

Northern Grampians Shire Council

Annual Report 2017/18



Our Mission

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

Our Vision

Creating a better lifestyle and environment.

Our Objectives

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

Our Core Values

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

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

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

Fair: being informed and impartial in decision making.

Innovative: being positive and able to find solutions.

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

Respectful: of other people's views and diversity.

Our 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."

Northern Grampians Shire Council would like to acknowledge the Stawell Camera Club and the following photographers for their photo contributions: Kerri Kingston, Gray Haylock, Jeff McMillan, Bev Gordon, Karl Meyer, Gavan Krauth, Lyn MacKenzie, Jess Hodder, John Tiddy, Trudy Russell, Gay Rahley and Tom Hamilton.

Quick Stats

Area: Approximately 5,918 square kilometres

Population: Approximately 11,500

Road Length: 3,408km of local roads

Rateable Properties: 9,319

Local Businesses: 2,222

Total Revenue (inc grants): \$37 million

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 5,918 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

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.

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.





Another year has passed and what an exciting one it was for Northern Grampians Shire.

The Bulgana Green Power Hub (BGPH) is moving along well with construction having commenced for what will be a global first initiative, fully powering Nectar Farms in Stawell to create the first ever crop farm to be completely powered by renewable energy, creating hundreds of jobs in the process. There's also a \$120,000 Community Fund being set up for community organisations to apply for funding from, just to top it all off. We are very proud of our partnership with Neoen and the State Government in enabling this project to be undertaken and we can't wait to see the results.

Thanks to Federal and State Government funding our Stawell CBD Revitalisation Project is going to enhance the attractiveness and overall functionality of Main Street, Stawell, and we look forward to an enhancement of our shopping and dining experiences within the area as a result. We anticipate that this will also lead to an increase in occupancy rates within the Stawell CBD as well as encouraging repeat visitation from those outside of the region.

Once again events such as Grampians Grape Escape, Grampians Music Festival, Farmer's Harvest Festival and of course the Stawell Gift showcased the Northern Grampians Shire incredibly well, proving that our region is still an events hub for a range of different audiences and demographics.

Of course, like any Council we had our challenges, one of which is the annual re-evaluation and spike in rural land rates. We've made significant changes in the way we review our rates and it'll continue to be an area that we look to improve to make life easier for those affected.

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

Cr Tony Driscoll
Mayor



Our Councillors



Mayor Cr Tony Driscoll

(Kara Kara Ward) First elected: 27 October, 2012
Term expires: October 2020



Cr Murray Emerson

(Stawell Ward) First elected: 27 October, 2012
Term expires: October 2020



Cr Rob Haswell

(Stawell Ward) First elected: 22 October, 2016
Term expires: October 2020



Cr Kevin Erwin

(Central Ward) First elected: 14 March, 2003
Term expires: October 2020



Cr Karen Hyslop

(Stawell Ward) First elected: 27 October, 2012
Term expires: October 2020



Cr Jason Hosemans

(South West Ward) First elected: 15 March, 2014
Term expires: October 2020



Cr Merrilee Reid

(Kara Kara Ward) First elected: 23 November, 2013
Term expires: October 2020

Economic Initiatives

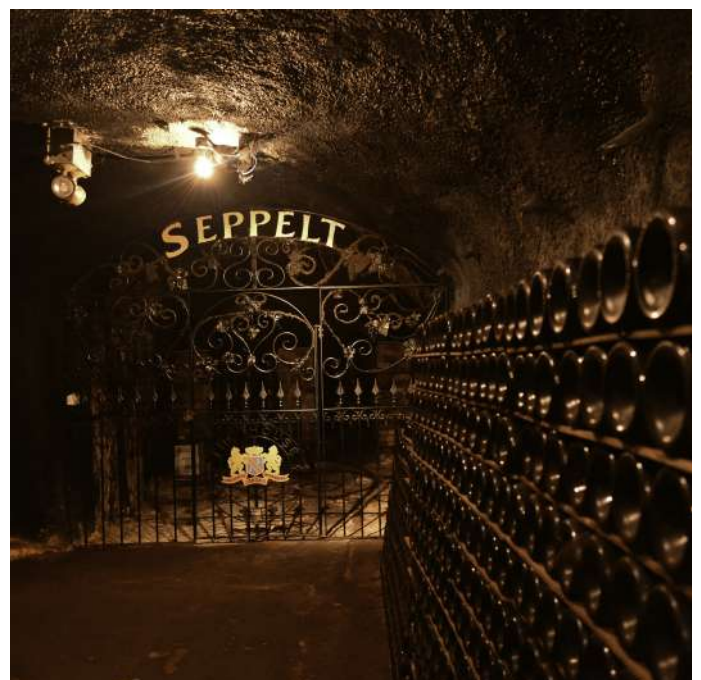
Partnerships Fostering Business Success

Council's Economic Growth department strive to boost economic growth in Northern Grampians by providing support and advice to business and industry, lobbying, partnership opportunities, networking and training programs and investment attraction activities. 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.

Strong Economic Activity

Land use development is one key factor that influences the economic growth of the shire. Planning permit data provides an important economic indicator of future building and land use activity within the shire and is used to monitor economic activity, employment and investment. Council's planning team issued a total of 89 planning permits worth over \$14.76 million in the 2017/18 financial year, with a further \$14.3 million under consideration at the end of the financial year.

We also saw some positive improvements in the Planning Unit's performance with a 100% improvement in processing time, from 26% of planning applications decided within time in 2016/17 to 50% in 2017/18. This can be attributed to improvements made in internal processes, increase in VicSmart applications and additional planning resources. The median number of days between receipt of a planning application and a decision in 2017/18 was equal to 2016/17 figure, attributed to by a reduction in backlog. With additional process improvements and customer services tools planned for 2018/19 and significant backlog cleared, Council expects to see improvements to processing time and overall customer experience.



Improving the Performance of our Planning Scheme Review

In the 2017/18 financial year Council took a close look at the performance of the Northern Grampians Planning Scheme (NGPS) and identified what's required in order to improve its performance as a tool to help achieve aims set out in the Council Plan. In June 2018 Council endorsed the Northern Grampians Planning Scheme Review Report. This 'Review Report' provides Council with:

- an overview of the performance of the Northern Grampians Planning Scheme since the last review in 2014
- an understanding of the state, regional and local policy changes that have occurred since the last review
- an audit of the existing strategic and statutory provisions in the NGPS (based on the NGPS which was in operation on 1 January 2018)
- the outcomes of stakeholder consultations
- a program for implementing future action.

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

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

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

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

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

Growing Tourism

Tourism is a key economic driver in the region, providing jobs within Halls Gap, as well as Stawell and its hinterland, experiencing exceptional growth over the past 12 months. According to 2015-16 ABS data, an estimated 504 jobs in the Northern Grampians Shire are supported by tourism. This represents more than 10% of working people in the shire. Data shows that the visitor economy directly and indirectly contributes an estimated \$290 million to the Grampians economy.

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

The Grampians received 931,000 domestic overnight visitors, which is a 15.7% increase on the previous year ending March 2017. Visitors also spent nearly 2.4 million nights in the region, up by 26.6% on the previous year.

International visitors also stayed for 395,400 nights in the region, which is a 48.8% increase on the previous year. The Grampians received over 1.2 million domestic day-trip visitors, up 5% on the previous year.



Grampians Peaks Trail

In 2017/18 Council worked in partnership with Ararat Rural City Council and Southern Grampians Shire Council to assess the Parks Victoria Planning Permit Application for the Grampians Peaks Trail (GPT). This followed an extensive process of consultation with Parks Victoria, Ararat Rural City Council and Southern Grampians Shire Council. The \$32M GPT will be a world-class long distance walk of 13 days and 12 nights and will showcase the spectacular natural and cultural landscapes of the Grampians National Park. Construction of the entire GPT is expected to be finished in late 2019, during which time Council will continue to work with Parks Victoria and other key stakeholders to develop product and visitor experience to ensure opportunities associated with the development are realised. The completion of each stage of the project will drive growth in tourism and visitors to the Grampians, as has been observed with the completion of stage one.



Halls Gap Action Plan, Stage One

From a tourism perspective Halls Gap is a strategically important town within the Northern Grampians Shire and the region, being located within the heart of the Grampians National Park and the key point of access.

The tired status of tourism villages in the Grampians region (particularly Halls Gap) has been identified through market research as a major detractor for visitor experiences. In the 2017/18 financial year Council delivered the Halls Gap Action Plan, Stage One in response to initiatives identified in the Halls Gap Master Plan for Commercial Investment and Public Land Development, 2016. The project will improve amenities in Halls Gap, addressing deficiencies relative to consumer expectations and barriers to private investment. The project is considered critical to addressing the risk of Halls Gap failing to capture opportunities in association with the Grampians Peaks Trail. The Halls Gap Village Centre Action Plan (the Action Plan) looks at the village centre of Halls Gap and identifies how Council will deliver ideas in the Halls Gap Master Plan for Commercial Investment and Public Land Development (Master Plan) 2016. The Action Plan will guide where Council invests money in the village centre and which work it prioritises. Specifically, the Action Plan will steer future access and car parking infrastructure, landscaping, built form and signage design guidelines for the Halls Gap Village Centre.

On 31 May 2018 the State Government announced that they will contribute \$1M towards the implementation of the Halls Gap Action Plan: Stage One. The money will go towards capital works for the following projects in the Halls Gap Village Centre:

- Stoney Creek boardwalk
- Grampians Road Raised Pedestrian Crossing
- Southern Gateway Enhancement
- School Road Improvements

Residential Land Strategy

In the 2017/18 financial year Council engaged Spatial Economics to undertake an assessment of residential land supply across the municipality, encompassing both Residential and Rural Living Zones. The purpose of the project is to inform Council and major stakeholders on the supply, demand and adequacy of residential land, as well as any additional land requirements to accommodate future growth and the needs of the community. The report will also make an assessment of the likely future housing needs in terms of quality, quantity and type of housing and provide an assessment of future demand against current supply. The assessment will inform the private sector and Council strategies to ensure the provision of a range of lot sizes and housing types that recognise changes in family structure and population age. The report will provide valuable insights into how Council can work with the community to facilitate residential development in a sustainable and practical way. The project is due for completion in late August.



Business Engagement and Services

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

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

- Business planning, mentoring, marketing and promotion
- Bi-monthly business eNews which provides resources and updates to subscribers on what the team are up to
- FocusOnBusiness, giving businesses an opportunity to be featured in a weekly business spotlight segment on Council's Facebook page
- Exposure on an Online Business Directory through Council's webpage
- Funding and coordinating support through the Council permit, registration and approvals process
- Networking and capacity building opportunities through business workshops
- Provision of data and locational information to businesses looking to expand or establish their operations (secure new investment and developments)
- Delivering strategic plans and reports aimed at facilitating sustainable economic development.

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

In the 2017/18 financial year, Council worked directly with 136 businesses from a number of sectors on a range of initiatives. The Economic Development Unit continues to directly engage with business to build economic resilience and diversity of industry in the shire.

Business Assistance Scheme

Council continued to administer its Business Assistance Scheme grant program after reviewing and adopting a new policy in February 2018. The reviewed policy allows businesses to apply for financial and in-kind assistance to work in partnership with Council to boost economic growth in the Northern Grampians Shire. Both new and existing businesses are eligible to apply for the scheme, to assist with the establishment of a new business, or the expansion and diversification of projects which assist with sustainability for existing businesses.

In the 2017/18 year, the scheme awarded over \$50,000 in financial assistance to a range of businesses across multiple townships in the Northern Grampians Shire.

Building Business Management Capacity and Networking Opportunities

In the 2017/18 financial year, the Economic Development Unit delivered 10 business development workshops to the Northern Grampians Shire business community covering topics in event management, marketing, business planning, online business and how to prepare civil tenders. The workshops provide local businesses with an opportunity for networking to build their business management capacity.

The 2017 Business Services Feedback Survey provided Council staff with insight in to what topics business owners wanted to hear more about, and informed the development of the 2017/18 Business Masterclass Series. The masterclass series, were two three-day masterclasses in marketing strategy and business planning, and were delivered in partnership with the Victorian Chamber of Commerce and Industry and Federation Business School. Both masterclasses were attended by 18 businesses in the shire and received very positive feedback.

Revitalising the Retail Sector

At the beginning of 2018, Council staff began working to implement objectives for the retail sector in the 2016 Industry Sector plans. Staff engaged the Retail Doctor Group to conduct a comprehensive Retail Gap Analysis in the two major townships of Stawell and St Arnaud. The purpose of the analysis is to undertake an audit of the current retail offering and activity in the two major retail centres, and then provide a three-year action plan to address key barriers and challenges to attracting new investment, enhance the existing retail offering, centre attractiveness and amenities. The action plan also includes a retail investment attraction plan, a retail activation plan and recommendations on how to develop stronger links between the retail and tourism sectors to leverage from the considerable growth in the Grampians tourism market. The report is due for completion in August 2018.

Providing Investors with Insight into Opportunities

In 2017/18, the Economic Development Unit worked to develop an updated investment prospectus for the region. The document highlights competitive advantages and investment opportunities in the Northern Grampians Shire for potential investors, focusing on four target industries being agribusiness, tourism, transport and manufacturing, and resources. The objective of the prospectus is to enable the Economic Development Unit to actively undertake targeted and informed investment attraction activities, and to provide potential investors with evidence-based opportunities in the Northern Grampians Shire. The document is due to be finalised in August and will be available online and in hard-copy format.



Collaborating with Associations to Boost Economic Growth

Each year, Council provides financial support to and works collaboratively with various business and tourism associations under the Stronger Associations Program. Stronger Associations is a competitive grants program which aims to support associations to undertake projects and initiatives which boost economic growth in the Northern Grampians Shire. In turn these organisations provide support to individual businesses in a variety of ways including collaborative marketing, workshops and mentoring.



Bulgana Green Power Hub

The Bulgana Green Power Hub is located in the Wimmera region of central-western Victoria, about 200km north-west of Melbourne and 11km north-east of Stawell. The project comprises 204MW of wind turbine generation and 20MW of lithium-ion battery storage. In a world-first technological partnership between renewable energy and intensive agriculture, around 10% of the turbines' output will be used to power the nearby Nectar Farms glasshouses for a minimum of 10 years.

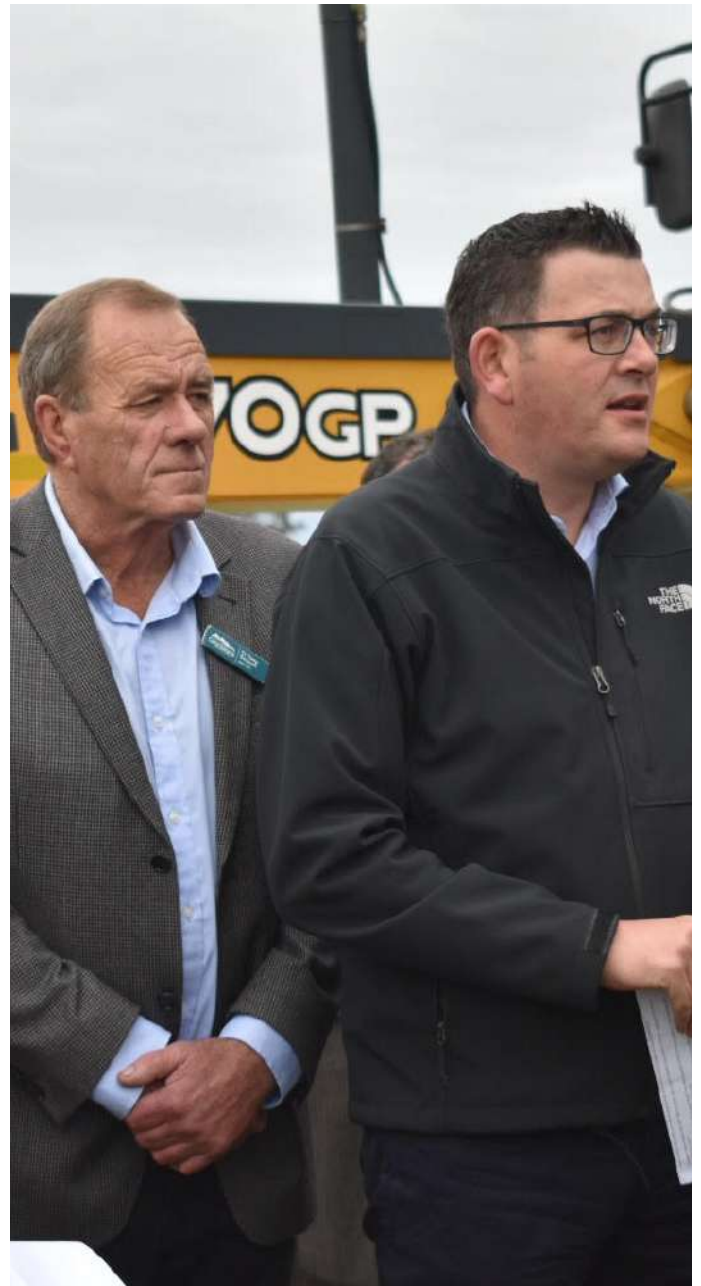
Over the past 12 months Council has worked closely with Neoen and their contractors including Siemens Gamesa, GHD, Downers, Fulton Hogan, Ausnet and Cardno to guide them through the regulatory processes within Council. This has included fortnightly then monthly meetings, liaising and facilitating conversations with multiple regulatory bodies outside of Council such as VicRoads, DELWP, DEDJTR, EPA, CFA, local Landcare and the like. Community & contractor sessions have been held to keep NGSC and surrounding residents informed. Following on from this a Bulgana Green Power Hub Page has been created within the NGSC website to keep people up to date with the project.

The Bulgana Wind Farm began construction in June 2018. The construction of the wind farm is a major step in the Bulgana Green Power Hub, so far the Bulgana Wind Farm have engaged many local businesses and trades and the influx of specialised trades to the area have filled rental properties, motels and caravan parks. The project is estimated to be completed by late 2019 and with construction commencing on the wind turbines, it means that Nectar Farms are able to seek financial closure given the certainty of the power supply.

The Bulgana Wind Farm has committed \$120,000 to a community grants program which will open on 16 July 2018 and will run each year for community groups within the NGSC to apply for.

The Place to be at Easter

An action-packed Easter in Stawell once again attracted a huge number of visitors to the region. More than 10,000 people flocked to Central Park over Easter weekend, with the biggest crowd being Easter Monday where the crowd experienced the running of the 2018 Stawell Gift. 677 runners competed in the Gift carnival, with a total of 1,681 event entries across 24 races, while the Little Athletic events attracted 179 children. Television coverage on Channel 7, Southern Cross Television and FOX Sports projected the 137th running of the Stawell Gift to a national audience. Council provided racegoers on Saturday afternoon with musical entertainment and fireworks at their second annual Off the Track Easter Street Party, which took place after the last race on Easter Saturday.

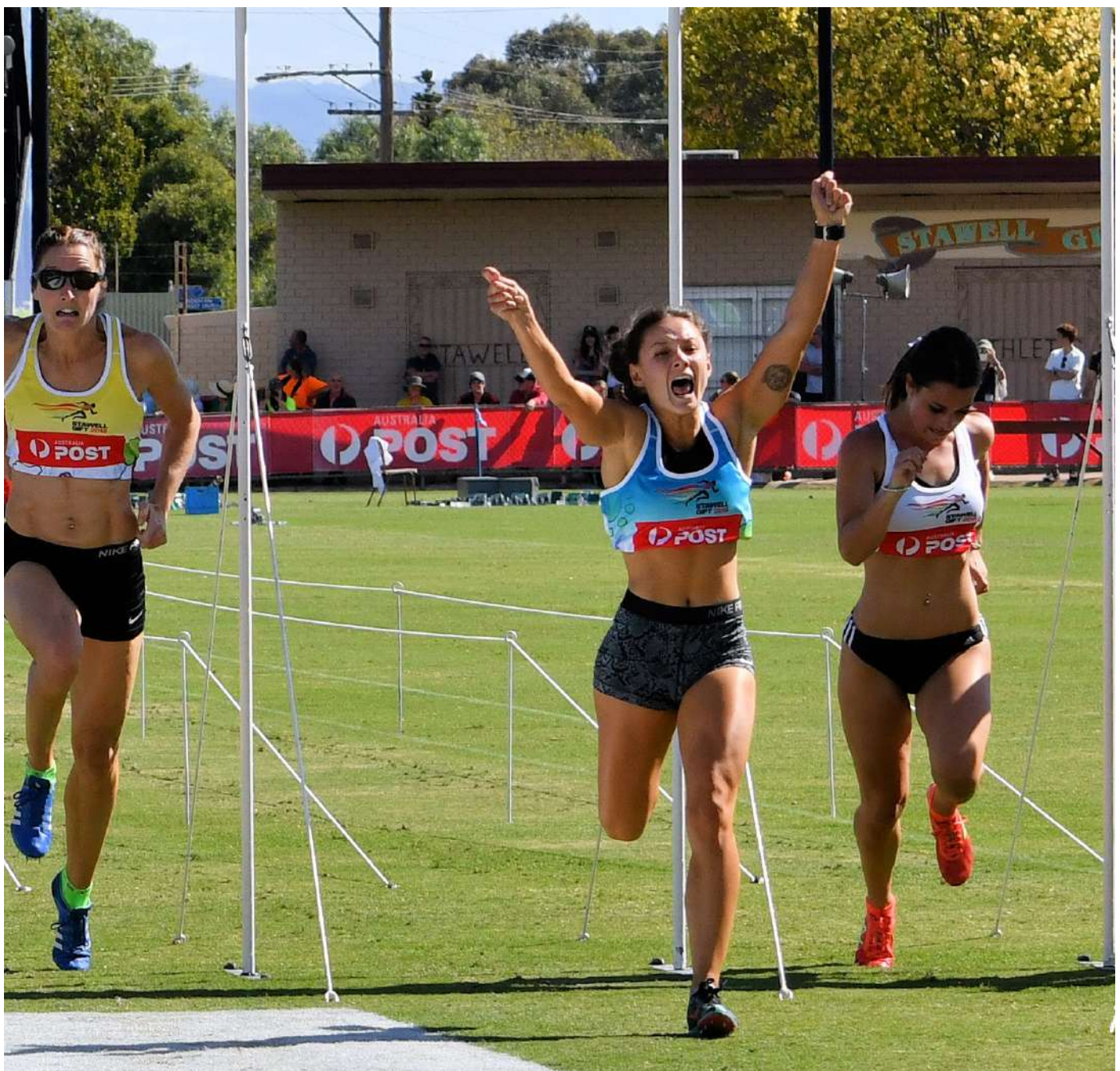


There's Always Something Happening

Council's Economic Development Unit supports the delivery of a range of major events across the shire including the Stawell Gift, Grampians Grape Escape, Grampians Music Festival, Babylon Festival and St Arnaud Rodeo. Easter continues to be the most popular weekend for major events in the shire, with the team supporting events such as the Great Western Rodeo, Stawell Gold Cup, and Stawell Main Street Easter Sensation, and delivering the Off the Track Easter Street Party. Council staff provide support, both financial and in-kind, to these event organisers and provide assistance through the event registration process.

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

The 2018 Grampians Grape Escape in Halls Gap attracted over 7,000 patrons to the 2-day event held on the first weekend in May, and an additional 2,700 patrons attended partner events leading up to the festival weekend. Patrons were treated to cooking demonstrations from celebrity chefs Paul West and Matt Sinclair, and had access to 102 exhibitors.



Social, Community and Environmental Initiatives

Positive Ageing

Traditionally known as 'Aged & Disability Services', the new look Positive Ageing Team has delivered an exceptional year of high quality services to more than 300 older residents.

The transition to National Disability Insurance Scheme (NDIS) for many of our younger clients has been complex, but the team is really pleased to see many young clients receiving a range of disability services that will cater to their needs under the new scheme.

Domestic assistance, personal care support and delivered meals continue to make up the majority of services provided to clients. Our dedicated team of volunteers delivered more than 10,000 meals to residents living in Stawell and St Arnaud. Our Direct Care Workers provide much needed respite to support local carers and social support, plus our contractors undertake small home maintenance and modifications such as ramps and rails to ensure safety, wellbeing and independence for residents.

The service underwent the quality review using the Community Common Care Standards to ensure quality of service. The team excelled in its review, with a 17 out of 17 score, the highest possible result. This is a true reflection of the dedication to quality improvement.



Regional Assessment Service

The Council provides the Regional Assessment Service for the local area, meaning that Council trained assessment staff undertake face to face visits in the home with potential clients, to determine care needs, eligibility for services, and to develop a support plan which addresses client needs, goals and preferences. During these assessments, clients are given information about costs and are able to choose their service/s of choice. Throughout 2017/18, Council provided 163 Regional Assessments, and 100% of these were completed within the required timeframe set by the Australian Government.

Community Projects and Events

Market Square is now a safer and shadier place for families to visit and enjoy. The shade sail is expansive at 20m by 20m in size, and was made possible by a State Government Grant through the Community Shade Grants Program.

The Municipal Health & Wellbeing Action group led the first shire wide Active April. Residents enjoyed a range of free and low cost events to test, try and participate in activities to get active. The new Active April calendar was a popular central way for families and individuals to see what was on offer in one spot. This will be a regular fun and active month each year!

A slice of Stawell's Main Street was transformed into a winter wonderland over the April school holidays with a pop up ice rink. The rink was hugely popular with local families, and attracted many visitors to the town to enjoy the rare experience!

Over 200 participants tackled the track during the first St Arnaud ColouriNG Festival as part of Council's Youth Week activities. Funded by a Victorian Government Youth Week grant, the festival saw participants run, jog or walk around St Arnaud's Lord Nelson Park, with the option to complete a two or four-kilometre track in a colour-filled celebration of fun, family, fitness and friends. The St Arnaud Netball Club made sure participants were splashed with rainbow colour, and enjoyed a BBQ and fruit cups together at the end.

This three month Grampians Music Festival Mentoring Program initiative gave local residents the chance to work alongside the Grampians Music Festival Committee to learn about a range of career opportunities within the music events industry. Participants enjoyed learning and practising a range of skills across event management, marketing and public relations, finance and volunteer management. These skills set up participants for a range of new employment opportunities.

The St Arnaud Learning Alliance launched the resilience project, with education sessions for teachers, children from kindergarten through to Year 12. The resilience project presented a community session in the St Arnaud Town Hall with more than 200 people. The key messages are relevant for everyone in the community: gratitude, mindfulness and empathy. The alliance continues to work on initiatives that complement these messages, and will host the resilience project in St Arnaud again in 2019.

Stawell and St Arnaud Seniors Week events enjoyed hosting Lonnie Lee, a pioneer of Australian rockabilly music. More than 400 of our local seniors enjoyed the free events, a wonderful celebration of our residents.

Supporting our Community Groups

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

Projects that have benefited from Council funding in 2017/18 include:

Community Grants

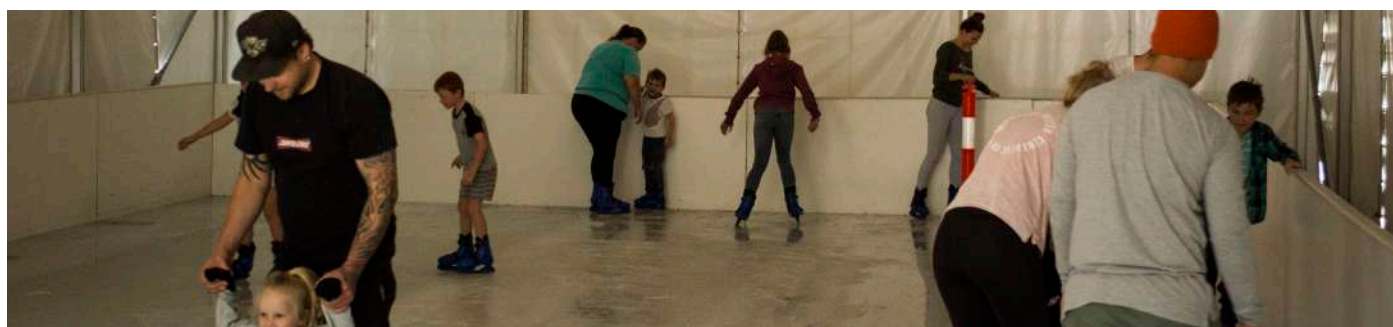
Marnoo Hall Ramp Repair
Stuart Mill Cemetery Trust
GPPCP Aussie Food Revolution
Shade Sail Grant - to increase shade area
Callawadda Gun Club
Grampians Field and Game
Rural Refugees Australia
St Arnaud Netball Club
Stawell Primary School (502) Parents & Friends Club
St Arnaud Learning Alliance - Resilience Project

Youth Grants

Stawell Warriors Locker Room
St Arnaud Pony Club Camp
Stawell Library
Grampians Pyrenees Primary Care Partnership
Being Frank Play
Great Western Primary School Energy Breakthrough

Event Funding

Great Western Primary School 150th Celebrations
Church of Christ Event
St Arnaud Broadway Event
Chicks in the Sticks
St Vincent De Paul Christmas Dinner
St Arnaud Show
St Arnaud Country Music
Event Volunteer Training
St Arnaud RSL 100th Celebration
Glenorchy Easter Event 2018



Minor Grants

Callawadda Progress Association
Great Western Futures Committee
St Arnaud Community Resource Centre
Halls Gap Community Market
Stawell Secondary College
Swifts Football Netball Club
Budja Budja Cooperative
St Arnaud Secondary College
Stawell Secondary College Awards
Marian College Awards
St Arnaud Secondary College Awards
502 Primary School Awards
Stawell Interchurch Welfare Council
Grampians Food Alliance
St Arnaud Young Farmers
C Loats Sponsorship
Halls Gap Primary School
Banyena Hall Inc
Community Association of Halls Gap
St Patrick's Primary School Stawell
Murray to Moyne St Arnaud St Arnaud
Murray to Moyne Stawell
Sophie Bibby
Stawell Gymnastics Club
Tessa O'Callaghan

Summer Outdoor Pools

More than 8450 visitors made their way through the gates of the St Arnaud Swimming Pool to seek respite from the summer sun. The 'no fee' access to the pool, the fun water aerobics sessions and Learn to Swim programs saw a range of ages enjoy the beautiful pools for more than three months.

The water slides running into the Stawell Outdoor Pool were again a huge hit, with many local young children taking on the slides for their first time. The new inflatables and pool parties were a hit at both pools!

Recreational Water

Recreational water continues to be a significant contributor to the social and economic wellbeing of rural communities. Lake Lonsdale, Lake Fyans and Walkers Lake continue to host many visitors for skiing, fishing, recreational and natural environment enjoyment. The Walkers Lake Advisory Group is working on the Walkers Lake Management Plan, which includes the long term concept plans for development for the area to ensure users with a variety of interests are catered for, and the special culture, heritage and natural highlights of the lake's area are maintained. The Lake Fyans walking track, BBQ shelters and pontoon projects were completed. Lake Lonsdale enjoyed another busy summer of skiing, and camping all year-round.

Stawell Sports & Aquatic Centre (SAAC)

As the result of the leisure services review, the Stawell Leisure Complex underwent a significant expansion and refocus of core business, with our local residents being the focus. The revitalised health and fitness centre opened a brand new commercial gym with group fitness areas, world-class new equipment and class timetable. The health and fitness team have welcomed more than 160 new members in the first five months of opening, and will continue to build programs, services and opportunities for our residents to enjoy being active, social and included at all that SSAC offers. Soon to launch is 24/7 gym access and an upgraded kiosk.

St Arnaud Children's Precinct

All time high enrolments saw a busy year for St Arnaud Children's Precinct. The centre expanded its long day care rooms from two to three, making separate rooms for 0-2 years, 2-3 years and 3+ years. A focus of the centre has been on wellbeing, mindfulness and resilience. Kindergarten enjoyed the benefits of special programs such as bush kinder, regular relaxation sessions and many visiting entertainers for music, arts and culture.

Parents are well connected with their children's progress and development, enjoying regular 'storypark' updates with photos and videos of their children playing and learning.

The Parents Committee has worked hard to raise much needed funds to complete the playground designs for the new playspace where the CFA building was demolished. The committee is now assisting the Council to seek the funds needed to create this interactive, nature based space for the children to enjoy.

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2015	2016	2017	2018	Material Variations and Comments
Aquatic Facilities					
Satisfaction					
AF1 User satisfaction with aquatic facilities (optional) [User satisfaction with how council has performed on provision of aquatic facilities]	0.00	0.00	0.00	0.00	
Service standard					
AF2 Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	0.00	2.00	2.00	1.00	The reduction is by 1, however as the total was 2 the year before, it's 50% which is misrepresenting significance. The target is between 1-4 inspections, which we have achieved.
Health and Safety					
AF3 Reportable safety incidents at aquatic facilities [Number of WorkSafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	0.00	
Service cost					
AF4 Cost of indoor aquatic facilities [Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]	\$3.06	\$3.42	\$4.22	\$7.21	Significant period of pool shut down due to pool plant issues, lowering visitation. Additional maintenance expenses including contractors in this period whilst pool plant repairs occurred.
Service Cost					
AF5 Cost of outdoor aquatic facilities [Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]	\$8.11	\$8.47	\$9.36	\$12.93	St Arnaud Pool preparation for opening was outsourced to a contractor experienced in this, due to staff shortage at that time of the year. Pool visits are recorded manually.
Utilisation					
AF6 Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.84	4.80	4.51	3.90	Significant period of pool shut down due to pool plant issues, lowering visitation.
Animal Management					
Timeliness					
AM1 Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	0.00	1.00	1.64	3.17	Increase in requests, reduced capacity.
Service standard					
AM2 Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	39.00%	36.25%	46.09%	23.96%	Increase in adoptions, reduction in reclaim attributed to higher costs of living, more animals surrendered or abandoned.
Service cost					
AM3 Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$66.36	\$81.51	\$78.75	\$58.78	Reviewed processes and service providers.
Health and safety					
AM4 Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	
Food Safety					
Timeliness					
FS1 Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	0.00	3.14	2.75	1.00	Staffing increase
Service standard					
FS2 Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	61.00%	89.39%	98.33%	94.89%	
Service cost					
FS3 Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$486.59	\$458.83	\$346.14	\$277.99	The reduction in costs is due to less expenses and more registered premises in food safety for this financial year
Health and safety					
FS4 Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	90.00%	100.00%	100.00%	

REPORT OF OPERATIONS						
Service Performance Indicators		Results	Results	Results	Results	Material Variations and Comments
Service/indicator/measure		2015	2016	2017	2018	
Home and Community Care (HACC)						
Timeliness						
HC1	Time taken to commence the HACC service [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	0.00	8.78	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service standard						
HC2	Compliance with Community Care Common Standards [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	50.00%	50.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost						
HC3	Cost of domestic care service [Cost of the domestic care service / Hours of domestic care service provided]	\$0.00	\$52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost						
HC4	Cost of personal care service [Cost of the personal care service / Hours of personal care service provided]	\$0.00	\$52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost						
HC5	Cost of respite care service [Cost of the respite care service / Hours of respite care service provided]	0.00	52.57	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation						
HC6	Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	28.00%	23.28%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation						
HC7	Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	8.00%	9.46%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Libraries						
Utilisation						
LB1	Library collection usage [Number of library collection item loans / Number of library collection items]	1.93	2.09	2.17	2.15	
Resource standard						
LB2	Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	46.00%	49.72%	44.51%	43.32%	
Service cost						
LB3	Cost of library service [Direct cost of the library service / Number of visits]	\$6.48	\$6.54	\$6.38	\$6.66	
Participation						
LB4	Active library members [Number of active library members / Municipal population] x100	19.03%	15.37%	15.44%	15.22%	
Maternal and Child Health (MCH)						
Satisfaction						
MC1	Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	106.59%	104.50%	104.67%	99.02%	
Service standard						
MC2	Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	97.80%	97.30%	99.07%	100.98%	
Service cost						
MC3	Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$0.00	\$60.28	\$62.85	\$65.95	
Participation						
MC4	Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	86.28%	82.24%	89.05%	90.73%	
Participation						
MC5	Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	77.14%	76.00%	94.74%	83.33%	Due to a small number of aboriginal families in our community a small change in the attendance can have a significant impact on the result of this indicator.

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2015	2016	2017	2018	Material Variations and Comments
Statutory Planning					
Timeliness					
SP1 <i>Time taken to decide planning applications</i>	85.00	80.00	78.00	77.00	The Median number of days between receipt of a planning application and a decision in 2017/2018 is equal to 2016/2017 figure, attributed to by a reduction in backlog. With a 100% improvement in processing of planning applications, within the required timeframe from 2016/2017 to 2017/18 and significant backlog cleared, Council expect to see an improvement in the Median number of days between receipt of a planning application and a decision in 2018/2019.
[The median number of days between receipt of a planning application and a decision on the application] Service standard					
SP2 <i>Planning applications decided within required time frames</i>	64.00%	24.72%	25.93%	54.44%	There has been a 88% improvement in processing of planning applications within the required timeframe, from 26% in 2016/2017 to 49% in 2017/2018. This can be attributed improvements made in internal processes, increase in VicSmart applications and additional planning resources.
[(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 Service cost					
SP3 <i>Cost of statutory planning service</i>	\$3,421.56	\$3,472.65	\$3,524.86	\$4,296.11	The current indicators shows a higher direct cost of statutory planning services compared to previous years. The higher cost to the service is a direct result of an increased number of complex applications received resulting in larger amount of officer time required. An increase in the number of applications receiving objections has had a similar impact. With increased customer resources, online planning services and further improvements in internal processes, Council expect to see a reduction and in the overall cost of the statutory planning service and customer experience in 2018/2019.
[Direct cost of the statutory planning service / Number of planning applications received] Decision making					
SP4 <i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	0.00%	There were no VCAT decisions in relation to planning applications in the 2017/18 financial year.
[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					

Emergency and Risk Initiatives

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

Emergency Management exercises run or attended by Council staff

Date	Event	Location
9 Nov 2017	ICC Pre Season Exercise	Ararat
10 Nov 2017	Red Cross relief centre exercise	Stawell
23 Nov 2017	Pyrenees Shire Council relief centre exercise	Snake Valley
15 Dec 2017	NGSC Exercise Gusto (MECC & relief centre)	Stawell

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 emergency management legislation and to ensure that applicable recommendations from the 2009 Victorian Bushfires Royal Commission and the 2011 Victorian Floods Review are implemented.

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

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

Partnerships and Collaborations

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

Additional collaborative work includes:

- The review of Neighbourhood Safer Places (NSPs) and the Victorian Fire Risk Register-Bushfire (VFRR-B) with the assistance of the CFA and other 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 continued to be involved in flood management discussions regarding possible sharing of resources between councils for possible risk mitigation projects coming out of the Victorian Floodplain Management Strategy 2016.
- Council, partnering with the EPA, CFA, DELWP and other local stakeholders, assisted in successfully assuming control of and clearing the Stawell Tyre Stockpile between August and October, 2017. This remediated the long-standing and potentially catastrophic community and environmental risks associated with the Stawell Tyre Stockpile.

Emergency Response and Recovery Activities

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

Emergency incidents managed by Council 2017/18

Date	Event	Location
18 July 2017	House fire	42 Silvermines Rd, St Arnaud
10 Oct 2017	Truck rollover	Deep Lead
30 Nov 2017	Fire	Sandbar Rd, Deep Lead
12 Dec 2017	Fire	Emu-Dunolly Rd, Emu
18 Dec 2017	Fire	Donald-Stawell Rd, Campbells Bridge
26 Dec 2017	Oil Spill	Mary St, Stawell
21 Feb 2018	House fire	35 Warren St, Stawell
7 May 2018	Oil Spill	Glenorchy
26 July 2018	House fire	Ledcourt School Rd, Ledcourt

Community Engagement in Emergency Management

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

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



Meeting Local Priorities

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

Emergency Management (EM) staff were provided with internal training to ensure they were ready for the eventuality of any emergency incident, and newly appointed staff completed the VICSES run Introduction to Emergency Management Course to ensure they understood the part they play in 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

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/heaviest used rural roads, including Joel Rd and Ashens Bridge Rd which are highly used by heavy vehicles. Churchill Crossing Rd, Council's highest rated rural residential road saw upgrades this year. The intersections of Stawell-Avoca/Wimmera Downs Rd, Sunraysia Hwy/Woolpack Rd and St Arnaud-Ararat/Fithall Rd were realigned to a safe standard.

Works were performed at Newington Rd, Stawell and Millett St, St Arnaud, upgrading the drainage and pedestrian access within the residential area. Footpath installation took place in Stawell, St Arnaud and Great Western at five separate locations.

Bridge and Major Culverts Upgrades

Council undertook works on ten major culverts or bridges over the 2017/18 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 and deck strengthening. Among other projects, culverts have been replaced at Bulgana Rd, widening the road and replacing head walls.

Airport Taking Off

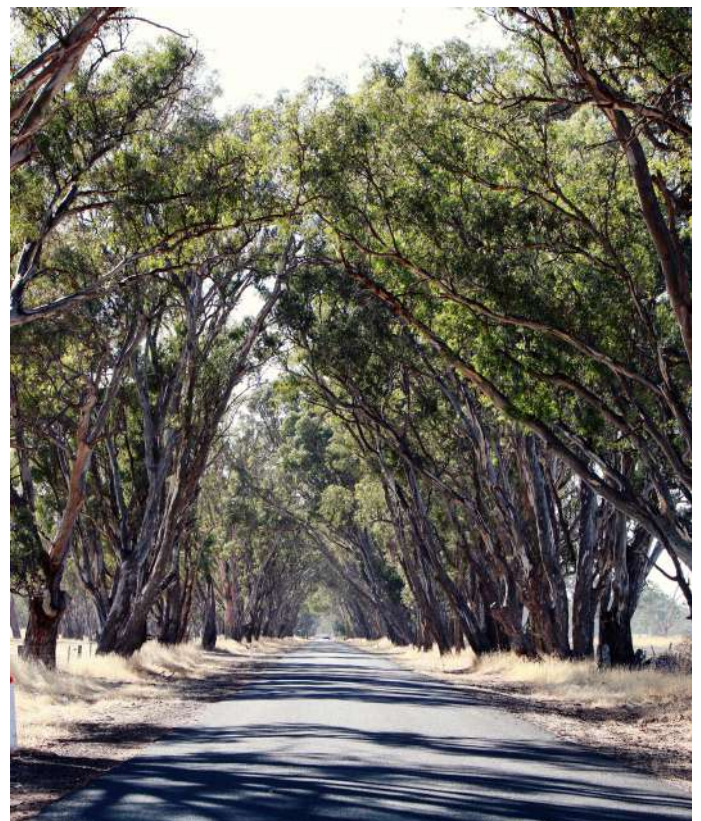
Time and effort has been put towards formulating the scope and exploring funding opportunities for Stawell Airport Stage 5, 6 & 7.

Buildings

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

The following is a list of substantial works carried out during the 2017/18 financial year.

- St Arnaud Bowling Clubrooms have undergone a significant foundation renewal. A leaking water connection soaked the building foundations resulting in significant foundation movement.
- North Park toilet block was planned to be upgraded to improve facilities. Funding for the North Park Clubrooms will see the toilet block funding reallocated to the clubrooms enabling an overall better outcome for the community.



Parks and Gardens Upgrades in 2017/18

Works undertaken in the 2017/18 financial year are inline with achieving Council's 2017/21 plan to enhance the natural and built environment to improve lifestyle and visitation:

- Development of the Queen Mary Gardens, St Arnaud extension over the old bowling green and initial works were undertaken to implement that plan. Clearing the site, installing paths, garden bed preparation and irrigation designs have been undertaken in accordance with the plan.
- 44 Main St, Stawell or "Former Caltex Site" has undergone a major redevelopment. The design concentrated on a multipurpose community space and representatives from numerous community groups were given the opportunity to provide comment on key elements of the design.
- Cato Park, Stawell has seen a significant security lighting installation, producing immediate results, increasing usage during the evening. Cato Park also underwent minor developments and upgrades to garden beds as per the improvement plan.
- Napier St, Stawell saw the removal of an unsightly fence and was planted out with screening trees to improve the outlook for residents, broader community and Vline passengers.
- Stawell War Memorial undertook minor development, removing the cypress hedge, creating a visual link between the newly landscaped "Former Caltex Site" and the Main St streetscape. RSL were engaged during the process.



Cato Park - Gavan Krauth

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2015	2016	2017	2018	Material Variations and Comments
Roads					
Satisfaction of use					
R1 Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	2.04	5.12	8.54	7.84	
Condition					
R2 Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	78.41%	82.85%	77.68%	
Service cost					
R3 Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$26.57	\$52.16	\$65.11	\$0.00	There was no road reconstruction completed in 2017/18. Council focused on renewals of other types and funded upgrades
Service Cost					
R4 Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.30	\$4.41	\$4.00	\$4.54	Council's reseat contract schedule has varying unit rates for material size used in it's resealing. In 2016/17 78% of reseals used 7mm aggregate. In 2017/18 due to seal design only 24% of reseals used 7mm aggregate. In 2017/18 and 76% using 10 & 14mm sized aggregate. Larger size aggregate incurs higher unit rates which can account for the larger average unit rate from year to year
Satisfaction					
R5 Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	48.97	58.00	54.00	48.00	

Waste Initiatives

Budget 2017/18

Rehabilitation at the Hard Hills Landfill site continues pursuant to the closure plan which outlines Council's regulatory compliance requirements.

Transfer Station Operation Plans

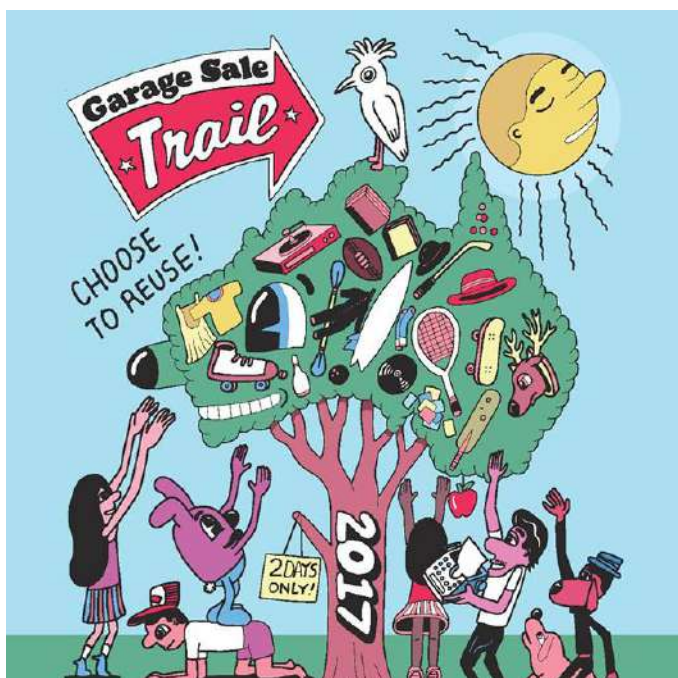
An Expression of Interest for private management of the Stawell Transfer Station was released in June 2018 with nine initial interested parties. The closure date for business proposal applications is August 17th 2018.

The final report for Joint Feasibility Study into a "Super Transfer Station" to be developed between the Northern Grampians Shire Council and the Ararat Rural City Council is expected to be handed down August 2018.

Operation of St Arnaud and Halls Gap Transfer Stations will go out to tender with new specifications in September 2018.

Garage Sale Trail

NGSC has completed its original three year agreement with the Garage Sale Trail and will review what benefit this has brought to the local community before committing to any further involvement.



Chinese Sword – Recycling Crisis

37.41	62.29	67.20	31
2.30	3.54	5.38	4
\$113.78	\$117.18	\$125.85	\$14
\$37.55	\$38.05	\$39.02	\$3

E-Waste Agreement for Collection

Initial ban dates for e-waste acceptance into landfills have been extended by 12 months with the ban coming into effect in July 2019. Stawell and St Arnaud Transfer Stations have been selected as candidates for infrastructure funding from Sustainability Victoria to provide adequate storage facilities for expected increases in e-waste deposited at both transfer stations. Grant applications are to be submitted by September 2018 with \$100,000 available for each facility. Council is working with the Grampians Central West Resource Recovery Group and other stakeholders to appreciate the ongoing requirements of this legislative change.

NGSC Waste Strategy

Development of a NGSC Waste Strategy 2018-2028, including a Halls Gap Precinct Plan will be completed towards the end of August 2018. This plan will include all current arrangements and short, medium and long term objectives for waste management within the NGSC.

REPORT OF OPERATIONS						
Service Performance Indicators		Results	Results	Results	Results	
Service/indicator/measure		2015	2016	2017	2018	Material Variations and Comments
Waste Collection						
Satisfaction						
WC1	Kerbside bin collection requests	37.41	62.29	67.20	36.90	Reduction in missed bins and damaged bins due to contractors staffing knowledge and level of service. Council working closely with contractors has assisted in the reduction of collection requests.
	[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000					
Service standard						
WC2	Kerbside collection bins missed	2.30	3.54	5.38	4.14	Reduction in missed bins and damaged bins due to contractors staffing knowledge and level of service. Council working closely with contractors has assisted in the reduction of collection requests.
	[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Service cost						
WC3	Cost of kerbside garbage bin collection service	\$113.78	\$117.18	\$125.85	\$142.57	The increase in overall costs is consistent with prior years.
	[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost						
WC4	Cost of kerbside recyclables collection service	\$37.55	\$38.05	\$39.02	\$39.69	
	[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion						
WC5	Kerbside collection waste diverted from landfill	38.00%	35.14%	31.90%	33.64%	Waste diverted from landfill has increased due to community education and the communitys drive to reduce waste to landfill. Council is currently implementing a new Waste Management Strategy which should see further improvement in these numbers.
	[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

Data and Information Initiatives

Business Transformation

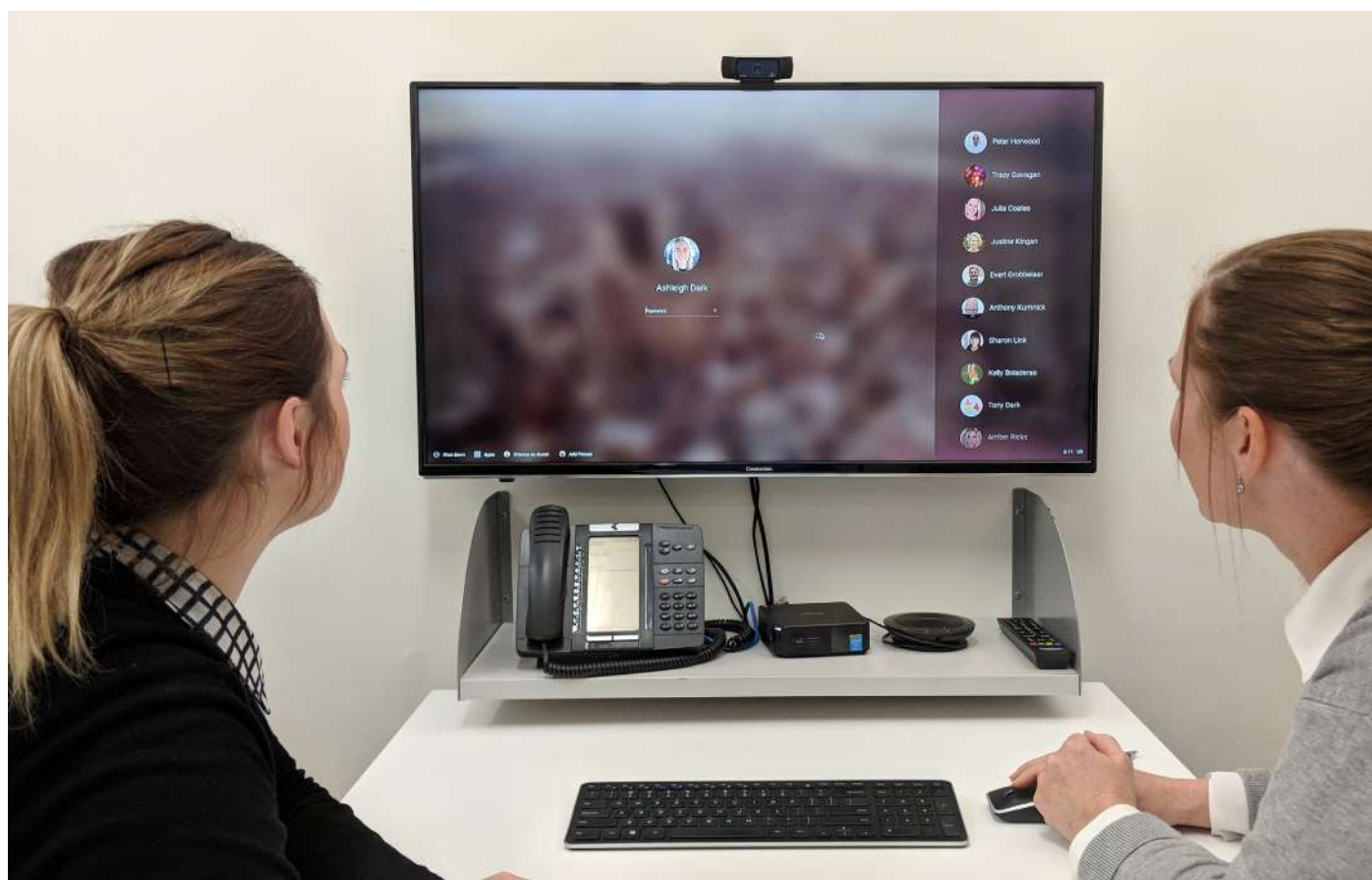
This year saw the continuation of projects aimed at increasing internal efficiencies in order to improve service delivery and customer experience.

A review of the 2013-17 Information Communication Technology Strategy saw development of a plan for business transformation over the coming years that prioritises customer experience, digital first and data management. By combining the key components of people, processes, technology and change management, Council is focused on implementation of innovative solutions that provide integrated, easy to use, accessible services.

Application of available technology has seen implementation of several new ways of communicating Council activities to the community, with centrally managed displays introduced at customer service centres at Stawell and St Arnaud, and a display in the front garden at the Stawell Town Hall. Technology has also been applied to improve security at several Council facilities, and a self service electronic sign-in process implemented for visitors to the Stawell Town Hall.

A 'budget simulator' was implemented for the community to engage directly with the budget process, and was made available using Council's mobile interactive display during community budget sessions. This interactive display was also used for a number of other community engagement activities.

A major redevelopment of Council's website has been underway throughout the year, and is a continuing project. This year saw implementation of new modules, improved presentation of key information and a new modern look and feel, including a new photo library thanks to the Stawell Camera Club. Application and request forms have systematically been updated to true online forms that can be submitted directly from the website.



Digital transformation initiatives continue to drive down printing, with costs now less than 10% of those of five years ago with further reductions expected with future process improvements.

A new initiative, **LeaniNG Forward**, was rolled out across the organisation in 2017-18, focusing on continuous improvement using 'lean' methods and process management to identify and implement 'change for the better'. So far this project has seen identification of almost 1,300 processes which will be mapped not only to provide corporate knowledge and consistent customer experience, but also the opportunity to analyse and improve service delivery.

Council is proud of its use of technology and innovative approach, and in February was awarded winner of the 2018 Local Government Professionals Innovative Management Initiatives Award for Excellence for its Going Google project, especially exciting as it beat no fewer than six city councils for the prize. Since the award Council has been named a finalist in the 2018 Local Government Professionals Australian Federation Awards in the Innovative Management Initiatives category.

A review of internet services has resulted in a change in provider resulting in considerable savings to Council and further supporting our move towards a web enabled environment. This environment now presents real opportunities for improved service delivery - both more effective and more efficient - and this work will continue in coming years.



Financial Sustainability Initiatives

Keeping Financials in Check

Council continues to meet its reporting and accountability requirements. The Audit Committee, consisting of two Councillors and three external representatives, met four times during 2017/18, as set out in the Audit Committee Charter. The Committee's role is to focus on identified risks to the organisation, risk management, financial and governance responsibilities and to review processes to provide assurance regarding Council's performance.

Work towards long term sustainability is ongoing. Council has been systematically assessing its services to review what is offered and how it is offered. The aim is to better match the services provided to that expected by the community at a value they are prepared to pay. In the process Council seeks to provide services in a smarter and more innovative way. The rate cap set by the State Government has provided a limit to the income Council can raise, therefore proving the relevance of service reviews to our future sustainability.

Although these reviews will mean making difficult decisions and changing the services we deliver to the community, Council's financial position forecasted into the future is something we cannot ignore.



Core Services Initiatives

Customer Experience

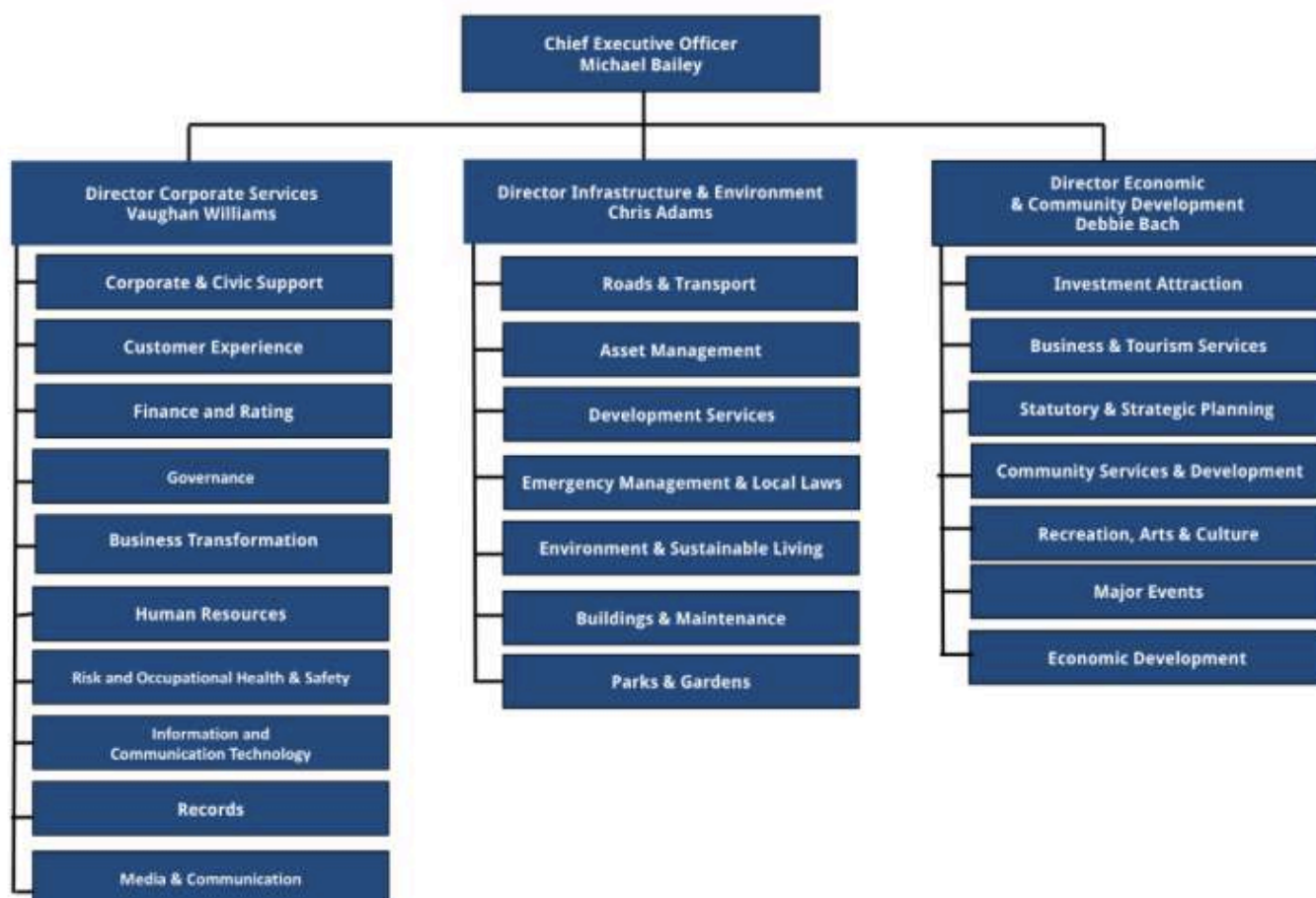
Northern Grampians Shire Council has customer support centres located in Stawell and St Arnaud. These centres provide an important resource for the community and serve as the principal point of contact from which staff provide information. Our friendly customer support staff endeavour to answer all enquiries,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

Media and Communications

In 2017/18, media and communications focused on improving Council's communication and consultation with its communities via social media and increased content on Facebook and Twitter. This allowed us to share information instantly and with a wider community and to drive our community to our website. The Media & Communications Officer has worked together with the Business Transformation Team on a new look website and has sourced a photo library from the Stawell Camera Club to be used in Council promotions.

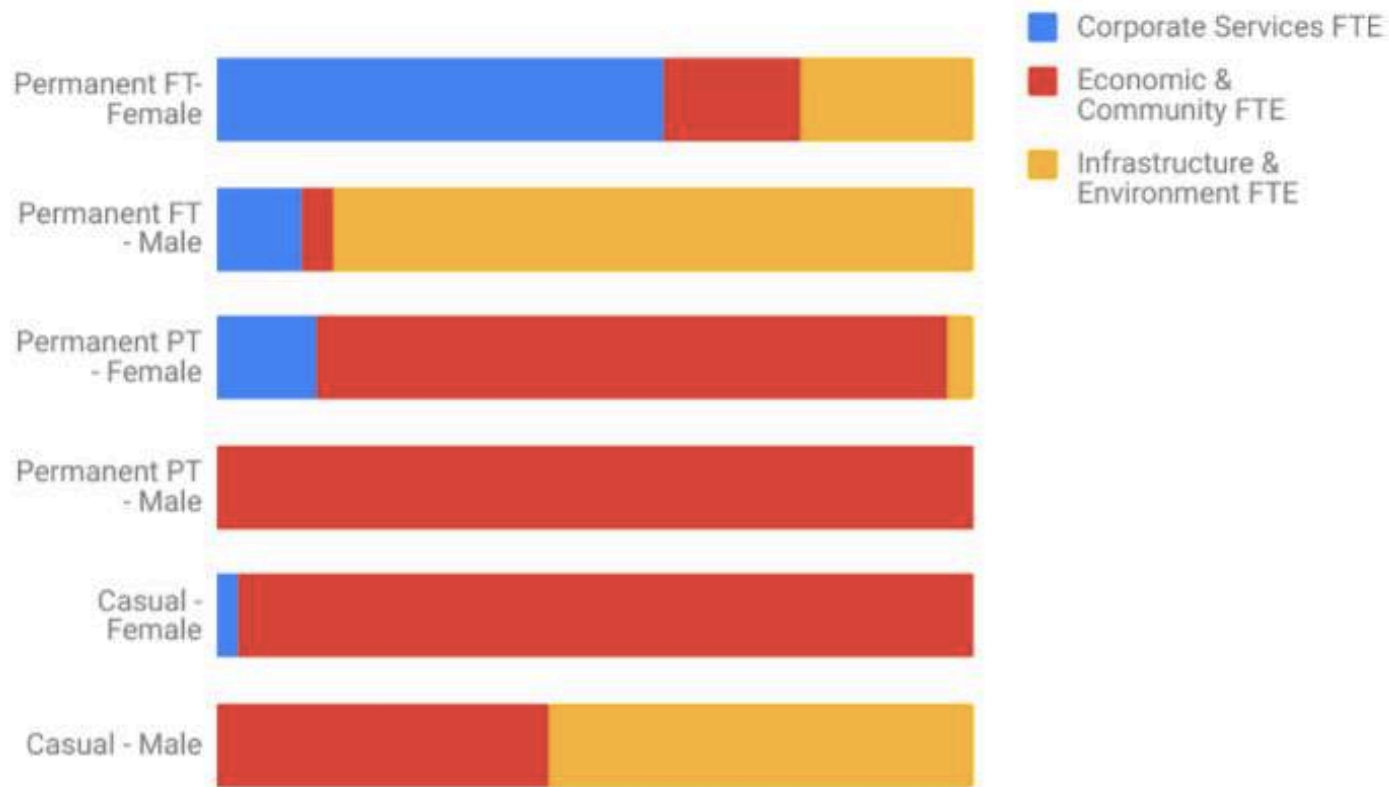
You can follow us on Facebook by searching for Northern Grampians Shire Council, @ngshire on Twitter and @NGSCMayor and visit our website www.ngshire.vic.gov.au. A key focus for media and communications has been visually promoting the benefits of the shire through photos and drone footage which is being shown on televisions located in our main administration centres, outside the Stawell Town Hall and at the Stawell Sports and Aquatic Centre and on social media. 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 great.

Organisational Structure



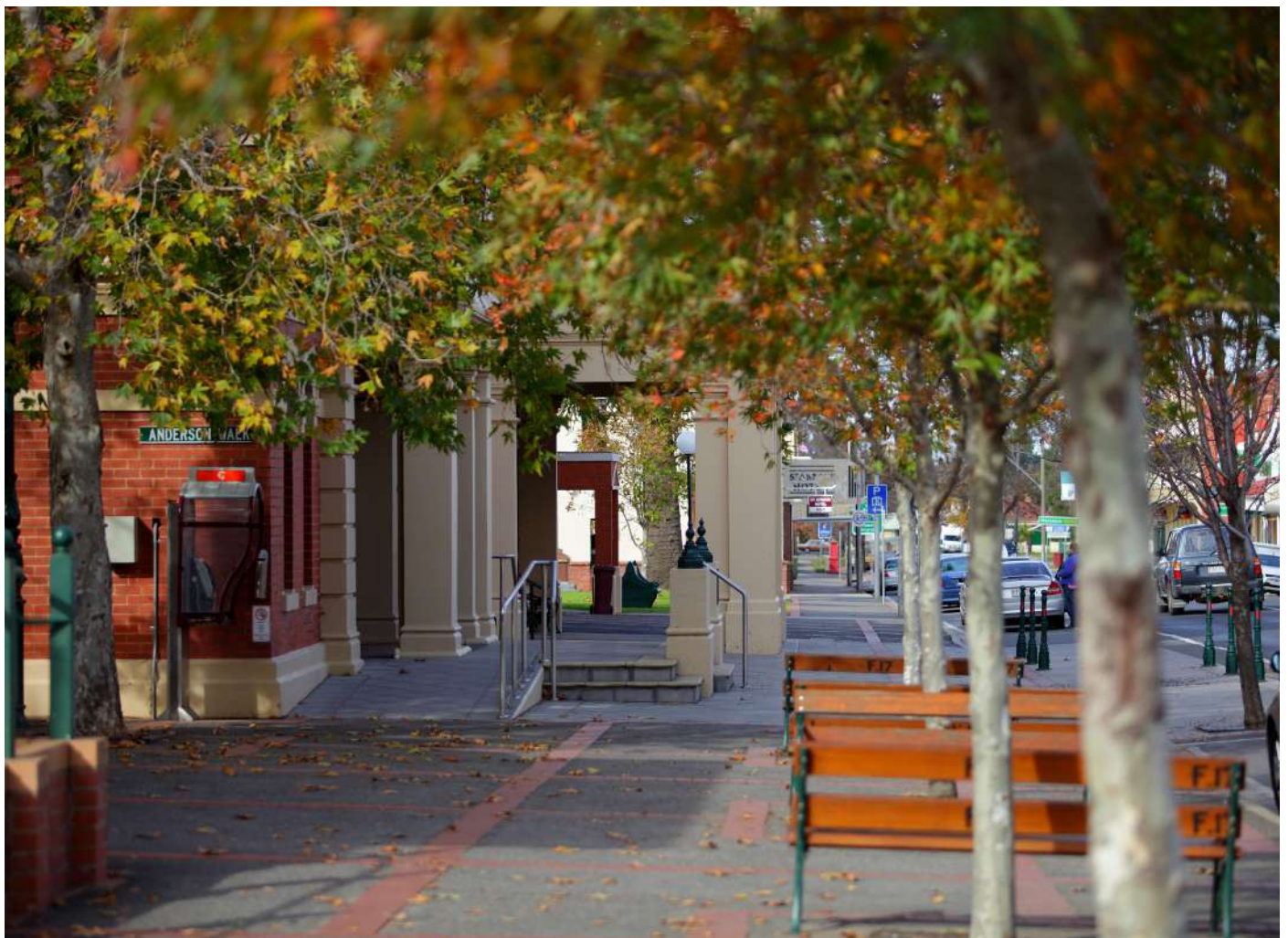
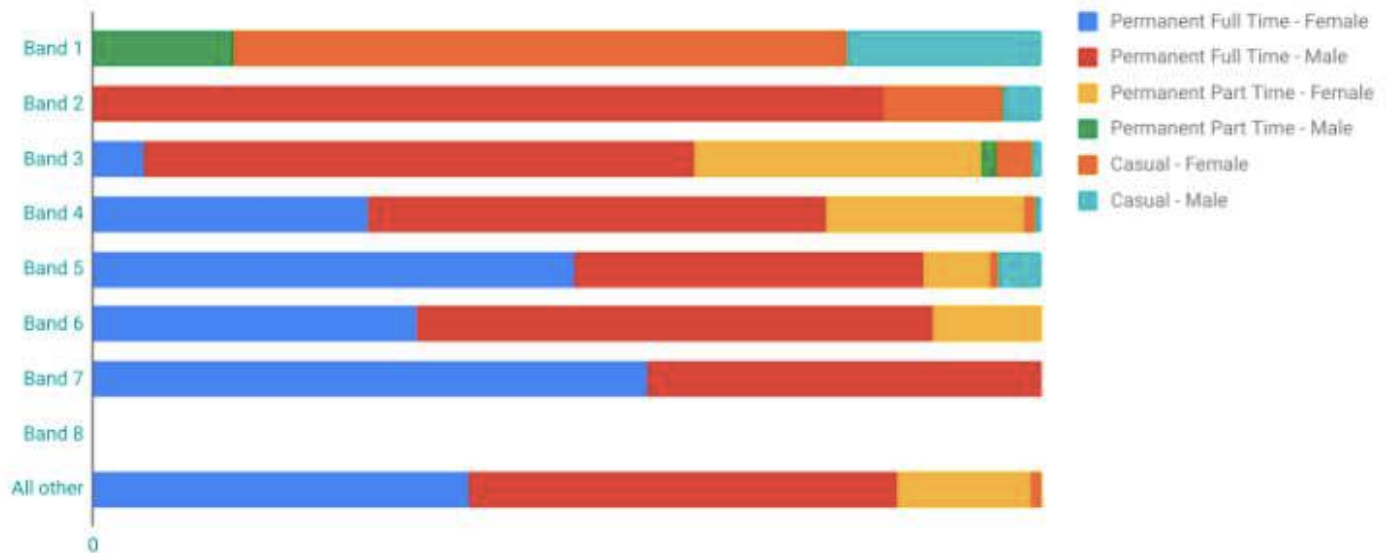
Council Staff – FTE Employment Type per Directorate

Employment Type/gender	Corporate Services FTE	Economic & Community FTE	Infrastructure & Environment FTE	Total FTE
Permanent FT- Female	26.0	8.0	10.0	44.0
Permanent FT - Male	8.0	3.0	61.0	72.0
Permanent PT - Female	3.1	19.8	0.8	23.7
Permanent PT - Male		1.6		1.6
Casual - Female	0.2	7.0		7.2
Casual - Male		1.4	1.8	3.2
Total	37.3	40.8	73.6	151.7



Council Staff – FTE Employment Type by Banding

FTE	Permanent Full Time - Female	Permanent Full Time - Male	Permanent Part Time - Female	Permanent Part Time - Male	Casual - Female	Casual - Male	Total
Band 1	0	0	0	1	4.4	1.4	6.8
Band 2	0	4	0	0	0.6	0.2	4.8
Band 3	2	22	11.5	0.6	1.4	0.4	37.9
Band 4	11	16	6.5	0	0.4	0.2	34.1
Band 5	12	8	1.5	0	0.2	1	22.7
Band 6	5	9	1.7	0	0	0	15.7
Band 7	7	5	0	0	0	0	12
Band 8	0	0	0	0	0	0	0
All other	7	8	2.5	0	0.2	0	17.7
Total FTE							151.7



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.

Human Rights

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

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



Occupational Health and Safety

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

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

- continuous improvement in health and safety and return to work performance
- improve injury prevention
- better human and financial outcomes.

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

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.



Governance, Management and other Information

Governance

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

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

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

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



Council Meetings

Council meetings, which are open to the public, are held on the first Monday of each month at 12.30pm and alternate between Stawell and St Arnaud. Any additional meetings or changes to the meeting timetable are publicised through the media to inform the community and there is an opportunity for residents to ask questions at the meetings on any council related matter during public question time.

During 2017/18 there were 12 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 2017/2018.

	Ordinary Council	Special Council	Briefings
No. of Meetings	12	5	35
Cr Tony Driscoll	11	5	33
Cr Murray Emerson	11	5	31
Cr Kevin Erwin	12	5	35
Cr Rob Haswell	9	5	31
Cr Karen Hyslop	10	5	32
Cr Jason Hosemans	12	5	32
Cr Merrilee Reid	12	4	29

	Audit Committee
No. of Meetings	4
Cr Murray Emerson	4
Cr Kevin Erwin	3



Special Committes

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

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

Councillor Code of Conduct

Council must review its Councillor Code of Conduct (the Code) 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.

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



Conflict of Interest

Councillors are elected to a position of trust by the residents and ratepayers of the Northern Grampians Shire to act in the public interest and similarly officers or committees to whom Council delegates its powers need to act in the same manner.

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 2017/2018 six conflicts of interest were declared at Council meetings and Assemblies of Councillors.

Councillor Allowances

Section 74 of the Act requires each Council to review and determine the level of the Councillor and Mayoral Allowances within the period of six months after a general election or by the next 30 June, whichever is later. Allowances set through this process remain in force for the next four financial years unless one of the following applies: a) a review may be conducted if an Order in Council varies the limits or ranges of allowances payable; b) a review may be conducted if an Order in Council changes the category of Council.

The Minister for Local Government recently reviewed the limits and ranges of the current Mayoral and Councillor allowances, and has determined under section 73B of the Act that these allowances be increased by 2.0% from 1 December, 2017. 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: \$8,490 - \$20,231 pa; Mayors: up to \$60,442 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 & Mayoral Allowance \$
Cr Tony Driscoll (Mayor 2017/18)	65,751.96
Cr Kevin Erwin	22,007.56
Cr Murray Emerson	22,007.56
Cr Rob Haswell	22,007.56
Cr Jason Hosemans	22,007.56
Cr Karen Hyslop	22,007.56
Cr Merrilee Reid	22,007.56

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

Councillors	Remote Area Travel Allowance \$
Cr Tony Driscoll (Mayor 2017/18)	1,400.00
Cr Kevin Erwin	240.00
Cr Murray Emerson	160.00
Cr Rob Haswell	200.00
Cr Jason Hosemans	240.00
Cr Karen Hyslop	240.00
Cr Merrilee Reid	1,200.00

Councillor Expenses

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

Council is required to review and amend its existing policy following each general election. The policy provides guidance on the reimbursement of out of pocket expenses and provision of support for Councillors and members of Council committees to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official Council duties. The policy covers areas such as travel expenses, use of vehicles, training, dependant care expenses, civic support, facilities and equipment. The policy was reviewed and minor changes were made prior to Council adopting the policy on 3 April, 2017. Expenses totalling \$573.40 have been paid out in the year to Councillors.

Management Framework

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

Audit Committee

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

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

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

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

The Audit Committee consists of three independent members and two Councillors. Sitting independent members are Mr Peter Knights (Chair), Mr Tony Roberts and Mr Greg Partikas who was appointed on 4 September, 2017. 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 deemed to be of inherently high risk and appropriately qualified persons/ organisations are engaged to undertake the audit. Third party audits and inspections by WorkSafe are reviewed by the Audit Committee and progress on addressing any issues raised monitored.

The following major review was undertaken in 2017/18:

- Procurement and Fraud internal audit - Crowe Horwath.

External Audit

Council is externally audited by the Victorian Auditor-General. For the 2017/18 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 will attend the next Audit Committee meeting in September 2018 to present the annual Independent Audit Report. The external audit management letter and responses will also be provided to the Audit Committee.



Risk Management

The Council's Risk Management Strategy, established business practices, policies and procedures are reviewed annually to ensure that they are not in conflict with Risk Management 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:
- facilitates innovation, cooperation and the sharing of resources
- enhances the development and delivery of Council programs
- supports the Council's key values and ethics
- encourages a closer working partnership between the Council and the community
- ensures consultation with all stakeholders on key issues
- encouraging a proactive approach to problem solving.



Records Management

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

Memberships

Council was a member of the following organisations during the 2017/18 year:

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

Governance and Management Checklist



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

Column 1	Column 2	
Governance and Management Items	Assessment	
1. Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Council adopted a Community Engagement Policy on 4 September, 2017	✓
2. Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	The policy will be supported by the Community Engagement Strategy and Community Engagement Toolkit which are currently being written. At present, Council uses the International Association of Public Participation (IAP2) Spectrum of Public Participation as the guideline for community engagement	✓
3. Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Strategic Resource Plan adopted in accordance with section 126 of the Act Date of adoption: 25 June 2018	✓
4. Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Annual Budget adopted in accordance with section 130 of the Act Date of adoption: 25 June 2018	✓
5. Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Services Asset Management Plan in place which includes <ul style="list-style-type: none"> • Part A - General Information associated with managing all asset groups • Part B – Road & Streets Network Plan • Part C – Bridges & Major Culverts Plan • Part D – Buildings & Facilities Asset Plan • Part E - Stormwater Drainage System Plan Date of operation of current plans: 19 November 2009	✓
6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Revenue and Rating Strategy in place - currently being reviewed Date of operation of current strategy: 3 March 2014	✓
7. Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Risk Management Policy in place Date of operation of current policy: 14 April 2015	✓

8. Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Fraud Prevention Policy in place Date of operation of current policy: 30 June, 2017	✓
9. Municipal Emergency Management Plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 3 July, 2017	✓
10. Procurement Policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Procurement Policy prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 27 June, 2017	✓
11. Business Continuity Management Framework (incl Business Continuity Management Plan) (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan Date of approval: 18 February 2014	✓
12. Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Included in the Business Continuity Management Plan Date of approval: 18 February 2014	✓
13. Risk Management Framework (framework outlining council's approach to managing risks to the Council's operations)	Strategy Date of approval: 11 August 2015	✓
14. Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 13 May 1999	✓
15. Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Internal audit projects are selected from items identified within the Council's Risk Register and appropriately qualified persons/organisations engaged to undertake the audit. Accounting professionals are employed when the project is relevant to their skill set.	✓
16. Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Local Government Performance Reporting Indicators Policy and Procedure in place Date of adoption by Senior Leadership Team: 25 August 2015	✓

17. Council Plan reporting (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Council Plan performance undertaken at Councillor Briefing Session Date of Briefing Session: 6 February 2017	✓
18. Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to council in accordance with section 138(1) of the Act Date statements presented: Annual Report 2016-17 04/09/2017; December Finance Report 05/02/2018; March Finance Report 07/05/2018	✓
19. Risk reporting (regular reports to Audit Committee of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Risk reporting is understood to be an important area for Local Government. 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. Date of Audit Committee Meetings: 1 September 2017, 3 November 2017, 1 June 2018	✓
20. Performance reporting (six monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Performance reporting legislation progress report provided to Council for the six months ended 31 December 2016 Date of report: Full year 2016-17 report 4/9/2017.	✓
21. Annual Report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Annual Report considered at a meeting of council in accordance with section 134 of the Act Date statements presented: 4 September 2017	✓
22. Councillor Code of Conduct (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Councillor Code of Conduct reviewed in accordance with section 76C of the Act Date reviewed: 13 February 2017	✓
23. Delegations (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of Review: 5 February 2018	✓
24. Meeting procedure (a local law governing the conduct of meetings of council and special committees)	Meeting Procedure Local Law made in accordance with section 91(1) of the Act Date local law made: 28 January 2010	✓

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

 Michael Bailey Chief Executive Officer Dated: 30 June 2018	 Cr Tony Driscoll Mayor Dated: 30 June 2018
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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 Expense Entitlement & Support (Reimbursement) Policy
- Procurement Policy
- Protected Disclosure Procedure
- Roadside Vegetation Management Plan
- Complaint Resolution Procedure
- Electric Line Clearance Management Plan
- Assembly of Councillors
- Register of Interest Returns
- Neighbourhood Safer Places Plan
- Freedom of Information Part II Statement

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.

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.



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.

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.

Domestic Animal Management Plan

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

Council adopted the Domestic Animal Management Plan 2017-2021 on 2 October 2017 and was developed through consultation with Council's local laws team and consideration of input from other Council departments. The purpose of the DAMP is to:

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



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 three requests under Freedom of Information for the period 1 July 2017 to 30 June 2018. Access was granted in full for three requests. There were no applications for review of a decision made and no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$188.00 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 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 2017/18 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, 2018 are:

- Meeting Procedure Local Law 2009
- General Local Law 2012

Australia Day Awards 2018

In 2018, 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 Louise Staley MP (Stawell) and Damian Brown (St Arnaud).

Citizen of the Year

Murray Hart (Stawell)

Peter Knights (St Arnaud)

Senior of the Year

Jean Gloster (St Arnaud)

Young Citizen of the Year

Nathan Grigg (St Arnaud)

Melissa Sanders (Stawell)

Local Hero Award

John Hunt (Stawell)

Community Event of the Year

CGLLEN Stawell Skate Park Day (Stawell)

St Arnaud District Hospital (St Arnaud)

REPORT OF OPERATIONS					
Service Performance Indicators	Results	Results	Results	Results	
Service/indicator/measure	2015	2016	2017	2018	Material Variations and Comments
Governance					
Transparency					
G1 Council decisions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	18.00%	12.50%	15.45%	15.65%	
Consultation and engagement					
G2 Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58.27	50.00	47.00	48.00	
Attendance					
G3 Councillor attendance at council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	95.00%	98.10%	92.86%	94.64%	
Service cost					
G4 Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$32,519.14	\$32,435.20	\$33,812.29	\$33,478.29	
Satisfaction					
G5 Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58.03	53.00	44.00	47.00	

Northern Grampians Shire Council

Annual Financial Statements 2017/18



Northern Grampians Shire Council

Financial Report

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Certification of the Financial Statements

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



Jay Petty B.Com CA
Principal Accounting Officer

Date : 25 September 2018
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2018 and the financial position of the Council as at that date.

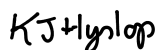
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



Cr Murray Emerson
Councillor

Date : 25 September 2018
Stawell



Cr Karen Hyslop
Councillor

Date : 25 September 2018
Stawell



Michael Bailey
Chief Executive Officer

Date : 25 September 2018
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 2018• 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• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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



MELBOURNE
26 September 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	16,808	16,443
Statutory fees and fines	2.2	357	298
User fees	2.3	1,934	1,976
Grants - operating	2.4	8,963	12,764
Grants - capital	2.4	6,543	4,014
Contributions - monetary	2.5	761	296
Reversal of landfill provision	4.5	1,119	-
Share of net profits/(loss) of associates	5.2	91	(21)
Other income	2.7	428	371
Total income		37,004	36,141
Expenses			
Employee costs	3.1	(13,135)	(12,093)
Materials and services	3.2	(15,091)	(10,803)
Bad and doubtful debts	3.3	-	1
Depreciation	3.4	(9,465)	(9,192)
Borrowing costs	3.5	(137)	(151)
Net loss on disposal of property, infrastructure, plant and equipment	2.6	(793)	(889)
Other expenses	3.6	(1,224)	(1,169)
Total expenses		(39,845)	(34,296)
Surplus/(deficit) for the year		(2,841)	1,845
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	5.1	8,548	6,322
Share of other comprehensive income of associates	5.2	(33)	54
Total comprehensive result		5,674	8,221

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

Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1 (a)	16,199	14,157
Trade and other receivables	4.1 (b)	1,362	2,053
Inventories	4.2 (a)	42	32
Other assets	4.2 (b)	30	132
Total current assets		17,633	16,374
Non-current assets			
Trade and other receivables	4.1 (b)	114	150
Investment in associates	5.2	970	912
Property, infrastructure, plant and equipment	5.1	415,860	413,380
Total non-current assets		416,944	414,442
Total assets		434,577	430,816
Liabilities			
Current liabilities			
Trade and other payables	4.3 (a)	1,492	2,086
Trust funds and deposits	4.3 (b)	225	107
Provisions	4.5	2,829	2,939
Interest-bearing loans and borrowings	4.4	323	309
Total current liabilities		4,869	5,441
Non-current liabilities			
Provisions	4.5	515	1,533
Interest-bearing loans and borrowings	4.4	2,617	2,940
Total non-current liabilities		3,132	4,473
Total liabilities		8,001	9,914
Net assets		426,576	420,902
Equity			
Accumulated surplus		132,162	134,405
Reserves	8.1	294,414	286,497
Total Equity		426,576	420,902

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

Statement of Changes in Equity For the Year Ended 30 June 2018

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2018					
Balance at beginning of the financial year		420,902	134,405	282,794	3,703
Surplus for the year		(2,841)	(2,841)	-	-
Net asset revaluation increment	8.1	8,548	-	8,548	-
Net asset revaluation in associates	5.2	(33)	(33)	-	-
Transfers from other reserves	8.1	-	631	-	(631)
Balance at end of the financial year		426,576	132,162	291,342	3,072

		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
Deficit for the year		1,845	1,845	-	-
Net asset revaluation increment	8.1	6,322	-	6,322	-
Net asset revaluation in associates	5.2	75	75	-	-
Transfers from other reserves	8.1	-	(571)	-	571
Balance at end of the financial year		420,902	134,405	282,794	3,703

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

Statement of Cash Flows For the Year Ended 30 June 2018

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		16,866	16,438
Statutory fees and fines		357	298
User fees		2,481	1,390
Grants - operating		8,963	12,764
Grants - capital		6,543	4,014
Contributions - monetary		761	296
Trust funds and deposits taken		118	7
Other receipts		453	379
Net GST refund		86	39
Employee costs		(13,144)	(12,056)
Materials and services		(15,589)	(10,569)
Other payments		(1,224)	(1,169)
Net cash provided by operating activities		6,671	11,831
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	5.2	(5,292)	(6,518)
Proceeds from sale of property, infrastructure, plant and equipment		1,073	354
Loans and advances made		36	(43)
Net cash used in investing activities		(4,183)	(6,207)
Cash flows from financing activities			
Finance costs		(137)	(151)
Repayment of borrowings		(309)	(297)
Net cash used in financing activities		(446)	(448)
Net increase in cash and cash equivalents		2,042	5,176
Cash and cash equivalents at the beginning of the financial year		14,157	8,981
Cash and cash equivalents at the end of the financial year		16,199	14,157
Financing arrangements	4.6	450	450
Restrictions on cash assets	4.1	995	758

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

Statement of Capital Works For the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
Property		
Land	108	-
Buildings	354	380
Total property	462	380
Plant and equipment		
Plant, machinery and equipment	768	1,199
Computers and telecommunications	27	58
Total plant and equipment	795	1,257
Infrastructure		
Roads	3,450	3,708
Bridges	177	366
Footpaths and cycleways	134	457
Drainage	-	90
Parks, open spaces and streetscapes	16	205
Other infrastructure	-	68
Total infrastructure	3,777	4,894
Total capital works expenditure	5,034	6,531
Represented by:		
New asset expenditure	1,000	1,640
Asset renewal expenditure	2,814	3,266
Asset expansion expenditure	-	-
Asset upgrade expenditure	1,220	1,625
Total capital works expenditure	5,034	6,531

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

Introduction

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

Statement of compliance

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

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)
- other areas requiring judgments

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

Notes to the Financial Report For the Year Ended 30 June 2018

Note 1 Performance against budget

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$250,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	16,741	16,808	67	
Statutory fees and fines	269	357	88	
User fees	1,720	1,934	214	
Grants - operating	10,503	8,963	(1,540)	1
Grants - capital	7,728	6,543	(1,185)	2
Contributions - monetary	64	761	697	3
Reversal of provision	-	1,119	1,119	4
Share of net profits/(losses) of associates	-	91	91	
Other income	496	428	(68)	
Total income	37,521	37,004	(517)	
Expenses				
Employee costs	(13,314)	(13,135)	179	
Materials and services	(10,506)	(15,091)	(4,585)	5
Depreciation	(9,082)	(9,465)	(383)	6
Borrowing costs	(138)	(137)	1	
Net loss on disposal of property, infrastructure, plant and equipment	-	(793)	(793)	8
Other expenses	(1,438)	(1,224)	214	
Total expenses	(34,478)	(39,845)	(5,367)	
Surplus/(deficit) for the year	3,043	(2,841)	(5,884)	

Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Grants - operating	Early VGC payment at the end of 2016/17 meant a decrease in income for 2017/18
2	Grants - capital	Flood income received (\$3m) was less than anticipated (\$8.2)
3	Contributions - monetary	Insurance claim of \$120k for St Arnaud Bowls Club, Childcare enrolments boosted the rebate income in that area by \$100k due to rebates received & EPA income of \$250k for tyre stockpile removal project
4	Reversal of provision	Council officers used the recently released EPA self assessment tool to assess the risk of the St Arnaud landfill. It was subsequently determined that the landfill provision was substantially overstated and had to be revised
5	Materials and services	Flood expenditure was recorded here as it was to bring existing assets back up to pre flood condition. A lot of this work was resheeting.
6	Depreciation	Depreciation was based on the value of assets in the asset system during the 2016/17 financial year as that is when Council is required to set the budget. At the end of the 2016/17 financial year Council revalues it's assets and therefore the depreciation is on a higher value. There is no cash impact on Council from this line item.
7	Net loss on disposal of property, infrastructure, plant and equipment	Council sold its fleet of motor vehicles during the year as an outcome of the service review around Council's fleet.

Notes to the Financial Report For the Year Ended 30 June 2018

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land	-	108	108	
Land improvements	120	-	(120)	
Buildings	250	354	104	
Total Property	370	462	92	
Plant and Equipment				
Plant, machinery and equipment	1,110	768	(342)	1
Computers and telecommunications	-	27	27	
Total Plant and Equipment	1,110	795	(315)	
Infrastructure				
Roads	4,592	3,450	(1,142)	2
Roads - Flood	3,900	-	(3,900)	3
Bridges	492	177	(315)	4
Footpaths and cycleways	113	134	21	
Drainage	95	-	(95)	
Parks, open spaces and streetscapes	225	16	(209)	5
Total Infrastructure	9,417	3,777	(5,640)	
Total Capital Works Expenditure	10,897	5,034	(5,863)	
Represented by:				
New asset expenditure	-	1,000	1,000	
Asset renewal expenditure	8,509	2,814	(5,695)	
Asset upgrade expenditure	2,388	1,220	(1,168)	
Total Capital Works Expenditure	10,897	5,034	(5,863)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Plant, machinery and equipment	Unbudgeted sale of motor vehicles resulting from service review
2	Roads	Unsuccessful grant applications for road works meant that Council was not able to complete as much of the budgeted road works for 2017/18
3	Roads - Flood	Expensed due to majority of works being to restore assets to original condition (already recognised in the asset register) or to do non-capital works i.e. grading on unsealed roads
4	Bridges	Unsuccessful grant applications for bridge works meant that Council was not able to complete as much of the budgeted bridge works for 2017/18
5	Parks, open spaces and streetscapes	Budgeted projects are mostly remaining in WIP. WIP is included in the capital works statement in the year it is completed and capitalised.

Notes to the Financial Report For the Year Ended 30 June 2018

Note 2 Funding for the delivery of our services

2.1 Rates and charges

2018
\$'000

2017
\$'000

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

The valuation base used to calculate general rates for 2017-18 was \$2,093 million (2016-17, \$2,093 million). The 2017-18 rate in the capital improved value dollar was 0.7306 cents (2016-17 0.7162 cents).

General rates

Residential rates	7,430	7,208
Commercial rates	947	931
Industrial rates	340	334
Farm rates	4,296	4,214
Total general rates	13,013	12,687

Other rates and charges

Municipal charge	1,225	1,197
Waste management charge	2,533	2,468
Rates in lieu	23	4
Interest on rates and charges	-	74
Cultural and recreational	14	13
Total other rates and charges	3,795	3,756
Total rates and charges	16,808	16,443

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.

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.

2.2 Statutory fees and fines

Infringements and costs	15	9
Town planning fees	150	99
Land information certificates	15	14
Permits	177	176
Total statutory fees and fines	357	298

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.

2.3 User fees

Aged and health services	451	482
Leisure centre and recreation	327	356
Child care/children's programs	263	181
Registration and other permits	190	196
Waste management services	162	167
Tourism and event fees	17	-
Hire income	16	9
Rental fees	105	92
Infrastructure fees	182	202
Shared services	162	234
Other fees and charges	59	57
Total user fees	1,934	1,976

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

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Notes to the Financial Report For the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	651	500
Received during the financial year and remained unspent at balance date	335	332
Received in prior years and spent during the financial year	(216)	(181)
Balance at year end	770	651

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

2.5 Contributions

Monetary	761	296
Total contributions	761	296

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

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

Proceeds of sale	1,073	354
Written down value of assets disposed	(1,866)	(1,243)
Total net gain on disposal of property, infrastructure, plant and equipment	(793)	(889)

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

2.7 Other income

Interest	244	166
Other	184	205
Total other income	428	371

Interest is recognised as it is earned.

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

Notes to the Financial Report For the Year Ended 30 June 2018

Note 3 The cost of delivering services 3.1 Employee costs

	2018 \$'000	2017 \$'000
Wages and salaries	12,754	11,608
less capitalised wages and salaries	(1,444)	(1,130)
	11,310	10,478
Wages and salaries	11,310	10,478
WorkCover	239	176
Superannuation	1,106	1,062
Fringe benefits tax	72	75
Other	408	302
Total employee costs	13,135	12,093

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	69	72
	69	72

Employer contributions payable at reporting date.

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	646	651
Employer contributions - other funds	391	339
	1,037	990

Employer contributions payable at reporting date.

	41	40
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Refer to Note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

Advertising and communications	271	335
Building maintenance	76	116
Consultants	205	308
Consumables	148	117
Contract employees	537	630
Contractors	3,693	3,400
Contractors - Flood	5,012	1,658
Contributions	113	175
Fuel	544	513
General maintenance	732	750
Information technology	828	563
Insurance	369	391
Legal expenses	52	72
Materials and services	915	230
Memberships and subscriptions	187	172
Minor equipment	57	88
Office administration	165	167
Security costs	79	63
Training	325	278
Uniforms and protective clothing	66	59
Utilities	378	357
Waste management	339	361
Total materials and services	15,091	10,803

Notes to the Financial Report
For the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
3.3 Bad and doubtful debts		
Childcare debtors	-	(1)
Total bad and doubtful debts	-	(1)
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	2	7
Amounts already provided for and written off as uncollectible	-	(4)
Amounts provided for but recovered during the year	-	(1)
Balance at end of year	2	2

Provision for doubtful debt is recognised when there is objective evidence that an impairment loss has occurred. Bad debts are written off when identified.

3.4 Depreciation		
Property	783	767
Plant and equipment	1,017	1,035
Infrastructure	7,665	7,390
Total depreciation	9,465	9,192

Refer to note 5.2 for a more detailed breakdown of depreciation charges and accounting policy.

3.5 Borrowing costs		
Interest - Borrowings	137	151
Total borrowing costs	137	151

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

3.6 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	31	38
Auditors' remuneration - Internal	8	39
Councillors' allowances	218	188
Regional library contribution	399	389
Tourism contribution	306	303
Community contributions	226	175
Operating lease rentals	12	18
Other	24	19
Total other expenses	1,224	1,169

Note 4 Our financial position

(a) Cash and cash equivalents

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

Intended allocations

- Cash held to fund carried forward capital works

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

Current

Statutory receivables

Non statutory receivables

Total current trade and other receivables

Non-current

Non statutory receivables

Total trade and other receivables

Short term receivables are carried at invoice amount. 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.

(c) 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)	333	1,082
Past due by up to 30 days	11	3
Past due between 31 and 90 days	127	6
Past due between 91 and 365 days	43	3
Past due by more than 1 year	6	9
Total trade & other receivables	520	1,103

Notes to the Financial Report For the Year Ended 30 June 2018

	2018 \$'000	2017 \$'000
(d) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$2,000 (2017: \$2,000) were impaired. The amount of the provision raised against these debtors was \$2,000 (2017: \$2,000). 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	2
Total trade & other receivables	2	2
4.2 Non-financial assets		
(a) Inventories		
Inventories held for distribution	40	30
Inventories held for sale	2	2
Total inventories	42	32
Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential.		
(b) Other assets		
Prepayments	30	107
Accrued income	-	25
Total other assets	30	132

4.3 Payables

(a) Trade and other payables

	2018 \$'000	2017 \$'000
Trade payables	923	1,388
Accrued wages and salaries	479	482
Accrued expenses	90	166
Unearned revenue	-	50
Total trade and other payables	1,492	2,086

(b) Trust funds and deposits

Refundable deposits	6	8
Fire service levy	99	99
Retention amounts	120	-
Total trust funds and deposits	225	107

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

Purpose and nature of items

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

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

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

4.4 Interest-bearing loans and borrowings

Current

Borrowings - secured (1)	323	309
	323	309

Non-current

Borrowings - secured (1)	2,617	2,940
	2,617	2,940

Total	2,940	3,249
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(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	323	309
Later than one year and not later than five years	1,617	1,843
Later than five years	1,000	1,097
	2,940	3,249

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.

4.5 Provisions

	Employee Provisions	Landfill restoration	Gravel pit restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2018				
Balance at beginning of the financial year	3,143	1,191	138	4,472
Additional provisions	986	-	-	986
Amounts used	(824)	-	-	(824)
Provision reversed	-	(1,119)	-	(1,119)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	(171)	-	-	(171)
Balance at the end of the financial year	3,134	72	138	3,344
2017				
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

(a) Employee provisions

Current provisions expected to be wholly settled within 12 months

	2018 \$'000	2017 \$'000
Annual leave	700	780
Rostered days off	14	23
Long service leave	46	263
	760	1,066

Current provisions expected to be wholly settled after 12 months

	2018 \$'000	2017 \$'000
Annual leave	588	589
Long service leave	1,481	1,146
	2,069	1,735
	2,829	2,801

Total current provisions

Non-current

	2018 \$'000	2017 \$'000
Long service leave	305	342
	305	342

Total non-current provisions

	2018 \$'000	2017 \$'000
Aggregate carrying amount of employee provisions:		
Current	2,829	2,801
Non-current	305	342
	3,134	3,143

Total aggregate carrying amount of employee

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 the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

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

Key assumptions:

- inflation rate 3.00% 3.83%
Discount rates depend on the years of service and are based upon the rates released by the Department of Treasury and Finance.

(b) Land fill restoration

Non-current

2018 \$'000	2017 \$'000
72	1,191
72	1,191

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

c) Gravel pit restoration

Non-current

138	138
138	138

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

4.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2018.

Bank overdraft
Credit Card Facilities
Total Facilities

200	200
250	30
450	230

Unused facilities

Unused facilities

450	230
450	230

4.7 Commitments

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

2018	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Waste Management	830	848	-	-	1,678
Provision for Meals on Wheels	154	157	-	-	311
Cleaning Services	301	116	-	-	417
Provision of Transfer Stations	92	-	-	-	92
Infrastructure & Environment	129	162	502	-	793
Fleet Services	204	208	651	-	1,063
Financial Services	56	56	169	-	281
Software Licence Agreement	270	66	-	-	336
Tourism	42	42	42	-	126
Total	2,078	1,655	1,364	-	5,097

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

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):

	2018 \$'000	2017 \$'000
Not later than one year	2,078	2,094
Later than one year and not later than five years	3,019	463
Later than five years	-	-
	5,097	2,557

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.

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Acquisitions	Expense	Revaluation	Depreciation	Disposal	At Fair Value 30 June 2018
Land	10,992	108	-	973	(26)	-	12,047
Buildings	59,734	354	-	136	(757)	(342)	59,125
Plant and Equipment	6,910	795	-	-	(1,017)	(698)	5,990
Infrastructure	335,714	3,777	-	7,439	(7,665)	(826)	338,439
Work in progress	29	259	(29)	-	-	-	259
	413,379	5,293	(29)	8,548	(9,465)	(1,866)	415,860

Summary of Work in Progress

	Opening WIP	Additions	Write Offs	Closing WIP
Buildings	5	135	(5)	135
Infrastructure	24	124	(24)	124
Total	29	259	(29)	259

Property, infrastructure, plant and equipment (cont.)

(a) Land and Buildings	Land - specialised	Land - non specialised	Land improvements	Total Land	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	10,611	302	132	11,045	69,625	69,625	5	80,675
Accumulated depreciation at 1 July 2017	-	-	(53)	(53)	(9,891)	(9,891)	-	(9,944)
	10,611	302	79	10,992	59,734	59,734	5	70,731
Movements in fair value								
Acquisition of assets at fair value	108	-	-	108	354	354	135	597
Revaluation increments	843	130	-	973	160	160	-	1,133
Fair value of assets disposed	-	-	-	-	(431)	(431)	-	(431)
WIP expensed	-	-	-	-	-	-	(5)	(5)
	951	130	-	1,081	83	83	130	1,294
Movements in accumulated depreciation								
Depreciation	-	-	(26)	(26)	(757)	(757)	-	(783)
Accumulated depreciation of disposals	-	-	-	-	89	89	-	89
Revaluation adjustment on accumulated depreciation	-	-	-	-	(24)	(24)	-	(24)
	-	-	(26)	(26)	(692)	(692)	-	(718)
At fair value 30 June 2018	11,562	432	132	12,126	69,708	69,708	135	81,969
Accumulated depreciation at 30 June 2018	-	-	(79)	(79)	(10,583)	(10,583)	-	(10,662)
	11,562	432	53	12,047	59,125	59,125	135	71,307

Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecoms \$'000	Total plant and equipment \$'000
At fair value 1 July 2017	12,006	350	1,363	13,719
Accumulated depreciation at 1 July 2017	(5,448)	(325)	(1,036)	(6,809)
	6,558	25	327	6,910
Movements in fair value				
Acquisition of assets at fair value	768	-	27	795
Fair value of assets disposed	(1,815)	-	(55)	(1,870)
	(1,047)	-	(28)	(1,075)
Movements in accumulated depreciation				
Depreciation	(902)	(5)	(110)	(1,017)
Accumulated depreciation of disposals	1,119	-	53	1,172
	217	(5)	(57)	155
At fair value 30 June 2018	10,959	350	1,335	12,644
Accumulated depreciation at 30 June 2018	(5,231)	(330)	(1,093)	(6,654)
	5,728	20	242	5,990

Property, infrastructure, plant and equipment (cont.)

(c)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 2017	267,346	84,965	15,533	20,395	5,872	740	24	394,875
Accumulated depreciation at 1 July 2017	(31,412)	(11,945)	(5,399)	(8,713)	(1,424)	(244)	-	(59,137)
	235,934	73,020	10,134	11,682	4,448	496	24	335,738
Movements in fair value								
Acquisition of assets at fair value	3,450	177	134	-	16	-	124	3,901
Revaluation increments	6,736	1,699	61	408	-	-	-	8,904
Fair value of assets disposed	(652)	(192)	(10)	-	-	-	-	(854)
WIP Expensed	-	-	-	-	-	-	(24)	(24)
	9,534	1,684	185	408	16	-	100	11,927
Movements in accumulated depreciation								
Depreciation	(6,062)	(823)	(325)	(201)	(234)	(20)	-	(7,665)
Accumulated depreciation of disposals	-	24	4	-	-	-	-	28
Revaluation adjustment on accumulated depreciation	(1,010)	(255)	(22)	(178)	-	-	-	(1,465)
	(7,072)	(1,054)	(343)	(379)	(234)	(20)	-	(9,102)
At fair value 30 June 2018	276,880	86,649	15,718	20,803	5,888	740	124	406,802
Accumulated depreciation at 30 June 2018	(38,484)	(12,999)	(5,742)	(9,092)	(1,658)	(264)	-	(68,239)
	238,396	73,650	9,976	11,711	4,230	476	124	338,563

Northern Grampians Shire Council

Acquisition

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

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

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

Land under roads

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

Depreciation and amortisation

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

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

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

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

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

Asset recognition thresholds and depreciation periods

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

Repairs and maintenance

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

Property, infrastructure, plant and equipment (cont.)

Valuation of land and buildings

Valuation of land was undertaken by qualified independent valuers Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd as at 30 June 2018. An index-based revaluation of buildings was undertaken by Mr Kandee Balasignham B.Engineering (Civil) MIE Aust in the current year based on a weighted average of the movement in top materials used for buildings combined with the movement in wages and inflation. 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 unserved) 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 independent revaluation of building assets will be conducted in 2018/19.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2018 are as follows:

	Level 1	Level 2	Level 3	DoV
Non-specialised land	-	432	-	06/18
Specialised land	-	-	11,562	06/18
Land improvements	-	-	53	06/18
Buildings	-	-	59,125	06/18
Total	-	432	70,740	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with an internal valuation undertaken by Mr Kandee Balasignham B.Engineering (Civil) MIE Aust as at 30 June 2018.

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 an assessment of the cost of assets in the current year plus analysis against inflation. A full revaluation of these assets will be conducted in 2018/19.

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 2018 are as follows:

	Level 1	Level 2	Level 3	DoV
Roads	-	-	238,396	06/18
Bridges	-	-	73,650	06/18
Footpaths and cycleways	-	-	9,976	06/18
Drainage	-	-	11,711	06/18
Parks (etc)	-	-	4,230	06/18
Other infrastructure	-	-	476	06/18
Total	-	-	338,439	

Property, infrastructure, plant and equipment (cont.)

Description of significant unobservable inputs into level 3 valuations

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

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

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

Reconciliation of specialised land

	2018 \$'000	2017 \$'000
Land under roads	7	7
Parks and reserves	5,055	4,431
Vacant land	716	192
Water management	317	248
Waste management	310	257
Gravel reserves	263	209
Aerodromes	269	284
Carparks	619	498
Recreation	511	405
Zoning restrictions	726	1,114
Council controlled	2,120	2,376
Other	649	590
Total specialised land	11,562	10,611

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Notes to the Financial Report For the Year Ended 30 June 2018

5.2 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

2018 \$'000	2017 \$'000
198	124
20.17%	20.17%
79	63
74	31
(15)	(15)
138	79
43	29
15	14
58	43
124	93
74	31
198	124

6.1 Council and key management remuneration

Interests in subsidiaries and associates are detailed in note 5.2.

Councillor Wayne Rice (Term Ended October 2016)

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1.017

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(d) Senior Officer Remuneration

No officers deemed to be senior officers in 2017/18

6.2 Related party disclosures

(a) Transactions with related parties

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

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid \$224 to this business. This is a related party entity of Councillor Merrillee Reid.

Council awarded a youth grant to Stawell Secondary College during the financial year. In total Council paid \$1,400 to this entity. This is a related party entity of councillor Jason Hosemans.

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.

(b) Loans to/from related parties

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

Council provided a community loan to Exclusive Space Pty Ltd in November 2015 in line with its Community Loan Policy. At 30 June 2018, total loan repayable to Council totalled \$45,106 as is disclosed in Note 4.1(b). 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 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent liabilities

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

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

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

(b) 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.

	2018 \$'000	2017 \$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	110
Minister for Agriculture & Resources	6	6
	166	166

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

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 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.

Financial Instruments - Disclosures (AASB 7) (applies 2018/19)

This Standard requires entities to provide disclosures in their financial statements that enable users to evaluate: (a) the significance of financial instruments for the entity's financial position and performance; and (b) the nature and extent of risks arising from financial instruments to which the entity is exposed.

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

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

7.3 Financial Instruments

(a) Objectives and policies

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

(b) Credit risk

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

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1.

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

(c) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1, and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 4.4.

(d) Sensitivity disclosure analysis

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

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

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

7.4 Fair value measurement

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

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

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

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

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

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

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

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

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

Revaluation

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

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

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

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

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

Impairment of assets

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

7.5 Events occurring after balance date

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

Note 8 Other matters

8.1 Reserves	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2018			
Property			
Land	5,646	973	6,619
Buildings	54,961	136	55,097
	60,607	1,109	61,716
Infrastructure			
Roads	160,640	7,439	168,079
Bridges	54,373	-	54,373
Footpaths and cycleways	6,585	-	6,585
Drainage	570	-	570
	222,168	7,439	229,607
	282,775	8,548	291,323
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	282,794	8,548	291,342
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
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	276,472	6,322	282,794

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 2018

Note 8 Other matters (cont.)

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

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 2018**

	2018 \$'000	2017 \$'000
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	(2,841)	1,845
Depreciation	9,465	9,192
Net loss on disposal of property, infrastructure, plant and equipment	793	889
Reversal of Provision	(1,119)	-
Share of (profit)/loss of associates	(91)	21
Finance costs (included in financing activities)	137	151
Other - WIP movements	29	(30)
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	691	(553)
Increase in other assets	102	8
Increase/(decrease) in trade and other payables	(594)	269
(Decrease)/increase in other liabilities	118	-
(Increase) in inventories	(10)	(11)
Increase/(Decrease) in provisions	(9)	50
Net cash provided by operating activities	6,671	11,831

8.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, 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 2017, a full triennial actuarial investigation was completed. 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 2018 was 106.0%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2017 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.

8.3 Superannuation (cont.)

Employer Contributions

Regular Contributions

On the basis of the results of the 2017 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2018, this rate was 9.5% of members' salaries (9.5% in 2016/2017). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

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

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

2017 triennial actuarial investigation surplus amounts

The Fund's triennial investigation as at 30 June 2017 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$69.8 million; and

A total service liability surplus of \$193.5 million.

A discounted accrued benefits surplus of \$228.8 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 2017. Council was notified of the 30 June 2017 VBI during August 2017.

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.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2018. It is anticipated that this actuarial investigation will be completed in December 2018.

Performance Statement For the year ended 30 June 2018

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

Location

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

National Parks

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

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

Industry

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

QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,500

Road Length: 3,408km of local roads

Rateable Properties: 9,319

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

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

Sustainable Capacity Indicators
For the year ended 30 June 2018

Indicator/measure	Result 2015	Result 2016	Result 2017	Result 2018	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	\$1,804	Council was required to recognise the decrease in a provision for the St Arnaud landfill as revenue. This has distorted the indicator for own source revenue. Without this entry the indicator would have only increased by 7.7% which is largely due to the annual increase in rates and charges.
Recurrent grants <i>Recurrent grants per head of municipal</i> population [Recurrent grants / Municipal population]	\$1,285	\$754	\$1,275	\$981	Council received half of our 2017/18 financial assistance grant allocation in June 2017, resulting in an additional \$3m (or the equivalent of 1.5 years of funding) being recognised as revenue in the 2016/17 financial year. Only the equivalent of 1 year of funding was received in 17/18.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,831	\$2,929	\$2,912	\$3,465	Council spent over \$4m on flood affected assets in 2017/18. This was funded by the Federal funding scheme for natural disasters.
<i>Infrastructure per head of municipal</i> [Value of infrastructure / Municipal population]	\$34,882	\$34,286	\$35,079	\$35,120	No material variance
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.4	3.4	3.3	3.4	No material variance
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	1	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 2018

Service/indicator/measure	Result 2015	Result 2016	Result 2017	Result 2018	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	47	No material variance
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.0%	0.0%	0.0%	0.0%	There were no VCAT decisions in relation to planning applications in the 2017/18 financial year.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	49	58	54	48	No material variance
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	20.7%	15.4%	15.4%	15.2%	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%	33.6%	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	3.9	No material variance
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	No animal prosecutions were undertaken during the 2016-2017 and 2017-2018 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%	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 2017 calendar year.

**Service Performance Indicators
For the year ended 30 June 2018**

Service/indicator/measure	Result 2015	Result 2016	Result 2017	Result 2018	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%	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%	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%	90.7%	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%	83.3%	Due to a small number of aboriginal families in our community a small change in the attendance can have a significant impact on the result of this indicator.

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

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

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

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

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

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

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

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

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

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

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

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate "MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

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

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

Financial Performance Indicators
For the year ended 30 June 2018

Dimension/indicator/measure	Result 2015	Result 2016	Result 2017	Result 2018	2019	2020	2021	2022	Material Variations
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	14.8%	-21.4%	2.4%	-20.6%	-7.8%	-11.0%	-10.5%	-10.9%	Council received half of our 2018/19 financial assistance grant allocation in June 2018, resulting in an additional \$3.6m being recognised as revenue in the 2017/18 financial year.
<i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	197.5%	211.6%	301.0%	362.2%	225.9%	195.9%	195.1%	242.4%	Council received half of our 2018/19 financial assistance grant allocation in June 2018, resulting in an additional \$3.6m being recognised as revenue in the 2017/18 financial year.
<i>[Current assets / Current liabilities] x100</i>									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	145.2%	151.2%	246.3%	268.0%	183.9%	153.7%	159.8%	200.5%	Council received half of our 2018/19 financial assistance grant allocation in June 2018, resulting in an additional \$3.6m being recognised as revenue in the 2017/18 financial year.
<i>[Unrestricted cash / Current liabilities] x100</i>									
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	25.4%	22.3%	19.8%	17.5%	15.9%	14.3%	12.8%	6.7%	There were no new loans in 2017/18 and council has continued to make principal repayments on existing loans.
<i>[Interest bearing loans and borrowings / Rate revenue] x100</i>									
<i>Loans and borrowings repayments compared to rates</i>	3.5%	2.9%	2.7%	2.7%	2.6%	1.8%	1.8%	6.3%	There were no new loans in 2017/18 and council has continued to make principal repayments on existing loans.
<i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	17.1%	28.9%	24.6%	15.1%	19.7%	18.2%	12.6%	11.9%	There were no new loans in 2017/18 and council has continued to make principal repayments on existing loans.
<i>[Non-current liabilities / Own source revenue] x100</i>									
Asset renewal									
<i>Asset renewal compared to depreciation</i>	48.6%	45.7%	35.5%	29.8%	65.0%	62.6%	46.7%	46.5%	Council performed more non-renewal capital works in the 17/18 financial year coupled with the additional depreciation on capital works being calculated from the day it was complete rather than the end of the financial year.
<i>[Asset renewal expenses / Asset depreciation] x100</i>									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	38.7%	60.3%	48.1%	50.8%	55.3%	59.7%	60.9%	60.9%	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. In the 2017/18 year there was a reversal of the landfill provision that was recognised as income. This has skewed the result for 2017/18. This indicator is also skewed by the receipt of some of the financial assistance grants in the year before it relates.
<i>[Rate revenue / Adjusted underlying revenue] x100</i>									
Rates effort									
<i>Rates compared to property values</i>	0.76%	0.80%	0.79%	0.80%	0.66%	0.67%	0.69%	0.70%	Due to Council's relatively small population compared to area Northern Grampians Shire Council generally sees a significant difference in the rates effort of it's residents.
<i>[Rate revenue / Capital improved value of rateable properties in the municipality]</i>									
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,585	\$3,561	\$3,595	\$4,281	\$3,631	\$3,545	\$3,534	\$3,625	Council spent over \$4m on flood affected assets in 2017/18. This was funded by the Federal funding scheme for natural disasters. Over the past year Council has spent a significant amount of money on flood recovery works. This has skewed the result of this indicator in the 2017/18 financial year.
<i>[Total expenses / Number of property assessments]</i>									
Revenue level									
<i>Average residential rate per residential property assessment</i>	\$1,563	\$1,562	\$1,566	\$1,641	\$1,678	\$1,715	\$1,754	\$1,793	No material variance.
<i>[Residential rate revenue / Number of residential property assessments]</i>									
Workforce turnover									
<i>Resignations and terminations compared to average staff</i>	13.0%	14.0%	10.0%	20.1%	14.0%	9.1%	9.1%	9.1%	Council is systematically working through service reviews in an effort to become more financial sustainable and to provide the most appropriate services to the community. Some of this work has resulted in a higher level of staff turnover than has been seen in the past.
<i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>									

Financial Performance Indicators
For the year ended 30 June 2018

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 2018

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 25 June 2018 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: 25 September 2018



In our opinion, the accompanying performance statement of the Northern Grampians Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in according with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

Cr Murray Emerson
Councillor
Dated: 25 September 2018



Cr Karen Hyslop
Councillor
Dated: 25 September 2018



Michael Bailey
Chief Executive Officer
Dated: 25 September 2018



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 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • 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 2018 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. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

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

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

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

MELBOURNE
26 September 2018


Tim Loughnan
as delegate for the Auditor-General of Victoria