths during 2016/17 that were budgeted under other asset classes instead of footpaths. These were mostly from the streetscapes category.
5	Drainage	There were substantial drainage works carried forward from 2015/16. These were completed and capitalised in 2016/17.
6	Parks, open spaces and streetscapes	As discussed above, there were a number of assets that were budgeted under streetscapes but formed part of other asset categories.
7	Other infrastructure	Works in 2016/17 included upgrading street lighting and fencing in St Arnaud.

Notes to the Financial Report For the Year Ended 30 June 2017

Note 3 Rates and charges

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

The valuation base used to calculate general rates for 2016-17 was \$2,093 million (2015-16, \$1,995 million). The 2016-17 rate in the capital improved value dollar was 0.7162 cents (2015-16 0.7261 cents).

General rates

Residential rates	7,208	7,143
Commercial rates	931	925
Industrial rates	334	323
Farm rates	4,214	3,955

Total general rates	12,687	12,346
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Other rates and charges

Municipal charge	1,197	1,162
Waste management charge	2,468	2,393
Rates in lieu	4	-
Interest on rates and charges	74	67
Cultural and recreational	13	13

Total other rates and charges	3,756	3,635
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Total rates and charges	16,443	15,981
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The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2016, & the valuation first applied in the rating year commencing 1 July 2016.

Note 4 Statutory fees and fines

Infringements and costs	9	8
Town planning fees	99	10
Land information certificates	14	26
Permits	176	185

Total statutory fees and fines	298	229
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Note 5 User fees

Aged and health services	482	505
Leisure centre and recreation	356	324
Child care/children's programs	181	217
Registration and other permits	196	210
Waste management services	167	179
Tourism and event fees	-	5
Hire income	9	8
Rental fees	92	75
Infrastructure fees	202	37
Shared services	234	135
Other fees and charges	57	161

Total user fees	1,976	1,856
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Note 6 Grants	2017 \$'000	2016 \$'000
Grants were received in respect of the following		
Summary of grants		
Commonwealth funded grants	14,573	7,754
State funded grants	2,205	2,746
Total	16,778	10,500
Operating grants		
<i>Recurrent - Commonwealth Government</i>		
Victorian Grants Commission	10,158	3,373
Aged care	508	-
Child care	78	86
Plant, machinery and equipment	-	84
Other	10	-
<i>Recurrent - State Government</i>		
Aged care	248	721
School crossing supervisors	-	12
Maternal and child health	171	148
Community safety	86	32
Pre school	192	206
Youth	115	106
Other	84	259
Total recurrent operating grants	11,650	5,027
<i>Non-recurrent - Commonwealth Government</i>		
Family and children	11	-
Economic development	830	-
Environmental planning	-	3
<i>Non-recurrent - State Government</i>		
Public safety	-	42
Fire prevention	16	120
Infrastructure operations	22	-
Economic development	40	9
Environmental planning	56	5
Recreation	108	159
Natural disaster recovery	-	8
Other	31	34
Total non-recurrent operating grants	1,114	380
Total operating grants	12,764	5,407

Notes to the Financial Report
For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Note 6 Grants (cont.)		
Capital grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	2,978	3,686
<i>Recurrent - State Government</i>		
Aged Care	-	11
Total recurrent capital grants	2,978	3,697
<i>Non-recurrent - Commonwealth Government</i>		
Buildings	-	150
Natural disaster reconstruction	-	372
<i>Non-recurrent - State Government</i>		
Buildings	90	618
Environmental Planning	100	-
Footpaths and cycleways	46	-
Recreational facilities	158	192
Infrastructure	642	-
Natural disaster reconstruction	-	4
Other	-	60
Total non-recurrent capital grants	1,036	1,396
Total capital grants	4,014	5,093
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	500	451
Received during the financial year and remained unspent at balance date	332	324
Received in prior years and spent during the financial year	(181)	(275)
Balance at year end	651	500
Note 7 Contributions		
Monetary	296	459
Total contributions	296	459
Note 8 Net loss on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	354	537
Written down value of assets disposed	(1,243)	(2,196)
Total net gain on disposal of property, infrastructure, plant and equipment	(889)	(1,659)
Note 9 Other income		
Interest	166	200
Other	205	113
Total other income	371	313

**Notes to the Financial Report
For the Year Ended 30 June 2017**

Note 10 (a) Employee costs

	2017 \$'000	2016 \$'000
Wages and salaries	11,608	12,067
less capitalised wages and salaries	(1,130)	(443)
	<u>10,478</u>	<u>11,624</u>
Wages and salaries	10,478	11,624
WorkCover	176	166
Superannuation	1,062	1,057
Fringe benefits tax	75	66
Other	302	222
Total employee costs	12,093	13,135

Note 10 (b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

72	89
72	89

Employer contributions payable at reporting date.

3	3
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

651	660
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Employer contributions - other funds

339	308
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990	968
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Employer contributions payable at reporting date.

40	29
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Refer to Note 31 for further information relating to Council's superannuation obligations.

Note 11 Materials and services

	2017 \$'000	2016 \$'000
Advertising and communications	335	342
Building maintenance	116	199
Consultants	308	546
Consumables	117	135
Contract employees	630	776
Contractors	5,058	2,404
Contributions	175	160
Fuel	513	493
General maintenance	750	641
Information technology	563	406
Insurance	391	324
Legal expenses	72	92
Materials and services	230	571
Memberships and subscriptions	172	175
Minor equipment	88	61
Office administration	167	239
Security costs	63	62
Training	278	249
Uniforms and protective clothing	59	55
Utilities	357	467
Waste management	361	283
Total materials and services	10,803	8,680

**Notes to the Financial Report
For the Year Ended 30 June 2017**

	2017 \$'000	2016 \$'000
Note 12 Bad and doubtful debts		
Local law debtors	-	4
Childcare debtors	(1)	6
Sundry debtors	-	3
Total bad and doubtful debts	(1)	13
Note 13 Depreciation		
Property	767	744
Plant and equipment	1,035	962
Infrastructure	7,390	7,152
Total depreciation	9,192	8,858
<i>Refer to Note 21 for a more detailed breakdown of depreciation</i>		
Note 14 Finance costs		
Interest - Borrowings	151	176
Total finance costs	151	176
Note 15 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	38	12
Auditors' remuneration - Internal	39	10
Councillors' allowances	188	190
Regional library contribution	389	392
Tourism contribution	303	295
Community contributions	175	217
Operating lease rentals	18	47
Other	19	22
Total other expenses	1,169	1,185

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 16 Investment in associates

a) Investments in associates

Investments in associates accounted for by the equity method are:

- Wimmera Regional Library Corporation
- Wimmera Development Association

Change in equity share apportionment

Share of surplus/(deficit) for year

Wimmera Regional Library Corporation

Background

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

Fair value of Council's investment in Wimmera Regional Library Corporation

Council's interest in equity

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Change in equity share apportionment

Reported deficit for year

Transfers (to)/from reserves

Council's share of accumulated surplus at end of year

Council's share of reserves

Council's share of reserves at start of year

Change in equity share apportionment

Transfers (to)/from reserves

Council's share of reserves at end of year

Movement in carrying value of specific investment

Carrying value of investment at start of year

Change in equity share apportionment

Share of surplus/(deficit) for year

Carrying value of investment at end of year

2017 \$'000	2016 \$'000
788	786
124	92
912	878
54	10
(21)	2
788	786
26.86%	25.15%
354	346
24	5
(52)	-
(2)	3
324	354
432	430
29	5
2	(3)
463	432
786	776
54	10
(52)	-
788	786

Notes to the Financial Report For the Year Ended 30 June 2017

Note 16 Investment in associates (cont.)

Wimmera Development Association

Background

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

Fair value of Council's investment in Wimmera Development Association

Council's interest in equity

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year

Reported surplus for year

Transfers (to)/from reserves

Council's share of accumulated surplus at end of year

Council's share of reserves

Council's share of reserves at start of year

Transfers (to)/from reserves

Council's share of reserves at end of year

Movement in carrying value of specific investment

Carrying value of investment at start of year

Share of surplus for year

Carrying value of investment at end of year

2017 \$'000	2016 \$'000
124	92
20.17%	20.17%
63	64
31	1
(15)	(2)
79	63
29	27
14	2
43	29
93	91
31	2
124	93

**Notes to the Financial Report
For the Year Ended 30 June 2017**

	2017 \$'000	2016 \$'000
Note 17 Cash and cash equivalents		
Cash on hand	2	1
Cash at bank	14,155	3,180
Term deposits	-	5,800
	14,157	8,981
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
- Trust funds and deposits (Note 23)	107	100
- Unspent grants (Note 6)	651	500
Total restricted funds	758	600
Total unrestricted cash and cash equivalents	13,399	8,381
Intended allocations		
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
- Cash held to fund carried forward capital works	1,007	825
- Reserve funds (Note 26(b))	3,703	3,132
Total funds subject to intended allocations	4,710	3,957
Note 18 Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	896	891
Net GST receivable	206	245
<i>Non statutory receivables</i>		
Loans and advances to community organisations	26	16
Other debtors	927	355
Provision for doubtful debts - other debtors	(2)	(7)
Total current trade and other receivables	2,053	1,500
Non-current		
<i>Non statutory receivables</i>		
Loans and advances to community organisations	150	107
Total non-current trade and other receivables	150	107
Total trade and other receivables	2,203	1,607
a) Ageing of Receivables		
At balance date other debtors representing financial assets were past due but not impaired. The ageing of the Council's trade & other receivables (excluding statutory receivables) was:		
Current (not yet due)	1,082	373
Past due by up to 30 days	3	49
Past due between 31 and 90 days	6	5
Past due between 91 and 365 days	3	7
Past due by more than 1 year	9	44
Total trade & other receivables	1,103	478

Notes to the Financial Report For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Note 18 Trade and other receivables (cont.)		
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	7	4
New Provisions recognised during the year	-	6
Amounts already provided for and written off as uncollectible	(4)	(3)
Amounts provided for but recovered during the year	(1)	-
Balance at end of year	2	7
c) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$2,000 (2016: \$7,000) were impaired. The amount of the provision raised against these debtors was \$2,000 (2016: \$7,000). 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:		
Past due by more than 1 year	2	7
Total trade & other receivables	2	7
Note 19 Inventories		
Inventories held for distribution	30	19
Inventories held for sale	2	2
Total inventories	32	21
Note 20 Other assets		
Prepayments	107	39
Accrued income	25	33
Total other assets	132	72

Note 21 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Acquisitions	Contributions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2017
Land	11,019	-	-	-	(27)	-	-	10,992
Buildings	59,385	380	-	697	(740)	(15)	25	59,732
Plant and Equipment	7,030	1,257	-	-	(1,035)	(340)	-	6,912
Infrastructure	333,475	4,894	-	5,625	(7,390)	(900)	11	335,715
Work in progress	36	29	-	-	-	-	(36)	29
	410,945	6,560	-	6,322	(9,192)	(1,255)	-	413,380

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Buildings	25	5	(25)	-	5
Infrastructure	11	24	(11)	-	24
Total	36	29	(36)	-	29

Note 21 Property, infrastructure, plant and equipment (cont.)

Land and Buildings	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2016	10,611	302	132	11,045	68,427	68,427	25	79,497
Accumulated depreciation at 1 July 2016	-	-	(26)	(26)	(9,042)	(9,042)	-	(9,068)
	10,611	302	106	11,019	59,385	59,385	25	70,429
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	380	380	5	385
Revaluation increments/decrements	-	-	-	-	812	812	-	812
Fair value of assets disposed	-	-	-	-	(20)	(20)	-	(20)
Transfers	-	-	-	-	25	25	(25)	-
	-	-	-	-	1,197	1,197	(20)	1,177
Movements in accumulated depreciation								
Depreciation	-	-	(27)	(27)	(740)	(740)	-	(767)
Accumulated depreciation of disposals	-	-	-	-	5	5	-	5
Revaluation adjustment on accumulated depreciation	-	-	-	-	(115)	(115)	-	(115)
	-	-	(27)	(27)	(850)	(850)	-	(877)
At fair value 30 June 2017	10,611	302	132	11,045	69,624	69,624	5	80,674
Accumulated depreciation at 30 June 2017	-	-	(53)	(53)	(9,892)	(9,892)	-	(9,945)
	10,611	302	79	10,992	59,732	59,732	5	70,729

Note 21 Property, infrastructure, plant and equipment (cont.)

Plant and Equipment	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecoms \$'000	Total plant and equipment \$'000
At fair value 1 July 2016	11,704	350	1,368	13,422
Accumulated depreciation at 1 July 2016	(5,103)	(320)	(969)	(6,392)
	<u>6,601</u>	<u>30</u>	<u>399</u>	<u>7,030</u>
Movements in fair value				
Acquisition of assets at fair value	1,199	-	58	1,257
Fair value of assets disposed	(897)	-	(63)	(960)
	<u>302</u>	<u>-</u>	<u>(5)</u>	<u>297</u>
Movements in accumulated depreciation				
Depreciation	(912)	(5)	(118)	(1,035)
Accumulated depreciation of disposals	568	-	52	620
	<u>(344)</u>	<u>(5)</u>	<u>(66)</u>	<u>(415)</u>
At fair value 30 June 2017	12,006	350	1,363	13,719
Accumulated depreciation at 30 June 2017	(5,447)	(325)	(1,035)	(6,807)
	<u>6,559</u>	<u>25</u>	<u>328</u>	<u>6,912</u>

Note 21 Property, infrastructure, plant and equipment (cont.)

Infrastructure	Roads	Bridges	Footpaths and cycleways	Drainage	Parks open spaces and streetscapes	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2016	259,875	83,389	14,854	19,960	5,667	672	11	384,428
Accumulated depreciation at 1 July 2016	(25,158)	(10,988)	(5,004)	(8,369)	(1,197)	(226)	-	(50,942)
	234,717	72,401	9,850	11,591	4,470	446	11	333,486
Movements in fair value								
Acquisition of assets at fair value	3,708	366	457	90	205	68	24	4,918
Revaluation increments/decrements	4,546	1,445	264	347	-	-	-	6,602
Fair value of assets disposed	(795)	(235)	(41)	(1)	-	-	-	(1,072)
Transfers	11	-	-	-	-	-	(11)	-
	7,470	1,576	680	436	205	68	13	10,448
Movements in accumulated depreciation								
Depreciation	(5,828)	(809)	(312)	(197)	(226)	(18)	-	(7,390)
Accumulated depreciation of disposals	107	56	9	-	-	-	-	172
Revaluation adjustment on accumulated depreciation	(534)	(203)	(93)	(148)	-	-	-	(978)
	(6,255)	(956)	(396)	(345)	(226)	(18)	-	(8,196)
At fair value 30 June 2017	267,345	84,965	15,534	20,396	5,872	740	24	394,876
Accumulated depreciation at 30 June 2017	(31,413)	(11,944)	(5,400)	(8,714)	(1,423)	(244)	-	(59,138)
	235,932	73,021	10,134	11,682	4,449	496	24	335,738

Note 21 Property, infrastructure, plant and equipment (cont.)

Land and Buildings	Land - specialised \$'000	Land - non specialised \$'000	Land improvements \$'000	Total Land \$'000	Buildings - specialised \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2015	10,499	347	132	10,978	66,557	66,557	531	78,066
Accumulated depreciation at 1 July 2015	-	-	-	-	(8,297)	(8,297)	-	(8,297)
	10,499	347	132	10,978	58,260	58,260	531	69,769
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	996	996	25	1,021
Revaluation increments/decrements	-	-	-	-	1,276	1,276	-	1,276
Found Assets	112	-	-	112	-	-	-	112
Fair value of assets disposed	-	(45)	-	(45)	(933)	(933)	-	(978)
Transfers	-	-	-	-	531	531	(531)	-
	112	(45)	-	67	1,870	1,870	(506)	1,431
Movements in accumulated depreciation								
Depreciation	-	-	(26)	(26)	(718)	(718)	-	(744)
Accumulated depreciation of disposals	-	-	-	-	142	142	-	142
Revaluation adjustment on accumulated	-	-	-	-	(169)	(169)	-	(169)
	-	-	(26)	(26)	(745)	(745)	-	(771)
At fair value 30 June 2016	10,611	302	132	11,045	68,427	68,427	25	79,497
Accumulated depreciation at 30 June 2016	-	-	(26)	(26)	(9,042)	(9,042)	-	(9,068)
	10,611	302	106	11,019	59,385	59,385	25	70,429

Note 21 Property, infrastructure, plant and equipment (cont.)

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

Note 21 Property, infrastructure, plant and equipment (cont.)

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

Note 21 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. Valuation of buildings was undertaken by Ashay Prabhu MIE (Aust) CP Eng, NPER Assetic Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation is detailed in the following table. An index based revaluation was conducted on buildings in the current year, this valuation was based on a weighted average of the movement in top materials used for buildings combined with the movement in wages and inflation. A full revaluation of these assets will be conducted in 2017/18.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Land	-	302	-	06/14
Specialised land	-	-	10,611	06/14
Land improvements	-	-	79	06/14
Buildings	-	-	59,732	06/14
Total	-	302	70,422	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an internal valuation undertaken by Mr Trenton Fithall B.E (Civil) Hons as at 30 June 2017.

The date of the current valuation is detailed in the following table. An index based revaluation was conducted in the current year, this valuation was based on a weighted average of the movement in top materials used for infrastructure combined with the movement in wages and inflation. A full revaluation of these assets will be conducted in 2017/18.

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 2017 are as follows:

	Level 1	Level 2	Level 3	DoV
Roads	-	-	235,932	06/15
Bridges	-	-	73,021	06/15
Footpaths and cycleways	-	-	10,134	06/15
Drainage	-	-	11,682	06/15
Total	-	-	330,769	

Note 21 Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

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

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

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

	2017 \$'000	2016 \$'000
Reconciliation of specialised land		
Land under roads	7	7
Parks and reserves	4,431	4,431
Vacant land	192	192
Water management	248	248
Waste management	257	257
Gravel reserves	209	209
Aerodromes	284	284
Carparks	498	498
Recreation	405	405
Zoning restrictions	1,114	1,114
Council controlled	2,376	2,376
Other	590	590
Total specialised land	10,611	10,611

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 22 Trade and other payables

	2017 \$'000	2016 \$'000
Trade payables	1,388	1,277
Accrued wages and salaries	482	364
Accrued expenses	166	135
Unearned revenue	50	-
Total trade and other payables	2,086	1,776

Note 23 Trust funds and deposits

Refundable deposits	8	8
Fire services levy	99	92
Total trust funds and deposits	107	100

Purpose and nature of items

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

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

Note 24 Provisions

	Employee Provisions	Landfill restoration	Gravel pit restoration	Total
2017 \$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	3,106	1,191	124	4,421
Additional provisions	1,725	-	-	1,725
Amounts used	(1,514)	-	-	(1,514)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(174)	-	14	(160)
Balance at the end of the financial year	3,143	1,191	138	4,472
2016				
Balance at beginning of the financial year	3,329	1,119	121	4,569
Additional provisions	1,641	-	-	1,641
Amounts used	(1,683)	-	-	(1,683)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(181)	72	3	(106)
Balance at the end of the financial year	3,106	1,191	124	4,421

(a) Employee provisions

Current provisions expected to be wholly settled within 12

Annual leave	780	697
Rostered days off	23	81
Long service leave	263	54
	1,066	832

Current provisions expected to be wholly settled after 12 months

Annual leave	589	590
Long service leave	1,146	1,366
	1,735	1,956
Total current provisions	2,801	2,788

Non-current

Long service leave	342	318
Total non-current provisions	342	318
Aggregate carrying amount of employee provisions:		
Current	2,801	2,788
Non-current	342	318
Total aggregate carrying amount of employee provisions	3,143	3,106

Note 24 Provisions (cont.)

(b) Land fill restoration

Non-current

2017 \$'000	2016 \$'000
1,191	1,191
1,191	1,191

c) Gravel pit restoration

Current

Non-current

138	33
-	92
138	125

Note 25 Interest-bearing loans and borrowings

Current

Borrowings - secured (1)

309	300
309	300

Non-current

Borrowings - secured (1)

2,940	3,246
2,940	3,246
3,249	3,546

Total

(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

Later than one year and not later than five years

Later than five years

309	300
1,843	1,057
1,097	2,189
3,249	3,546

b) Aggregate carrying amount of interest-bearing loans and borrowings:

Current

Non-current

309	300
2,940	3,246
3,249	3,546

Notes to the Financial Report
For the Year Ended 30 June 2017

Note 26 Reserves

	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2017			
Property			
Land	5,646	-	5,646
Buildings	54,264	697	54,961
	59,910	697	60,607
Infrastructure			
Roads	156,628	4,012	160,640
Bridges	53,131	1,242	54,373
Footpaths and cycleways	6,413	172	6,585
Drainage	371	199	570
	216,543	5,625	222,168
	276,453	6,322	282,775
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	276,472	6,322	282,794
2016			
Property			
Land	5,646	-	5,646
Buildings	53,157	1,107	54,264
	58,803	1,107	59,910
Infrastructure			
Roads	153,616	3,012	156,628
Bridges	52,202	929	53,131
Footpaths and cycleways	6,287	126	6,413
Drainage	222	149	371
	212,327	4,216	216,543
Other			
Financial assets	7	(7)	-
Investment in associates	19	-	19
	26	(7)	19
Total asset revaluation reserves	271,156	5,316	276,472

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 2017

Note 26 Reserves (cont.)

	Balance at beginning of reporting period	Transfer to / (from) accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000
2017			
Plant replacement	1,173	141	1,314
Economic development	179	1	180
Gravel pits restoration	122	16	138
Community loans	178	(179)	(1)
Waste management	500	316	816
Long service leave	280	1	281
Defined benefits	300	-	300
Loan repayments	400	275	675
Total other reserves	3,132	571	3,703
2016			
Plant replacement	1,017	156	1,173
Economic development	7	172	179
St Arnaud cemetery	4	(4)	-
Gravel pits restoration	122	-	122
Community loans	208	(30)	178
Waste management	739	(239)	500
Long service leave	310	(30)	280
Defined benefits	300	-	300
Loan repayments	200	200	400
Total other reserves	2,907	225	3,132

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

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

Gravel Pits Restoration - Provision for future rehabilitation of pits.

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

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2017**

Note 27 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2017 \$'000	2016 \$'000
Surplus/(deficit) for the year	1,845	(4,254)
Depreciation	9,192	8,858
Net loss on disposal of property, infrastructure, plant and equipment	889	1,659
Relinquished and found assets	-	(112)
Share of (profit)/loss of associates	21	(2)
Finance costs (included in financing activities)	151	176
Other - WIP movements	(30)	(38)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(553)	370
Increase/(decrease) in other assets	8	(12)
Increase/(decrease) in trade and other payables	269	424
(Increase)/decrease in inventories	(11)	6
Increase/(Decrease) in provisions	50	(147)
Net cash provided by operating activities	11,831	6,928

Note 28 Financing arrangements

Bank overdraft	200	200
Credit Card Facilities	250	30
Total Facilities	450	230
Used facilities	-	-
Unused facilities	450	230

Note 29 Commitments

The Council has entered into the following commitments

2017	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	726	-	-	-	726
Special projects	84	-	-	-	84
Cleaning services	145	-	-	-	145
Meals for delivery	182	-	-	-	182
Provision of transfer stations	92	-	-	-	92
Software license agreement	329	270	66	-	665
Tourism	337	42	85	-	464
Roads Condition Assessment	199	-	-	-	199
Total	2,094	312	151	-	2,557
2016	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	706	717	-	-	1,423
Special projects	238	-	-	-	238
Cleaning services	434	121	-	-	555
Meals for delivery	183	183	-	-	366
Provision of transfer stations	221	112	-	-	333
Software license agreement	191	131	72	-	394
Election costs	114	-	-	-	114
Total	2,087	1,264	72	-	3,423
Capital					
Buildings	59	-	-	-	59
Total	59	-	-	-	59

Note 30 Operating leases

(a) Operating lease commitments

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

	2017 \$'000	2016 \$'000
Not later than one year	2	2
Later than one year and not later than five years	6	6
Later than five years	11	11
	<u>19</u>	<u>19</u>

Note 31 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 2017, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding Arrangements

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

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa
Salary information 3.5% pa
Price inflation (CPI) 2.5% pa

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Note 31 Superannuation (cont.)

Employer Contributions

Regular Contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/2016). This rate will increase in line with any increase to the contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

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

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

2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. Council was notified of the 30 June 2016 VBI during August 2016.

2017 Full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 is \$77,000.

Note 32 Contingent liabilities and contingent assets

Contingent liabilities

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

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 31. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Guarantees for loans to other entities

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

	2017 \$'000	2016 \$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	110
Minister for Agriculture & Resources	6	6
	166	166

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

Note 33 Financial Instruments

(a) Objectives and policies

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

(b) Credit risk

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

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 32.

(c) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 32, 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 25.

(d) Fair value

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

Fair value hierarchy

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

(e) Sensitivity disclosure analysis

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

- A parallel shift of + 1% and -1% in market interest rates (AUD) from year-end rates of 1.5%.

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.

Note 34 Related party transactions

(i) Related Parties

Parent entity

Northern Grampians Shire Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in note 16.

(ii) Key Management Personnel

Details of persons holding the position of Councillor or other members of

Councillors

Mayor Anthony Driscoll (Mayor October 2016-June 2017)
Councillor Kevin Erwin
Councillor Karen Hyslop
Councillor Brian Emerson (Mayor July 2016-October 2016)
Councillor Merrilee Reid
Councillor Jason Hosemans
Councillor Rob Haswell (Elected October 2016)
Councillor Wayne Rice (Term Ended October 2016)

Total Number of Councillors

Chief Executive Officer and other Key Management Personnel

Total Key Management Personnel

**2017
No.**

8

4

12

(iii) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits

Post-employment benefits

Total

**2017
\$,000**

937

64

1,001

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

\$1 - \$9,999

\$10,000 - \$19,999

\$20,000 - \$29,999

\$30,000 - \$39,999

\$50,000 - \$59,999

\$180,000 - \$189,999

\$200,000 - \$209,999

\$220,000 - \$229,999

**2017
No.**

1

1

4

1

1

1

2

1

12

Note 34 Related party transactions (cont.)

(iv) Transactions with related parties

During the period Council entered into the following transactions with related parties.

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid \$841 to this business. This is a related party entity of Councillor Merrillee Reid.

Council contributed to Grampians Music Festival Inc. \$6,799 during the year and granted a community loan of \$70,000 which is repayable over four years to the same entity. This is a related party entity of Councillor Jason Hosemans.

Council awarded a youth grant to Stawell Secondary College during the financial year. In total Council paid \$1,100 to this entity. This is a related party entity of councillor Jason Hosemans.

Council awarded a youth grant to Stawell Primary School during the financial year. In total Council paid \$1,100 to this entity. This is a related party entity of councillor Karen Hyslop

Council engaged the provision of catering services from Stawell Football & Netball Club Inc. during the financial year. In total Council paid \$1,810 to this business. Council also received facility receipts from this entity during the year totalling \$3,485. This is a related party entity of Director of Economic and Community Development, Debbie Bach.

The Manager Financial Services (MFS) was a related party of the Mayor during the 2016/17 financial year. The employment of the MFS is under the normal terms and conditions of management employment with NGSC. The employment of the MFS is determined and managed by the CEO.

(v) 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 as follows:

Council provided a community loan to Exclusive Space Pty Ltd in November 2015 in line with its Community Loan Policy. At 30 June 2017, total loan repayable to Council totalled \$48,881 as is disclosed in Note 18 (Trade and other receivables). The term of the loan is 5 years and repayments of this loan are made in line with the agreed loan schedule. This is a related party entity of Councillor Robert Haswell.

Note 35 Events occurring after balance date

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

Certification of the Financial Statements

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



Jay Petty B.Com CA
Principal Accounting Officer

Date : 27 September 2017
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2017 and the financial position of the Council as at that date.

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

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



Cr Murray Emerson
Councillor

Date : 27 September 2017
Stawell



Cr Kevin Erwin
Councillor

Date : 27 September 2017
Stawell



Michael Bailey
Chief Executive Officer

Date : 27 September 2017
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 2017• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including a summary of 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 2017 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. My responsibilities under the Act are further described 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 Australia. 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, 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
27 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria

Performance Statement

For the year ended 30 June 2017

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

Location

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

National Parks

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

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

Industry

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

QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,509

Road Length: 3,350km of local roads

Rateable Properties: 9,264

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

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

Sustainable Capacity Indicators
For the year ended 30 June 2017

Indicator/measure	Result 2015	Result 2016	Result 2017	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal</i> [Own-source revenue / Municipal population]	\$1,995	\$1,603	\$1,585	No material variance
Recurrent grants <i>Recurrent grants per head of municipal</i> <i>population</i> [Recurrent grants / Municipal population]	\$1,285	\$754	\$1,275	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m being recognised as revenue in the 2016/17 financial year.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,831	\$2,929	\$2,912	No material variance
<i>Infrastructure per head of municipal</i> [Value of infrastructure / Municipal population]	\$34,882	\$34,286	\$35,079	No material variance
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.4	3.4	3.3	No material variance
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	1	1	No material variance

Definitions

"adjusted underlying revenue" means total income other than -

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Service Performance Indicators
For the year ended 30 June 2017

Service/indicator/measure	Result 2015	Result 2016	Result 2017	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]	58	53	44	Satisfaction with council decisions has decreased over the past financial year. However of participants surveyed, 72% of respondents were either satisfied or very satisfied with decisions made in the interest of the community.
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%	No Council decisions were challenged in VCAT during the 2015-2016 and 2016-2017 financial years.
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]	49	58	54	No material variance
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	20.7%	15.4%	15.4%	No material variance
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	38.3%	35.1%	31.9%	No material variance
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.8	4.8	4.5	No material variance
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	No animal prosecutions were undertaken during the 2015-2016 and 2016-2017 financial years.
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%	97.4%	100.0%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. All critical and major non-compliance notifications were followed up during the 2016 calendar year.

Service Performance Indicators
For the year ended 30 June 2017

Service/indicator/measure	Result 2015	Result 2016	Result 2017	Material Variations
Home and Community Care (HACC)				
Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	27.8%	23.3%	0.0%	Reporting ceased 1 July 2016
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	7.5%	9.5%	0.0%	Reporting ceased 1 July 2016
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	66.3%	82.2%	89.0%	No material variance
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	63.3%	76.0%	94.7%	Increase is due to an increase in number of Aboriginal children participating in MCH services. As our community has a small aboriginal community, an aboriginal family of 3 children enrolled in the service has increased the percentage.

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

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

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

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

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

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

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

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

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

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

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

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a

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

"population" means the resident population estimated by council

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

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

Financial Performance Indicators
For the year ended 30 June 2017

Dimension/indicator/measure	Result 2015	Result 2016	Result 2017	2018	2019	2020	2021	Material Variations
Operating position								
Adjusted underlying result								
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	14.8%	-21.4%	2.4%	-2.6%	-9.5%	-5.4%	-9.8%	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m being recognised as revenue in the 2016/17 financial year.
Liquidity								
Working capital								
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	197.5%	211.6%	301.0%	256.6%	238.5%	222.6%	195.4%	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m being recognised as revenue in the 2016/17 financial year.
Unrestricted cash								
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	145.2%	151.2%	246.3%	222.5%	204.4%	187.8%	161.4%	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m being recognised as revenue in the 2016/17 financial year.
Obligations								
Loans and borrowings								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	25.4%	22.3%	19.8%	15.7%	14.0%	12.5%	6.2%	There were no new loans in 2016/17 and council has continued to make principal repayments on existing loans.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.5%	2.9%	2.7%	2.7%	2.7%	2.0%	2.0%	There were no new loans in 2016/17 and council has continued to make principal repayments on existing loans.
Indebtedness								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	17.1%	28.9%	24.6%	21.9%	20.2%	18.8%	13.1%	There were no new loans in 2016/17 and council has continued to make principal repayments on existing loans.
Asset renewal								
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	48.6%	45.7%	35.5%	93.7%	51.3%	64.4%	63.4%	In 2016/17 council completed capital works on a higher percentage of new assets than renewal projects. The forecasted figure for 2017/18 will be entirely renewal and upgrade.
Stability								
Rates concentration								
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	38.7%	60.3%	48.1%	49.8%	57.7%	55.4%	57.7%	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m being recognised as revenue in the 2016/17 financial year.
Rates effort								
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.76%	0.80%	0.79%	0.80%	0.81%	0.81%	0.81%	No material variance.
Efficiency								
Expenditure level								
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,585	\$3,561	\$3,595	\$3,831	\$3,642	\$3,722	\$3,802	No material variance.
Revenue level								
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,563	\$1,562	\$1,566	\$1,702	\$1,756	\$1,792	\$1,827	2015/16 Data updated to reflect correct calculation of total residential rates revenue. No material variance.
Workforce turnover								
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	13.0%	14.0%	10.0%	7.6%	7.6%	7.6%	7.6%	There were less resignations and terminations in 2016/17 financial year in comparison to previous financial year.

Financial Performance Indicators
For the year ended 30 June 2017

Notes

"adjusted underlying revenue" means total income other than -
[a] non-recurrent grants used to fund capital expenditure; and
[b] non-monetary asset contributions; and
[c] contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

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

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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Other Information

For the year ended 30 June 2017

Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 26 June 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can viewed on councils website www.ngshire.vic.gov.au.

Certification of the performance statement

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



Jay Petty CA, BCom
Manager Financial Services

Dated: 27 September 2017

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

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

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

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



Cr Murray Emerson
Councillor

Dated: 27 September 2017



Cr Kevin Erwin
Councillor

Dated: 27 September 2017



Michael Bailey
Chief Executive Officer

Dated: 27 September 2017

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 2017• sustainable capacity indicators for the year ended 30 June 2017• service performance indicators for the year ended 30 June 2017• financial performance indicators for the year ended 30 June 2017• other information and• the certification of the performance statement. <p>In my opinion, the performance statement of Northern Grampians Shire Council in respect of the year ended 30 June 2017 presents fairly, in all material respects, 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. My responsibilities under the Act are further described 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 Australia 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 is 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>

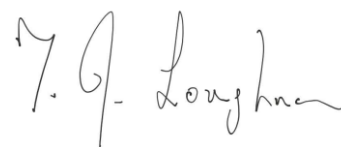
**Auditor's
responsibilities for the
audit of the
performance
statement**

As required by the *Audit Act 1994*, 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. 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 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 our 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 statement of performance, including the disclosures, and whether the statement of performance 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
27 September 2017

Tim Loughnan
as delegate for the Auditor-General of Victoria