



Minutes

Council Meeting held at 12.30 PM on Monday 21 September 2020, online via Zoom.

Present

Cr Murray Emerson (Mayor)
Cr Kevin Erwin
Cr Tony Driscoll
Cr Rob Haswell
Cr Jason Hosemans
Cr Karen Hyslop
Cr Merrilee Reid

Ms Liana Thompson, Chief Executive Officer
Mr Vaughan Williams, Director Corporate Services
Mr Trenton Fithall, Director Infrastructure
Mrs Naomi Goode, Director Communities

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.

Confirmed at the meeting of Council on Monday 7 December 2020.

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1. Apologies

Nil

2. Disclosures of Interest and Declarations of Conflict of Interest

A Councillor who has a conflict of interests and is attending the Council meeting of the Council must make a full disclosure of that interest.

- (a) by either-
 - (i) advising the Council at the meeting of the details required under paragraphs (b) and (c) immediately before the matter is considered at the meeting; or
 - (ii) advising the Chief Executive Officer in writing of the details required under paragraphs (b) and (c) before the meeting; and
- (b) classifying the type of interest that has given rise to the conflict as either-
 - (i) a direct interest; or
 - (ii) an indirect interest and specifying the particular kind of indirect interest under:
 - section 78 - close association
 - section 78A - financial interest
 - section 78B - conflicting duties
 - section 78C - receipt of an applicable gift
 - section 78D - consequence of becoming an interested party
 - section 78E - impact on residential amenity; and
- (c) describing the nature of the interest; and
- (d) if the Councillor advised the Chief Executive Officer of the details under paragraph (a)(ii), the Councillor must make a disclosure of the class of interest only to the meeting immediately before the matter is considered at the meeting.

Members of Staff

Under Section 80C of the *Local Government Act 1989*, officers or people engaged under contract to the Council providing a report or advice to Council must disclose any conflicts of interests in the matter, including the type of interest.

Nil

3. Consideration of Reports of Officers
3.1. Enhance Lifestyles and Community
3.1.1. Arts and Culture Engagement Review

Author/Position: Tina Baker, Community Development Officer

Purpose

To provide Council with a review of the community feedback that has been received from the community engagement for the draft Arts and Culture Policy 2020 and the draft Arts and Culture Strategy 2020-24.

Summary

The draft Arts and Culture Policy 2020 and the draft Arts and Culture Strategy 2020-24 are new strategic documents to inform the council's commitment to the arts and culture sector. The final policy and strategy will be presented for endorsement by Council at the December Council meeting.

Community engagement was undertaken from 15 July to 18 August 2020 to get feedback on the draft documents via our website and email.

The process of achieving a sustainable and reflective Arts and Culture Policy and Strategy requires consideration and sensitivity. It is recommended Council takes a balanced approach to community expectations and achievable outcomes that will be sustainable for the wider community.

The new policy and strategy will enable the arts and culture community to understand the role that Council can play in supporting the sector. The next four years will provide an opportunity for the arts and culture community to be engaged in a Council partnership process that continues to celebrate and grow the arts and culture success locally.

Recommendation

That Council receives the community engagement feedback and notes that the feedback will be considered in the development of the final Arts and Culture Policy 2020 and Arts and Culture Strategy 2020-24.

RESOLUTION

That Council receives the community engagement feedback and notes that the feedback will be considered in the development of the final Arts and Culture Policy 2020 and Arts and Culture Strategy 2020-24.

Moved: Cr Kevin Erwin
Seconded: Cr Karen Hyslop

Carried

Background/Rationale

The draft Arts and Culture Policy 2020 is a new policy developed.

The draft Arts and Culture Strategy 2020-24 has been developed to guide the initial work in this space and has been based on community feedback obtained in the Arts and Culture Audit and Opportunities Report 2016.

From 15 July to 18 August 2020 the draft Arts and Culture Policy 2020 and draft Arts and Culture Strategy 2020-24 went out for community comment.

Legislation, Council Plan, Strategy and Policy Implications

Council Plan 2017-21 - Enhance Lifestyles and Community and Boost Economic Growth

Municipal Public Health and Wellbeing Plan 2017-21

The following legislation may be applicable to specific arts and cultural projects going forward and have been considered in the draft Arts and Culture Policy 2020 and Strategy 2020-24.

Local Government Act 2020

Heritage Act 2017

Planning and Environment Act 1987

Building Act 1993

Aboriginal Heritage Act 2006

Copyright Act 1968

Moral Rights Legislation December 2000

Options

Option 1

Council receives the community engagement feedback and notes that the feedback will be considered in the development of the final Arts and Culture Policy 2020 and Arts and Culture Strategy 2020-24.

[recommended]

Option 2

Council does not receive the community engagement feedback and makes no changes to the draft Arts and Culture Policy 2020 and the draft Arts and Culture Strategy 2020. **[not recommended]**

Implications

The subject matter (feedback) does raise economic, social, cultural and financial implications that will be addressed as part of the final policy and strategy, and within associated future action plans.

Community Engagement

The draft Arts and Culture Policy 2020 and the draft Arts and Culture Strategy 2020-24 were presented to the community for feedback and input via our website from July to August 2020. The following number of responses were received:

Method of Engagement	Responses
Online Survey	23 responses
Interactive Mapping Exercise on POZI	13 comments
Written Submissions	3 submissions

Town Forums - online	Planned for September 2020
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Responses received highlighted a range of concerns and opportunities:

- Lack of council support for the arts, including WAMA. Other councils have arts centres, galleries etc.
- Concern that council has no staff resources or budget dedicated to implement the new policy and strategy.
- A request for council assistance to get funding for projects, internal and external funding.
- There has been no action from the 2016 report, dismay that nothing came of the engagement.
- Community would like to be involved in formulating an action plan for Policy and Strategy 2020 - reference group?
- Past projects that haven't been well managed.
- References to what has been lost over time such as Stawell Arts Council, films in the Stawell Town Hall, singing group, etc.
- What considerations have been made around Cultural Heritage?

Innovation and Continuous Improvement

The community engagement provides many potential opportunities for improvement that will be incorporated into the new Arts and Culture Policy and Strategy.

Collaboration

Not deemed applicable.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Tina Baker, Community Development Officer

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. Draft Arts and Culture Policy 2020 [3.1.1.1 - 10 pages]
2. Arts and Culture Strategy 2020-24 [3.1.1.2 - 7 pages]
3. Arts & Culture Engagement Summary Report [3.1.1.3 - 3 pages]

DRAFT

Arts and Culture Policy 2020



June 2020



Northern Grampians Shire Council
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Arts and Culture Policy



Council Policy

Responsible director

Responsible officer

Functional area

Date adopted by Council

Review date

Director Communities

Head of Engagement

Community Engagement Officer

Purpose

Northern Grampians Shire Council recognises the contribution that the arts, culture and creative endeavours makes towards enriching the social and economic development of its communities. It also improves the public amenity and driving visitation to the region. The purpose of the Arts and Culture policy is to provide a framework that defines the council's position in the future planning, delivery and management of art and culture works, assets and programs.

Background

This policy aims to provide a statement to assist the Northern Grampians Shire Council to make considered decisions in the future planning, delivery and management of arts and culture works, assets and programs.

Policy

The policy will be supported by the *Northern Grampians Shire Council Arts and Culture Strategy* in its approach to arts and culture programs and to:

- Support local creative talent – creating more opportunities to produce and present great work
- Strengthen the creative industries ecosystem – building capability and conditions for growth
- Deliver wider economic and social impacts – stimulating innovation and wider creative impact
- Increase participation and access – engaging more local residents in cultural and creative endeavours
- Protect and preserve public arts and cultural assets - maintain community assets and the NGSC Historical Assets Register

See Section 1.0 for Public Art Policy

Council Plan Objective/Strategy

The objectives of the Arts and Culture policy align with the objectives of the Council Plan, the Municipal Health and Wellbeing Plan and the Arts and Culture Strategy 2020 as outlined below.

Council Plan 2017-21

- Enhancing lifestyles and economic growth.

Municipal Health and Wellbeing Plan 2017-21

- Providing increased opportunity for community participation in the arts and therefore providing - Community connection, access for all, inclusion, improved mental wellbeing.

Arts and Culture Strategy 2020-24

- Participation - increase participation in and collaboration of the arts in the Northern Grampians Shire.
- Profile - improve the profile of the arts.
- Place - capitalise on the unique place where art is created.

Legislation and Standards

Local Government Act 2020

Heritage Act 2017

Planning and Environment Act 1987

Building Act 1993

Aboriginal Heritage Act 2006

Copyright Act 1968

Moral Rights Legislation December 2000

Responsibilities

The Communities Directorate is responsible for ensuring that the Arts and Culture Policy is implemented and the Head of Engagement is responsible for the policy to be reviewed annually.

Stakeholders

This policy applies to Councillors, staff, contractors and consultants responsible for commissioning, for or on behalf of Northern Grampians Shire Council. The community is directly affected by the policy.

Review

Monitoring and regular assessment of the policy are necessary to ensure the policy remains current with the Council's goals, processes, aims and requirements. Assessment of the policy will be undertaken every four years to align with the Council term to ensure it remains current with the Council's goals, processes, aims and requirements and as a means by which to reduce Council's exposure to risk.

Communication and implementation

The policy will be communicated to all staff through the Electronic Document Records Management System and referred to in induction and/or training. The policy will be available to the community on the Council's website.

References

Northern Grampians Shire Council - Arts and Culture Audit and Opportunities Report 2016

Northern Grampians Shire Council - Arts and Culture Strategy 2020

Creative State - Victoria's Creative Industries Strategy 2016-2020

VicHealth - Arts and Wellbeing 2019

Privacy and Data Protection compliance

Development of the policy has considered the *Privacy and Data Protection Act 2014* and the *Victorian Protective Data Security (VPDSS) Framework* which adopts a risk-based approach to protective data security.

Charter of Human Rights compliance

It is considered that this policy does not impact on any human rights identified in the *Charter of Human Rights & Responsibilities Act 2006*.

Definitions

Review history

Date	Review details	Action

1.0. Public Art Policy

Public Art Guidelines.

- Provide public art acquisition guidelines that govern funding, acquisition, management and disposal of public art.
- Provide guidelines for public art selection processes, location/display of public art and maintenance of public art.
- Provide guidelines for assessing sponsorship, donations, bequests and memorials.

Definitions - The following terms are referred to in the guidelines.

Public Art

These guidelines refer to works of art in all mediums and styles that take place in, or are displayed in, public places or public domains of the Northern Grampians Shire to which the public has free and open access. This will include permanent works in outdoor places, artist designed street furniture, building elements, streetscapes, signage and gardens, ephemeral and temporary artworks including performance, projection and digital art.

For the purposes of these guidelines public art does not include:

- Commercial promotions or objects that are commercially mass-produced such as fountains, street furniture, signage etc.
- Works of art that are held in public or private collections, including those of artists, museums and art galleries.

Community

This refers to a group of people living in a particular area. It can also refer to a social unit of any size that shares common values.

Culture

Refers to the cumulative repository of knowledge, experience, beliefs, values, attitudes, meanings, hierarchies, religion, notions of time, roles, spatial relations, concepts of the universe, and material objects and possessions acquired by a group of people in the course of generations through individual and group endeavour

Artist

An artist is a person engaged in one or more of any of a broad spectrum of activities deemed to be art. Because the term 'artist' is often used to mean one engaged only with visual art, many prefer to use the term 'arts practitioner'. 'Artisan' or 'craftsperson' is included in the term 'artist'. Community art or 'community-based art' is a way of creating art in which artists collaborate with people who do not normally actively engage in the arts. It can utilise any art form and is characterised by interaction or dialogue with the community.

Artwork Materiality

This refers to the medium and process used to create the art.

Why do we need Public art?

1.1. Why? The importance of public art to Northern Grampians Shire Council

Northern Grampians Shire Council recognises that public art projects have a special role to play in connecting communities. Public art and community art projects that are tailored to diverse sectors such as young people, older people, children, diverse cultures etc, lead to an enhanced sense of wellbeing of the participants, as well as greater community awareness of these sectors of our community.

Public art in Northern Grampians Shire will integrate the arts into everyday life and help tell important stories about its places, its people, its history and its common values and ideas.

1.2. Consideration for Public Art Projects

In assessing public art proposals the following will be considered:

1.2.1. Relevance to Northern Grampians Shire: its community, themes and concerns

- Public art may explore and encourage awareness of global, national or local issues and themes.
- Public art may provide economic benefit through tourism.
- Public art may interpret historical sites and tell important local stories.
- Public art may encourage community and visitor engagement with a particular place.
- Public art projects may be utilised to increase community connectedness.

1.2.2. Quality of the artwork and artist

- Public art will at all times reflect a high standard of artistic practice.
- Public art is usually made or designed by an artist, with or without community participation.
- While the quality of the artwork and artist are primary considerations, where other factors described above are equal, local arts practitioners will be preferred.

1.2.3. Artwork materiality

- Public art may include music, poetry, sound and light installations, temporary installations, street furniture, street lighting, gardens, paving, water features, sculptures, street theatre, parades, murals and street art.
- Multimedia, and digital art can create projected or screened, or electronically conveyed images and films, and soundscapes in public places may be movement activated or at specific times of day and night.
- Public art may include digital technology – as in virtual choirs, online exhibitions or digital interactive projects.
- Festivals may also include elements of public art such as exhibitions of actual or projected works of art, or parades and performances in public places. However, only those elements that offer free access to all can be considered public art.
- Landscaping and gardens may also be considered works of public art. Gardens developed with experienced landscape artists may help connect diverse sectors of the community and enhance significant and everyday places.

1.2.4. Durability of the work

- Public art will not be limited to works that are physical and permanent.
- Works of art in public places may occur for a short time or have a long-term placement. Some works of very short duration may be able to be repeated, electronically or manually activated.
- Permanent works of art will be made of durable materials and be affixed to a location for an agreed lifespan (usually a minimum of 5 years).

1.2.5. Safety and suitability

- Council will assess permanent works for safety and durability.
- The public artwork project and maintenance costs will be considered.

1.3. Potential sites for public art

The context of public art is important. Public art will be used to enliven sites and events throughout the Shire. These may be large-scale, small or very subtle.

Areas where people congregate such as town centres, lakes, public parks and gardens, children's playgrounds, walking trails, empty or under-utilised spaces, bare walls of buildings, and streetscapes may all be suitable sites for public art. Public art for the Northern Grampians Shire should be designed or selected to consider the following:

- Suitability for a specific place, including character, heritage and position on the site.
- Public safety concerns – this may include the shape and nature of the materials used.
- Visual impact and spatial considerations.
- Present and future uses of the area.

1.4. How art works are accessioned by the Shire

- Northern Grampians Shire Council may acquire or sponsor public art in any of the following ways:
- Purchase of existing works of art.
- Commissioning of works of art for specific sites or projects. Council will determine if the project is to be referred to for consultation with the Public Art Panel.
- Acceptance of donation of art works.
- Community arts projects or workshops where an artist works with the community on a project and the resulting works are displayed in a public place on a temporary or permanent basis.
- Projects funded by grants, philanthropic trusts, individuals etc.
- Integrated art: works that are developed as part of a capital works project.
- Partnerships with, or sponsorship of, public art by a group, organisation, government department, or commercial enterprise.
- Public art that is curated on a theme, commemoration or specific event supported by the Shire.
- Public art produced during Artist in Residence projects.

1.5. Funding sources for public art

1.5.1. Northern Grampians Shire Council

- A Budget bid for specific public art projects will be considered as part of Council's annual budget.
- Artful design: Working across Council departments to identify opportunities for arts practitioners to contribute to the overall design of public place projects.
- Integrated art: Where possible, utilise existing budgets for seating, paving, lighting, parks and gardens, special signage etc to commission unique objects designed or made by artists.
- Partnerships: Additional funding may be sourced through partnerships with local organisations, community groups and enterprises and local, state and federal government.

1.5.2. State and Federal governments and agencies, philanthropic trusts Council will explore grants and other funding opportunities.

1.5.3. Private or business donations, bequests and sponsorship Council will consider offers of existing artworks for public places, funded proposals for new public artworks, bequests and other offers of funding for public art in a fair, transparent and consistent manner.

1.6. Public Art Panels - Project Specific

Council's decisions on public art projects will be informed by advice from a project specific independent Public Art Panel.

- The Public Art Panel will comprise members with a wide range of professional and community art expertise, especially in the area of public art, art curatorship, architecture and design.

- Relevant Council officers such as engineers, planning, heritage, arts and tourism will be co-opted as required, but without voting rights. The Public Art Panel will have representation across the Shire and be appointed through expressions of interest to Council.
- The selection of the Panel will be made by Council officers. Selection will be based on relevant expertise, geographic representation across the Shire, and diversity of culture, gender and age.
- A minimum of 2 people from within Council and a minimum of 2 external people will form the Panel. Members are to be selected from communities or groups involved with the specific project. In some cases a member will be included to provide special expertise for a project where required.
- The Public Art Panels initial meeting will be to establish and endorse the Terms of Reference for the specific project.

1.7. Process

1.7.1. Public Art Selection and Management Process

A designated Council officer will be primarily responsible for planning and delivering the Shire's program of public art activities. All new public art proposals must be outlined in a project brief that addresses information as required in sections 1.2 and 1.3 of this policy. The brief will be initially assessed by a Council officer who will determine if it is within the scope of this policy. It will then be determined if the project is to be referred to the Public Art Panel. The Public Art Panel will advise on the brief and make recommendations to Council, assessing the proposal against:

- Quality of the artwork and artist
- Durability of work
- Safety and suitability
- Relevance to Northern Grampians Shire Council
- Artwork materiality. The Public Art Panel will provide advice to Council, to assist Council to make the final decision. All public art proposals, successful or unsuccessful, will receive a written response.

1.8. Donations and Bequests

Donated work must meet the assessment criteria in section 1.2 and 1.3, in addition, Council may:

- The donor may be required to make an advance cash contribution toward the maintenance of the artwork for the first five years.
- Donors will be required to sign an agreement granting ownership of works donated to Council.
- Donations and sponsorship will be acknowledged on appropriate signage and documented in the public art register.
- The acceptance of a donation does not imply any rights of that organisation or person to control management of the project.
- Loans of artworks to Council will not be considered.

1.9. Communication

- Northern Grampians Shire Council is committed to open, transparent communication regarding public art projects in the Shire. To achieve this Council will:
- Maintain an email contact list. It is the responsibility of local artists to ensure Council has their up to date email address. When a public arts project is identified, the relevant details will be forwarded and recipients encouraged to further circulate the information.
- Widely publicise public art opportunities through local media, website, and specific arts networks.
- Promote existing public art online and, where possible, in printed form.

1.10. Accessioning/recording of public art works

All permanent works of public art in the Shire will become part of the Shire's collection. Ownership of 'pop up' installations and semi-permanent artworks will be determined by project and in the project planning phase. When received all works will be catalogued, photographed, and assessed for condition. The following details will be recorded in a suitable database: Name of artist, date of artwork, title if any, medium, date of acquisition, name of commissioning body or sponsor, donor and image.

1.11. Maintenance of works of art

Artworks in public places are significant and valuable assets for the Northern Grampians Shire Council. All new works of art installed in public places must be supplied with maintenance instructions, preferably written by the artist. Works of art that are subject to the vagaries of weather, interaction with people and natural decaying processes, will be inspected as required to assess and prevent damage.

Inspections of permanent works will be carried out as required to ensure safety and the integrity of the work and avoid the necessity for costly repair at a later date. Donors or sponsors of permanent public art may be requested to provide a yearly maintenance budget. Similarly, when funding is being sought for a public art project, maintenance will be included in the budget, if appropriate.

1.12. Conservation and Care

Council will continue to regularly assess works in its Historical Assets Register including the conservation and maintenance of its collection of art in public spaces, incorporating memorials and monuments. Items for priority conservation will be listed annually according to the budget allocation. Priority works and items will be assessed and treated by professional conservators where required.

1.13. Deaccessioning works of art

From time to time works of art in the public domain may become damaged beyond reasonable repair, or cease to have public relevance, or the site may be so changed that the work no longer fits or suits the site. In the case of works posing a risk to the public immediate removal may be necessary. In these cases the Public Art Panel will consider the following options and advise Council on the most suitable option:

- Relocation of a work to a more suitable site
- If total removal is required donors in the first case, or artists, will be offered return of the artwork
- Donation of work to a school or other public utility
- Sale of work, with funds raised used for other public art projects
- Destruction of artworks will only be considered as a last resort.

2.0 Strategy Monitoring and Review

The Arts and Culture strategy should be monitored and reviewed on an annual basis and progress reported to Council. Where opportunities are available, feedback will be provided to specific interest groups and the general community. It will provide an opportunity to highlight the Shire's achievements to date and provide the ability to adjust programs accordingly.

The Arts and Culture Strategy will be reviewed every four years to ensure that the Council maintains a strategic plan for the future planning, delivery and management of art and cultural works, assets and programs.

Associated Documents

Council Plan 2017-21

Municipal Mental Health and Wellbeing Plan 2017-21

Community Plans - where relevant

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Arts + Culture Strategy 2020-24



June, 2020



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Northern Grampians Shire Council Arts and Culture Strategy 2020-2024

Acknowledgement of Traditional Owners

The Northern Grampians Shire Council respectfully acknowledges the Traditional Owners of the land, the Djab Wurrung, Jardwadjali and Dja Dja Wurrung and pays respect to their Elders, past, present and emerging.

A significant local site, Gariwerd (Aboriginal name for Grampians) is pivotal to many ancient stories by Aboriginal communities in South-Western Victoria.

The region has the largest number of rock art sites in Southern Australia and over 80% of Victoria's rock art sites.

Introduction

This, the first Arts and Culture strategy of the Northern Grampians Shire Council, recognises the contribution of our creative community and identifies key action areas to expand social, economic and wellbeing outcomes through the development of arts and culture locally. It is informed by the Northern Grampians Shire Council Arts and Culture Audit and Opportunities Report 2016 which was a review of Council's Arts and Culture Strategy (2008-2012). The report consulted with 85 participants from across the Shire which included stakeholders from various community service providers, community groups, council representatives, locals arts organisations, arts based businesses and practicing artists. It identified three emergent themes.

- Increase **participation** in and collaboration of the arts in the Northern Grampians Shire.
- Improve the **profile** of the arts.
- Capitalise on the unique **place** where art is created.

With consideration to the above findings, the Arts and Culture Strategy 2020 supports the provision of the following strategic objectives:

Council Plan 2017- 21

Enhance Lifestyles and Community

- Develop spaces that encourage activity and participation
- Develop events and programs that encourage participation in community life
- Deliver projects that are inviting and what the community is seeking

Boost Economic Growth

- Provide support to existing business to assist with long term sustainability

Municipal Health and Wellbeing Plan 2017-21

- Community connection, access for all, inclusion, and improving mental wellbeing

Arts and Culture Policy 2020 - 24

- Support local creative talent – creating more opportunities to produce and present great work
- Strengthen the creative industries ecosystem – building capability and conditions for growth
- Deliver wider economic and social impacts – stimulating innovation and wider creative impact
- Increase participation and access – engaging more local residents in cultural and creative endeavours
- Protect and preserve public arts and cultural assets - maintain the community assets within the Shire

Retail Action Plan 2018-21

- This references the development of Arts and Culture Strategy

It also aims to provide guidelines for the provision of public art through the Public Art Guidelines as outlined in **Section 2.0**.

1.0. Arts and Culture Strategy

Vision

Northern Grampians Shire Council is an inclusive and connected community that has a vibrant arts sector that both enhances the liveability of the shire, and enhances the potential for economic investment through professional services and tourism. Well known as a place of natural beauty, the local landscape supports our creative communities. Local precincts and places are spaces within which arts and cultural activities are an integral part of the health and wellness of our community.

Objective

- Connected communities

Outcomes (What we want to achieve)

- A vibrant, inclusive creative community.
- Connected well known arts community.
- Thriving town centres and rural communities.

Strategies

Build a vibrant and connected community through arts and culture.

- Implementation of the Arts and Culture Strategy to guide Councils program and activities.

Northern Grampians Shire Council - Quietly Creative

Northern Grampians Shire has a high proportion of privately owned and run arts based businesses and there are a large number of professional artists living and working in the shire. While an enormous amount of arts and cultural activity takes place right across the shire, much of this is localised and run by volunteers.

Northern Grampians Shire Council has little significant arts infrastructure whereby diverse, accessible and coordinated Arts and Cultural programming can be channelled, for example, a Regional Gallery or Regional Performing Arts Centre. As a consequence, a high level of private and community driven arts activity appears to compensate for this.

There is great opportunity for increased council support and participation in Arts and Cultural activities through linking in with existing activities, promoting new ones and building capacity within the creative community. Combined with the unique natural environment and the established tourism industry found in the Northern Grampians Shire there is enormous potential for growth in this area.

Community feedback from the Arts and Culture Audit and Opportunities Report 2016 is summarised in terms of a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis which, along with Council policy and the broader Council Plan, provides a foundation for this four year strategy.

Strategy

Build a vibrant and connected community through arts and culture.

Outcome One

- A vibrant, inclusive creative community through **participation**

Initiatives and Actions

- To consult with the Community to identify and scope the needs and opportunities for new or improved community 'creative' space(s)/places, cultural/arts services or facilities.
- To provide opportunities for our creative communities to participate in inspiring projects with comprehensive planning, consistent communication and allocated resources.
- To increase participation and access by creating opportunities for local creative talent to produce and present great work.
- To formulate a project specific Public Art Panel as required for community projects.
- To build relationships with all sections of the Arts and Culture community within the shire. Facilitate stronger partnerships and relationships between various art groups in the shire.
- To establish a funding stream to facilitate small scale arts and culture projects within the community.

Indicators

- Number of community opportunities to participate in arts and culture activities (yearly measure, aim for increase year on year.)
- Establish community priority projects and complete 1 annually.
- Funded and acquitted small scale arts and culture projects (yearly measure, aim for increase year on year.)



Strategy

Build a vibrant and connected community through arts and culture.

Outcome Two

- Connected reputable arts community by raising the **profile**.

Initiatives and Actions

- To promote the Northern Grampians Shire website as a central hub of information for available facilities, funding opportunities, cultural opportunities and partnerships. Maintain an up to date contact list of local artists, art organisations and businesses across the shire. Encourage artists to transition into managing their details and profile on the NGSC website.
- To strengthen the creative industries ecosystem through building capability and conditions for growth. This includes providing training, information sessions/workshops on successful grant writing, project management/ development and governance. Build capacity in the business of art which includes digital marketing and communications.
- To deliver wider economic and social impacts through stimulating innovation and wider creative impact. This includes establishing relationships with professional organisations outside the Shire to build the profile of the arts in the shire and the capacity of artists. These include Regional Arts Victoria (RAV), HRAA and Grampians Tourism.
- To facilitate a wider understanding of process and remuneration for arts projects.

Indicators

- Number of visual and/or mixed media art exhibitions presented in Council facilities (Target 1-2 per year)
- Collaborate with external organisations including Grampians Tourism to align with campaigns and build the reputation of contemporary arts and creativity.



Strategy

Build a vibrant and connected community of arts and culture.

Outcome Three

- Thriving town centres and rural communities.

Initiatives and Actions

- To develop and deliver a program of Arts and Culture activities to venues in the smaller towns in partnership with local committees and communities.
- To promote Northern Grampians Shire Council's arts and culture activities and build opportunities to capitalise on and further develop the visitor economy. This includes continuing to advocate for the funding of larger scale local projects.
- To protect and preserve public arts and cultural assets. This includes maintaining the community assets within the Shire.
- To encourage a public art component for new developments within the shire.

Performance Indicators

- Assist a number of Arts/Culture events and activities per year delivered to venues and communities in smaller towns in NGSC (target 3 activities annually).



Arts & Culture Engagement Summary Report



September 2020

Prepared By: Tina Baker, Community Development Officer

This summary is a result of the feedback received from the community of Northern Grampians Shire Council.

Communication and engagement mediums used to access this feedback included:

- Council's website
- social media
- Targeted email
- Direct telephone contact

Engagement received via the ngshire website

13 POZI pins - 3 Halls Gap + 10 Stawell
3 written submissions - 1 Stawell + 2 St Arnaud
23 surveys completed - all across the Shire

Each contains detailed feedback. This report will highlight the feedback provided without identifying individuals.

Draft Arts and Culture Policy Feedback

The community listed the 5 policy objectives in the following order:

1. Protecting and preserving public arts and cultural assets
2. Increase participation in the arts
3. Support local creative talent
4. Deliver wider economic and social impacts
5. Strengthen the creative industries ecosystem

Further comment included:

Public arts guidelines need to be broadened to clarify that public art includes all types of art including

theatre, performance, music and not just sculptures, painting and more traditional art.
Language used is bureaucratic Policy reference to culture not well defined
Financial support needs to be provided to implement Education, partnerships and economic support for the arts is needed.

Draft Arts and Culture Strategy Feedback

The community listed the 3 key themes of the strategy in the following order:

1. Participation - Increase participation in and collaboration of the arts in the NGSC
2. Profile - Improve the profile of the arts.
3. Place - Capitalise on the unique place where art is created

The strategy objectives below were consistent with the community feedback:

- A vibrant, inclusive creative community
- Connected well known arts community
- Thriving town centres and rural communities

The strategy aims to build a foundation, contacts list, relationships, offer opportunities for promoting creative works and events. Provide opportunities for workshops, education and collaboration.

The overwhelming feedback is frustration that the arts has been neglected, that community consultation in the past has felt like 'tick a box' and that the policy and strategy need to be properly resourced (staff) and funded.

"This is a wonderful opportunity to begin to start afresh by working with our local creative community to create a future vision for our shire which embraces the opportunities that the shire already has."

Consistent themes included:

Lack of council support for the arts, other councils have arts centres, galleries etc.
Lack of council support for WAMA
Concern that Council has lack of staff resource dedicated this the arts and culture
Concern that council has lack of funding allocated to to implement policy and strategy
Council assistance to get funding for projects
No action on 2016 report.
No action plan for Policy and Strategy 2020
Past projects that haven't been well managed
References to what has been lost over time Stawell Arts Council, films in the Stawell Town Hall, Acapella group etc.
Comment around transparency/funding for Silo Gateway Project

Feedback highlighting what is working well included:

Raillery Hub
WAMA
Grampians Brushes + Grampians Textures
Deep Lead Art Group
Railway Gallery Stawell
Grampians Grape Escape

Grampians Music Festival
Chalk Circle Gallery
SPACI
Murals around Stawell and the one in Halls Gap
WAMA Wildlife Art Museum Australia
Stawell International LOCK-DOWN Street Art Festival
Pottery Studio and exhibition
Street theatre sculptures
Community Workspace near Halls Gap
Grampians Textures and Grampians Brushes
Carols in the Gardens - PA support
Grampians Music Festival to morph into an indigenous music festival
Empty Suitcase project
Refurbishment of St Arnaud Band Hall
All would like support with their projects

3.2. Boost Economic Growth

Nil

3.3. Providing Sustainable Infrastructure

3.3.1. Waste Strategy

Author/Position: **Melissa Gunn, Strategic Waste Project Officer**
Kate Sage, Coordinator of Environment and Community Safety

Purpose

The purpose of this strategy is to provide the Council with strategic waste management direction for the next ten years.

Summary

Development of the Waste Management Strategy is based on Recycling Victoria reform, the circular economy, community engagement, kerbside bin audits and commonwealth, state and regional legislation policies and plans as well as where we are now, our current volumes and services and the potential opportunities to improve our waste management services.

The Waste Management Strategy identifies four objectives to:

- improve resource recovery
- community-focused waste management systems
- adaptive infrastructure and operations
- sustainable strategic planning

These four objectives encompass the new direction of the Recycling Victoria reform and the circular economy policy as well as new waste initiatives to reach goals of:

1. Diverting 50% of Food Organic and Garden Organic (FOGO) from landfill
2. Reducing per person waste by 5%
3. Reducing transfer station general waste by 15%
4. Increasing recyclables by 20%

Recommendation

That Council adopts the Waste Management Strategy which will provide the strategic direction for waste services for Northern Grampians Shire Council for the next ten years.

RESOLUTION

That Council:

- 1. adopts the Waste Management Strategy which will provide the strategic direction for waste services for Northern Grampians Shire Council for the next ten years; and**
- 2. introduce a free trial for green waste only over a two week period as soon as practicable.**

Moved: Cr Merrilee Reid
Seconded: Cr Jason Hosemans

Carried

Background/Rationale

The last Waste Management Strategy was completed in 2012 and the need to develop a new strategy in line with the updated commonwealth and state policies is required. The Victorian Government is overhauling recycling with the introduction of the Recycling Victoria Reform. The reform is based on the circular economy which is about make, use and reuse, seeking to reduce the environmental impact of waste and encourage growth in resource recovery of materials.

The reform is introducing mandatory changes to recycling services with the introduction of:

- Container Deposit Scheme (CDS), introducing in 2023
- Glass separation, by 2027
- FOGO, by 2030

The strategy focuses on these changes as well as increasing education to improve recycling and reducing waste and stimulate opportunities of business development for waste management.

Community consultation was undertaken in November 2019 with a community questionnaire in regard to waste services to ascertain the community wants and ideas to waste management. The Victorian Recycling Reform is introducing changes to kerbside recycling and the strategy incorporates these changes as well as continuing investigating, investing and improving Councils waste services.

The objectives details are as follows:

- Improve resource recovery is separating waste at the source to improve recycling and increase diversion from landfill. This objective incorporates the Victoria Recycling Reform objectives such as introduction of the CDS, separation of glass from kerbside bins, and introduction of FOGO.
- Community-focused waste management systems applies listening to the community and investigating options to improve service delivery and increase community education and engagement.
- Adaptive infrastructure and operations is investigating and investing in technology and to support innovation and business development. As well as continuing maintaining our existing infrastructure and giving support to the agricultural sector in potentially developing new waste industries to support Council's waste management.
- Sustainable Strategic Planning is continuing our working partnerships with relevant state agencies such as Department of Environment, Land, Water and Planning, Sustainability Victoria and Grampians Central West Waste Resource Recovery Group.

To achieve the objectives set out in the Waste Management Strategy, a Waste Action Plan is in development which will set out detailed activities to fulfill the objectives, stating the staff who will be responsible, the timeframes for completion, target and measurement of achievements and budget.

Legislation, Council Plan, Strategy and Policy Implications

Local Government Act 1989

Council Plan 2017-21

Northern Grampians Shire Council General Local Law 2012

There is development of a *Waste Act* and a new Waste Authority and discussions of if waste services will be deemed an 'essential service' which is to be announced in 2022.

Options

Option 1

Council adopts the Waste Management Strategy which will provide the strategic direction for waste services for Northern Grampians Shire Council for the next ten years. **[recommended]**

Option 2

Council does not adopt the Waste Management Strategy. **[not recommended]**

Implications

The overall objectives of the strategy is to improve sustainability and environment via reducing waste, increasing recycling and considering sustainable procurement practices within council. Proposed objectives and activities are to improve economic and social development by advocating and supporting the agricultural sector and businesses by investing and investigating opportunities and technology to assist new business development and council's waste management.

The strategy requires financial commitment to achieve the set objectives over the next ten years. A Waste Action plan is in development and will assist in forming budgets for each objective as well as issue timeframes, staff responsibility and measure of success or improvements.

Community Engagement

Community engagement was conducted in November 2019 through online and hard copy community surveys. These surveys provided information which has formed the objectives to strengthen and improve Council's waste management and resource recovery.

A kerbside audit was also conducted to ascertain weights and type of waste streams in the kerbside bins to provide a clearer understanding to design targeted goals for the Waste Management Strategy to achieve.

Innovation and Continuous Improvement

The Waste Management Strategy purpose is to stimulate continuous improvement of Council's waste management and resource recovery through the circular economy policy. The strategy will also provide opportunities for innovation and business development by working with businesses, schools and agricultural sectors and the general community on improving recycling and reducing waste.

Collaboration

The Waste Management Strategy objectives are developed and formed from government policies and legislation, primarily on the Recycling Victoria Reform. All legislation and frameworks are stated in the Draft Waste Management Strategy. Advice and input from the Grampian Central West Waste Resource Recovery Group has been sought on previous drafts of the strategy.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Melissa Gunn, Strategic Waste Project Officer

In providing this advice as the author, I have no disclosable interests in this report.

Kate Sage, Coordinator Environment and Community Safety

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. V 3 Draft Waste Management Strategy **[3.3.1.1 - 40 pages]**



Waste Management Strategy 2020-2030

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Abbreviations

CDS	Container Deposit Scheme
DELWP	Department of Environment, Land, Water & Planning
EPA	Environmental Protection Authority
FOGO	Food Organics and Garden Organics
GCWWRRG	Grampians Central West Waste Resource Recovery Group
GCWWRRIP	Grampians Central West Waste Resource Recovery Implementation Plan
WAP	Waste Action Plan

Executive Summary

The Northern Grampian Shire Council region is very fortunate to have an environment that features rare flora and fauna, vast agricultural land as well as magnificent National Parks and Mountain Ranges that are of international significance. This environment supports a diverse economy, including agricultural and industry as well as tourism and recreation.

In common with many other shires, the Northern Grampian Shire Council environmental future will be shaped by population growth, consumption patterns and climate change. Global issues such as peak oil production and climate change will have implications for the region. At the same time, we have more specific local issues to manage in the future, including an ageing population, increased demand for health services, transport and housing.

With the recent recycling disruptions, waste management has been brought into the limelight. The waste and recycling sector is moving towards a circular economy with the introduction of the Victorian State Government Recycling reform. The reform will help protect against further disruptions to the recycling sector and grow Victoria's economy.

The introduction of the Recycling Victoria 'A new economy' has guided the Waste Management Strategy objectives and goals. New initiatives have set the requirements for local councils aligning with the regulations set out in the circular economy. The Circular Economy policy seeks to reduce the environmental impact of waste, guide avoidance and encourage growth in resource recovery of materials for reuse. The Victorian Government will significantly increase investment in infrastructure, encourage recycling and stimulate market opportunities with the introduction of key changes to Statewide collection services -

- Container Deposit Scheme (CDS) introduction by 2023
- Access to Glass recycling service by 2027
- Mandatory rollout of Food Organics and Garden Organics (FOGO) service by 2030

The Northern Grampian Shire Council Waste Management Strategy 2020-2030 has been developed through the guiding principles of the Waste hierarchy and state and regional policies to direct our objectives and goals. The objectives convey Council's commitment to continually improve the efficiency and effectiveness of waste management and resource recovery. The plan also identifies significant opportunities to help improve our environment by reducing waste, encouraging more recycling via increased education and introduction of new services to strengthen Council's economy and move towards a more sustainable lifestyle. The results of this Plan is a strategy that reflects the aspirations, needs and concerns of our community and will serve as a blueprint for improving the Northern Grampian Shire Council environmental future and waste management.

Development Process

The Waste Management Strategy is a review of the Council's waste services to ascertain the provision of effective and efficient service and to strongly consider the communities preferences. Recycling Victorian Reform forms a strong background to the objectives set out in the Strategy as well as objectives set by collaborating partners such as Grampians Central West Waste Resource Recovery Group (GCWWRRG), DELWP and Sustainability Victoria.

The Waste Management Strategy has been aided by Community surveys and kerbside bin audits data (Appendix 2 & 3). The Strategy objectives are directed to suit the compiled information on community wants and needs. Community waste surveys (Appendix 2) were undertaken in 2019 and analysed to prioritise the communities concerns and want for waste management within the Shire. Bin Audit information (Appendix 3) was captured in November 2019 and this assisted with understanding kerbside waste volumes and streams to aid the development of objectives and goals to achieve.

The Waste Management Strategy will be reviewed every two (2) years or as needed as new policy is introduced to ensure the objectives and goals remain achievable and alterations can be made to assist in managing Victorian Recycling reforms and Council objectives.



Introduction

Waste is the by-product of most human activities. It is defined under the Environment Protection Act 1970 as any matter, whether solid, liquid, gaseous or radioactive, which is discharged, emitted or deposited in the environment in such volume, constituency or manner as to cause an alteration of the environment.

Sustainable management of waste presents many environmental, economic and social benefits and challenges. The volume of waste produced by our society is increasing due to factors such as population and economic growth, technology, cost of products compared to the repair of products, consumer demand for packaging and consumer expectations. Historically unwanted items were classed as waste and sent to landfill, however over the past ten years with emerging knowledge and technology, waste is now being viewed as a resource that can be recovered or reused for other purposes, a circular economy.



Circular Economy

Victoria's transition to a circular economy will be guided by four goals spanning the life cycle of materials (make, use, recycle and manage). The circular economy seeks to reduce the environmental impact of waste while enabling economic growth through good design and effective recovery of materials. Each goal is designed to maximise value and minimise waste.

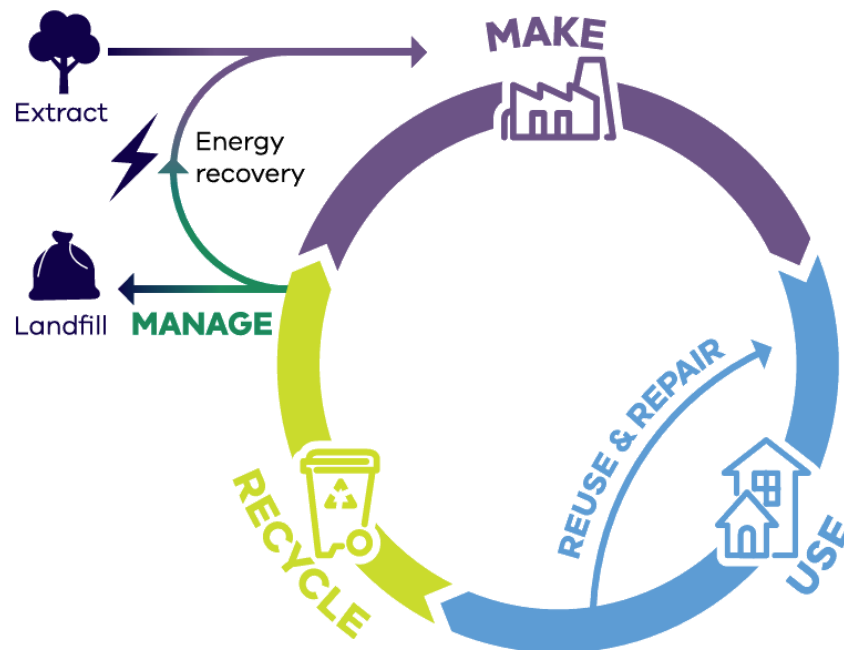


Figure 1: Circular Economy Diagram

The Circular Economy four goals are:

Goal 1 - Design to last, repair and recycle. Generate less waste in businesses through innovation and design; use recycled materials in products and consider impacts across product life cycles, and support business to explore new circular economy, business models.

Goal 2 - Use products to create more value. Help people make smart purchasing decisions and extend the life of products and support the reuse economy; repair goods where possible.

Goal 3 - Recycle more resources. Reform kerbside collections to generate more value from waste; improve the separation of recyclable materials; develop markets for recovered materials; plan for and boost investment in recycling infrastructure; embed the waste hierarchy in the management of materials; support the development of appropriate waste to energy facilities.

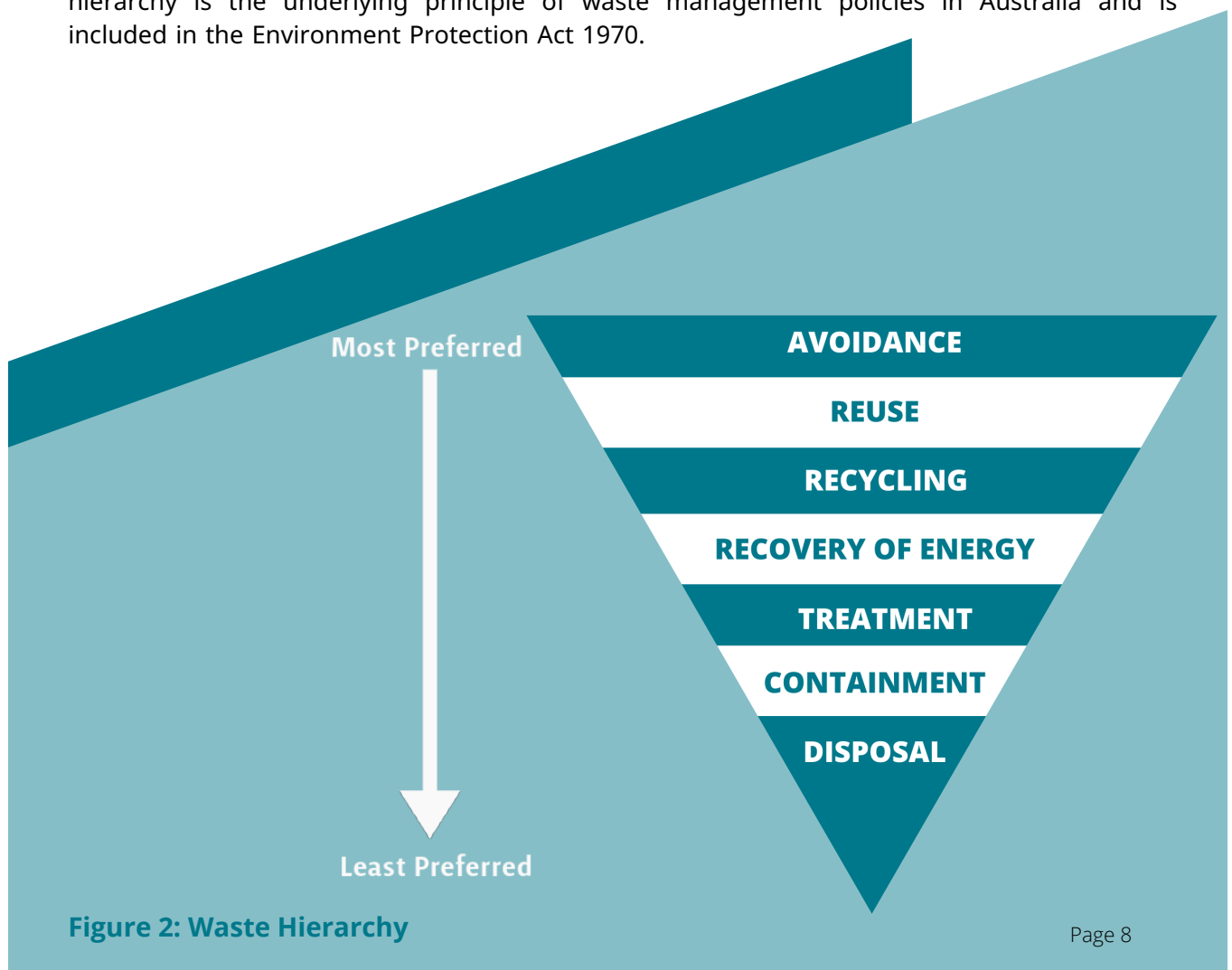
Goal 4 - Reduce harm from waste and pollution. Protect communities and the environment from high-risk and hazardous wastes.

Waste Hierarchy

Managing waste materials is a core function for the Northern Grampians Shire Council. The scope of waste management services provided by council includes:

- Kerbside waste and recycling collection service
- Rural Transfer Stations
- Public Place Litter bins
- Illegal dumping on council land
- Council practices (e.g own waste & procurement)
- Community education
- Waste management at events within our shire
- State Government reporting

Responsible waste management and resource recovery are built on the principles of ecologically sustainable development and the waste management hierarchy. The waste management hierarchy is internationally recognised as the way to achieve sustainable waste management practices. It positions the option of disposing of waste to landfill as least sustainable and progresses to recycling, reusing and reducing as better alternatives. The best option is to avoid generating waste which is a last resort option. The waste management hierarchy is the underlying principle of waste management policies in Australia and is included in the Environment Protection Act 1970.



Policy Framework

Northern Grampians Shire Council acts within a wider policy framework for waste management. A range of policies, plans and regulations at regional, state and national levels has been considered in the development of this strategy. An overview of the legislation framework and policies (Figure 3) is presented with more details in Appendix 1. New legislation and a new waste authority will begin in 2021. This will ensure transparency and reliability in the new recycling system and safeguard against disruptions to the recycling sector.



Figure 3: Policy Framework

Partnerships

Council continually works in conjunction with a range of partners, both State and Regionally (Figure 4). Northern Grampians Shire Council is a member of the Grampians Central West Waste Resource Recovery Group alongside other local Councils. This Group is established under the Environment Protection Act 1970. Establishment of a new Waste Act and Waste Authority will begin in 2022. The Waste Authority will provide transparency, accountability and good governance in the waste and recycling system. Council will remain dedicated to working and collaborating with any new and existing partners, groups and agencies.

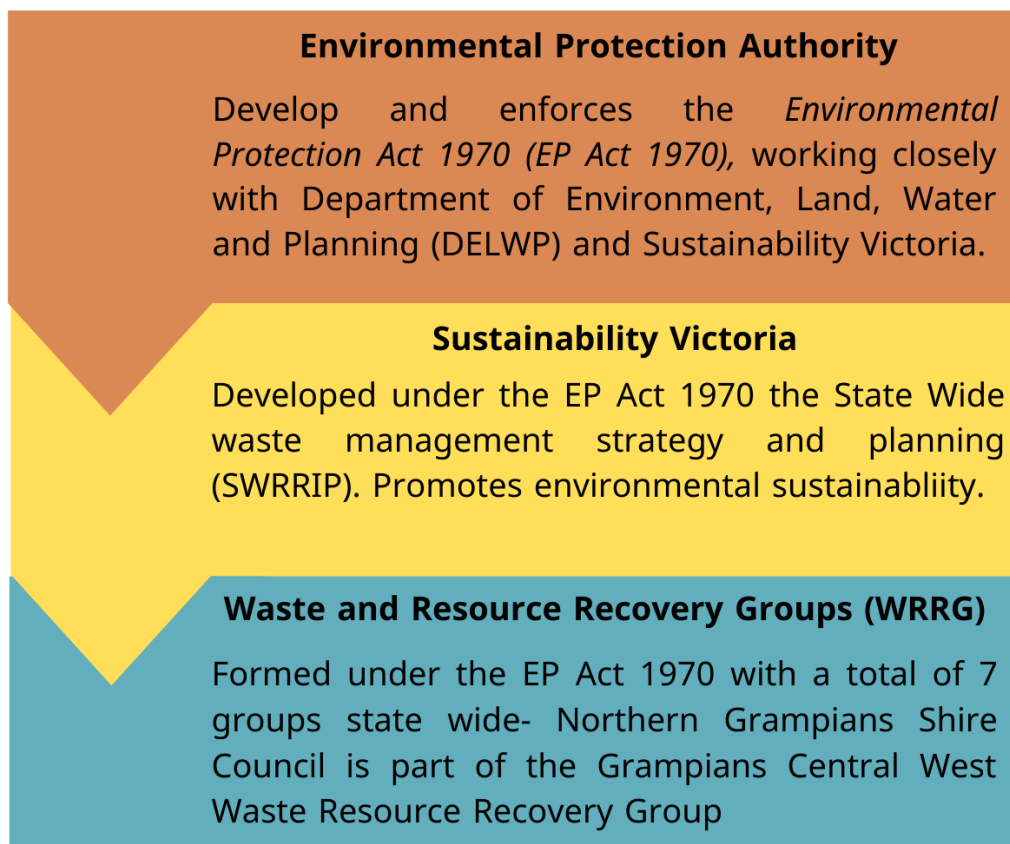


Figure 4: Partnerships with Northern Grampians Shire Council

Where we are now

Council currently provides kerbside collection services to 5908 properties, collecting over 2,500 tonnes annually of general waste (collection weekly) and 1,250 tonnes annually of commingled recyclables (collection fortnightly). In addition, Council operates two transfer stations collecting a range of waste streams as well as providing 163 public place litter bins throughout the Shire (Figure 5).

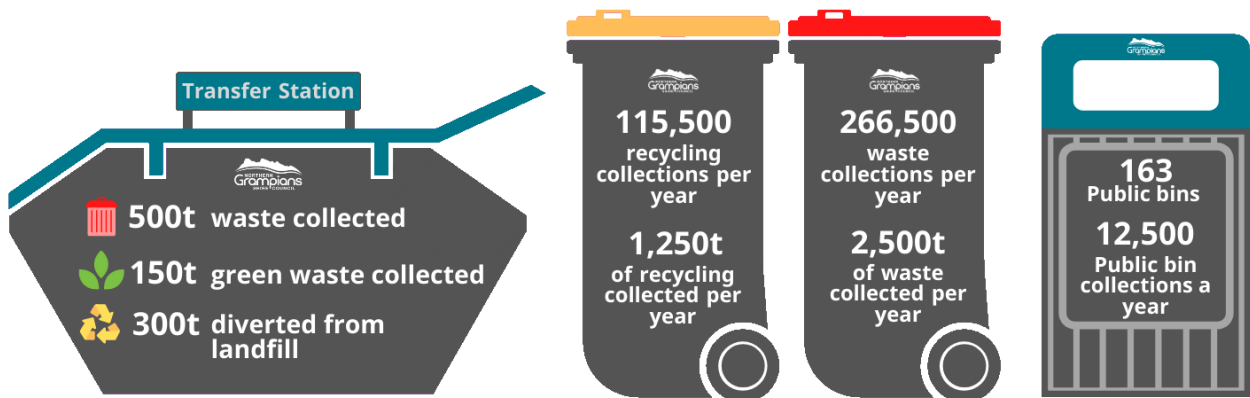


Figure 5: Transfer Stations, Recyclables, General Waste and Public place litter bins annual collections and tonnage amounts

Waste generation in Northern Grampians Shire is currently 380kg per person, which is 10% more than regional average and 5% more than the State average. This demonstrates improvements are needed to reduce personal waste generation (Figure 6). Council participates in a range of waste initiatives such as Drummuster, Mobile Muster and collection of E-waste. In 19/20 Council has collected over 4.2 tonnes of E-waste and 3095 chemical drum containers. Capturing these products is diverting waste from landfill but more importantly recycled into new products.

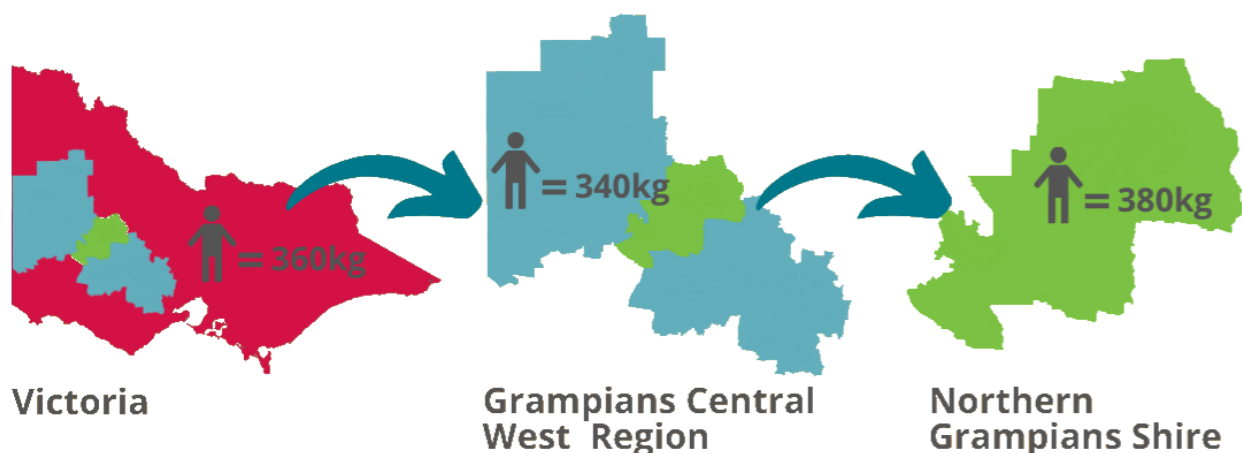


Figure 6: State, Regional and Shire per person waste generation

Landfill Levy

Victoria's landfill levy is one of the lowest in the nation. To align with other State's pricing, the Victorian Government is increasing landfill levy prices to ensure no waste from other states is brought into Victoria. The landfill levy rise also provides a strong incentive to recycle and recover materials. Northern Grampians Shire waste generation is projected to grow in the coming years due to increases in tourism, economic growth and development within the region (Figure 7).

Future Waste Generation for the next years is predicted to increase from:

- Waste - 2,500 tonnes to 3,750 tonnes
- Recycle - 1,250 tonnes to 1,450 tonnes

To counteract against the increasing landfill levies, improvements in reducing waste, increasing recycling and instilling knowledge of more sustainable practices are needed, whilst remaining dedicated to community needs. These actions have provided the background in the development of the Waste Management Strategy.

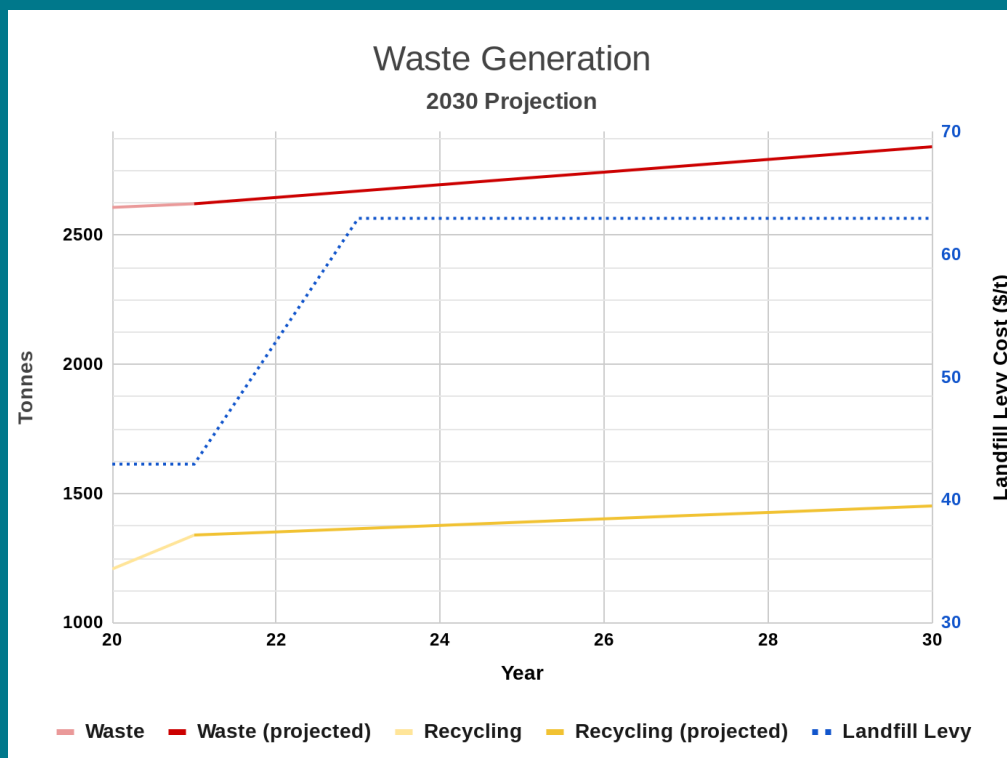


Figure 7: Waste Generation Trend and rising landfill levy

Challenges and Opportunities

Council faces challenges due to our location, issues with lack of market and infrastructure for waste streams regionally and locally, but recognises opportunities for future developments within these areas.

Council can not alter our location but can ensure that time and effort in developing and encouraging growth in the waste management sector is at the forefront. This growth will allow Council options to divert waste streams from landfill and increase recycling aligning with the circular economy policy, develop financial sustainability and increase community participation to be responsible for our own waste.

Developing community behaviour change and increasing market avenues will be in conjunction with Sustainability Victoria, GCWWRRG, other relevant agencies, businesses and local and regional councils.

Challenges	Opportunities
Geographical location	
Due to the geographical location of the Shire, high transport costs to deliver recyclable waste streams.	<p>Potential for a waste management sector within our region to accommodate regional waste and develop a strong recycling network for the state.</p> <p>Victoria Recycling Reform has indicated investment development for regional and local infrastructure and market initiatives.</p> <p>Identification through Infrastructure Victoria showed a lack of processing capacity for organics and opportunities exist in regional areas. A large portion of Northern Grampian Shire Council is farming and vacant land- local opportunity to support innovative technology in organic processing for FOGO material.</p>
Market for recoverable material	
<p>A current lack of infrastructure and business opportunities in the waste sector.</p> <p>Currently no processors locally or regional.</p>	<p>Victoria Recycling Reform has indicated investment development for regional and local infrastructure and market initiatives.</p> <p>Introduction of Glass, CDS and FOGO could provide more recoverable material to create a market either locally or regionally.</p> <p>Opportunities for social enterprise with new waste streams- Glass or FOGO processors.</p> <p>Advancement in technology and infrastructure, possible suitability for regional areas and local waste projects- eg. waste to energy. Identification through Infrastructure Victoria showed a lack of processing capacity for organics and opportunities exist in regional areas. A large portion of Northern Grampian Shire Council is farming and vacant land- local opportunity to support innovative technology in organic processing for FOGO material.</p>

Challenges

Opportunities

Quality of recyclables

Cross contamination and low market values in recyclables.

Potential to develop strong communication with the community on contamination, waste streams and encourage understanding of the waste issues.

Advancement in technology and infrastructure to strengthen quality of recyclables- possibilities suitable for regional areas and local waste projects.

Victorian Recycling reform will support further separation to improve quality of recyclable materials. Future improvement opportunities to existing Transfer Stations services to strengthen quality of recyclables as well as develop opportunities for resale and reuse of disposed materials.

Financial Implications

Increasing cost of the State Government Landfill levy and lack of market for waste streams.

Victorian government investing in developing and establishing a stronger market to provide more waste diversion options for regional Councils- reducing landfill volumes.

Potential to develop strong communication and education with the community on contamination, waste streams, reducing waste and encourage understanding of the waste issues.

Advancement in technology and infrastructure to strengthen quality of recyclables-increase diversions from landfill- possibilities suitable for regional areas and local waste projects eg. sorting machinery, waste to energy.

Review of current Transfer Station management models to strengthen quality of recyclables as well as develop opportunities for resale and reuse of disposed materials- provide greater waste diversion from landfill.

Waste Generation

The amount of waste we produce is increasing.

Empower Community to embrace waste avoidance, reduction and reuse practices.

Develop stronger partnerships with Community champions to spread the message of waste ownership.

Education community on waste, how it is processed, associated costs and impact on the environment.

Council's Goals

Northern Grampians Shire Council desired outcomes of the Strategy is to maximise the diversion of waste from landfill by implementing the Recycling Victoria reform. The mandatory household recycling reform will change recycling collections. Changes will be to provide combined food and garden organics, glass collection, combined paper, plastic and metal and residual waste as well as assisting in the introduction of the CDS. Community engagement and education will encourage residents and businesses to move towards a circular economy by avoiding waste, repairing products, recycling more and viewing waste more as a resource. Council will regularly review services to enhance waste management. Council will investigate and monitor new innovations, technology and invest in the waste sector and seek to improve the recognised opportunities.

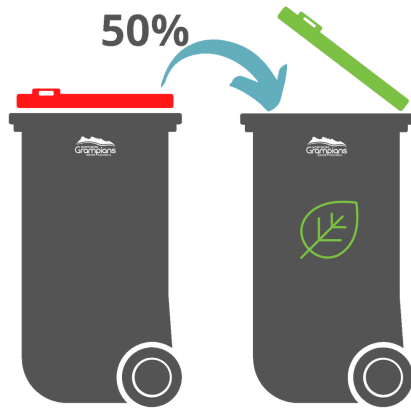
The Victorian Recycling reform provided key performance indicators to ensure that the circular economy reaches successful fruition. In line with the Victorian Recycling reform Council's Waste Management Strategy has projected outcomes to reach a successful 10 year strategy.

Council's Goals

1. Divert 50% of Food Organic and Garden Organic (FOGO) from landfill
2. Reduce per person waste by 5%
3. Reduce transfer station general waste by 15%
4. Increase recyclables by 20%

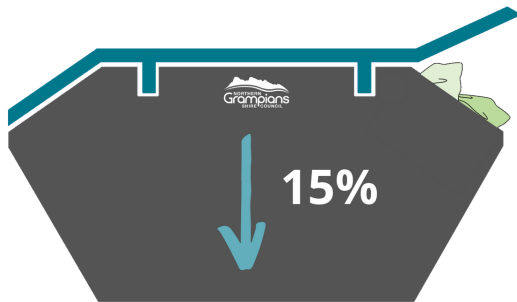
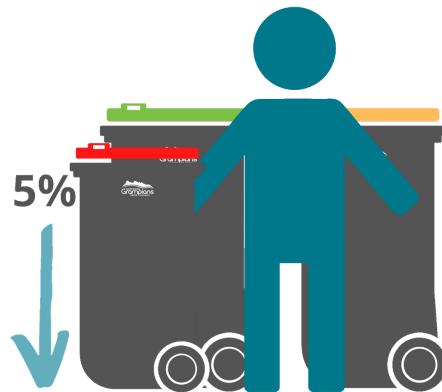
The Waste Management Strategy details how Council will achieve these goals by way of the objectives. Further development of the Waste Action plan outlines the activities and budget to achieve these objectives and goals.

Council Goals



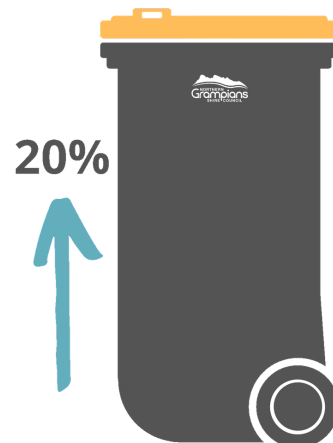
Divert 50% of Food Organic and Garden Organics (FOGO) from landfill

Reduce per person waste by 5%



Reduce transfer station general waste by 15%

Increase recyclables by 20%



Objectives

Objective 1 Improve resource recovery

- Align Council's waste services with new and future government policies especially the Recycling Victoria reform.
- Collaborate with relevant agencies, regional waste groups, other Councils and private enterprise to improve resource recovery.
- Encourage recognition of waste as a valuable commodity, improve greater separation at the source and waste avoidance.

Objective 2 Community-focused waste management systems

- Review waste services provided to the community and consider the community preference for alternatives.
- Review and continually improve the effectiveness and efficiency of services provided to ensure they are equitable and economical.

Objective 3 Adaptive infrastructure and operations

- Support innovation in resource management and research opportunities to maximise development of best practices to improve the waste sector in Northern Grampian Shire.

Objective 4 Sustainable Strategic Planning

- Consistently research and design waste management services to ensure sustainable and environmental approach is considered to minimise risks and ensure future operations are viable long term.

Objective 1

Improve resource recovery

- Align Council's waste services with new and future government policies especially the Recycling Victoria reform.
- Collaborate with relevant agencies, regional waste groups, other Councils and private enterprise to improve resource recovery.
- Encourage recognition of waste as a valuable commodity, improve greater separation at the source and waste avoidance.

1.1 Implement Victorian Recycling kerbside Reform

- Implement changes to kerbside collection and recycling within the Victorian Recycling reform recommended timeframe to improve resource recovery.
- Introduce Glass collection points within the Shire by 2027.
- Introduce kerbside Food Organic and Garden Organic (FOGO) by 2030.
- Assist in the implementation of the Container Deposit legislations (CDS) by 2023.

1.2 Increase reuse of materials through Transfer stations and community workshops

- Increase reuse of materials collected through Transfer stations to develop more alternatives to further separate waste streams and develop stronger methods to reduce landfill waste.
- Develop community workshops to upcycle waste products and offer resale options and educate the community on the importance of reducing waste.

1.3 Develop stronger waste reduction practices at Council facilities

- Continue to monitor and implement changes to instill stronger recycling practices via improving separation of waste at all Council facilities.
- Encourage recycling and sustainable procurement within Council.

Objective 2

Community-focused waste management systems

- Review waste services provided to the community and consider the community preference for alternatives.
- Review and continually improve the effectiveness and efficiency of services provided to ensure they are equitable and economical.

2.1 Establish Education Campaign

- Establish an education and communication platform to provide information on changes to recycling, waste initiatives and alternatives for waste streams.
- Deliver school education and other engagement strategies on waste reduction initiatives and encourage participation of recycling.
- Educate Community on illegal littering and how to report.

2.2 Develop strong relationships with Community event holders on waste management

- Collaboration with community event organisers and Council's Engagement Team to develop stronger recycling practices at all Northern Grampian Events to maximise resource recovery and increase recycling practices.
- Provide information on waste reductions and recycling via markets and other events.

2.3 Assist with businesses to improve waste reduction and recycling performance

- In conjunction with Council's Business Support Team develop collaborative partnerships with businesses to improve waste practices and increase recyclables packaging options to maximise greatest benefit to reduce waste, costs and inspire sustainable practices within the Shire.

2.4 Monitor waste services to ensure flexibility and alternative options available to meet community needs

- Utilise customer enquiries and community feedback in decision making processes and source alternative options and initiatives to improve waste services based on feasibility and benefit to the community.
- Provide respectful, prompt responsive customer service to all waste enquiries. Maintain options for exemptions and down sizing bins due to mobility issues.
- Continually monitor Contractor kerbside collection performance to ensure services are performed in a timely and efficient manner.
- Conduct Kerbside waste audits when needed.

Objective 3 Adaptive infrastructure and operations

- Support innovation in resource management and research opportunities to maximise development of best practices to improve the waste sector in Northern Grampian Shire.

3.1 Invest in research to source improvements via new waste technology and infrastructure

- Investigate opportunities of new technology and infrastructure design and invest in options which are best suited to Northern Grampians Shire needs to improve waste management.
- Work in conjunction with other government agencies to attract and stimulate waste industry to our region.

3.2 Maintain transfer stations and other waste infrastructure to a high level

- Maintain transfer stations and waste assets to industry best practice standards and ensure compliance with legislative requirements.
- Continue to monitor and maintain closed landfill sites as needed.

3.3 Increase recycling volumes by implementing Public Place Recycling

- Investigate introducing public place commingled recycling bins in high use areas to encourage recycling, expand waste options and increase separation of waste at source.

3.4 Investigate and support waste management growth in the agricultural sector

- Collaborate and communicate with the agricultural industry to support and advocate for new waste management industries within the sector.
- Potential for growth with availability of land and interest, concentrating on Food Organic and Garden Organics.

Objective 4

Sustainable Strategic Planning

- Consistently research and design waste management services to ensure sustainable and environmental approach is considered to minimise risks and ensure future operations are viable long term.

4.1 Collaborate with Waste Resource Recovery groups and other relevant agencies

- Proactively engage and attend meetings and forums to update knowledge of best practices and relevant changes to legislation to ensure Council continues best waste management practices.
- Collaborate with the State government, GCWWRRG and other agencies to research and develop local and regional markets and infrastructure options for waste management.

4.2 Source funding to facilitate sustainable planning

- Continually explore options for funding from various agencies to retain and develop sustainable waste planning for future needs that are regionally and locally based.

4.3 Capture and review waste data and practices in recommended

- Consistently capture and analyse data to ensure objectives to improve waste resource recovery is efficient.
- Develop contingency plans to alter practices and services to reach outlined targets and customer's expectations.
- Develop a reporting system and present yearly to the Community on Council's Waste Goals achievements.
- Introduce the new waste data collection and reporting system required by Recycling Victoria.

4.4 Develop and implement Waste Action Plan

- Develop an Action Plan aligning with Waste Management Strategy and seek approval. Review Strategy every two year and Action Plan Budget every year.

Waste Action Plan (WAP)

The Waste Action Plan (WAP) is a separate document with detailed information on the actions to be implemented over a ten (10) period to achieve the strategic objectives set out in the Waste Management Strategy. The WAP will be linked to Council's annual budget process.



Appendices

Appendix 1 - Legislation Framework

Framework	
Federal	
National Waste Policy 2018	<ul style="list-style-type: none"> • ban the export of waste plastic, paper, glass and tyres, commencing in the second half of 2020 • reduce the total waste generated in Australia by 10% per person by 2030 • 80% average recovery rate from all waste streams by 2030 • significantly increase the use of recycled content by governments and industry • phase out problematic and unnecessary plastics by 2025 • halve the amount of organic waste sent to landfill by 2030 • make comprehensive, economy-wide and timely data publicly available to support better consumer, investment and policy decisions.
National Waste Policy Action Plan 2019	Supports the implementation of the National Waste Policy 2018.
National Food Waste Strategy	Halving Australia food waste by 2030
Product Stewardship Act 2011	Provides the framework to effectively manage the environmental, health and safety impacts of products, and in particular those impacts associated with the disposal of products.
State	
Recycling Victoria	<ul style="list-style-type: none"> • MAKE Goal 1 - Design to last, repair and recycle. Generate less waste in businesses through innovation and design; use recycled materials in products and consider impacts across product life cycles, and support business to explore new circular economy business models. • USE Goal 2 - Use products to create more value. Help people make smart purchasing decisions and extend the life of products and support the reuse economy; repair goods where possible. • RECYCLE Goal 3 - Recycle more resources. Reform kerbside collections to generate more value from waste; improve the separation of recyclable materials; develop markets for recovered materials; plan for and boost investment in recycling infrastructure; embed the waste hierarchy in the management of materials; support the development of appropriate waste to energy facilities. • MANAGE Goal 4 - Reduce harm from waste and pollution. Protect communities and the environment from high-risk and hazardous wastes.

Recycling Industry Strategic Plan	sets out the pathway to a safe, resilient and efficient recycling system in Victoria, where kerbside recycling services continue to be provided to households.
Environment Protection Act 1970 (EP Act)	Establishes the Victorian Waste and Resource Recovery Infrastructure Planning Framework (the Framework). (WMPs- Waste Management Policies).
Environment Protection Amendment Act 2018 (1 July 2021)	<p>EP Act requires Sustainability Victoria (SV) to develop the SWRRIP and the seven Waste and Resource Recovery Groups (Regional Groups) to each develop a Regional Waste and Resource Recovery Implementation Plan (Regional Implementation Plan).</p> <p>(2014) Amendment to “achieve long-term planning for waste and resource recovery infrastructure at state and regional levels, integrated with land use and transport planning systems.”</p> <p>EPA Reform- will encompass preventative approaches through a general environmental duty, increased penalties, requirements for more environmental information to be publicly available and significant reforms in stockpiling, landfill- waste management.</p>
Statewide Waste and Resource Recovery Infrastructure Plan 2018 (SWRRIP)	The six (6) strategic direction of the SWRRIP is to utilise viable recovery, reduce landfill reliance, aggregate materials, utilise land, evidence -based decision making and integrate planning
Victorian Organics Resource Recovery Strategy 2015	<ul style="list-style-type: none"> • Reduce the impact of climate change. • Protection of the environment, human and animal health and amenity. • Risk based and proportionate approach. • Strong and sustainable markets.
Victorian Waste Education Strategy 2016	<ul style="list-style-type: none"> • Increase the Victorian community and business perception of waste management as an essential service, • Increase community awareness of waste and support and encourage waste avoidance. • Improve resource recovery and reduce contamination. • Reduce litter and illegal dumping. • Support waste and resource recovery education for schools. • Strengthen Victoria’s waste and resource recovery education capabilities.
Victorian Market Development Strategy for Resource Recovery	Seek to stimulate markets for recovered resources in Victoria, researching product development.

Local Government Act 1989	Section 3C(1) outlines the primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long term and cumulative effects of decisions; and section 3C(2)(e) in seeking to achieve its primary objective, a Council must have regard to the following facilitating objectives to ensure that services and facilities provided by the Council are accessible and equitable; and Section 3E(1)(b) the functions of a Council include planning for and providing services and facilities for the local community.
Local Government Act 2020 (1 July 2021)	
Regional	
Grampians Central West Waste and Resource Recovery Implementation Plan 2017 (GCWRRIP)	<ul style="list-style-type: none">• Make materials available for the resource recovery market through aggregation and consolidation of volumes to create viable economies of scale.• Establish, and manage, waste and resource recovery infrastructure that provide both effective and commercially viable services.• Gather data for a reliable evidence base to support planning service delivery and infrastructure investment.• Optimise diversion rates so that landfills are only receiving residual wastes from which all materials that can be viably recovered have been extracted.• Provision of a cost effective and sustainable waste management program.
Council	
Council Core Values	<ul style="list-style-type: none">• Responsive - we will engage with all stakeholders and listen and respond appropriately to your needs.• Innovative - we will be positive and endeavour to find solutions and choice in our service delivery.• Continuous Improvement - we will continually strive, within our means, for best possible practice and improvement in service delivery.• Prompt - we will respond promptly, within agreed timeframes, to all of your requests.• Respectful - we will be respectful and conscious of diversity and make available information and services in an accessible and inclusive manner.
Council Plan	<ul style="list-style-type: none">• Pursue regional solutions to waste reduction in partnership with State and Local Governments• Provide effective waste and recycling collection and disposal services and facilities• Promote the minimization of waste and litter through avoidance, education, reuse and recycling.
Waste Management Strategy	Sets out Council's objectives to maintain and provide waste management services with consideration of the community, equality and cost.
Waste Action Plan	Sets out detailed and comprehensive plans and budget to achieve Waste Management Strategy objectives.

Appendix 2- Summary of Community Survey

SUMMARY OF WASTE SURVEY

Surveys were conducted in November 2019 via either hard copies collected from Newspapers or Council offices and completed online. A selection of questions were asked with collective count data below.

Total Summary of respondents	Age:		Method		Residential Status		The number of people in household:		Postcode of Respondents:	
	Answer	Count	Type	Count	Answer	Count	no answer	16	Stawell (3380)	194
	18-35	77	Hard Copy	102	Owner/ratepayer	300	1	74	Halls Gap (3381)	26
	36-50	84	Online	266	Renter	44	2	151	St Arnaud (3478)	99
	51-65	100			Business owner	19	3	42	Rural	28
	65+	107			Other	5	4	44	Great Western (3374)	5
	TOTAL	368	Total	368	Total	368	5	24	3465	1
							6	11	3384	2
							6+ People	6	3387	3
									3385	5
									3400	3
									3011	1
									no response	1

Waste Questions				Recycling				
Estimation of food waste in your waste bin per week:		On average how full is your waste bin before weekly collection:		How confident are you that you understand what items are able to go in your recycling bin?			On average how full is your recycling bin before fortnightly collection?	
Answer	Count	Answer	Count	Answer	Count	Percentage	Answer	Count
0%	129	0%	0	Certain	101	27.45%	0%	0
25%	179	25%	70	Good idea	192	52.17%	25%	44
50%	39	50%	60	Okay idea	58	15.76%	50%	74
75%	12	75%	78	not sure	15	4.08%	75%	109
100%	7	100%	158	no response	2	0.54%	100%	137
no response	2	no response	2				No response	4
Total	368	Total	368	Total	368		Total	368

E-waste							
Do you know what e-waste is?		How does your household dispose of e-waste?		Do you know if it costs council to process e-waste?		Do you know why e-waste is collected separately?	
Answer	Count	Answer	Count	Answer	Count	Answer	Count
Yes	325	Recycling bin	13	Yes	127	Yes	240
No	42	Transfer Station	152	No	211	No	98
No response	1	Deposit Box	129	No Response	30	No Response	30
		Waste Bin	67	Total	368	Total	368
		No response	7				
Total	368	Total	368				

Green waste										
Would you be interested in a Green Waste or a FOGO (Food Organics and Green Organics) kerbside collection?			And why?		Would you be prepared to pay for this service?		Do you have a compost at home?		What do you think is considered organic waste/food waste/green waste?	
Answer	Count	Percentage	Answer	Count	Answer	Count	Answer	Count	Answer	Count
Yes	222	60.33%	If no: compost at home	95	Yes	111	Yes	191	Anything from my garden	164
No	140	38.04%	if no: other GW disposal	11	No	161	No	142	Small things from garden	251
No response	6	1.63%	if no: too expensive	13	No response	96	No Response	35	Large things from garden	96
Total	368		if no: Not enough	9	Total	368	Total	368	Any food waste	29
			No response	240					Organic Scraps	222
			Total	368					Meal leftovers	66

General								
Would you utilise any of the following services?			How do you see council is currently performing in relation to waste management?			Other comments regarding council waste and recycling services:		
Answer	Count	Percent	constructive feedback	Answer	Count	Constructive Feedback	Answer	Count
FOGO	148	40.22%		Communication	6		Hard Waste	10
Hard waste	285	77.45%		Education/culture change	14		Green Waste	11
Extended TS hours	114	30.98%		Free collection/drop off	17		Transfer Station	22
FO	86	23.37%		Green Waste	31		Vouchers	4
GO	131	35.60%		Hard Waste	27		Free collection/drop off	10
				Transfer Station	48		Education/culture change	6
				Vouchers	13		Communication	0
			Satisfactory		42	Positive/neutral response		1
			Positive Response		80			

Final Questions					
General suggestions for improvement of council's waste services?		What type of materials take up the most space in your waste bin?		When the waste bin is full, what do you typically do?	
Answer	Count	Answer	Count	Answer	Count
Hard Waste	13	Food Waste	60	Puts in recycling	11
Green Waste	27	Green Waste	62	Never full	110
Transfer Stations	13	General Waste	193	Store for later	146
Communication	5	Nappies	26	Transfer Station	25
Education/culture change	7			Put in Neighbours bin	66
Vouchers	4			Puts in Public bin	17
Free collection/drop off	8				

Recycling other			
When the recycling bin is full, what do you typically do?		Please select what items your household currently recycles:	
Answer	Count	Answer	Count
put in waste	29	Glass bottles and jars	313
Never full	106	Plastic bottles and jugs	315
Store for later	161	Metal cans	294
TS	26	Aluminium foil containers	208
Neighbours bin	46	Papers, newspaper/magazines, cardboard and boxboard (e.g. cereal boxes)	308
Public bin	6	Other:	20

Other					
Do you utilise any transfer stations throughout the shire?		How often on average?		Are you aware of the upcoming ban on single-use plastic bags in November?	
Answer	Count	Answer	Count	Answer	Count
Yes	208	Weekly	3	Yes	308
No	127	Monthly	22	No	27
No Response	33	3 months	51	No Response	33
Total	368	6 months	53	Total	368
		yearly	57		
		2 years	22		

Other					
Are you aware of alternatives to single-use plastic bags?		Are you aware of what's been occurring in the waste industry in the past 18 months?		Do you have any suggestions and innovations you think could work in the shire?	
Answer	Count	Answer	Count	Answer	Count
Yes	304	Yes	267	Yes	94
No	31	No	68	No	143
No Response	33	No Response	33	No Response	131
Total	368	Total	368	Total	368

Other								
Your suggestions:			Would this be shire wide or for a specific location/township within the shire?		How should it be funded?		Do you think the Northern Grampians Shire Council is environmentally conscious with its waste management and is adapting accordingly?	
Constructive Feedback	Green Waste	13	Shire Wide	55	Answer	Count	Yes	121
	Hard Waste	9	Stawell	8	No comment	368	No	116
	Education/culture change	7	St Arnaud	7			No Response	131
	Free collection/drop off	6	Halls Gap	0			Total	368
	Transfer Station	7						
	Communication	0						
	Vouchers	2						
	Other	4						
All comments		40						

Appendix 3- Summary of Kerbside Waste Audit

The following tables show the key results at the council area:

- Table 91 – Presentation rate.
- Table 92 – Generation rate by weight.
- Table 93 – Generation rate by volume.
- Table 94 – Resources in the waste stream.
- Table 95 – Recycling stream contamination rate.
- Table 96 – Organics stream contamination rate.
- Table 97 – Top contamination types.
- Table 98 – Recycling stream resource recovery rate.
- Table 99 – Organics stream resource recovery rate.
- Table 100 – Diversion rate.

Table 91 - Bin presentation rate: Northern Grampians Shire Council

Stream	Presentation rate (%)					Council
	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	
Waste	-	-	82.7	-	-	82.7
Recycling	-	-	78.7	-	-	78.7
Organics	-	-	-	-	-	-

Table 92 - Generation rate – by weight: Northern Grampians Shire City Council

Stream	Weight (kg/hh/wk)					Council
	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	
Waste	-	-	9.957	-	-	9.957
Recycling	-	-	4.447	-	-	4.447
Organics	-	-	-	-	-	-
Total	-	-	14.404	-	-	14.404

* Assumes a mean bin weight of zero for non-presented bins. | ^ For number of bin collection services at each area, please refer to Table 2.

Table 93 - Generation rate – by volume: Northern Grampians Shire Council

Stream	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	Council
Average weekly generation per household (L/hh/wk)						
Waste	-	-	89	-	-	89
Recycling	-	-	92	-	-	92
Organics	-	-	-	-	-	-
Total	-	-	181	-	-	181
Average bin percentage full (% by volume) *						
Waste	-	-	74.3	-	-	74.3
Recycling	-	-	76.9	-	-	76.9
Organics	-	-	-	-	-	-

* Based on bin sizes and collection frequencies as shown in Table 1 in Section 1.3, as well as bin percentage full results from bin surveys.

Table 94 - Resources in the waste stream: Northern Grampians Shire Council

Recoverability category	Percentage (% by weight)					
	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	Council
Compliant recyclable	-	-	9.65	-	-	9.65
Potentially recyclable	-	-	0.34	-	-	0.34
Compliant organics *	-	-	-	-	-	-
Potentially compostable	-	-	71.72	-	-	71.72
MGB non-recyclable	-	-	18.29	-	-	18.29
Total	-	-	100.0	-	-	100.0

* Including garden organics at GO and FOGO area; contaminated soiled paper, food and compostable packaging material at FOGO areas.

Table 95 - Recycling stream contamination rate: Northern Grampians Shire Council

Summary categories	Percentage (% by weight)					
	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	Council
Compliant recycling	-	-	72.39	-	-	72.39
Potentially recycling	-	-	0.67	-	-	0.67
Compliant organics *	-	-	-	-	-	-
Potentially compostable	-	-	0.27	-	-	0.27
MGB non-recyclable	-	-	26.67	-	-	26.67
Contamination	-	-	27.61	-	-	27.61
Total	-	-	100.0	-	-	100.0

* Including garden organics at GO and FOGO area; contaminated soiled paper, food and compostable packaging material at FOGO areas.

Table 96 - Organics stream contamination rate: Northern Grampians Shire Council

NA: Council currently does not provide kerbside organics collection services.

Table 97 - The top contamination types: Northern Grampians Shire Council

Top contamination types	
Recycling stream	Organics stream
<ul style="list-style-type: none"> Glass fines (<50mm) Non-comp. liner bagged material Waxed cardboard Wood/timber - treated E-waste - ban applicable 	NA

Table 98 - Recycling resource recovery rates: Northern Grampians Shire Council

Material category	Resource recovery rate (% by weight)					Council
	Urban-3-bin-GO	Urban-3-bin-FOGO	Urban-2-bin	Rural-2-bin	Rural-1-bin	
Recyclable paper	-	-	79.37	-	-	79.37
Recyclable cardboard	-	-	86.52	-	-	86.52
Liquid paperboard containers	-	-	59.46	-	-	59.46
Glass packaging	-	-	87.22	-	-	87.22
PET (plastic 1) packaging	-	-	66.77	-	-	66.77
HDPE (plastic 2) packaging	-	-	74.00	-	-	74.00
PVC (plastic 3) packaging	-	-	44.44	-	-	44.44
LDPE (plastic 4) packaging	-	-	40.00	-	-	40.00
Polypropylene (plastic 5) packaging	-	-	45.22	-	-	45.22
Polystyrene (plastic 6) packaging	-	-	9.09	-	-	9.09
Other plastics (plastic 7) packaging	-	-	62.16	-	-	62.16
Aluminium cans and foil	-	-	51.70	-	-	51.70
Steel packaging	-	-	59.21	-	-	59.21
Total	-	-	77.01	-	-	77.01

Table 99 - Organics resource recovery rates: Northern Grampians Shire Council
NA: Council currently does not provide kerbside organics collection services.

Table 100 - Diversion rates: Northern Grampians Shire Council

Diversion rate and scenario	Contributor - % of all streams					Council
	Urban-3- bin-GO	Urban-3- bin-FOGO	Urban-2- bin	Rural-2-bin	Rural-1-bin	
Current	-	-	22.35	-	-	22.35
Potential diversion rate *	-	-	29.02	-	-	29.02
Maximum diversion rate ^	-	-	69.66	-	-	69.66

* With the current bin systems, by recovering all compliant recycling and compliant organics into the available recycling and organics bins.

> If all households were provided with 3-bin-FOGO system, by recovering all recyclables and FOGO organics into the recycling and FOGO bins.

Disclaimer- Covid 19

The Federal and State Governments have imposed restrictions on public gatherings and requirements to maintain social distancing to limit the rapid spread of COVID-19. This presents an obvious challenge for a range of services and objectives to be met, such as education and other community engagement objectives. The Covid 19 situation will continually be monitored and contingencies will be developed to ensure objectives are met.

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3.3.2. Asset Management Policy and Strategy

Author/Position: Jonathan Chinomona, Manager Infrastructure

Purpose

To adopt a revised Sustainable Asset Management Policy and Sustainable Asset Management Strategy required for the preparation of Service Asset Management Plans.

Summary

Under section 92 of the new *Local Government Act 2020*, Council must develop, adopt and keep in force an Asset Plan in accordance with its deliberative engagement principles and Community Engagement Policy. The Asset Plan should cover a period of at least the next ten financial years.

Prior to the preparation of the Asset Plan, a Sustainable Asset Management Policy and a Sustainable Asset Management Strategy must be produced to align with the Council Plan. These documents are reviewed and updated every four years or at every Council cycle. Draft documents for the Sustainable Asset Management Policy and Sustainable Asset Management Strategy have been produced to set the framework for the preparation and update of Asset Management Plans.

Recommendation

That Council adopts the draft Sustainable Asset Management Policy and draft Sustainable Asset Management Strategy.

RESOLUTION

That Council adopts the draft Sustainable Asset Management Policy and draft Sustainable Asset Management Strategy.

Moved: Cr Tony Driscoll

Seconded: Cr Kevin Erwin

Carried

Background/Rationale

Council's asset management planning process is supported by three key documents:

- Sustainable Asset Management Policy - reviewed and updated every four years
- Sustainable Asset Management Strategy - reviewed and updated every four years
- Service Asset Management Plans (which identify asset service standards and contain long-term (at least ten years) projections of asset maintenance, renewal, upgrade and acquisition costs for each asset category under the control of the council. The costs are reflected in the long term financial plan) - reviewed and updated every year

A Sustainable Asset Management Policy and Sustainable Asset Management Strategy have been drafted and these set out action plans for improving asset management based on four key components:

- Customer Service
- Asset Functionality
- Life Cycle Economy
- Risk Management

It is acknowledged that the current Council's funding levels are significantly below what is required to maintain the level of service now and in the future.

The strategy identifies the need to continue to review levels of service based on long term sustainability acknowledging that reducing the renewal gap may necessitate the reduction in level of service.

Legislation, Council Plan, Strategy and Policy Implications

Local Government Act 2020

Council Plan 2017-21 - Provide Sustainable Infrastructure

Community Engagement Policy

Options

Option 1

Council endorses the revised Sustainable Asset Management Policy and Sustainable Asset Management Strategy. **[recommended]**

Option 2

Council does not endorse the revised Sustainable Asset Management Policy and Sustainable Asset Management Strategy. **[not recommended]**

Implications

Any identified sustainability issues (economic, social, environmental or climate change) or heritage/cultural, amenity, human rights/privacy, risk management, budgetary and asset management implications have been addressed in this report.

Community Engagement

Some community consultation work will be carried out at the time of Service Asset Management Plans review and update, in order to document the community level of service. These consultations will be based on the community's expectations for quality of service and their willingness to pay.

Innovation and Continuous Improvement

The proposed changes in the strategy will help Council to manage the infrastructure renewal gap and improve the quality of life of residents and visitors.

Collaboration

The draft documents have gone through a reviewing process by the Asset Management Steering Committee.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Jonathan Chinomona, Manager Infrastructure

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. Draft Asset Management Policy 2020 [**3.3.2.1** - 4 pages]
2. Draft Sustainable Asset Management Strategy - V 3.00 [**3.3.2.2** - 20 pages]

Sustainable Asset Management Policy



September, 2020



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Sustainable Asset Management Policy

Responsible Director
Responsible Officer
Functional Area

Director Infrastructure
Manager Infrastructure
Infrastructure

Purpose

The purpose of this Sustainable Asset Management Policy is to set the broad framework for undertaking asset management in a structured and coordinated way within Council. The policy sets the structure for the preparation of the Sustainable Asset Management Strategy and Service Asset Management Plans, it is applicable to all Council owned and operated assets.

Background

Under the Local Government Act 2020 section 92, Council must develop, adopt and keep in force an Asset Plan in accordance with its Community Engagement Policy. The Asset Plan should at least cover a period of ten years.

There is a need to align asset management planning processes with the rest of corporate and financial planning processes. This alignment ensures that the planning, creation, operation, maintenance, renewal and disposal of assets is in line with Council's priorities for service delivery, asset functionality, life cycle economy and risk management.

Policy

In order to achieve the objectives of "Council Plan 2017-2021", particularly "Provision of Sustainable Infrastructure", the following principles are set:

- **Sustainable Asset Management Strategy** - A Sustainable Asset Management Strategy must be developed to support the implementation of this policy.
- **Service Asset Management Plans** - Service Asset Management Plans must be developed for all major asset portfolios in accordance with Council deliberative engagement practices.
- **Review of Asset Management System documents** - Sustainable Asset Management Policy and Sustainable Asset Management Strategy must be reviewed and updated every four years or at every Council cycle. Service Asset Management Plans must be reviewed and updated annually.
- **Compliance with Regulatory Standards & Legislation** - All relevant legislative and Statutory requirements (environmental, economic, political and social) must be complied with.
- **Understanding Customer needs and expectations** - Customers' needs must be understood and used to drive organisation's objectives and levels of service. A balance between level of service and customers willingness to pay for the service must be established.
- **Life cycle cost consideration** - Life cycle cost must be considered in all new assets and upgrades decisions.
- **Renewal of critical assets** - Identified Asset renewals in Service Asset Management Plans required for maintaining agreed level of service must be prioritised in annual funding and delivery of work programs.
- **Risk Management** - When prioritising asset works and allocating funds, the risks and consequences of actions and inactions must be considered.
- **Demand Management** - Demand drivers must be monitored to plan for future asset requirements,

- **Single source of truth for asset data** - Assetic Cloud (council's asset management information system) must be implemented as the single source of truth for all asset data.

Council Plan Objectives/Strategy

The 2017-21 Council Plan objectives relevant to this policy are;

Provide Sustainable Infrastructure

- Enhance the natural & built environment to improve lifestyle and visitation

Legislation and Standards

Council is committed to maximising return on investment in its physical assets while ensuring that all asset management activities are carried out in a safe and environmentally sustainable manner and within the limits of all legislative and regulatory requirements including but not limited to;

- Local Government Act 2020
- Road Management Act 2004
- ISO55000 series

Responsibilities

Council is responsible for setting corporate AM policy, strategy and approval of AM Plans.

Director Infrastructure is responsible for implementing approved AM Policy, Strategy and Plans.

Asset Management Steering Committee (AMSC) is responsible for developing and establishing AM Strategy and Asset Management Plans for individual asset groups using principles of lifecycle analysis.

Manager Infrastructure is responsible for coordinating collection of inventory and condition data for all infrastructure assets and buildings.

Stakeholders

This policy applies to Councillors, staff, consultants responsible for undertaking asset management planning on behalf of Northern Grampians Shire Council. The community is directly affected by this policy as asset management underpins the development and maintenance of infrastructure which enables the delivery of programs, services and activities.

Review

The policy will be reviewed by the Asset Steering Committee every four years or at every Council cycle to ensure it remains current with the Council's goals and actions. Triggers for an earlier review include legislative changes and introduction of new systems or procedures.

Communication and implementation

The approved Asset Management Policy will be retained in eDRMS and communication to relevant internal and external stakeholders will be via the following mechanism:

- Northern Grampians Shire Council's website
- Council induction and in-house training
- Asset Management Framework web portal

All Council employees involved in the Asset Management System will be involved in a continuous professional development to ensure that their competencies and skills required for the achievement of the Asset Management deliverables are current.

References

Council Plan 2017-2021

International Infrastructure Management Manual (IIMM)

ISO55000 series

Privacy and Data Protection compliance

This Policy is inline with the *Privacy and Data Protection Act 2014* and the *Victorian Protective Data Security (VPDSS) Framework* which adopts a risk-based approach to protective data security.

Gender Equality Act 2020

This Policy is inline with the relevant gender equality principles, workplace gender equality of rights, opportunities, responsibilities and outcomes.

Charter of Human Rights compliance

It is considered that this policy does not impact on any human rights identified in the *Charter of Human Rights & Responsibilities Act 2006*.

Definitions

Term	Meaning
Infrastructure Asset	A physical component of a facility which has value, enables services to provide and has an economic life of greater than 12 months.
Asset Management	The combination of management, financial, economic, engineering and other practices applied to physical assets with the objective of providing the required level of service in the most cost effective manner.
Asset Management System	A set of people, processes, tools and other resources involved in the delivery of Asset Management.
Policy	A statement of an organisation's attitude and preference of direction.
Council	Northern Grampians Shire Council.

Review history

Date	Review details	Action
2003	Corporate Asset Management Policy	Adopted by Council
27 Sep 2007	Asset Management Policy	Reviewed & adopted by Council
28 Oct 2010	Sustainable Asset Management Policy	Reviewed & adopted by Council
02 Oct 2017	Sustainable Asset Management Policy	Reviewed by Council Officers
September 2020		

Draft Sustainable Asset Management Strategy

Version 3.00

September 2020



Schedule of Changes & Amendments

Version	Date	Changes/Amendment
V1.00	02/2011	Endorsed by Council at its meeting 24 February 2011
V2.00	10/2017	Draft prepared during 2017 by Council officers
V3.00	09/2020	Draft prepared during 2020 by Council officers

- NB: 1. Primary number changes to Versions (eg V1.00 to V2.00) will be made when the document undergoes its regular review and when significant changes are made to standards and guidelines for inspections, intervention levels or work
2. Secondary number changes (V1.00 to V1.01) will apply to minor amendments that do not materially impact the document and are intended only to clarify or update issues.

Sustainable Asset Management Strategy

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1. Introduction

This Sustainable Asset Management Strategy has been developed to show how Northern Grampians Shire Council (NGSC) infrastructure asset portfolio will be able to deliver quality sustainable infrastructure services to meet the needs of residents, businesses and visitors, in the short, medium and long-term.

The document supports the implementation of the Sustainable Asset Management Policy which takes the objectives of “Council Plan 2017-2021” and develops Asset Management principles which helps Council to realise its organisational objectives.

Once the Sustainable Asset Management Strategy has been approved by Council, it will replace the 2011 Council adopted version and set the framework for developing Service Asset Management Plans for each asset portfolio. Under the Local Government Act 2020 section 92, it is a requirement for Council to develop, adopt and maintain Asset Plan in accordance with the Community Engagement Policy. The financial summaries in the Service Asset Management Plans are to be linked to the Long Term Financial Plan (LTFP).

2. Asset Management System Scope

Council's Asset Management System is centred on providing service to customers. The Asset Management System is informed by both external and internal business drivers as illustrated in figure 1 below. Key external business drivers informing the Asset Management System include customer requirements , Local Government Act 2020, regulatory standards and legislation, commercial and economic environment. Internal drivers influencing the Asset Management System include Council vision, goals, policies, financial constraints and risk appetite. This alignment between Council objectives and actions, and asset management activities on the ground is crucial for Council to be able to achieve its targets.

Council Asset Management System has a clear and consistent hierarchy of documents as illustrated in figure 1 below. The three key documents are :

- Sustainable Asset Management Policy - *State the principles and intentions of Council with regard to asset management.*
- Sustainable Asset Management Strategy (this document) - *Long-term plan adopted to deliver Asset Management Policy, and*
- Service Asset Management Plans - *Applicable to all asset categories within the jurisdiction of Council. The Asset Management Plans identify services standards and contain long-term*

These three Asset Management System documents:

- Link Council strategic objectives with the asset management objectives required to deliver them,
- Link Council strategic objectives with the level of service that the assets should deliver, and
- Guides asset management priorities, the work required on the assets to achieve the objectives, and the finances needed to support that work.

2.1 Our Strategic Assets

Council is responsible for managing a wide range of infrastructure assets. An indicative list is provided in Table 1 below. These assets represent a major investment built up over many generations and the majority of these assets are in need of renewal and/or upgrade. The combined replacement value of these assets is \$517m as of 2019/2020 financial statements.

Table 1 - Council asset summary for providing services

Asset Category	Quantity	Unit
Sealed Roads	738	km
Unsealed Roads	2203	km
Formed Roads & Tracks	540	km
Footpath	102	km
Kerb & Channel	145	km
Drainage Pits	2296	No.
Drainage Pipes	59	km
Car Parks	16956	sqm
Bridge & Major Culverts	543	No.
Building	170	No.
Parks and Gardens	1,342,450	sqm

The social, economic and environmental well-being of Northern Grampians Shire residents, businesses and visitors depends on the strategic management of these assets. The treatment of each asset category is discussed separately in the Service Asset Management Plans.

3. Management Of Our Assets

At present Council is unable to fully fund asset renewal requirements but will endeavour to provide a sufficient level of annual funding to meet ongoing renewal needs. This has resulted in some deferrals on asset renewal work, increasing the level of backlog. Backlog is the renewal works that Council has not been able to fund over the past years and is equivalent to asset renewal gap.

3.1 Service Level and Asset Performance

The Level of Service is the defined service quality for a particular activity or service area against which service performance can be measured. It provides the basis for the life cycle management strategies and works programmes within Asset Management Plans. Currently Council is working on assumed Customer Levels of Service, which has not yet been tested with the community. Some community consultation work, in the form of customer satisfaction surveys, will be carried out at the time of Service Asset Management Plans review, in order to verify the assumed levels of service. These consultations will be based on the community's expectations for quality of service and their willingness to pay.

Currently Council uses only one grading criteria, which is "asset physical condition grading". This will be changed to a three grading criteria based on NAMS.PLUS2 guidelines, to establish Level of Services, and these are:

- Asset physical condition grading,
- Asset functionality grading, and
- Asset capacity (utilisation) grading.

3.1.1 Asset Condition (Quality) Grading

Quality is defined as the overall condition of the asset required to meet the intended level of service. Council has a standard condition grading system as detailed in Table 2 shown below.

Table 2: *Condition Grading*

Grade	Condition Description
Very Good	Only planned maintenance is required
Good	Minor maintenance and planned maintenance is required.
Fair	Significant maintenance is required
Poor	Significant renewal is required
Very Poor	Beyond rehabilitation

3.1.2 Asset Functionality Grading

Function is defined as the overall ability of the asset to meet the delivery needs. This standard grading system is detailed in Table 3 shown below.

Table 3: *Function Grading*

Grade	Function Description
Good	Meets service delivery needs in acceptable manner
Fair	Meets most of service delivery needs and some inefficiencies and ineffectiveness present.
Poor	Does not meet service delivery needs.

3.1.3 Asset Capacity (utilisation) Grading

Capacity (Utilisation) is defined as the overall ability of the asset to meet the service. The standard grading system is as detailed in Table 4 shown below.

Table 4: *Capacity Grading*

Grade	Usage Description
Good	Usage is within design capacity and occasional or no operational problems experienced.
Fair	Usage is approaching design capacity and/or operational problems occur frequently.
Poor	Usage exceeds or is well below design capacity and/or significant operational problems are evident.

3.2 Budgetary Framework

The current annual budgetary framework has four funding areas as per Table 5 below. The capital commitment is to fund the ongoing asset renewal and upgrades requirements to ensure longevity of Council assets.

Table 5: Asset Management Budget Process

Recurrent/ Operational Budget	Capital Works Budget		Capital Works Budget (Consequential Recurrent)
Reactive and Proactive Maintenance	Renewal	Upgrade & New	Upgrade & New
Building Parks & Gardens Roads Bridges Drainage Footpath Kerb & Channel	Resheeting Program Resealing Program Road Rehabilitation Program Bridges Renewal Program Major Culvert Renewal Program Drop Structures & Floodway	Streetscapes Urban Road Improvement Program Rural & Residential Program Town Street Sealing Program Footpath Program Major Rural Roads Program Kerb & Channel Program Drainage Program Transport Development Buildings Open Spaces	Final Sealing Program
Non-Discretionary	Non-Discretionary	Discretionary	Non-Discretionary

It is essential that when Council considers its discretionary capital expenditures for new and upgrade assets that it also considers the consequential imposition of recurring operational and maintenance costs that will occur once the new or upgraded asset becomes operational. The consequential cost is 'non-discretionary' as it will be incurred if the new asset is provided.

As new and upgrade projects are brought forward for consideration with the annual budget, they will also have an assessment of whole of life costs presented to Council as part of the overall project cost projections.

3.3 Asset Evaluation

Life cycle asset management evaluation requires an asset to be replaced or refurbished when it reaches the end of its useful life and has effectively become economically unserviceable. This is

when it no longer meets the standards or level of service that it was originally built to meet.

Evaluation of the renewal to an asset should also include:

- Need for the asset (short term / long term);
- Legislative requirements;
- Opportunity for rationalisation;
- Future liability of retention;
- Opportunity for multiple use; and
- Improved efficiency.

3.4 Acquisition of new assets & acceptance standards

Council can acquire new assets by the following means:

- Existing assets handed over, or taken over from other statutory agencies or community group with or without ongoing funding support;
- Purchase of existing assets from a private sector by Council to fulfil a Council provided service;
- Creation or purchase of new assets by way of Council's own works program; and
- Handing over of new assets created by a developer in a new subdivisions that once accepted by Council will have ongoing maintenance & renewal responsibilities.

New assets place an ongoing asset management responsibility on Council and Council ensure that standards of those new assets are acceptable. These standards will either be consistent with Council's basic standards that minimise ongoing financial commitment or be higher than normal and impose additional financial demands.

3.5 Disposal of Assets

Consideration of disposal of assets is initiated when the economic life of the asset has expired, when its service specification is no longer relevant or when the need for the service provided by the asset has disappeared.

Decisions to dispose of an asset require thorough examination and economic and social appraisal. Like acquisition decisions, they need to be taken within the integrated planning framework that takes into account service delivery needs, corporate objectives, financial and budgetary constraints and Council's overall resource allocation objectives.

4. Strategic Challenges

Northern Grampians Shire Council is facing some critical challenges to its sustainability in the long term and this has triggered Council to initiate some work to align asset management planning with Long Term Financial Planning. Some of these challenges require immediate attention and some a planned approach over time and these present threats and opportunities to the level of service and the assets providing the service. The critical challenges are as shown in table 6 below.

Table 6: *Strategic Challenges*

No.	Strategic Challenge
1	<p>Long Term Financial sustainability - <i>Long term funding strategy for reasonable service levels into the future.</i></p> <p>Current funding level is inadequate to maintain the current level of service over the next ten years. The cost of providing services at the current level of service is increasing faster than revenue, particularly rate increases.</p>
2	<p>Ageing Infrastructure - <i>Management of ageing infrastructure in need of renewal and replacement.</i></p> <p>The funding gap over the past years has led to some deferrals on asset renewal and this has increased the risks associated with providing services and also assets awaiting renewal and upgrade.</p>
3	<p>Documented Level of service - <i>Transition to a community engagement process to shape the Level of Service.</i></p> <p>Currently Council is working on an assumed customer Level of Services which have not been tested with the community. Both the Technical and Customer Level of Service need to be documented so that Council can estimate the cost in modifying them. There is a need to take the conversation to the community to ensure their understanding of what they are paying for and the cost implication of changing the levels.</p>
4	<p>Managing Seasonal Variations in Demand - <i>High seasonal demand for infrastructure services.</i></p> <p>In areas like Halls Gaps there has been an increased demand for infrastructure services during peak seasons. The Shire is also receiving more requests from transport operators and agricultural producers to open new heavy vehicle routes in the local road network in order to make the movement of goods easier, faster, and less expensive. This increasing demand for services has a significant impact on the long term financial sustainability.</p>

5	<p>Road Pavement Condition and Maintenance</p> <p>Council extensive road network includes 738 km of sealed road, 2203 km of gravel road and 540 km of formed roads. These roads vary considerably in surface standard. Weather conditions often dictate the appropriate and most efficient time to undertake maintenance works. Hence there are times when the surface condition may be outside desirable intervention levels. Some of the material used to surface the road may not meet community expectations and/or may have high maintenance requirements.</p>
6	<p>Climate change - <i>More frequent severe weather events e.g. storms, flooding, fires and dry hotter summers.</i></p> <p>Over the years infrastructure assets have taken a hit from ever increasing extreme weather conditions and there is a need for Council to remain prepared to carry out emergency response. For example drier and hot summers increase demand on irrigation on parks and also melt bitumen in roads.</p>
7	<p>Asset Management treatments for Heritage Asset - <i>Strategies to deal with the treatment of Heritage assets that recognises their ongoing preservation rather than renewal.</i></p> <p>Northern Grampians Shire has a sizable number of Heritage assets mainly buildings. These assets are irreplaceable and maintenance and refurbishment should be funded to a level to preserve the assets.</p>
8	<p>Cumulative effect of depreciation on gifted/acquired assets - <i>Consider full life costs when making the decision to acquire new assets.</i></p> <p>The impact of grant funded or gifted assets on ongoing operation, maintenance, depreciation and renewal should be fully understood to inform decision making.</p>

5. Our Strategic Vision

Council's vision for its asset management function is to provide and maintain assets in a sustainable manner to improve the quality of the life and safety of the Northern Grampians community and visitors. Northern Grampians Shire Council will achieve this vision by ensuring that,

- All Council assets exist to provide services to the community in a way to improve their quality of life and environment.
- All assets are acquired, operated, maintained and made obsolete to enable Council to meet its Council Plan strategies and objectives.
- All Council asset management activities will take place within a strategic framework that is driven by service delivery needs within resource limitation.

The achievement of the above will depend on the following:

- Practises and processes are consistently applied across the organisation.
- Information is readily accessible and able to be used to monitor and report on the performance of assets. (Better & informed decision making).
- There is an intrinsic link between asset management information system (Assetic Cloud) and other Council systems such as the Geographical Information System (GIS), Finance etc (greater resource efficiency through the use of integrated systems).
- Outcomes of asset management, including necessary funding to meet the required levels of service, are directly linked to Council's annual budget, Council Plan & Strategic Resources Plan.

6. Our Key Strategies

Council's goals in managing the infrastructure assets is to deliver the level of service, as amended from time to time, that meet the needs of Northern Grampians Shire residents, business owners and its visitors, in the most cost effective manner in both short and long term. The following actions will be implemented:

Table 7: Key Strategies

No.	Key Strategy
1	Council to continue partnering with the State Government to access grants to fund the renewal of existing assets. Additional funding may be sought through contributions where appropriate .
2	Council will undertake community engagement work to adjust the level of service to affordable levels. Part of the discussions will include changing intervention levels and extending the age of assets.
3	All critical assets in the asset hierarchy will be fully funded. Assets will be reviewed and consolidated to reduce ongoing operation and maintenance costs.
4	The budgeting process to give priority to asset renewal and fit for purpose upgrades over creation of new assets.
5	Council to link financial summaries in Asset Management Plans with Long Term Financial Plan.
6	Developers will have the option to pay for developer contributions as part of development approval or build the infrastructure at their cost.
7	Council has identified the following opportunities to manage demand: <ul style="list-style-type: none"> Promoting and encouraging high asset utilisation as opposed to providing new facilities, Build new assets in well planned locations to minimise travel distances and meet demand.
8	Council to continue to investigate and review maintenance priority to reduce life cycle costs. (E.g. greater use of primer seals to reduce unsealed road maintenance).
9	A number of assets fall on boundary with neighbouring Councils. NGSC to continue making provision for shared capital and maintenance costs in these instances, with the provision that all work will be cost neutral, with no financial advantage to either Council.
10	Council to explore innovative technologies to enhance asset efficiency and lifespan. These include: <ul style="list-style-type: none"> Re-use of materials, e.g old road pavement material used to build components of new assets, Re-lining of pipes in-situ rather than the conventional method of digging and replacing.

11	Council to undergo a rigorous bridge and major culvert strength testing program in order to make informed decisions on opening new heavy vehicle routes. This will be followed by a bridge and major culvert upgrade or strengthening program in order to meet high demand for these routes. This is a very costly exercise and will depend heavily on successful grant application.
12	Council to ensure that reseals are undertaken during summer months to reduce the likelihood of bleeding.
13	Council to review the materials used for the gravel road resheeting to ensure inappropriate materials are not used.
14	Council also to review the road shoulder grading and table drain cleaning program and sealed road maintenance response times in accordance with the Road Management Plan.
15	All new assets will be designed to incorporate sustainable design principles for increased asset lifespan.
16	New assets will be designed to maximise multipurpose use and minimise life cycle costs. The new assets will also be energy efficient and environmentally friendly.
17	Council will also consider temporarily closing or signposting assets that are in poor condition, and also to recycle assets that are no longer required.

7. Asset Management Planning Elements

Council measures its asset management maturity in the context of the National Asset Management Assessment Framework (NAMAF). The NAMAF makes an assessment against 11 elements, as drawn from the Local Government and Planning Ministers' Council National Local Government Sustainability Frameworks.

7.1 Strategic Planning

Council has an Asset Management Strategy which was adopted in 2011 and was later on reviewed by the Asset Management Steering Committee (AMSC) in 2014. This Asset Management Strategy is a replacement of the former. Council is updating Asset Management Plans to include information on long-term projections on asset maintenance, renewal and upgrade cost, which will be linked to the Long Term Financial Plan (LTFP).

7.2 Annual Budgeting

Every year Council develops a Capital Works budget for renewals, upgrades and new works and a recurrent budget for maintenance and operations expenditure for its assets. The Budget is prepared in full consideration of Council strategic objectives identified in the Council plan and other Strategic documents. The financial summaries in the asset Management Plans are linked to the Long Term Financial Plan.

7.3 Annual Report

Council produces an Annual Report each year to comply with the *Local Government Act 1989*. The report contains information on Council's assets and financial performance. This report contains an audited financial report and performance statement and is presented to Council upon approval by the Audit and Risk Committee.

7.4 Asset Management Policy

Council has an existing Asset Management Policy which was adopted in 2010 and was reviewed in 2017 and is now being updated. The Asset Management Policy guides the development of the Asset Management Strategy by setting out the framework and provides for the integration of the Asset Management System with the rest of Council systems. The Policy makes provisions for a community engagement process to guide the service levels.

7.5 Asset Management Strategy

This Asset Management Strategy is an update of the previously adopted 2011 version and is linked

to the Asset Management Policy and Asset Management Plans. The Asset Management Strategy provides the framework to guide the planning, maintenance, renewal and upgrade of essential assets that enables Council to provide services to the community.

7.6 Asset Management Plans

Council latest Asset management Plans for all asset categories were developed and adopted in 2009 and are in the process of being updated. The financial summaries in the Asset Management Plans will influence the Long Term Financial Plan.

7.7 Governance and Management

The Asset Management Policy, Asset Management Strategy and Asset Management Plans go through a reviewing process by the Asset Management Steering Committee before being approved by the Executive Leadership Team (ELT). Once approved by ELT, the documents will be referred to Council for approval and endorsement before made published on Council website. The governance and management structure is illustrated in figure 2 below.



Figure 2: Asset Management System Governance and Management Structure

7.8 Level of Service

Council is currently working on Levels of service that is assumed to be expected by the community. Some community consultation work will form part of the Asset Management Plans update, just to ensure the assumptions on the Levels of service are a true reflection of the community, and amendments will be done.

7.9 Data and Systems

Assetic Cloud is Council's Asset Management Information System. All Assets data is collected and stored accurately in the asset register which can be updated at any time in Assetic Cloud. The Asset data which includes Asset condition, treatments, network measure, valuation and depreciation is

all kept current in the Assetic Cloud software.

7.10 Skills and Processes

Council has processes in place to ensure the Sustainable Asset Management Policy, Sustainable Asset Management Strategy and Service Asset Management Plans are working documents which are based on current information. The Sustainable Asset Management Policy and Sustainable Asset Management Strategy are reviewed, updated and adopted by Council every four years or at every Council cycle. The Service asset Management Plans are reviewed and updated annually.

7.11 Evaluation

There will be regular review updates of the Sustainable Asset Management Strategy to ensure relevance and currency, and evaluation of implementation. Processes have been put in place to ensure identification of asset management improvements, timelines establishments and resources allocation.

8. Improvement Implementation

An improvement plan has been prepared to address the improvement issues identified. Implementation of the plan will be generally managed by the relevant departments within Council and overseen by the Asset Management Steering Committee. The below table illustrates the management of the improvement process.

Table 8: *Asset Management Improvement plan.*

Improvement Plan Task	Responsibility	Timeframe
1. Periodic monitoring and review of the Sustainable Asset Management Policy, Sustainable Asset Management Strategy, Service Asset Management Plans including Long Term Financial Plan. Sustainable Asset Management Policy and Sustainable Asset Management Strategy have four years (Council cycle) and are due for review and update within 6 months of each Council. Service Asset Management Plans are reviewed and updated annually.	Manager Infrastructure	Ongoing
2. Update Service Asset Management Plans for major asset portfolio.	Manager Infrastructure	June 2023
3. Ensure asset lives are reflective of the actual asset life.	Asset Engineer	Ongoing
4. Ensuring Levels of Service are key components of the community consultation process.	Manager Infrastructure	March 2021
5. Document confirmed Community Level of Service.	Manager Infrastructure	June 2021
6. Ensure that Assetic Cloud is one source of truth for all our assets and data is collected and reviewed regularly.	Asset Engineer	Ongoing

7. Review Building assets hierarchy and develop a centralised asbestos register.	Asset Engineer	Ongoing
8. Investigate new treatments for heritage assets to ensure their perpetuity.	Manager Infrastructure, Manager Operations	June 2022
9. Check the completeness of our asset register and ensure asset lives are conforming to ongoing depreciation.	Asset Engineer	Ongoing
10. Perform Level of Service modelling under different scenarios to inform the annual budget process.	Asset Engineer	Ongoing
11. Develop and implement annual maintenance plans for all asset categories.	Manager Infrastructure Manager Operations	Ongoing
12. Review and update the ten year Long Term Financial Plan (every year).	Manager Finance	Ongoing
13. Align Capital Works Program with Long Term Financial Plan and Project Management system.	Manager Infrastructure	June 2022

9. Appendices

Appendix 1:

Appendix 1: - Definitions

Asset - Is an item owned and/or managed by Council.

Hierarchy - A framework for segmenting an asset base into appropriate classifications.

Asset Management - The combination of financial, economic, engineering management and other practices provided to maintain an asset at the required level of service.

Benchmarking - Measuring performance or practices against recognised industry standards.

Capital Evaluation Process - A process in Council's New Works and Services (Capital Works) Program where projects are evaluated according to certain criteria and prioritised for implementation.

Capital Expenditure - Creation of new assets or to increase the capacity of existing assets.

Components - Individual parts of an asset.

Continuous Improvement - A program of review of service delivery, procedures, practices and plans to assess and implement improvement opportunities.

GIS Geographic Information System - GIS is a computer based mapping system used to manipulate, analyse and present information that is tied to a ground location.

Intervention Level - that stage of deterioration of the asset component at which it is no longer 'tolerable'. It is impracticable for any defect to be remedied at the time it first appears, so a level of tolerance is required.

Level of Service - Service level is standard to which an asset is maintained and relates to the quality, quantity, reliability, responsiveness, environmental acceptability and costs of related activities.

Maintenance - Activities necessary to retain an asset as near as practical to its original condition for it to reach its expected life.

- Periodic - sustains the design life of an asset.
- Routine/Programmed - condition monitoring activities used to predict failure.
- Preventive - reactive maintenance through notification of defects.

Pavement Management System (PMS) - An asset management (AM) system designed to model road condition data and provide the outputs for managing annual and long term maintenance activities.

Performance - A measure of a service or activity used to compare actual performance against a standard.

Rehabilitation - Works to rebuild or replace parts or components of an asset, to restore it to a required functional condition and extend its life, (i.e. heavy patching of roads) without significant upgrading or renewal.

Renewal - Works to refurbish or replace existing facilities of equivalent capacity or performance quality.

Repair - Action to restore an item to its previous condition after failure or damage.

Replacement - Replacement of an asset that has reached the end of its life to an agreed level of service.

Risk Assessment - The process used to determine the level of risk against predetermined standards.

Risk Management - A management technique used to identify and analyse potential risks and responses.

Strategy - A plan containing the long-term goals and strategies of an organization or function.

3.4. Improve Organisational Effectiveness

3.4.1. Annual Report 2019-20

Author/Position: Malcolm Lewis, Acting Manager Financial Services

Purpose

To provide Council with the Financial Statements and Performance Statement, relating to the 2019-20 financial year, for in principle approval and to authorise two Councillors to certify these statements in their final form.

Summary

The *Local Government Act 1989* requires that Council, prior to submission to the Victoria Auditor General's Office, formally resolves to approve in principle the Financial Statements and Performance Statement (s.132 (2)) and nominate two Councillors to be authorised to certify the statements (s.132 (5)).

Recommendation

That Council in accordance with section 132 (2) and (5) of the *Local Government Act 1989*:

- 1. approves in principle, the following statements for the 2019-20 financial year:**
 - Financial Statements for the year ended 30 June 2020;
 - Performance Statement 2019-20.
- 2. authorises Councillor Erwin and Councillor Hyslop to certify the 2019-20 statements as detailed in part 1 of the recommendation in their final form after any changes recommended, or agreed to, by the Auditor General have been made and in accordance with the requirements of the *Local Government Act 1989*.**

RESOLUTION

That Council in accordance with section 132 (2) and (5) of the *Local Government Act 1989*:

- 1. approves in principle, the following statements for the 2019-20 financial year:**
 - Financial Statements for the year ended 30 June 2020;
 - Performance Statement 2019-20.
- 2. authorises Councillor Erwin and Councillor Hyslop to certify the 2019-20 statements as detailed in part 1 of the recommendation in their final form after any changes recommended, or agreed to, by the Auditor General have been made and in accordance with the requirements of the *Local Government Act 1989*.**

Moved: Cr Karen Hyslop

Seconded: Cr Kevin Erwin

Carried

Background/Rationale

The financial statements reflect the position of Council's finances at the end of the financial year. The performance statement contains the results of the prescribed service outcome indicators, financial performance indicators and sustainable capacity indicators for the financial year and included in the annual report. The financial and performance statements have been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

The statements are scheduled for review at the Audit and Risk Committee (ARC) meeting on Wednesday, 16 September 2020. External audit of the statements is completed by RSD Audit as agent for the Victorian Auditor General's Office (VAGO). RSD Audit are scheduled to present their audit findings to the ARC in conjunction with presentation of the statements.

It is proposed that the ARC shall review and recommend that Council approves the Financial Statements and Performance Statement for 2019-20, on an in principle basis, after any agreed changes arising from the finalisation of the audit are processed. At the time of publishing this report the audit was in progress and subject to completion.

Legislation, Council Plan, Strategy and Policy Implications

Local Government Act 1989

Council Plan 2017-21 - Improve Organisational Effectiveness

Options

Option 1

That Council in accordance with section 132 (2) and (5) of the *Local Government Act 1989*:

1. approves in principle, the following statements for the 2019-20 financial year:
 - Financial Statements for the year ended 30 June 2020;
 - Performance Statement 2019-20.
2. authorises Councillor Erwin and Councillor Hyslop to certify the 2019-20 statements as detailed in part 1 of the recommendation in their final form after any changes recommended, or agreed to, by the Auditor General have been made and in accordance with the requirements of the *Local Government Act 1989*. **[recommended]**

Option 2

To not adopt the report and defer to a later date. It is a regulatory requirement to approve the financial reports in principle prior to the reports being signed off by the Minister. **[not recommended]**

Implications

This report has considered social, heritage/cultural, amenity, human rights/privacy, environmental, economic and marketing, risk management, financial and asset management implications where applicable. Any identified implications have been addressed in this report.

Community Engagement

There was no engagement as the statements are prescriptive in nature in order to report Council's prior year financial performance.

Innovation and Continuous Improvement

The financial statements and the performance statement are prepared in line with the LG sector's better practice guide and model financial statements.

Collaboration

The financial statements and the performance statement are prepared in line with the LG sector's better practice guide and model financial statements.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Malcolm Lewis Acting Manager Financial Services

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. Draft Annual Financial Report 2019-20 v 2.1 [**3.4.1.1** - 52 pages]
2. Draft Performance Report 2019-20 v 1.4 [**3.4.1.2** - 7 pages]

**Northern Grampians Shire Council
DRAFT ANNUAL FINANCIAL REPORT**

For the Year Ended 30 June 2020

Northern Grampians Shire Council

Financial Report

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Northern Grampians Shire Council

Financial Report

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Certification of the Financial Statements

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

Malcolm Lewis, FCPA
Principal Accounting Officer

Date :
Stawell

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2020 and the financial position of the Council as at that date.

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

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

Cr Kevin Erwin
Councillor

Date :
Stawell

Cr Karen Hyslop
Councillor

Date :
Stawell

Ms Liana Thompson
Chief Executive Officer

Date :
Stawell

VAGO Opinion

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	17,857	17,443
Statutory fees and fines	3.2	370	361
User fees	3.3	1,582	1,814
Grants - operating	3.4	10,498	10,207
Grants - capital	3.4	7,797	8,192
Contributions - monetary	3.5	668	666
Reversal of restoration provisions	5.5	45	46
Share of net profits/(loss) of associates	6.3	7	(2)
Assets recognised for the first time	3.6	2,565	-
Other income	3.7	426	544
Total income		41,815	39,271
Expenses			
Employee costs	4.1	(13,218)	(13,223)
Materials and services	4.2	(9,710)	(9,724)
Depreciation	4.3	(12,066)	(10,201)
Amortisation - Right of use assets	4.5	(105)	-
Bad and doubtful debts	4.6	(76)	-
Borrowing costs	4.7	(111)	(124)
Finance Costs - Leases	4.8	(3)	-
Net loss on disposal of property, infrastructure, plant and equipment	4.9	(1,553)	(2,819)
Other expenses	4.10	(1,701)	(1,719)
Total expenses		(38,543)	(37,810)
Surplus/(deficit) for the year		3,272	1,461
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	6.2	(29,472)	9,985
Share of other comprehensive income of associates	6.3	(63)	9
Total comprehensive result		(26,263)	11,455

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

Balance Sheet As at 30 June 2020			
	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1 (a)	27,208	20,855
Trade and other receivables	5.1 (c)	1,979	2,006
Inventories	5.2 (a)	58	41
Non current assets classified as held for sale	6.1	66	-
Other assets	5.2 (b)	212	630
Investment in associates	6.3	-	787
Total current assets		29,523	24,319
Non-current assets			
Trade and other receivables	5.1 (c)	9	73
Investment in associates	6.3	197	190
Property, infrastructure, plant and equipment	6.2	435,226	464,638
Right-of-use assets	5.8	209	-
Total non-current assets		435,641	464,901
Total assets		465,164	489,220
Liabilities			
Current liabilities			
Trade and other payables	5.3 (a)	2,375	3,210
Trust funds and deposits	5.3 (b)	123	108
Unearned Income	5.3 (c)	2,521	-
Provisions	5.5	2,874	3,081
Interest-bearing loans and borrowings	5.4	218	210
Lease liabilities	5.8	114	-
Total current liabilities		8,225	6,609
Non-current liabilities			
Provisions	5.5	313	390
Interest-bearing loans and borrowings	5.4	2,189	2,408
Unearned Income	5.3 (c)	800	-
Lease Liabilities	5.8	87	-
Total non-current liabilities		3,389	2,798
Total liabilities		11,614	9,407
Net assets		453,550	479,813
Equity			
Accumulated surplus		133,441	131,363
Reserves	9.1	320,109	348,450
Total Equity		453,550	479,813

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

Statement of Changes in Equity For the Year Ended 30 June 2020

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2020					
Balance at beginning of the financial year		479,813	131,363	343,959	4,491
Surplus for the year		3,272	3,272	-	-
Net asset revaluation decrement	9.1	(29,472)	-	(29,472)	-
Net asset revaluation in associates	6.3	(63)	(63)	-	-
Transfers from other reserves	9.1	-	(1,131)	-	1,131
Balance at end of the financial year		453,550	133,441	314,487	5,622

		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		468,359	131,312	333,975	3,072
Surplus for the year		1,461	1,461	-	-
Net asset revaluation increment	9.1	9,984	-	9,984	-
Net asset revaluation in associates	6.3	9	9	-	-
Transfers from other reserves	9.1	-	(1,419)	-	1,419
Balance at end of the financial year		479,813	131,363	343,959	4,491

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 2020			
	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		17,751	17,362
Statutory fees and fines		370	361
User fees		1,253	1,718
Grants - operating		10,498	10,207
Grants - capital		7,797	8,192
Contributions - monetary		668	666
Trust funds and deposits taken		15	(117)
Other receipts		492	474
Net GST refund		386	(467)
Employee costs		(13,457)	(13,050)
Materials and services		(6,694)	(8,514)
Other payments		(1,547)	(1,719)
Net cash provided by operating activities	9.2	17,532	15,113
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(10,906)	(10,104)
Proceeds from sale of property, infrastructure, plant and equipment		101	52
Loans and advances made		64	41
Net cash used in investing activities		(10,741)	(10,011)
Cash flows from financing activities			
Finance costs		(111)	(124)
Repayment of borrowings		(211)	(322)
Interest paid - lease liability		(3)	-
Repayment of lease liabilities		(113)	-
Net cash used in financing activities		(438)	(446)
Net increase in cash and cash equivalents		6,353	4,656
Cash and cash equivalents at the beginning of the financial year		20,855	16,199
Cash and cash equivalents at the end of the financial year		27,208	20,855

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 2020

		2020 \$'000	2019 \$'000
Property			
Buildings		1,443	388
Total property	6.2	1,443	388
Plant and equipment			
Plant, machinery and equipment		1,030	387
Fixtures, fittings and furniture		-	90
Library resources		400	-
Computers and telecommunications		17	5
Total plant and equipment	6.2	1,447	482
Infrastructure			
Roads		5,387	4,900
Bridges		1,425	2,132
Footpaths and cycleways		657	1,316
Drainage		190	425
Parks, open spaces and streetscapes		755	315
Other infrastructure		-	147
Total infrastructure	6.2	8,414	9,235
Total capital works expenditure		11,304	10,105
Represented by:			
New asset expenditure		2,245	2,007
Asset renewal expenditure		6,319	5,649
Asset upgrade expenditure		2,740	2,449
Total capital works expenditure		11,304	10,105

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

**Northern Grampians Shire Council Notes to the Financial Report
For the Year Ended 30 June 2020**

2019/2020 Financial Report

OVERVIEW

Introduction

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

Statement of compliance

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

Significant accounting policies

(a) Basis of accounting

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

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

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

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

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

Notes to the Financial Report For the Year Ended 30 June 2020

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of 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 25/06/2019. 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 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	18,110	17,857	(253)	-1%	1
Statutory fees and fines	320	370	50	16%	2
User fees	1,811	1,582	(229)	-13%	3
Grants - operating	5,564	10,498	4,934	89%	4
Grants - capital	7,598	7,797	199	3%	
Contributions - monetary	297	668	371	125%	5
Reversal of provision	-	45	45	0%	
Share of net profits/(losses) of associates	-	7	7	0%	
Assets recognised for the first time	-	2,565	2,565	0%	6
Other income	705	426	(279)	-40%	7
Total income	34,405	41,815	7,410	22%	
Expenses					
Employee costs	(14,235)	(13,218)	1,017	-7%	8
Materials and services	(9,576)	(9,710)	(134)	1%	
Bad and doubtful debts	-	(76)	(76)	0%	
Depreciation	(9,467)	(12,066)	(2,599)	27%	9
Amortisation - Right of use assets	-	(105)	(105)	0%	10
Borrowing costs	(111)	(111)	-	0%	
Finance costs - Leases	-	(3)	(3)	0%	
Net loss on disposal of property, infrastructure, plant and equipment	-	(1,553)	(1,553)	0%	11
Other expenses	(1,647)	(1,701)	(54)	3%	
Total expenses	(35,036)	(38,543)	(3,507)	10%	
Surplus for the year	(631)	3,272	3,903	-619%	

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Performance against budget (cont.)

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates & Charges	Delays in windfarm projects has resulted in rates in lieu not being recovered for 2019/20.
2	Statutory Fees & Fines	Increase in the recovery of income from permit fees within planning (\$15k) and building (\$35k) services.
3	User Fees	Reduction in user fees resulting from SSAC leisure operations. Slight downturn in users throughout the year resulting in a loss of income and expedited due to COVID-19 pandemic with centre closed from March 2020.
4	Grants - Operating	Early financial assistance payment (FAG) for 20/21 received in 19/20 that was not budgeted for \$4.1m. Further grant of \$383k received for Working for Victoria initiative resulting from COVID-19 pandemic. New funding was received in 19/20 for Stawell Gift of \$200k together with one off grant opportunities received and utilised in 19/20 for Workforce Attraction Strategy & Streamlining for Growth \$111k and Grampians RDV Region Cycling \$200k. This is offset against \$60k of budgeted grant income that was not utilised in 19/20.
5	Contributions - monetary	Childcare enrolments boosted the rebate income (\$140k) in this area together with insurance claim income (\$34k) being received in 19/20. \$200k incorrectly shown in budget for other income when it relates to the budget for contributions monetary.
6	Assets recognised for the first time	There were a number of assets that were found during the assesment performed by Council's contracted agency from the last revaluation. Council inspections that are part of normal operations also periodically pick up assets that aren't registered and we recognise these as found assets.
7	Other Income	Allocation of \$200k budget for other income relates to contributions - monetary. Increase in reimbursement income of \$79k across various services.
8	Employee Costs	Staff turnover and restructure of services has contributed to the variance against budget.
9	Depreciation	The increase in depreciation is due to the useful life of sealed pavement decreasing for high use roads which means the value of those assets are apportioned over a shorter time period and therefore the depreciation is higher. Also, the revaluation performed by Council's contracted agency on Buildings as at 30 June 2019 provided updated depreciation that was significantly higher than what had been previously recognised and this year has recorded a full year of higher depreciation on those buildings.
10	Amorisation - Right of use assets	AASB 16 Leases, now requires leases to be recognised on their balance sheet as assets and liabilities as a result of this new accounting standard, year 1 of amorisation of right of use assets has been expensed that was not previously budgeted for.
11	Net loss on Disposal of Property, Infrastructure, Plant & Equipment	When capital works are performed it is expected to have a portion of an asset that is disposed as assets need to be periodically maintained (before they fall apart) in order to remain safe for the community to use.

(ii) Explanation of material variations - Impact of COVID-19

Detailed below are the 2019-20 financial impacts as a result of the COVID-19 pandemic. This loss of income was not considered to be of a sufficiently material nature to adversely impact the annual financial statements. The loss of income was incurred in order to implement the COVID-19 Financial Support and Hardship Policy adopted by Council in June 2020.

- 1 The Stawell Sports and Aquatic Centre was forced to close / limit attendance that resulted in an estimated loss of revenue in the order of \$229k against budget.
- 2 Payment terms for rates and charges, mainly impacting the fourth rate instalment, are extended to 30 September 2020 to allow time for the debt to be repaid without penalty interest. The 2019/20 financial impact is estimated to be in the order of \$12k.
- 3 The St Arnaud Early Learning Centre was required to close its doors for a period of 5 weeks prior to 30 June 2020 with the Covid-19 pandemic resulting in an estimated loss of income in the order of \$100k.

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 1 Performance against budget (cont'd)

1.2 Capital Works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Buildings	500	1,443	943	189%	1
Total Property	500	1,443	943	189%	
Plant and Equipment					
Plant, machinery and equipment	715	1,030	315	44%	2
Library resources	-	400	400	0%	3
Computers and telecommunications	-	17	17	0%	
Total Plant and Equipment	715	1,447	732	102%	
Infrastructure					
Roads	7,523	5,387	(2,136)	-28%	4
Bridges	1,873	1,425	(448)	-24%	5
Footpaths and cycleways	132	657	525	398%	6
Drainage	130	190	60	46%	7
Parks, open spaces and streetscapes	5,285	755	(4,530)	-86%	8
Total Infrastructure	14,943	8,414	(6,529)	-44%	
Total Capital Works Expenditure	16,158	11,304	(4,854)	-30%	
Represented by:					
New asset expenditure	2,790	2,245	(545)	-20%	
Asset renewal expenditure	8,689	6,319	(2,370)	-27%	
Asset upgrade expenditure	4,679	2,740	(1,939)	-41%	
Total Capital Works Expenditure	16,158	11,304	(4,854)	-30%	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	There were a number of budgeted building works not completed but in WIP (\$150k). The remaining are projects that weren't started due to resourcing issues throughout the year, both from vacant roles and access to contractors due to COVID-19 restrictions.
2	Plant, Machinery & Equipment	Increase in income recovered resulting from the trade-in of plant items for the service that was not previously budgeted for.
3	Library Resources	This variance is due to the \$400k acquisition of the library assets (majority was books) for the Stawell and St Arnaud libraries that were taken on by Council on 30 June 2020. This was unbudgeted as Council made this decision during the 2019/20 financial year.
4	Roads	The final sealing program was incomplete because of weather which amounts to \$2.5m. There were also a number of assets that were budgeted in parks, open spaces and streetscapes that were actually road assets.
5	Bridges	\$448k is WIP that is impacted by the slower supply chain due to COVID-19. There were also projects that were not started because we could not get contractors on board due to COVID-19 restrictions.
6	Footpath & Cycleways	\$525k worth of costs from the streetscapes and open spaces programs were actually footpath assets
7	Drainage	There were substantial drainage works completed and capitalised in 2019/20. Further works were also budgeted under other asset classes.
8	Parks, Open Spaces and streetscapes	There are a number of unspent grants amounting to \$900k and a total of \$1,275m of WIP for various projects. There was also \$400k for aerodrome works that was budgeted but the grant funding wasn't approved so the project didn't go ahead and there is \$525k of budgeted streetscapes works for Halls Gap that was actually for footpaths assets as well as a number of assets that were actually drainage and roads as well. There was also \$300k that was budgeted to spend but the assets created were considered non capital additions and therefore are expensed through the income statement.

Notes to the Financial Report For the Year Ended 30 June 2020

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Your Lifestyle

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

Growing Our Economy

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

Maintaining Assets

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

Community Safety

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

Governance

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2020	\$'000	\$'000	\$'000	\$'000	\$'000
Your Lifestyle	8,453	6,015	2,438	4,193	5,587
Growing Our Economy	2,939	2,892	47	1,276	-
Maintaining Assets	18,964	19,342	(378)	9,776	429,794
Community Safety	2,949	3,147	(198)	1,233	-
Governance	8,510	7,147	1,363	1,817	29,783
	41,815	38,543	3,272	18,295	465,164

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
2019	\$'000	\$'000	\$'000	\$'000	\$'000
Your Lifestyle	8,616	6,585	2,031	3,807	5,480
Growing Our Economy	2,465	2,520	(55)	1,159	-
Maintaining Assets	20,174	19,344	830	10,692	459,925
Community Safety	2,888	3,084	(196)	1,091	-
Governance	5,128	6,277	(1,149)	1,650	23,815
	39,271	37,810	1,461	18,399	489,220

**Notes to the Financial Report
For the Year Ended 30 June 2020**

**Note 3 Funding for the delivery of our services
3.1 Rates and charges**

2020 \$'000	2019 \$'000
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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 2019-20 was \$2,800 million (2018-19, \$2,650 million). The 2019-20 rate in the capital improved value dollar was 0.6697 cents (2018-19 0.6894 cents).

General rates

Residential rates	8,004	7,735
Commercial rates	919	937
Industrial rates	310	323
Farm rates	4,504	4,371
Total general rates	13,737	13,366

Other rates and charges

Municipal charge	1,283	1,253
Waste management charge	2,800	2,787
Rates in lieu	23	23
Cultural and recreational	14	14
Total other rates and charges	4,120	4,077
Total rates and charges	17,857	17,443

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2019, & the valuation first applied in the rating year commencing 1 July 2019.

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

3.2 Statutory fees and fines

Infringements and costs	10	1
Town planning fees	139	140
Land information certificates	15	12
Permits	206	208
Total statutory fees and fines	370	361

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

3.3 User fees

Aged and health services	442	399
Leisure centre and recreation	370	493
Child care/children's programs	225	266
Registration and other permits	203	183
Waste management services	34	137
Tourism and event fees	-	1
Hire income	6	10
Rental fees	103	116
Infrastructure fees	181	192
Shared services	-	4
Other fees and charges	18	13
Total user fees	1,582	1,814

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

Notes to the Financial Report
For the Year Ended 30 June 2020

3.4 Funding from other levels of government	2020 \$'000	2019 \$'000
Grants were received in respect of the following		
Summary of grants		
Commonwealth funded grants	12,098	13,728
State funded grants	6,197	4,671
Total	18,295	18,399
(a) Operating grants		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	7,848	7,774
Aged care	654	615
Child care	17	31
Other	7	6
<i>Recurrent - State Government</i>		
Aged care	121	136
Maternal and child health	249	217
Recreation	200	-
Community safety	120	123
Pre school	317	228
Youth	50	108
Other	75	75
Total recurrent operating grants	9,658	9,313
<i>Non-recurrent - Commonwealth Government</i>		
Economic development	46	64
<i>Non-recurrent - State Government</i>		
Family and children	21	130
Youth	1	13
Infrastructure operations	-	10
Economic development	494	232
Recreation	-	21
Other	278	424
Total non-recurrent operating grants	840	894
Total operating grants	10,498	10,207
(b) Capital grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,858	1,131
Total recurrent capital grants	1,858	1,131
<i>Non-recurrent - Commonwealth Government</i>		
Parks, Open Spaces & Streetscapes	19	-
Infrastructure	255	60
Natural disaster reconstruction	1,394	4,047
<i>Non-recurrent - State Government</i>		
Buildings	202	299
Parks, Open Spaces & Streetscapes	2,123	1,065
Recreational facilities	-	490
Infrastructure	1,946	1,100
Total non-recurrent capital grants	5,939	7,061
Total capital grants	7,797	8,192

**Notes to the Financial Report
For the Year Ended 30 June 2020**

3.4 Funding from other levels of government (cont)	2020 \$'000	2019 \$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,481	770
Received during the financial year and remained unspent at balance date	3,704	860
Received in prior years and spent during the financial year	(1,272)	(149)
Balance at year end	3,913	1,481

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

3.5 Contributions		
Monetary	668	666
Total contributions	668	666

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

3.6 Assets Recognised for the first time		
Net Increment on Revalued Assets (Found Assets)	3,062	-
Net Decrement on Revalued Assets (Lost Assets)	(497)	-
Total Net Increment on Revalued Assets	2,565	-

Assets recognised for the first time are recognised as revenue when Council obtains control over the asset.

3.7 Other income		
Interest	216	347
Other	210	197
Total other income	426	544

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 2020**

Note 4 The cost of delivering services

4.1 (a) Employee costs

	2020 \$'000	2019 \$'000
Wages and salaries	13,314	12,640
less capitalised wages and salaries	(1,376)	(1,331)
	11,938	11,309

WorkCover	265	265
Superannuation	1,177	1,107
Fringe benefits tax	45	45
Other	(207)	497
Total employee costs	13,218	13,223

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	60	53
	60	53

Employer contributions payable at reporting date.

	43	5
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)

	685	661
Employer contributions - other funds	433	393
	1,118	1,054

Employer contributions payable at reporting date.

	(210)	48
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Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Advertising and communications	185	407
Building maintenance	136	206
Consultants	205	190
Consumables	113	158
Contract employees	548	468
Contractors - Building and Facilities	349	288
Contractors - Environment	111	143
Contractors - Waste Operations	1,086	1,212
Contractors - Cleaning Services	178	199
Contractors - Others	1,285	395
Contractors - Flood	387	1,259
Contributions	211	107
Fuel	566	595
General maintenance	729	616
Information technology	793	714
Insurance	683	415
Legal expenses	77	90
Materials and services	588	575
Memberships and subscriptions	219	179
Minor equipment	80	55
Office administration	130	158
Security costs	33	52
Training	103	272
Uniforms and protective clothing	92	69
Utilities	404	458
Waste management	419	444
Total materials and services	9,710	9,724

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
4.3 Depreciation		
Property	1,790	762
Plant and equipment	872	807
Infrastructure *	9,404	8,632
Total depreciation	12,066	10,201

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation

4.4 Amortisation - Intangible assets	-	-
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4.5 Amortisation - Right of use assets

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

4.6 Bad and doubtful debts

Other debtors	76	-
Total bad and doubtful debts	76	-

Movement in provisions for doubtful debts

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

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

4.7 Borrowing costs		
Interest - Borrowings	111	124
Total borrowing costs	111	124

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

4.8 Finance Costs - Leases		
Interest - Lease Liabilities	3	-
Total finance costs	3	-

4.9 Net loss on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	101	52
Written down value of assets disposed	(1,654)	(2,871)
Total net loss on disposal of property, infrastructure, plant and equipment	(1,553)	(2,819)

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

4.10 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	29	39
Auditors' remuneration - Internal	2	15
Councillors' allowances	208	189
Regional library contribution	472	519
Tourism contribution	318	313
Community contributions	395	277
Operating lease rentals	251	313
Other	26	54
Total other expenses	1,701	1,719

5.1 Financial assets

(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, net of outstanding bank overdrafts. Term deposits are measured at original cost.

(c) Trade and other receivables

Current

Statutory receivables

Non statutory receivables

Total current trade and other receivables

Non-current

Non statutory receivables

Total trade and other receivables

(d) Ageing of Receivables

Current (not yet due)	415	509
Past due by up to 30 days	229	41
Past due between 31 and 90 days	8	6
Past due between 91 and 365 days	105	12
Past due by more than 1 year	83	7
Total trade & other receivables	840	575

Notes to the Financial Report For the Year Ended 30 June 2020

5.1 Financial assets (cont)

Expected credit loss allowance for Receivables

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

	Current (not yet due)	Past due by up to 30 days	Past due between 31 and 90 days	Past due by more than 91 days	More than 1 year	Total
30 June 2020						
Debtors (\$'000)	415	229	8	105	83	840
Expected loss rate (%)	0.0%	0.0%	0.0%	8.6%	83.0%	
Loss allowance (\$'000)	-	-	-	9.0	68.9	78

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

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$78,400 (2019: \$2,000) were impaired. The amount of the provision raised against these debtors was \$76,400 (2019: \$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:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 90 days	-	-
Past due between 91 and 365 days	9	-
Past due by more than 1 year	69	2
Total trade & other receivables	78	2

5.2 Non-financial assets

(a) Inventories

Inventories held for distribution
Inventories held for sale

Total inventories

56	39
2	2
58	41

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

(b) Other assets

Prepayments
Accrued income
Total other assets

39	560
173	70
212	630

	2020 \$'000	2019 \$'000
5.3 Payables		
(a) Trade and other payables		
Trade payables	1,815	2,822
Accrued wages and salaries	111	333
Accrued expenses	449	55
Total trade and other payables	2,375	3,210
(b) Trust funds and deposits		
Refundable deposits	6	7
Fire service levy	115	100
Retention amounts	2	1
Total trust funds and deposits	123	108
(c) Unearned Income		
Grants received in advance - operating	757	-
Grants received in advance - capital	2,564	-
Total unearned income	3,321	-

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit. Unearned income arises when payment is received before the services are rendered or goods are delivered.

Purpose and nature of items

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

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

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

5.4 Interest-bearing loans		
Current		
Borrowings - secured (1)	218	210
	218	210
Non-current		
Borrowings - secured (1)	2,189	2,408
	2,189	2,408
Total	2,407	2,618
(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	218	210
Later than one year and not later than five years	1,189	1,408
Later than five years	1,000	1,000
	2,407	2,618

5.4 Interest-bearing loans (cont)

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

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

5.5 Provisions

	Employee Provisions	Landfill restoration	Gravel pit restoration	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2020				
Balance at beginning of the financial year	3,307	67	97	3,471
Additional provisions	(457)	-	-	(457)
Amounts used	(1,188)	-	-	(1,188)
Provision reversed	-	(5)	(40)	(45)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	1,406	-	-	1,406
Balance at the end of the financial year	3,068	62	57	3,187

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

(a) Employee provisions

Current provisions expected to be wholly settled within 12

	2020 \$'000	2019 \$'000
Annual leave	850	772
Rostered days off	12	14
Long service leave	21	64
	883	850

Current provisions expected to be wholly settled after 12 months

Annual leave	556	525
Long service leave	1,435	1,706
	1,991	2,231
	2,874	3,081

Total current provisions

Non-current

Long service leave	194	226
	194	226

Total non-current provisions

Aggregate carrying amount of employee provisions:

Current	2,874	3,081
Non-current	194	226
	3,068	3,307

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.

5.5 Provisions (cont)

Annual leave

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

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

Long service leave

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

Key assumptions:

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

(b) Land fill restoration

Non-current

2020 \$'000	2019 \$'000
62	67
62	67

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

2020 \$'000	2019 \$'000
57	97
57	97

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

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2020.

Bank overdraft
Credit Card Facilities
Total Facilities

2020 \$'000	2019 \$'000
200	200
250	250
450	450
Unused facilities	450
450	450

Unused facilities
Unused facilities

**Notes to the Financial Report
For the Year Ended 30 June 2020**

5.7 Commitments

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

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

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

5.8 Leases

Policy applicable before 1 July 2019

As a lessee, council classifies leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to council.

Operating lease payments, including any contingent rentals, were recognised as an expense in the comprehensive income statement on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern of the benefits derived from the use of the leased asset. The leased asset was not recognised in the balance sheet.

All incentives for the agreement of a new or renewed operating lease were recognised as an integral part of the net consideration agreed for the use of the leased asset, irrespective of the incentive's nature or form or the timing of payments.

In the event that lease incentives were received to enter into operating leases, the aggregate cost of incentives were recognised as a reduction of rental expense over the lease term on a straight-line basis, unless another systematic basis was more representative of the time pattern in which economic benefits from the leased asset were consumed.

Policy applicable after 1 July 2019

Council has applied *AASB 16 Leases* using a modified retrospective approach with the cumulative effect of initial application recognised as an adjustment to the opening balance of accumulated surplus at 1 July 2019, with no restatement of comparative information. The council applied the approach consistently to all leases in which it is a lessee.

On transition to *AASB 16 Leases*, Council elected to apply the practical expedient to 'grandfather' the assessment of which transactions are leases. The council has applied this practical expedient to all of its contracts and therefore applied *AASB 16 Leases* only to contracts that were previously identified as leases.

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

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

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

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

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

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

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

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

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

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

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

5.8 Leases

Right-of-Use Assets

Balance at 1 July 2019
Amortisation charge
Balance at 30 June 2020

2020 Vehicles \$'000	2020 Total \$'000
314	314
(105)	(105)
209	209

Lease Liabilities

Maturity analysis - contractual undiscounted cash flows
Less than one year
One to five years
More than five years
Total undiscounted lease liabilities as at 30 June:

2020 \$'000
114
87
-
201

Lease liabilities included in the Balance Sheet at 30 June:

Current
Non-current
Total lease liabilities

114
87
201

i. Leases classified as operating leases under *AASB 117 Leases*

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at Council's incremental borrowing rate as at 1 July 2019. Right-of-use assets are measured at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments. Council applied this approach to all applicable leases.

Council used the following practical expedients when applying *AASB 16 Leases* to leases previously classified as operating leases under *AASB 117 Leases*:

- Applied a single discount rate to a portfolio of leases with similar characteristics.
- Adjusted the right-of-use assets by the amount of *AASB 137 Provisions, Contingent Liabilities and Contingent Assets* onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term.
- Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

ii. Leases previously classified as finance leases

For leases that were classified as finance leases under *AASB 117 Leases*, the carrying amount of the right-of-use asset and the lease liability at 1 July 2019 are determined at the carrying amount of the lease asset and lease liability under *AASB 117 Leases* immediately before that date.

Council is not required to make any adjustments on transition to *AASB 16 Leases* for leases in which it acts as a lessor, except for a sub-lease. Council accounted for its leases in accordance with *AASB 16 Leases* from the date of initial application.

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

Cost of acquisition
Capitalised development costs (eg roads, drainage)
Total non current assets classified as held for sale

2020 \$'000	2019 \$'000
66	-
-	-
66	-

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

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019	Acquisitions	Transfers	Found	Write-Offs	Revaluation	Depreciation	Disposal	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	12,020	-	(66)	-	(6)	-	(26)	(272)	11,650
Buildings	55,057	276	-	23	-	-	(1,764)	(22)	53,570
Plant and Equipment	5,660	1,447	-	-	-	-	(872)	(117)	6,118
Infrastructure	390,937	6,646	-	3,040	-	(29,472)	(9,404)	(1,737)	360,010
Work in progress	963	2,935	-	-	(20)	-	-	-	3,878
	464,637	11,304	(66)	3,063	(26)	(29,472)	(12,066)	(2,148)	435,226

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Buildings	-	1,167	-	-	1,167
Infrastructure	963	1,768	-	(20)	2,711
Total	963	2,935	-	(20)	3,878

(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 2019	11,562	432	132	12,126	73,175	73,175	-	85,301
Accumulated depreciation at 1 July 2019	-	-	(106)	(106)	(18,118)	(18,118)	-	(18,224)
	11,562	432	26	12,020	55,057	55,057	-	67,077
Movements in fair value								
Acquisition of assets at fair value	-	-	-	-	276	276	1,167	1,443
Revaluation increments/decrements	-	-	-	-	-	-	-	-
Reclassified as held for sale	-	(66)	-	(66)	-	-	-	(66)
Impairment losses recognised in operating result	-	(6)	-	(6)	-	-	-	(6)
Found & relinquished assets at fair value	-	-	-	-	25	25	-	25
Fair value of assets disposed	(272)	-	-	(272)	(38)	(38)	-	(310)
WIP expensed	-	-	-	-	-	-	-	-
Transfers	42	(42)	-	-	-	-	-	-
	(230)	(114)	-	(344)	263	263	1,167	1,086
Movements in accumulated depreciation								
Depreciation	-	-	(26)	(26)	(1,764)	(1,764)	-	(1,790)
Accumulated depreciation of disposals	-	-	-	-	16	16	-	16
Accumulated depreciation of found & relinquished assets	-	-	-	-	(2)	(2)	-	(2)
	-	-	(26)	(26)	(1,750)	(1,750)	-	(1,776)
At fair value 30 June 2020	11,332	318	132	11,782	73,438	73,438	1,167	86,387
Accumulated depreciation at 30 June 2020	-	-	(132)	(132)	(19,868)	(19,868)	-	(20,000)
	11,332	318	-	11,650	53,570	53,570	1,167	66,387

Property, infrastructure, plant and equipment (cont.)

(b) Plant and Equipment	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Library Resources \$'000	Computers and telecoms \$'000	Total plant and equipment \$'000
At fair value 1 July 2019	11,079	440	-	1,331	12,850
Accumulated depreciation at 1 July 2019	(5,666)	(339)	-	(1,185)	(7,190)
	5,413	101	-	146	5,660
Movements in fair value					
Acquisition of assets at fair value	1,030	-	400	17	1,447
Fair value of assets disposed	(297)	-	-	(28)	(325)
	733	-	400	(11)	1,122
Movements in accumulated depreciation					
Depreciation	(771)	(23)	-	(78)	(872)
Accumulated depreciation of disposals	180	-	-	28	208
	(591)	(23)	-	(50)	(664)
At fair value 30 June 2020	11,812	440	400	1,320	13,972
Accumulated depreciation at 30 June 2020	(6,257)	(362)	-	(1,235)	(7,854)
	5,555	78	400	85	6,118

(c) Infrastructure	Roads \$'000	Bridges \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Parks open spaces and streetscapes \$'000	Other Infrastructure \$'000	Work In Progress \$'000	Total Infrastructure \$'000
At fair value 1 July 2019	323,555	96,187	16,914	21,082	6,119	786	963	465,606
Accumulated depreciation at 1 July 2019	(45,717)	(10,178)	(6,338)	(9,297)	(1,892)	(284)	-	(73,706)
	277,838	86,009	10,576	11,785	4,227	502	963	391,900
Movements in fair value								
Acquisition of assets at fair value	3,912	873	615	332	914	-	1,768	8,414
Revaluation increments/decrements	(28,570)	-	1,539	-	-	-	-	(27,031)
Found & relinquished assets at fair value	959	2,481	450	17	-	-	-	3,907
Fair value of assets disposed	(1,738)	(290)	(69)	(13)	(9)	(127)	-	(2,246)
WIP Expensed	-	-	-	-	-	-	(20)	(20)
Transfers	5,236	(5,236)	-	622	(172)	(450)	-	-
	(20,201)	(2,172)	2,535	958	733	(577)	1,748	(16,976)
Movements in accumulated depreciation								
Depreciation	(7,619)	(915)	(394)	(234)	(240)	(2)	-	(9,404)
Accumulated depreciation of disposals	349	51	17	6	5	81	-	509
Revaluation adjustment on accumulated depreciation	(1,459)	-	(982)	-	-	-	-	(2,441)
Accumulated depreciation of found & relinquished assets	(388)	(284)	(189)	(6)	-	-	-	(867)
Transfers	(1,180)	1,180	-	(147)	(15)	162	-	-
	(10,297)	32	(1,548)	(381)	(250)	241	-	(11,336)
At fair value 30 June 2020	303,354	94,015	19,449	22,040	6,852	209	2,711	448,630
Accumulated depreciation at 30 June 2020	(56,014)	(10,146)	(7,886)	(9,678)	(2,142)	(43)	-	(85,909)
	247,340	83,869	11,563	12,362	4,710	166	2,711	362,721

6.2 Property, infrastructure, plant and equipment

Acquisition

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

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

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

Land under roads

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

Depreciation

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

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

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

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

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

Asset recognition thresholds and depreciation periods

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

Repairs and maintenance

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

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

Valuation of land and buildings

Valuation of land was undertaken by qualified independent valuers Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd as at 30/06/2018. A revaluation and condition assessment of buildings was undertaken by Ashay Prabhu of Assetic Pty Ltd, MIE (Aust) CPEng, NPER: Membership 1102199 in the 2019/20 financial year. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

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

	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	DoV
Non-specialised land	-	318	-	06/18
Specialised land	-	-	11,332	06/18
Land improvements	-	-	-	06/18
Buildings	-	-	53,570	06/19

Valuation of infrastructure

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2020 are as follows:

	\$'000 Level 1	\$'000 Level 2	\$'000 Level 3	DoV
Roads	-	-	247,340	03/20
Bridges	-	-	83,869	07/19
Footpaths and cycleways	-	-	11,563	03/20
Drainage	-	-	12,362	07/19
Parks (etc)	-	-	4,710	N/A
Other infrastructure	-	-	166	N/A

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

Description of significant unobservable inputs into level 3 valuations

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

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

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

	2020 \$'000	2019 \$'000
Reconciliation of specialised land		
Land under roads	2	7
Parks and reserves	5,023	5,055
Vacant land	716	716
Water management	242	317
Waste management	286	310
Gravel reserve	263	263
Aerodromes	269	269
Carpark	619	619
Recreation	511	511
Zoning restrictions	726	726
Council controlled	2,062	2,120
Other	613	649
Total specialised land	11,332	11,562

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020 \$'000	2019 \$'000
6.3 Investment in associates		
Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	-	787
- Wimmera Development Association	197	190
	197	977
Change in equity share apportionment	(63)	9
Share of (deficit)/surplus for year	7	(2)
(a) Wimmera Regional Library Corporation		
Background		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
Fair value of Council's investment in Wimmera Regional Library Corporation	-	787
Council's interest in equity	0.00%	27.20%
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	332	332
Change in equity share apportionment	(723)	4
Reported surplus for year	-	6
Transfers (to)/from reserves	391	(10)
Council's share of accumulated surplus at end of year	-	332
Council's share of reserves		
Council's share of reserves at start of year	454	439
Change in equity share apportionment	(63)	5
Transfers (to)/from reserves	(391)	10
Council's share of reserves at end of year	-	454
Movement in carrying value of specific investment		
Carrying value of investment at start of year	787	772
Change in equity share apportionment	-	9
Share of surplus for year	-	6
Withdrawal from WRLC	(787)	-
Carrying value of investment at end of year	-	787

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

Notes to the Financial Report
For the Year Ended 30 June 2020

	2020 \$'000	2019 \$'000
6.3 Investment in associates (cont.)		
(b) Wimmera Development Association		
<i>Background</i>		
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
Fair value of Council's investment in Wimmera Development Association	197	190
Council's interest in equity	20.17%	20.17%
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	100	140
Reported surplus for year	7	(8)
Transfers (to)/from reserves	(14)	(32)
Council's share of accumulated surplus at end of year	93	100
Council's share of reserves		
Council's share of reserves at start of year	122	90
Transfers (to)/from reserves	14	32
Council's share of reserves at end of year	136	122
Movement in carrying value of specific investment		
Carrying value of investment at start of year	190	198
Share of surplus for year	7	(8)
Carrying value of investment at end of year	197	190

7.1 Council and key management remuneration

Parent entity

Associates

Interests in associates are detailed in note 6.3.

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

	2020	2019
No.	No.	No.

Total remuneration of key management personnel was as follows:

Short-term benefits	948	1,029
Long-term benefits	21	23
Termination benefits	-	7
Post-employment benefits	86	98
Total	1,055	1,157

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

	2020 No.	2019 No.
\$20,000 - \$29,999	5	5
\$30,000 - \$39,999	1	1
\$50,000 - \$59,999	1	1
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	-	1
\$190,000 - \$199,999	-	1
\$200,000 - \$209,999	3	-
\$270,000 - \$279,999	-	1
	12	12

**Notes to the Financial Report
For the Year Ended 30 June 2020**

7.1 Council and key management (cont)

(d) Senior Officer Remuneration

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

a) has management responsibilities and reports directly to the Chief Executive; or

b) whose total annual remuneration exceeds \$151,000

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

Income Range:	2020 No.	2019 No.
\$70,000 - \$79,999	-	1
\$100,000 - \$109,999	-	1
\$130,000 - \$139,999	1	-
\$150,000 - \$159,999	-	1
\$170,000 - \$179,999	-	1
\$200,000 - \$209,999	-	1
	1	5
Total Remuneration for the reporting year for Senior Officers included above, amounted to	130	722

7.2 Related party disclosures

(a) Transactions with related parties

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

Council engaged the provision of catering services from Reid's Takeaway during the financial year. In total Council paid \$962 to this business. This is a related party entity of Councillor Merrillee Reid.

Council paid \$14,750 for goods and services from Grampians Central West Waste & Recovery Group during the financial year. This is a related party entity of Councillor Kevin Erwin.

Annual membership is held with Wimmera Development Association totalling \$86,939 for the financial year. This is a related party entity of Councillor Kevin Erwin.

Council paid \$8,330 for goods and services from Exclusive Space Pty Ltd during the financial year. This is a related party entity of Councillor Robert Haswell.

Membership and course fees are paid to LG Pro Incorporated totalling \$5,106 for the financial year. This is a related party entity of CEO Liana Thompson.

(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 2020, total loan repayable to Council totalled \$36,376. The term of the loan is 5 years and repayments of this loan are made in line with the agreed loan schedule. This is a related party entity of Councillor Robert Haswell.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent liabilities

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

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

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

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

(b) Contingent Assets

Council provided notice of withdrawal from the Wimmera Regional Library Corporation effective from 30 June 2020 in accordance with the terms of the agreement signed with the library corporation. Pursuant to the terms and conditions of the agreement, the Council expects to recover its investment in associate which principally comprises assets that will be returned. Council has recognised a current asset (accrued income) of \$169k due from the Library Corporation being Council's estimated share of net assets owing at balance date. The amount of \$169k is subject to approval by the Wimmera Regional Library Corporation Board and expected to be finalised by 30 September 2020. Further reference at note 6.3.

(c) Guarantees for loans to other entities

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

	2020 \$'000	2019 \$'000
Minister for Resources	50	50
Minister for Energy & Resources	110	110
Minister for Agriculture & Resources	6	6
	166	166

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

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2020 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.

AASB 1059 Service Concession Arrangements: Grantors (AASB 1059) (applies 2020/21 for LG Sector)

AASB 1059 addresses the accounting for a service concession arrangement by a grantor that is a public sector entity by prescribing the accounting for the arrangement from the grantor's perspective. It requires the grantor to:

- recognise a service concession asset constructed, developed or acquired from a third party by the operator, including an upgrade to an existing asset of the grantor, when the grantor controls the asset;
- reclassify an existing asset (including recognising previously unrecognised identifiable intangible assets and land under roads) as a service concession asset when it meets the criteria for recognition as a service concession asset;
- initially measure a service concession asset constructed, developed or acquired by the operator or reclassified by the grantor at current replacement cost in accordance with the cost approach to fair value in *AASB 13 Fair Value Measurement*. Subsequent to the initial recognition or reclassification of the asset, the service concession asset is accounted for in accordance with *AASB 116 Property, Plant and Equipment* or *AASB 138 Intangible Assets*, as appropriate, except as specified AASB 1059;
- recognise a corresponding liability measured initially at the fair value (current replacement cost) of the service concession asset, adjusted for any other consideration between the grantor and the operator; and
- disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of assets, liabilities, revenue and cash flows arising from service concession arrangements.

Based on the Council's current assessment, there is expected to be no impact on the transactions and balances recognised in the financial statements as the Council is not a grantor in a service concession arrangement.

AASB 2018-7 Amendments to Australian Accounting Standards - Definition of Material (applies 2020/21 for LG Sector)

The Standard principally amends *AASB 101 Presentation of Financial Statements* and *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors*. The amendments refine the definition of material in AASB 101. The amendments clarify the definition of material and its application by improving the wording and aligning the definition across AASB Standards and other publications. The impacts on the local government sector are expected to be minimal.

AASB 2019-1 Amendments to Australian Accounting Standards - References to the Conceptual Framework (applies 2020/21 for LG Sector)

This Standard sets out amendments to Australian Accounting Standards, Interpretations and other pronouncements to reflect the issuance of the Conceptual Framework for Financial Reporting (Conceptual Framework) by the AASB. The impacts on the local government sector are expected to be minimal.

8.3 Financial Instruments

(a) Objectives and policies

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

(b) Market risk

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

Interest rate risk

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

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

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

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

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

(c) Credit risk

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

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

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

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

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

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

8.3 Financial Instruments (cont)

(d) Liquidity risk

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

To help reduce these risks Council:

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

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

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

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

(e) Sensitivity disclosure analysis

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

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

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

8.4 Fair value measurement

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

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

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

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

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

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

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

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

Revaluation

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

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

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

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

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

8.4 Fair value measurement (cont)

Impairment of assets

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

8.5 Events occurring after balance date

Since 30 June 2020, there has been a significant increase in COVID-19 cases in Victoria. This has resulted in the Victorian Government reintroducing increased measures to contain the spread of the virus, including travel restrictions, quarantines, curfews, social distancing, and closures of non-essential services. This has triggered significant disruptions to businesses throughout regional and rural Victoria, resulting in further economic slowdown. The Government has responded with additional financial interventions to stabilise the economy. Several of Council services have now been or continue to be impacted including Council's indoor/outdoor sporting facilities. Essential services continue to be provided.

While these events have impacted Council's financial performance, the overall effect is not considered material. The Council has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 June 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic remains unclear at this time. It is not possible to reliably estimate the duration and severity of the consequences, as well as their impact on the financial position and results of Northern Grampians Shire Council for future periods.

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

Notes to the Financial Report
For the Year Ended 30 June 2020

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Share of increment/ (decrement)	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000
2020			
Property			
Land	6,619	-	6,619
Buildings	52,966	-	52,966
	59,585	-	59,585
Infrastructure			
Roads	211,764	(30,029)	181,735
Bridges	65,715	-	65,715
Footpaths and cycleways	6,306	557	6,863
Drainage	570	-	570
	284,355	(29,472)	254,883
	343,940	(29,472)	314,468
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	343,959	(29,472)	314,487
2019			
Property			
Land	6,619	-	6,619
Buildings	55,097	(2,131)	52,966
	61,716	(2,131)	59,585
Infrastructure			
Roads	210,712	1,052	211,764
Bridges	54,373	11,342	65,715
Footpaths and cycleways	6,585	(279)	6,306
Drainage	570	-	570
	272,240	12,115	284,355
	333,956	9,984	343,940
Other			
Investment in associates	19	-	19
	19	-	19
Total asset revaluation reserves	333,975	9,984	343,959

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 2020

Note 9 Other matters (cont.)

	Balance at beginning of reporting period	Transfer to / (from) accumulated surplus	Balance at end of reporting period
(b) Other reserves 2020	\$'000	\$'000	\$'000
Economic development	247	-	247
Gravel pits restoration	97	(40)	57
Community loans	(2)	42	40
Waste management	2,320	869	3,189
Long service leave	304	(15)	289
Defined benefits	300	-	300
Loan repayments	1,225	275	1,500
Total other reserves	4,491	1,131	5,622
2019			
Economic development	247	-	247
Gravel pits restoration	138	(41)	97
Community loans	(2)	-	(2)
Waste management	1,155	1,165	2,320
Long service leave	284	20	304
Defined benefits	300	-	300
Loan repayments	950	275	1,225
Total other reserves	3,072	1,419	4,491

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

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

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

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

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

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

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

**Notes to the Financial Report
For the Year Ended 30 June 2020**

	2020 \$'000	2019 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	3,272	1,461
Depreciation	12,066	10,201
Amortisation - Right of Use Assets	105	-
Net loss on disposal of property, infrastructure, plant and equipment	1,553	2,819
Assets recognised for the first time	(2,565)	-
Reversal of Provision	(45)	(46)
Share of (profit)/loss of associates	(7)	2
Contributions - Non-monetary assets	-	-
Finance costs (included in financing activities)	111	124
Finance Costs - Leases (included in financing activities)	3	-
Withdrawal from Investment in Associates	323	-
Other - WIP movements	26	21
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	27	(644)
Increase in other assets	418	(600)
Increase/(decrease) in trade and other payables	2,486	1,718
(Decrease)/increase in other liabilities	15	(117)
(Increase) in inventories	(17)	1
Increase/(Decrease) in provisions	(239)	173
Net cash provided by operating activities	17,532	15,113

9.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2020, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

Funding Arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at June 2020 and is expected to be completed by 31 December 2020.

As at 30 June 2019, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 107.1%. The financial assumptions used to calculate the VBIs

.....
Net investment returns 6.0% pa
Salary information 3.5% pa
Price inflation (CPI) 2.0% pa

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%. The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

9.3 Superannuation (cont.)

Employer Contributions

Regular Contributions

On the basis of the results of the 2017 full 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 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement

Funding Calls

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

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

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

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and the last full actuarial investigation was conducted as at 30 June 2017. The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

A VBI surplus of \$151.3 million; and

A total service liability surplus of \$233.4 million.

A discounted accrued benefits surplus of \$256.7 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 2019. The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019. Council was notified of the 30 June 2019 VBI during August 2019 (2018: August 2018).

2020 triennial actuarial investigation

A triennial actuarial investigation is being conducted for the Fund's position as at 30 June 2020. It is anticipated that this actuarial investigation will be completed by 31 December 2020.

10 Change in accounting policy

Council has adopted *AASB 15 Revenue from Contracts with Customers*, *AASB 16 Leases* and *AASB 1058 Income of Not-for-Profit Entities*, from 1 July 2019. This has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements.

Due to the transition methods chosen by Council in applying these standards, comparative information throughout these financial statements has not been restated to reflect the requirements of the new standards except in relation to contracts that were not complete at 1 July 2019. The transition impact of these are detailed below.

a) AASB 15 Revenue from Contracts with Customers - Impact of Adoption

AASB 15 Revenue from Contracts with Customers applies to revenue transactions where Council provides services or goods under contractual arrangements.

Council adopted *AASB 15 Revenue from Contracts with Customers* using the modified (cumulative catch up) method. Revenue for 2019 as reported under *AASB 118 Revenue* is not adjusted, because the new standard is only applied from the date of initial application.

AASB 15 Revenue from Contracts with Customers requires revenue from contracts with customers to be recognised as Council satisfies the performance obligations under the contract.

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. The transition impact of these are detailed below.

c) AASB 1058 Income of Not-for-Profit Entities

AASB 1058 Income of Not-for-Profit Entities applies to income received where no contract is in place. This includes statutory charges (such as rates) as well as most grant agreements.

Council adopted *AASB 1058 Income of Not-for-Profit Entities* using the modified (cumulative catch up) method. Income for 2019 is not adjusted, because the new standard is only applied from the date of initial application.

AASB 1058 Income of Not-for-Profit Entities requires income to be recognised as Council satisfies the performance obligations under the contract.

10 Change in accounting policy (cont)

d) Transition impacts

The following table summarises the impact of transition to the new standards on retained earnings at 1 July 2019.

	2019 \$'000
Retained earnings at 30 June 2019	-
Revenue adjustment - impact of <i>AASB 15</i>	-
Income Adjustment - impact of <i>AASB 1058</i>	-
Retained earnings at 1 July 2019	-

Council adopted the practical expedient of deeming the lease asset to be equal in value to the lease liability at 1 July 2019. As such there was no impact on retained earnings on the adoption of *AASB 16 Leases*.

The following table summarises the impacts of transition to the new standards on Council's balance sheet for the year ending 30 June 2019.

	As reported 30 June 2019 \$'000	Adjustment s \$'000	Post adoption \$'000
Assets			
Right of use assets	-	314	314
	-	314	314
Liabilities			
Lease liability - current	-	113	113
Lease liability - non-current	-	201	201
	-	314	314

Northern Grampians Shire Council Performance Statement For the year ended 30 June 2020

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

Location

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

National Parks

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

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

Industry

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

QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,420

Road Length: 3,380km of local roads

Rateable Properties: 9,367

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

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

**Northern Grampians Shire Council
Sustainable Capacity Indicators
For the year ended 30 June 2020**

Indicator/measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal</i> [Own-source revenue / Municipal population]	\$1,585	\$1,804	\$1,769	\$2,004	Minimal change due to limited capacity to improve revenue sources and constant population.
Recurrent grants <i>Recurrent grants per head of municipal</i> [Recurrent grants / Municipal population]	\$1,275	\$981	\$915	\$1,010	Increase due to lower than expected prior year result. This ratio is expected to remain constant each year due to limited recurrent grant opportunities plus a constant population.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,912	\$3,465	\$3,311	\$3,380	Minimal change to unit cost due to limited capacity to increase service partly due to the impact of COVID-19.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$35,079	\$35,120	\$39,634	\$37,149	Marginal decrease due to the high level of capital works to be carried over to the ensuing financial year.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	3.3	3.4	3.4	3.4	Minimal change due to constant population and fixed road length.
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	Minimal change due to constant demographic.
Workforce Turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	10.0%	20.1%	22.9%	15.0%	Increase in appointments to Council and improvement in staff retention levels.

Definitions

"adjusted underlying revenue" means total income other than -

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

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

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

"population" means the resident population estimated by council

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

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

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

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

Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2020

Service/indicator/measure	Result 2017	Result 2018	Result 2019	Result 2020	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]	44	47	51	50	Marginal decrease to the level of satisfaction.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.0%	0.0%	0.0%	0.0%	There were no VCAT decisions in relation to planning applications for the year
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54	48	53	50	Marginal decrease in satisfaction level to 50%.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	15.4%	15.2%	14.0%	12.9%	Northern Grampians will directly manage the library operations from July 2020 with an aim to review the level of collection usage, due to the decrease of active library borrowers. Further reductions due to closure of libraries due to Covid-19 pandemic.
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	31.9%	33.6%	33.6%	31.7%	Relatively constant percentage of waste diverted from landfill. Slight decrease likely to be impacted by COVID-19 with families remaining at home and generating additional waste products.
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	4.5	3.9	4.1	4.4	Increase in result due to combining the gymnasium and fitness centre with the aquatic facilities. Memberships to the facility now include access to both the gym and pool and the increase in admissions is reflective of this.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	No recorded prosecutions to date.
Food Safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100.0%	100.0%	100.0%	100.0%	

**Northern Grampians Shire Council
Service Performance Indicators
For the year ended 30 June 2020**

Service/indicator/measure	Result 2017	Result 2018	Result 2019	Result 2020	Material Variations
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	89.0%	90.7%	85.9%	84.0%	Consistent rate of participation to prior year.
<i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	94.7%	83.3%	93.3%	89.4%	Marginal decrease in participation rate.

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

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

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

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

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

**Northern Grampians Shire Council
Financial Performance Indicators
For the year ended 30 June 2020**

Dimension/indicator/measure	Result 2017	Result 2018	Result 2019	Result 2020	2021	2022	2023	2024	Material Variations
Operating position									
Adjusted underlying result									
<i>Adjusted underlying surplus (or deficit)</i>	2.4%	-20.6%	-19.6%	-9.5%	-43.3%	-21.5%	-20.8%	-20.0%	Insufficient revenue base resulting in ongoing deficit's. This result reinforces the inability to fully fund infrastructure renewal demand, due to ongoing deficits.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100									
Liquidity									
Working capital									
<i>Current assets compared to current liabilities</i>	301.0%	362.2%	368.0%	358.9%	167.2%	143.3%	145.4%	143.1%	Increase due to financial assistance grants received in advance and incomplete capital works program. Future years assumes capital program will be expended.
[Current assets / Current liabilities] x100									
Unrestricted cash									
<i>Unrestricted cash compared to current liabilities</i>	246.3%	268.0%	191.0%	213.0%	132.6%	103.8%	105.3%	102.8%	Increase due to financial assistance grants received in advance and incomplete capital works program. Future years assumes capital program will be expended.
[Unrestricted cash / Current liabilities] x100									
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i>	19.8%	17.5%	15.0%	13.5%	12.0%	5.8%	5.2%	5.2%	Ongoing reduction due to pay down of loan liability.
[Interest bearing loans and borrowings / Rate revenue] x100									
<i>Loans and borrowings repayments compared to rates</i>	2.7%	2.7%	2.6%	1.8%	1.8%	6.2%	0.7%	0.2%	Ongoing reduction due to pay down of loan liability.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100									
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i>	24.6%	15.1%	13.9%	14.8%	7.2%	7.3%	6.7%	6.2%	Slight increase in current year due to increase in unearned income liabilities.
[Non-current liabilities / Own source revenue] x100									
Asset renewal and upgrade									
<i>Asset renewal and upgrade compared to depreciation</i>	New 2020	New 2020	New 2020	75.1%	101.0%	90.8%	58.0%	61.5%	Insufficient revenue base to fully fund infrastructure renewal requirements.
[Asset renewal and asset upgrade expenses / Asset depreciation] x100									
<i>Asset renewal compared to depreciation</i>	35.5%	29.8%	55.4%	Retired 2020					This measure was replaced by O5 in 1 July 2019.
[Asset renewal expenses / Asset depreciation] x100									
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i>	48.1%	50.8%	55.1%	50.7%	66.6%	59.1%	59.3%	59.2%	This ratio reflects Council's reliance on its major income stream, rates and charges, that is relatively fixed over the course of the last four years.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
<i>Rates compared to property values</i>	0.79%	0.80%	0.66%	0.64%	0.57%	0.57%	0.56%	0.55%	Marginal reductions due to the static nature of property valuations.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i>	\$3,595	\$4,281	\$4,047	\$4,126	\$4,189	\$4,104	\$4,118	\$4,153	The result for 2020 is in the order of 2% increase compared to the prior 2019 financial year. This result is in line with the CPI cost increases.
[Total expenses / Number of property assessments]									
Revenue level									
<i>Average rate per property assessment</i>	New 2020	New 2020	New 2020	\$1,608	\$1,635	\$1,675	\$1,692	\$1,720	Average rates expected to increase in line with the rate cap.
[General rates and Municipal charges / Number of property assessments]									
<i>Average residential rate per residential property assessment</i>	\$1,566	\$1,641	\$1,778	Retired 2020					This measure was replaced by E4 from 1 July 2019.
[Residential rate revenue / Number of residential property assessments]									

Notes

"adjusted underlying revenue" means total income other than -

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

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

"asset renewal expenditure" means expenditure on an existing asset or on replacing an existing

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

Northern Grampians Shire Council
Other Information
For the year ended 30 June 2020

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 10 August 2020 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.

Impact of COVID-19

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

Where appropriate the performance statement includes separate commentary where there is a material change to individual performance measures. Any material change to a performance measure is mainly due to a loss of fee income relating to Council's sports / aquatic facilities, early learning centre plus a waiver to penalty interest relating to the payment of rates and statutory charges. This loss of income totals in the order of \$341k and was incurred from the declaration of the State of Emergency, 16 March 2020 to 30 June 2020. There was no material impact to expenditure for the purposes of determining Council's performance measures.

Northern Grampians Shire Council Certification of the performance statement

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

Malcolm Lewis, FCPA
Principal Accounting Officer
Dated:

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

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

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

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

Cr Kevin Erwin
Councillor
Dated:

Cr Karen Hyslop
Councillor
Dated:

Liana Thompson
Chief Executive Officer
Dated:

3.4.2. Extension of COVID-19 Financial Support and Hardship Policy

Author/Position: **Malcolm Lewis, Acting Manager Financial Services**

Purpose

The purpose of this report is to ask Council to consider amending the current *COVID-19 Financial Support and Hardship Policy* by extending the waiver of penalty rates interest from 30 September 2020 to 30 June 2021.

Summary

This policy is designed to provide ratepayer, business and community support in the form of the waiver of interest, fees, charges and registrations that would otherwise be payable to Council during the 2020/21 financial year.

Recommendation

A Council decision is required.

RESOLUTION

That Council extends the COVID-19 Financial Support and Hardship Policy to 30 June 2021.

Moved: Cr Kevin Erwin
Seconded: Cr Tony Driscoll

Carried

Background/Rationale

The current *COVID-19 Financial Support and Hardship Policy* was adopted by Council on 1 June 2020.

It is proposed to amend the *COVID-19 Financial Support and Hardship Policy* to extend the waiver of penalty rates interest from 30 September 2020 to 30 June 2021.

The current policy only defers interest on rates and charges from the declaration of the State of Emergency, 16 March 2020 until 30 September 2020. This policy amendment to 30 June 2021, would also result in the deferral of rates and charge payments in cases of financial hardship.

Extending the hold on rates interest until 30 June 2021 would align with the waiver of the following fees and payments that are currently waived for the 12 months from 1 July 2020 to 30 June 2021:

- Health Act registration fees
- Food Act registration fees
- Accommodation registration fees
- Property lease payments due from community and sporting clubs

The policy is in response to financial hardship experienced by ratepayers, local business and the community due to the ongoing impacts of COVID-19. Implementation of the policy is intended to supplement, and not replace financial support initiatives by other levels of government.

Legislation, Council Plan, Strategy and Policy Implications

The proposed deferral of rates payments and the proposed waiver of interest (interest hold) is pursuant to the provisions of sections 170 and 171 of the *Local Government Act 1989* respectively.

Section 170 of the legislation enables Council to defer the whole or part of a rate payment. Section 171 allows the waiver of rates, charges or interest on unpaid rates that would otherwise be payable. For the purposes of this policy, the proposal is to only exercise part of section 171 in the form of a waiver of interest on unpaid rates and charges.

Options

Option 1

Council adopts the proposed policy in full including the proposed amendment to extend the waiver of penalty rates interest from 30 September 2020 to 30 June 2021.

Option 2

Council adopts the proposed policy with further amendments.

Option 3

Council does not adopt the proposed policy amendment.

Implications

The total value of the reduction/waiver of interest, fees, charges and registrations is in the order of \$250,000 for the 2020/21 financial year. A provision for this income reduction is included to the adopted 2020/21 Budget.

The subject matter has not raised any sustainability issues (economic, social, environmental or climate change) or heritage/cultural, amenity, human rights/privacy, risk management, budgetary and asset management implications.

Community Engagement

While there was no direct community engagement for the policy, the 2020/21 Budget that includes the policy provisions, was the subject of community consultation during the S223 statutory budget process during the months of July and August 2020.

Innovation and Continuous Improvement

Not applicable

Collaboration

Council officers sought COVID-19 hardship policies adopted by other councils to inform the *COVID-19 Financial Support and Hardship Policy*.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Malcolm Lewis, Acting Manager Financial Services

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. COVID-19 Financial Support and Hardship Policy [3.4.2.1 - 4 pages]

COVID-19 Financial Support and Hardship Policy



May 2020



Northern Grampians Shire Council
LIVE | WORK | INVEST | VISIT

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📷 [@northerngrampiansshire](https://www.instagram.com/northerngrampiansshire)
#ngshire #liveworkinvestvisit #wandervictoria

COVID-19 Financial Support and Hardship Policy



Council Policy

Responsible director	Director Corporate Services
Responsible officer	Manager Financial Services
Functional area	Finance
Date adopted by Council	1 June 2020
Review date	30 June 2021

Purpose

The purpose of this *COVID-19 Financial Support and Hardship Policy* is to provide Council with a policy framework to support individuals and businesses that require financial assistance from the impacts of the COVID-19 Pandemic. The policy aims to provide individuals and businesses with an understanding of the options and assistance available if experiencing financial hardship due to the pandemic.

Income from rates, charges, user fees and permits are a primary source of revenue that the Council uses to deliver services to the community. While the Council continues to require cash flow to deliver these critical services, this policy is designed to provide financial relief and support to businesses and individuals within the community.

Background

Council will provide assistance to those in financial hardship while ensuring it does not jeopardise the funding of its operations.

This policy applies to monies owed to Northern Grampians Shire Council that comprises rates and charges as well as a range of user fees including health, food act and accommodation registrations.

This policy is to be read in conjunction with the Council's existing *Personal Financial Hardship Policy* that only allows for financial hardship experienced by a ratepayer at their primary residence. By contrast, this COVID-19 policy may potentially apply to a broader range of properties as well as businesses, community organisations and individuals within the shire.

Policy

Due to the direct impact on businesses within the Northern Grampians Shire Council (NGSC) district, this policy provides a waiver of fees, charges and registrations that would otherwise be payable for the period 1 July 2020 to 30 June 2021.

More specifically the waiver, for this period (2020/21 year) is to apply to:

- Health Act registration fees
- Food Act registration fees
- Accommodation registration fees
- Property lease payments due from community and sporting clubs

Payment Plan Arrangement and Interest Hold

The total deferral of all financial responsibilities due to an event such as the COVID-19 Pandemic can cause a secondary bout of financial stress when the event has concluded, and bills are owed. Council aims to provide assistance to ratepayers and debtors through the COVID-19 event without creating additional financial stress when the pandemic has been resolved.

Council will encourage ratepayers and debtors to set up a payment arrangement tailored specifically to individual needs to reduce the amount of debt owing after the pandemic. Council will hold interest on debt accumulated during the COVID-19 pandemic beginning from the declaration of the State of Emergency 16 March 2020, until 30 June 2021 to allow time for the debt to be paid without interest. If any debt is outstanding after 30 June 2021, Council's *Rates and Charges Debt Collection Policy* will apply.

Rates Deferral and Interest Hold

If the ratepayer is unable to enter into a payment plan, Council will defer the debt accumulated during the COVID-19 pandemic and will hold interest on this debt from the declaration of the State of Emergency 16 March 2020, until 30 June 2021 to allow sufficient time for the debt to be paid without additional interest. If any debt is still outstanding after 30 June 2021, Council's *Rates and Charges Debt Collection Policy* will apply.

Debt recovery

Council will make a reasonable attempt to contact a ratepayer or debtor regarding their overdue account. This may include reminder letters, account statements, emails or phone calls.

Community & Sporting Club leases & fees

Community and sporting club lease payments will be waived for the 2020/21 financial year. Recreational user fee council charges due in the 2019/20 financial current year will be waived; these are usually charged in arrears.

Commercial leases

Council's policy position to support property lease payments for commercial tenants is to be read in conjunction with the [COVID-19 Omnibus \(Emergency Measures\) \(Commercial Leases and Licences\) Regulations 2020 \(Vic\)](#). The Regulations are effective for the period 29 March 2020 to 31 December 2020 and prescribe a procedure where landlords and eligible tenants are required to act reasonably and in good faith when negotiating either a waiver or deferral of property rent that would otherwise be payable to Council. Further relief support may be reassessed post this period taking into account pandemic isolation restrictions financial impact on the eligible leased premises at that time.

Council Plan Objective/Strategy

Council Plan Goal: Enhance Lifestyles and Community

Legislation and Standards

Local Government Act 1989

Privacy & Data Protection Act 2014

COVID-19 Omnibus (Emergency Measures) Act 2020

Responsibilities

The Manager Financial Services is responsible for the review and management of this policy and the staff responsible for the administration of the relevant rates and charges, development approval fees and lease payments will process applications for financial assistance in line with Council policy.

Stakeholders

Councillors and the community are important stakeholders and the development and implementation of the policy are in direct response to the COVID-19 Pandemic impact on individuals and businesses.

Review

The policy will cease to have effect on 30 June 2021.

Communication and implementation

The policy will be communicated to the community via media outlets and Council's website and made available to responsible staff via the EDRMS and internal communication streams.

References

[COVID-19 Omnibus \(Emergency Measures\) Act 2020](#)

[COVID-19 Omnibus \(Emergency Measures\) \(Commercial Leases and Licences\) Regulations 2020 \(Vic\)](#)

[National Cabinet's Mandatory Code of Conduct for Commercial Leases](#)

[Rates and Charges Debt Collection Policy](#)

[Personal Financial Hardship Policy](#)

[Privacy & Data Protection and Health Records Policy](#)

Privacy and Data Protection compliance

All Council policies must consider the *Privacy and Data Protection Act 2014* and the *Victorian Protective Data Security (VPDSS) Framework* which adopts a risk-based approach to protective data security. Governance policy and practices, including confidentiality, are in place to protect the security of the data collected while processing and recording transactions in the Council's Electronic Document Records Management System.

Gender Equality Act 2020

Council has considered there are no gender equality impacts in developing and implementing the policy.

Charter of Human Rights compliance

It is considered that this policy does not impact on any human rights identified in the *Charter of Human Rights & Responsibilities Act 2006*.

Definitions

Waiver permanent exemption from payment

Deferral temporary suspension of a payment for a period of time (The full amount will still eventually be recovered. The outstanding amount may still incur interest)

Review history

Date	Review details	Action
1 June 2020		Adopted by Council 1 June 2020

3.4.3. Council Action Plan

Author/Position: Liana Thompson, Chief Executive Officer

Purpose

That the proposed Council Action Plan is accepted for Council to adopt.

Summary

2020-21 is the final year of the Council Plan 2017-21 which provides the framework of Council's objectives.

In order to achieve the goals set out in the Council Plan, a Council Action Plan 2020-21 has been designed to outline the major initiatives. This will provide Council and the community with a clear understanding of the projects involved and the timeframes in which they will be completed by.

Recommendation

That Council accepts and adopts the Council Action Plan 2020-21.

RESOLUTION

That Council accepts and adopts the Council Action Plan 2020-21.

Moved: Cr Tony Driscoll
Seconded: Cr Kevin Erwin

Carried

Background/Rationale

The Council Plan 2017-21 outlines the strategic objectives of the Council and as this is the final year to achieve these targets, the Council Action Plan 2020-21 will provide the key actions that the Northern Grampians Shire Council will deliver over the next 12 months to accomplish this vision. The Council Action Plan also includes the expenditure agreed in Council's adopted budget 2020-21.

Legislation, Council Plan, Strategy and Policy Implications

Council Plan 2017-20 - Enhance Lifestyles and Community, Boost Economic Growth, Providing Sustainable Infrastructure, Improve Organisational Effectiveness.

Options

Option 1

That Council accepts and endorses the Council Action Plan 2020-21. **[recommended]**

Option 2

That Council does not adopt the Council Action Plan 2020-21. **[not recommended]**

Implications

Any identified sustainability issues (economic, social, environmental or climate change) or heritage/cultural, amenity, human rights/privacy, risk management, budgetary and asset management implications have been addressed in this report.

Community Engagement

The community will be informed regularly on the outcomes of the action plan.

Innovation and Continuous Improvement

The purpose of the Council Action Plan is to improve transparency and provide clear information to the community.

Collaboration

Nil

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Liana Thompson, Chief Executive Officer

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

1. Council Action Plan 2020-21 v 3 **[3.4.3.1 - 7 pages]**



NORTHERN GRAMPIANS SHIRE COUNCIL

Council Action Plan 2020-21

MESSAGE FROM THE CEO



2020-21 is the final year of the Council Plan 2017-21.

This year we have included a Council Action Plan 2020-21 which outlines the major initiatives that will be undertaken to meet council's strategic direction. As Chief Executive Officer, I am responsible for the achievement of the Council Action Plan and I will report progress to council and the community on a quarterly basis.

As a community, we are living in uncertain times. We are not alone, the world has changed due to a tiny virus that cannot be seen by the naked eye. Coronavirus, COVID-19 has changed us; a health emergency that has significantly affected our lifestyle and will leave long lasting economic and societal impacts. Our tourism and hospitality sectors have borne the brunt of the State of Emergency and subsequent State of Disaster shutdowns. It is estimated that we have lost between 680-800 tourism jobs alone in the region. The overall cost is yet unknown.

It is within this context that the Northern Grampians Shire Council has constructed its budget and priorities for the coming year. Working in partnership with other levels of government, agencies, and community groups is key to our recovery. At the time of adopting the budget, council has applied for a number of grants and if these grants are successful, the Council Action Plan will need to be reviewed to include these projects. In addition, there will be a general election of the council along with the implementation of the *new Local Government Act 2020*.

OUR CORE VALUES

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

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

OUR GOALS

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



ENHANCE LIFESTYLES AND COMMUNITY



MAJOR INITIATIVES

Develop a 10 Year Community Vision
Completion by 30 June 2021

Start to develop new 4 year Council Plan 2021-25
Completion by 31 October 2021

Develop a new Health and Wellbeing Plan
Completion within 12 months of 2020 Council General Election

Develop a Community Plan with Marnoo
Completion for adoption in February 2021 Council Meeting

Develop a Community Plan with Navarre
Completion for adoption in May 2021 Council Meeting

Review the 3 year old Kindergarten Pilot Program
Completion for consideration by Councillors by December 2020

Emergency Management Planning Reform - Implementation Plan
Obligation to start preparing MEMP will take effect on 1 December 2020

Safer Together: Strengthening Partnerships for Bushfire Management with Local Government
Completion by 30 June 2021

Review and implement the Community and Business Development grants programs
Brief Councillors in July 2020
Completion for consideration by Councillors by August 2020
Launch the updated Grants Programs late August 2020

Deliver the age-friendly communities project
Completion for consideration by Councillors by June 2021. Overall completion by June 2021

Develop a Northern Grampians Library Strategy and Action Plan
Completion for consideration by Councillors by April 2021. Overall completion by February/March 2021

KEY OBJECTIVES

- Build community pride
- Advocacy for increased education and training opportunities
- Being an open, friendly and welcoming community
- Maximising the benefits of predicted population growth
- Promotion of the key livability aspects of our region
- Develop spaces that encourage activity and participation
- Develop events and programs that encourage participation in community life



BOOST ECONOMIC GROWTH



MAJOR INITIATIVES

Develop a Post COVID-19 Economic Recovery and Development Strategy

Completion for consideration by Councillors by February/
March 2021
Overall completion by April 2021

Sloane Street Residential Housing Development

Planning to commence in July 2020

Stawell Underground Physics Laboratory

Construction and fit-out to commence January 2021

OPAN Workforce and Investment Attraction Project

The project is expected to re-commence post COVID-19

Partner with the Stawell Athletic Club, State Government and partners to ensure
the longevity of the Stawell Gift

Committee of Management established in July 2020

Grampians Peaks Trail Head at Halls Gap

Parks Victoria/DELWP budget bid for GPT trail heads. State Budget October 2020

KEY OBJECTIVES

- Provide support to existing business to assist with long term sustainability
- Secure new business and increase the workforce
- Advocate for regional development
- Promotion of key assets aligned to the opportunity to invest in the Northern Grampians Shire
- Prepare our community for the employment transition into the future



PROVIDE SUSTAINABLE INFRASTRUCTURE



**North
Park**

**Multipurpose
Facility
Redevelopment
Project and Master
Plan**

Completion by 30 June 2021

**Lord Nelson Park
Redevelopment**

Completion by 30 June 2021

Great Western Trail Stage 1
Completion by June 2021

**St Arnaud Town Enhancement
Project - Entrance Signage**
Completion by October 2020

**Halls
Gap
Action
Plan**
Completion by
June 2020

**Asset Management
Review**
Completion by September
2020

**Road Management Plan &
Road Register Review**
Completion 6 months post 2020
Council Election

**Stawell Airport
Redevelopment**
Commencing August/September
2020

**Roads and Bridges Capital
Works**
Completion by June 2021

**Enhancement of Stawell Sports
and Aquatic Centre**
For consideration in March 2021

**Design Great Western
Clubrooms and Lighting**
Completion by 30 June 2021

**Stawell Parks Precinct Master
Plan**
Completion by 30 June 2021

MAJOR INITIATIVES

Market Square Master Plan
Completion by 30 June 2021

St Arnaud Pool Renewal
Completion by 30 June 2021

**Walkers Lake Planning and
Feasibility Study**
Completion by 30 June 2021

**Bike Path Development Halls
Gap - Bellfield**
Completion by 30 June 2021

SMART Waste Technology
Completion by 30 June 2021

Taylors Gully Lighting
Completion by 30 June 2021

King George Park Toilet
Completion by 31 December 2020

Scallan St Public Toilet
Completion by 30 September 2020

Cato Park Toilet Block
Completion by 30 November 2020

Rural Road Safety Plan
Completion by 1 February 2021

St Arnaud Flood Study
Completion by 31 December 2020

KEY OBJECTIVES

- Enhance the natural and built environment to improve lifestyles and visitation
- Advocate for better transport links for the region
- Advocate for better telecommunication for the region
- Advocate for State and Federal Government investment in new and existing infrastructure



IMPROVE ORGANISATIONAL EFFECTIVENESS



**Implementation
LGA 2020 Phase 3**
Completion by June
2021

Council General Elections
Completion by 30 November
2020

**VDPSF Protective Data Security
Plan Compliance**
Completion by 31 August 2020

**Undertake workplace gender
audit; develop a Gender
Equality Action Plan**
Completion by 1 July 2021

**Reduce
Red Tape
Projects -
Regulatory
services to
unlock investment**
by December 2020

**Develop and implement
Community Engagement
Framework and Strategy
and adoption of Community
Engagement Policy**
Completion by 1 March 2021

**Develop and implement
a Project Management
Framework (PMF)**
Councillor Briefing August/
September

**Implementing CAMMS Project
Management**
Commencing July 2020 scheduled
to be completed in November
2020

Undertake 3 service reviews
Early Years review by September
2020
Aged Services Review
Community Safety Service levels
Review by December 2020

MAJOR INITIATIVES

**Participate in regional
collaborative projects**
5 year project

Implement Microsoft 365
Completion by January 2021

**Implement new telephony
system**
3 months post Microsoft 365
implementation

**Implement new records
management using M365**
Completion by June 2021

**Develop and Implement Waste
Strategy**
September 2020 adoption by
Council

Plant and Equipment Review
Completion by March 2021

Greening St Arnaud Project
Completion by 31 December 2020

**Media and Communications
Policy and Strategy
Development**
Completion by December 2020

KEY OBJECTIVES

- Streamline processes to reduce red tape and increase efficiency
- Improve transparency and public information
- Be more customer focused by developing a plan to improve community interactions with Council
- Where possible partner with other Local Governments to reduce the operating cost of Council
- Ensure our governance and compliance requirements are continually met





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3.4.4. Rural Council Transformation Program Withdrawal

Author/Position: Liana Thompson, Chief Executive Officer

Purpose

To withdraw from the Rural Councils Transformation Project (RCTP).

Summary

Central Highlands Regional Shared Services has advised Northern Grampians Shire Council that the Rural Council Transformation Program is no longer viable and therefore should be discontinued. There is commitment to continue to progress the sharing of services across the region.

Recommendation

That Northern Grampians Shire Council formally withdraws from the Central Highlands Rural Transformation Project and pursues regional collaborative projects.

RESOLUTION

That Northern Grampians Shire Council formally withdraws from the Central Highlands Rural Transformation Project and pursues regional collaborative projects.

Moved: Cr Merrilee Reid
Seconded: Cr Karen Hyslop

Carried

Background/Rationale

At the 3 February 2020 Council meeting, Council resolved to join the City of Ballarat led Rural Councils Transformation Program. The program was a state government funded grant program that encouraged councils to share services with the aim of reducing operating costs, improving organisational effectiveness and delivering improved services to the community.

On Monday, 17 August 2020, the City of Ballarat advised Local Government Victoria that the program is no longer viable and therefore should be discontinued.

Due to the original business case failing to provide accurate costs and as a consequence the funding is inadequate to support the successful delivery of the program. Financial benefits of the program were significantly overestimated, so the project was then cut back in an effort to ensure it could be delivered but this was still not enough to make the delivery financially viable. The cost of continuing the program would therefore fall predominantly on the City of Ballarat which is unable to absorb the costs related to this program.

Also, with the impact of COVID-19 on local government services and resources, priorities have now shifted for many of the rural and regional councils involved.

The program endeavoured to drive efficiencies and build capacity through regional cooperation and there is a shared determination amongst Councils in the region to continue to work together.

Legislation, Council Plan, Strategy and Policy Implications

Council Plan - Improve Organisational Effectiveness

Options

Northern Grampians Shire Council withdraws from the City of Ballarat led Rural Councils Transformation Project and continues to collaborate across the region to identify opportunities to share resources.

[recommended]

Implications

The subject matter has not raised any sustainability issues (economic, social, environmental or climate change) or heritage/cultural, amenity, human rights/privacy, risk management, budgetary and asset management implications.

Community Engagement

As the program had no impact on the community, consultation was not required.

Innovation and Continuous Improvement

Nil

Collaboration

The Rural Councils Transformation Program, incorporates the City of Ballarat, Central Goldfields, Hepburn, Pyrenees, Ararat, Moorabool and Golden Plains Shires.

Officer's Declaration of Interest

All officers providing advice to Council must disclose any interests, including the type of interest.

Liana Thompson, Chief Executive Officer

In providing this advice as the author, I have no disclosable interests in this report.

Attachments

Nil

4. Closure of Meeting Pursuant to Section 66(2)(a) of the Local Government Act 2020

A Council or delegated committee may resolve that the meeting be closed to members of the public if it considers it necessary because a circumstance specified below apply:

The circumstances are-

- (a) the meeting is to consider confidential information; or
- (b) security reasons; or
- (c) it is necessary to do so to enable the meeting to proceed in an orderly manner.

If the circumstances specified in subsection (b) or (c) apply, the meeting can only be closed to the public if the Council has made arrangements to enable the proceedings of the meeting to be viewed by members of the public as the meeting is being held.

4.1. C5 2020/21 - Lord Nelson Park Multi Purpose Clubroom Development

4.2. Planning Application Request

RESOLUTION

That items 4.1 and 4.2 be considered in Closed Council as they deal with confidential information as detailed in section 3(1) of the *Local Government Act 2020*.

Moved: Cr Kevin Erwin
Seconded: Cr Karen Hyslop Carried

RESOLUTION

That the meeting be closed to consider the items listed pursuant to section 66 of the *Local Government Act 2020*.

Moved: Cr Kevin Erwin
Seconded: Cr Rob Haswell Carried

OPEN COUNCIL

The Chief Executive Officer reported on the item discussed in Closed Council.

4.1 That Council awards Contract C5 2020/21 - Lord Nelson Park Multi Purpose Clubroom Development to Otway Securities Pty Ltd as trustee for the McMillan Family Trust, trading as MKM Constructions.

4.2 That Council determines to waive planning application fees as requested.

5. Close

There being no further business the Mayor declared the meeting closed at 1.15pm.

Confirmed

A handwritten signature in black ink, appearing to be 'CR Murray Emerson', with a long horizontal flourish extending to the right.

CR MURRAY EMERSON
MAYOR

Date: 7 December 2020