



# Minutes

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Unscheduled Council Meeting held at 12.30 PM on Monday 23 November 2020, online via Zoom.

## **Present**

Cr Murray Emerson (Mayor)  
Cr Lauren Demspey  
Cr Tony Driscoll  
Cr Kevin Erwin  
Cr Rob Haswell

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. Disclosure of a Conflict of Interest at a Council Meeting

A Councillor who has a conflict of interest in a matter being considered at a Council meeting at which he or she-

- (i) is present must disclose that conflict of interest by explaining the nature of the conflict of interest to those present at the Council meeting immediately before the matter is considered; or
- (ii) intends to be present must disclose that conflict of interest by providing to the Chief Executive Officer before the Council meeting commences a written notice-
  - advising of the conflict of interest;
  - explaining the nature of the conflict of interest; and
  - detailing, if the nature of the conflict of interest involves a Councillor's relationship with or a gift from another person, the-
    - name of the other person
    - nature of the relationship with that other person or the date on receipt, value and type of gift received from the other person; and
    - nature of that other person's interest in the matter;

and then immediately before the matter is considered at the meeting announcing to those present that he or she has a conflict of interest and that a written notice has been given to the Chief Executive Officer.

The Councillor must, in either event, exclude themselves from the decision-making process, including any discussion or vote on the matter and any action in relation to the matter and leave the Council meeting immediately after giving the explanation or making the announcement (as the case may be) and not return to the meeting until after the matter has been disposed of.

### Members of Staff

A member of Council staff must disclose any conflict of interest in a matter in respect of which they are preparing or contributing to the preparation of a report for a Council meeting. They must immediately upon becoming aware of the conflict of interest, provide a written notice to the Chief Executive Officer disclosing the conflict of interest and explaining its nature.

Nil

### 3. Consideration of Reports of Officers

#### 3.1. Annual Report Adoption

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

#### **Purpose**

To present for endorsement the Annual Report for 2019-20 in accordance with section 134 of the *Local Government Act 1989* (the Act).

#### **Summary**

The 2019-20 Annual Report, that includes the 2019-20 Financial Report and the 2019-20 Performance Statement, is an annual statutory requirement and scheduled to be adopted by Council prior to 30 November 2020.

#### **Recommendation**

##### **That Council:**

1. endorses the Annual Report 2019-20, and
2. advises the Minister for Local Government of the endorsement of the Annual Report 2019-20.

#### **RESOLUTION**

##### **That Council:**

1. endorses the Annual Report 2019-20, and
2. advises the Minister for Local Government of the endorsement of the Annual Report 2019-20

**Moved:** Cr Kevin Erwin  
**Seconded:** Cr Lauren Dempsey

**Carried**

## Background/Rationale

Each year Council prepares and submits to the Minister for Local Government an Annual Report on its operations for the preceding year. Due to the impact of COVID-19 the statutory deadline for the 2019-20 year is 30 November 2020.

The contents of the Annual Report are generally prescribed by the Act and include the Financial Statements, Performance Statement, as well as additional statutory information and reports on operational activities.

At its meeting of 21 September 2020 Council adopted, in principle, the Financial Report for 2019-20 and the Performance Statement 2019-20 pending review by the Victorian Auditor-General's Office (VAGO). Following ongoing discussions Council received VAGO audit clearance on 29 October 2020 that required a number of amendments to the in principle reports adopted by Council on 21 September 2020.

While the VAGO directed amendments did not impact Council's financial sustainability or the amount of cash funds available to provide community services, they did result in a change to how Council is required to report its results within the 2019-20 Financial Report. Below is a summary of the report changes:

- Surplus for the year is now \$1.477 million (previously reported as \$3.272 million) The reduction is due to the removal of a previously included revenue item 'Assets recognised for the first time'. This revenue item did not relate to a reduction in cash but rather the recognition of found (not previously controlled by Council) infrastructure assets as a prior year adjustment following a directive by VAGO;
- Total comprehensive result is now \$13.787 million (previously reported as negative \$26.263 million). This is a variance of \$40.050 million relating to the revaluation of infrastructure assets (mainly roads) that are now removed from the 2020 year and reported as a prior year adjustment following a directive by VAGO.

## Legislation, Council Plan, Strategy and Policy Implications

Council Plan 2017-21 - Improve Organisation Effectiveness

### Options

#### Option 1

That Council formally notes the preparation of the Annual Report 2019-20 and the compliance with the various statutory requirements associated with its production. **[recommended]**

#### Option 2

That Council determines further work on the Annual Report 2019-20 is required. **[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.

### Procurement

There are no procurement related matters associated with the completion of this report.

### Community Engagement

Section 134 of the Act prescribes the process by which a Council must consider its annual report. As required, public notice was provided via advertisements in the Weekly Advertiser and the North Central News.

### Innovation and Continuous Improvement

The report does not raise any innovation or improvement opportunities.

### **Collaboration**

Preparation of this report did not require collaboration with other councils, governments or statutory bodies.

### **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. Annual Report 2019-20 [3.1.1 - 125 pages]



# **NORTHERN GRAMPIANS SHIRE COUNCIL**

**Annual Report 2019-20**

[www.ngshire.vic.gov.au](http://www.ngshire.vic.gov.au)

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## OUR COUNCILLORS

**Mayor Cr Murray Emerson**  
(Stawell Ward)

First elected: 27 October, 2012  
Term expires: October 2020  
Mayor: November 2019 -  
current



**Cr Tony Driscoll**  
(Kara Kara Ward)

First elected: 27 October, 2012  
Term expires: October 2020



**Cr Rob Haswell**  
(Stawell Ward)

First elected: 22 October, 2016  
Term expires: October 2020



**Cr Karen Hyslop**  
(Stawell Ward)

First elected: 27 October, 2012  
Term expires: October 2020



**Cr Kevin Erwin**  
(Central Ward)

First elected: 14 March, 2003  
Term expires: October 2020  
Mayor: July 2019 - November  
2019



**Cr Jason Hosemans**  
(South West Ward)

First elected: 15 March, 2014  
Term expires: October 2020



**Cr Merrilee Reid**  
(Kara Kara Ward)

First elected: 23 November, 2013  
Term expires: October 2020

# LIVE | WORK | INVEST | VISIT

## Our Affirmation

We recognise the traditional owners of the land.

We are inspired by the early pioneers and by those who gave their lives for our country.

We now ask God's blessing on our deliberations and on our commitment to build a better lifestyle and environment.



## OUR 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

# MESSAGE FROM THE MAYOR

The past 12 months have been like no other in our region, even our region's history, and even though the word has become somewhat of a cliché, this year has definitely been unprecedented.

Although many of us have been staying inside our homes and doing whatever we can to deal with a deadly and life-changing pandemic, the Northern Grampians Shire Council has been working overtime to ensure our community can come back from this disaster stronger than ever before.

Council has had to rethink the way we do business in every aspect from customer service to parks and gardens and even corporate services. We have found new ways to serve our community under the threat of COVID-19.

During this tumultuous period, council implemented a COVID-19 financial hardship policy to help people whose income was impacted by the virus.

We hired more than 20 new part-time staff to keep our region working and to deliver services to our community and we worked closely with our healthcare and community service providers to keep our shire healthy, protected, and safe.

For the first half of the 2020 calendar year, this has been our new reality and one that the council has exceeded in ensuring we have maintained our service to the community despite the ever-present and ever-changing rules and regulations imposed on us from state and federal governments.

It's not all been about the pandemic however with significant progress made on many of the major projects within our shire.

Construction of the North Park Multipurpose Clubroom Development in Stawell got underway this financial year and is on track to be finished early in 2021.

The Lord Nelson Park upgrade in St Arnaud has officially gone to tender so this much-needed upgrade will be beginning very shortly. The tender for the Sloane Street Housing Development in Stawell was awarded to Passive Place to create a flagship new design for residential developments in Victoria.

This year we also listened more to exactly what our community wants by ramping up our community consultation efforts and gathering more feedback than ever before from the community on our major and minor projects.



We've also implemented changes under the new *Local Government Act 2020* and welcomed a new Chief Executive Officer in Liana Thompson.

Liana has really hit the ground running in her new appointment and has implemented a restructure of some of the key managerial staff of the council and set out a brand new Council Action Plan to keep the organisation in check and ensure we are providing the best service we can to our communities.

We've been so busy I can't fit in all the exciting developments of the last 12 months but I thoroughly look forward to the next year and how our region will change and grow in that time.

A handwritten signature in black ink, appearing to read 'Murray Emerson'. The signature is fluid and cursive, with a long horizontal stroke at the end.

**Cr Murray Emerson**  
**Mayor**  
**Northern Grampians Shire Council**



## OUR SHIRE AT A GLANCE

“

*There are over 1,000 businesses operating within the Northern Grampians Shire*

”

### **ECONOMIC PROFILE**

Diverse and dynamic, the Northern Grampians Shire boasts an exciting array of industries and business enterprises with major activity based in the thriving, mining, food production and processing and agriculture sectors.

Industry is generally concentrated in the key townships of Stawell and St Arnaud, where retail and commercial operations are mainly of a local service nature. These centres service the region's needs for shopping, business and commercial services and host other activities including brick making, meat processing, steel fabrication, feed production, supply and service of farm machinery and small service industry.

### **WORKFORCE**

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

### **TRANSPORT**

Stawell is located on the Western Highway between Adelaide (500km) and Melbourne (230km). St Arnaud is located on an important transport link at the junction of the Sunraysia and Wimmera Highways between Melbourne and Mildura, providing excellent access to the west, north-west and south-east. St Arnaud has railway links to Melbourne and Mildura. Other links include Horsham, Ballarat and Bendigo. Airports are located at Stawell (24-hour sealed airport with instrument panel) and St Arnaud and national gauge railway connects Stawell to Adelaide, Melbourne, Geelong and Portland.

### **TELECOMMUNICATIONS**

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

# QUICK STATS

## Phone

03 5358 8700

## Email

ngshire@ngshire.vic.  
gov.au

## Postal Address

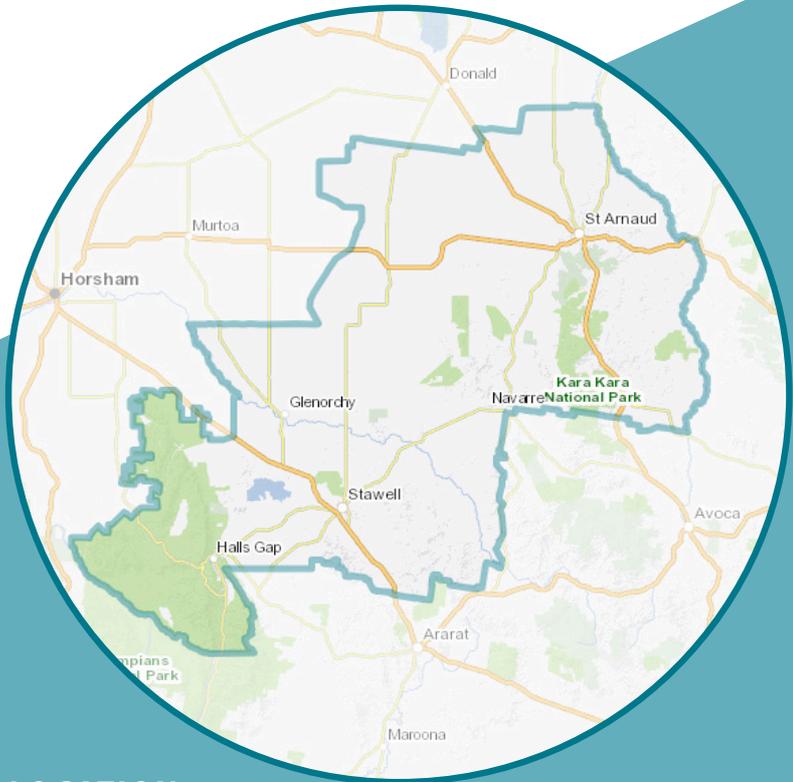
PO Box 580, Stawell,  
VIC, 3380

## Stawell Town Hall Customer Service

Address: 59-69 Main  
St, Stawell

## St Arnaud Town Hall Customer Service

Address: 40 Napier St,  
St Arnaud



## LOCATION

Central West Victoria

## MAJOR TOWNS AND VILLAGES

Stawell, St Arnaud, Great Western, Halls Gap, Glenorchy, Navarre, Marnoo, Stuart Mill.

## AREA

Approximately 5,900 square kilometres

## POPULATION

Approximately 11,471

## ROAD LENGTH

3,408km of local roads

## RATEABLE PROPERTIES

9,375

## RATES AND CHARGES REVENUE

\$17.8 million

## TOTAL REVENUE

\$41.8 million



## CORE SERVICES INITIATIVES

“

*Council is more than roads, rates, and rubbish. Our core services are many and varied.*

”

### **CUSTOMER SUPPORT**

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

### **MEDIA AND COMMUNICATIONS**

In 2019-20, media and communications continued its focus on improving council's communication and consultation with its communities via social media and increased content on Facebook, Twitter and Instagram and television screens installed inside and outside council offices in Stawell and St Arnaud and at the Stawell

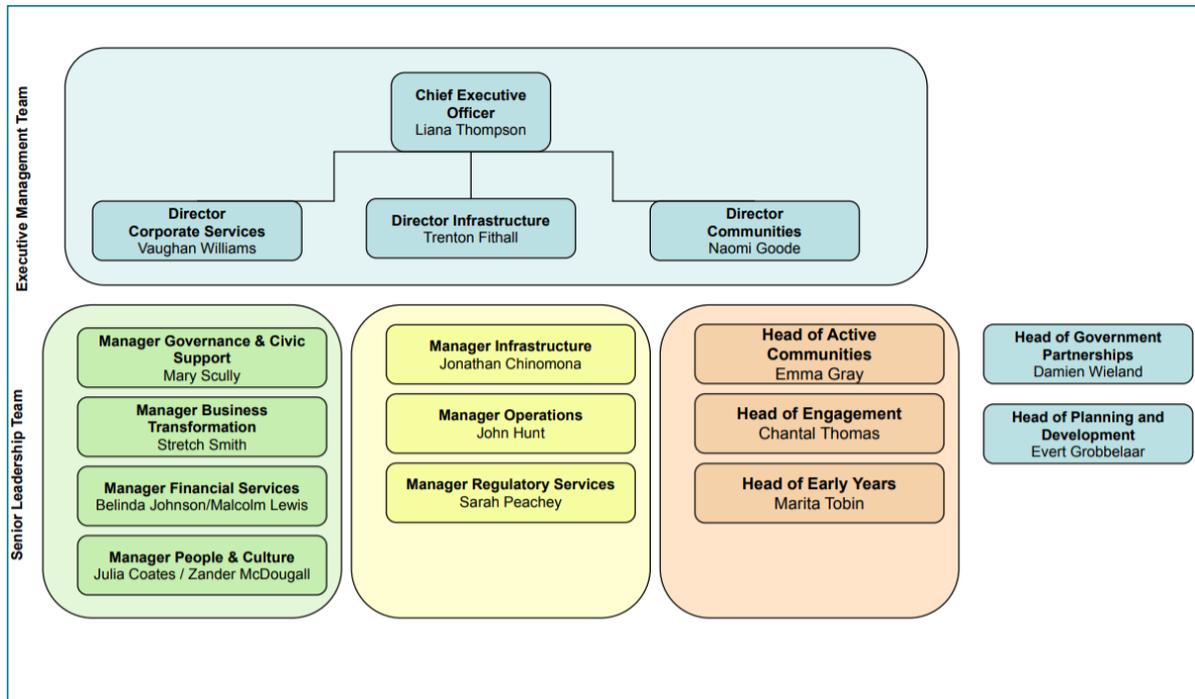
Sports and Aquatic Centre. This allowed us to share information instantly and with a wider community and to drive our community to our website. The Media & Communications Officer has sourced additional photos (St Arnaud and district) for our photo library from the Stawell Camera Club to be used in council promotions and is gradually building a digital image library.

Video footage is also being recorded with the Mayor providing a wrap up following council meetings, currently on hold due to COVID-19 restrictions. A key focus for media and communications has been consistent messaging to the community about council activities, and visually promoting the benefits of the shire through photos and video footage which is being shown utilising a range of digital and 'real world' avenues.

### **EQUAL OPPORTUNITY**

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

## ORGANISATIONAL STRUCTURE



just one way our organisation is committed to ensuring all employees are treated fairly and equitably in the workplace. Northern Grampians Shire Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. Council is committed to combating discrimination, harassment, bullying and vilification by:

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

## HUMAN RIGHTS

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

- Recognition and equality before the law
- Right to life
- Protection from torture and cruel, inhuman or degrading treatment
- Freedom from forced work
- Freedom of movement
- Privacy and reputation
- Freedom of thought, conscience, religion and belief
- Freedom of expression
- Peaceful assembly and freedom of association
- Protection of families and children
- Taking part in public life
- Cultural rights

- Property rights
- Right to liberty and security
- Humane treatment when deprived of liberty
- Children in the criminal process
- Fair hearing
- Rights in criminal proceeding
- Right not to be tried or punished more than once
- Retrospective criminal laws

## CHILD SAFE STATEMENT OF COMMITMENT

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

We all play an important role in protecting children, especially if we have concerns for a child's safety.

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

## OCCUPATIONAL HEALTH AND SAFETY

The Northern Grampians Shire Council is committed to providing and maintaining a working environment for employees, councillors,

contractors, volunteers, clients and members of the public that is safe and without risks to health, so far as is reasonably practicable.

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

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

The Northern Grampians Shire Council is working to meeting compliance in the National Audit Tool for Self Insurers (NAT) in partnership with MAV WorkCare insurance providers, JLT Risk Solutions Pty Ltd.



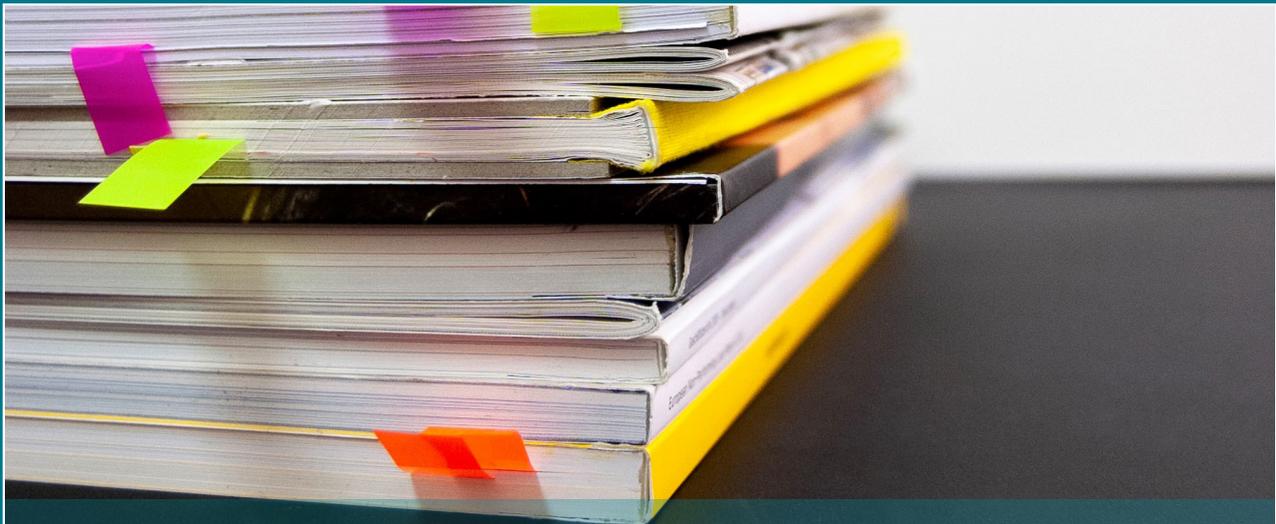
## COUNCIL STAFF

### FTE Employment type per Directorate

Employment Type/ Gender	Corporate Services FTE	Communities FTE	Operations FTE	CEO Office FTE	Total FTE
Permanent FT - Female	23.0	15.9	8.0	5.0	51.9
Permanent FT - Male	8.0	6.0	62.0	3.0	79.0
Permanent PT - Female	5.3	22.0	0.2	0.8	28.6
Permanent PT - Male	0.0	0.6	1.1	0.0	1.7
Casual - Female	0.0	7.2	0.0	0.0	7.2
Casual - Male	0.0	1.2	0.4	0.0	1.6
				<b>Total FTE</b>	<b>169.9</b>

### FTE employment type by Banding

	Permanent Full Time - Female	Permanent Full Time - Male	Permanent Part Time - Female	Permanent Part Time - Male	Casual - Female	Casual - Male	Total
All Other	7.0	6.0	4.8	0.0	0.0	0.0	17.8
Band 1	0.0	0.0	0.0	0.0	4.2	2.0	6.2
Band 2	0.0	1.0	0.0	0.0	0.4	0.4	1.8
Band 3	3.0	28.0	9.9	0.7	0.6	0.0	42.2
Band 4	13.0	16.0	7.2	0.0	1.4	0.2	36.8
Band 5	12.0	13.0	2.7	0.9	0.0	0.0	28.4
Band 6	8.0	10.0	2.9	0.0	0.0	0.0	20.9
Band 7	5.0	5.0	0.0	0.0	0.0	0.0	10.6
Band 8	4.0	0.0	0.0	0.0	0.0	0.0	4.0
					<b>Total FTE</b>		<b>169.9</b>



## LOCAL GOVERNMENT INDICATORS

### PERFORMANCE REPORTING

Effective performance reporting is essential for letting our residents and ratepayers know how public money is being spent, the quality of services delivered, the outcomes being achieved and how the outcomes relate to our strategic objectives. The introduction of the Local Government Performance Reporting Framework and the establishment of the Know Your Council website enables local communities to compare how their council has performed during the year against others.

### THE LOCAL GOVERNMENT PERFORMANCE REPORTING FRAMEWORK (LGPRF)

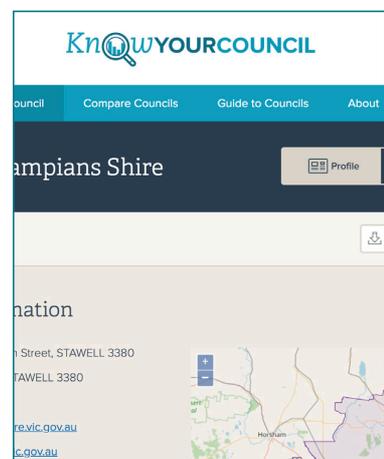
In April 2014 the State Government established a suite of performance measures that are compulsory for every Victorian council to report against. Called the 'Local Government Performance

Reporting Framework' (LGPRF), the indicators are now part of the *Local Government Act 1989* and became effective from 1 July 2014.

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

### KNOW YOUR COUNCIL WEBSITE

The Know Your Council website enables residents and ratepayers to compare results for the Northern Grampians Shire Council with other councils across key service areas and financial performance for the last financial year and the year ended 30 June 2020 via the Know Your Council website [www.knowyourcouncil.vic.gov.au](http://www.knowyourcouncil.vic.gov.au). These results will help us understand our performance better and contribute to improved transparency of Council activity.





## ECONOMIC INITIATIVES

“  
*Land use development  
 is one key factor  
 that influences the  
 economic growth of  
 the shire.*  
 ”

### **PARTNERSHIPS FOSTERING BUSINESS SUCCESS**

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

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

### **STRONG ECONOMIC ACTIVITY**

Planning permit data provides an important economic indicator of future building and land use activity within the shire and is used to monitor economic activity, employment and investment. Council's Planning Department issued a total of 92 planning permits worth over \$15 million in the 2019-20 financial year, with a further \$6 million under consideration at the end of the financial year.

We also saw some positive improvements in the Planning Department's performance with a significant improvement in processing time, from 64% of planning applications decided within time in 2018-19 to 72% in 2019-20. This can be attributed to improvements made in internal processes, increase in VicSmart applications and additional planning resources. The median number of days between receipt of a planning application and a decision has

improved, from 79 days in 2018-19 to 66 days in 2019-20. This can be attributed to a reduction in backlog. With additional process improvements planned for 2020-21 and significant backlog cleared, council expect to see improvements in processing time and overall customer experience.

### **VISITOR ECONOMY**

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

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

Visitor information centres in Stawell, St Arnaud and Halls Gap are run in partnership with Grampians Tourism and a

significant number of volunteers. The Stawell Visitor Information Centre has been relocated into a new premise, at the Pleasant Creek Historic Precinct, as a prominent position on the Western Highway.

One in six jobs in Northern Grampians Shire is directly or indirectly reliant on tourism spending. The impact of COVID-19 has been significant for the tourism, hospitality and accommodation sectors. Council has committed to a new Grampians Tourism Crisis Response and Recovery Taskforce with Local Government and industry. The taskforce is delivering new plans to target key domestic markets and position the region to recover quickly from COVID-19.

Council will continue to support the 2020-21 Tourism Reactivation Strategy, and drive advocacy to deliver key infrastructure.

## GRAMPIANS PEAKS TRAIL

Situated in the Grampians National Park (Gariwerd), the Grampians Peaks Trail will extend from Mt Zero in the north through to the township of Dunkeld in the south.

The Grampians Peaks Trail will provide a world-class walking experience of 160kms that can be experienced in sections, or as one 13-day and 12-night journey showcasing the spectacular natural and cultural landscapes of the Grampians National Park.

The route connects some of Gariwerd's most spectacular peaks, from the massive



sandstone outcrops in the north, to the rugged and remote Mount William range and includes the awe inspiring peaks overlooking Dunkeld and the surrounding volcanic plains. By 2025, 80,000 overnight visitors are expected, with 34,000 walkers set to experience the wonders of Gariwerd, generating \$6.39m of economic benefit and tourism development opportunities locally and to the region. The project has been funded with a \$20.2 million contribution from the Victorian Government and a \$10 million contribution from the Australian Government with the full walk expected to be completed in 2020.

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

These experiences include walks on country guided by traditional owners, supply of on trail food and supplies by local

traders and producers, premier accommodation offerings and lodgings in Halls Gap and the full activation of the town as a walking village that is intrinsically linked to the trail.

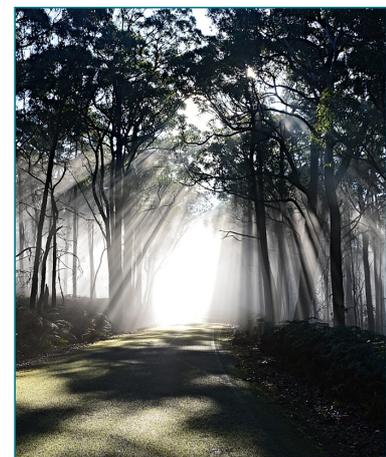
## HALLS GAP ACTION PLAN, STAGE ONE

Completed in January 2020, council delivered a number of works to upgrade and enhance pedestrian access, public space and amenity in Halls Gap.

Funded with a \$1 million grant from the Victorian Government's Regional Jobs and Infrastructure Fund the Halls Gap Activation project was designed to ensure Halls Gap can better service the additional visitation generated from the completion of the Grampians Peaks Trail.

The capital works included: Improvements to School Road – New raised pedestrian priority crossing at the entry to the primary school, new walking and bike paths, paving and improved parking to ease congestion and conflicts between vehicles and pedestrians

New Stoney Creek Boardwalk – New seating, informal outdoor dining and an enhanced public



space for visitors  
Grampians Road raised  
pedestrian crossings – Improved  
pedestrian access from the  
existing car park and a new  
plaza space to the frontage of  
retail and hospitality premises  
Southern Gateway  
Enhancement Project –  
landscaping, art wall and  
gateway signage at the junction  
of Grampians Road, School Road  
and Heath Street.

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

## **STAWELL UNDERGROUND PHYSICS LABORATORY (SUPL)**

In July 2019, Stawell Gold  
Mines hosted the Hon Jaclyn  
Symes MP, Minister for Regional  
Development who announced



Victorian Government funding  
of \$5 million for the construction  
of the Stawell Underground  
Physics Laboratory (SUPL).

This matched previously  
announced funding of \$5  
million from the Australian  
Government towards the  
project in April 2019, enabling  
civil works and the initial fit-  
out of the laboratory to get  
underway and supporting time  
critical initial experiments to  
commence.

On 28 August 2019 as part  
of an address to the National  
Press Club, the Federal Minister  
for Education and Member for  
Wannon, the Hon Dan Tehan  
MP announced funding of \$35  
million to establish a Centre  
of Excellence for Dark Matter  
Particle Physics, led by Professor  
Elisabetta Barberio and based at  
the University of Melbourne.

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

Furthermore, SUPL will be able  
to offer a broad range of other  
ultra-low background scientific  
research, including biological  
and cancer research (such as  
looking at how cells respond  
to low radiation environments)  
and a range of other biology,

geosciences and engineering  
research activities.

It has generated a lot of  
interest in the town and has  
been embraced by the local  
community as an opportunity  
to inspire innovation in our  
schools. The research partners  
strongly support the objective  
to deliver science, technology,  
engineering and mathematics  
(STEM) education outcomes and  
outreach, from Master and PhD  
projects through to scholarships  
and local and visiting school  
engagement.

Preliminary civil works, sampling  
and testing of construction  
material began at the mine  
in September 2019, with  
the excavation of the main  
laboratory and installation  
of sensitive monitoring  
instruments nearing completion  
in June 2020.

Council holds a position on  
SUPL Steering Committee,  
recognising our significant  
role in the initial conceptual  
development, management  
and advocacy for the project.  
Council will continue to explore  
opportunities to enhance  
economic, educational and  
social outcomes that will  
benefit the local community in  
association with the project and



its research findings.

## ST ARNAUD CIVIC PRECINCT PROJECTS

Works were completed by council in April 2020 to deliver the \$300,000 St Arnaud Civic Precinct redevelopment. The project was funded with a \$200,000 grant from the Victorian Government with council making a \$100,000 contribution to a number of projects that would revitalise the St Arnaud Town Hall kitchen; transform Queen Mary Gardens; and commence works on the full master plan redevelopment of Market Square.

### St Arnaud Town Hall Kitchen

The St Arnaud Town Hall kitchen has been completely rebuilt and put back into active use by the local community. Prior to the renovations, the kitchen was in a poorly maintained state suffering extensive water damage to the floors, significant wear to cabinetry and appliances that were well past their useful life.

The refurbishment works have created a kitchen of commercial standard that is now being used by the local community to support events and community cooking classes.

Upgrades included: new stainless steel benchtops, hot food bar, storage cabinets and shelving; a new subfloor and installation of heavy duty non-slip vinyl flooring; a walk-in coolroom; a new access loading dock; and the purchase and installation of new appliances including a large combi oven, rangehood and freezer.

### Queen Mary Gardens

The works at Queen Mary Gardens have transformed the



former bowling green site into a welcoming park, creating a picturesque first entry point to the town on the Wimmera Highway.

This project has been strongly supported by the local community with council collaborating with the Friends and Committee of Management of the Queen Mary Gardens to deliver an inviting public space to attract visitors to stop and explore the town.

Thanks to the investment by the Victorian Government and council, a number of key elements of the Queen Mary Gardens Landscape Plan are being delivered.

This includes the installation of a main entry arbour; public shelter with arbors, stone wall seating, paving and irrigation system.

The Friends of Queen Mary Gardens have contributed \$30,000 to install a stone wall with the name of the gardens at the corner of Napier and Millett Streets; and \$3,050 towards the purchase of 17 advanced trees.

### Market Square

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

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

Stage One works have commenced with the installation of a BBQ, shelter and accessible seating. Council is now exploring external funding opportunities to deliver all of the project elements of the master plan.

## STAWELL AIRPORT REDEVELOPMENT

In June 2020, the Member for Wannon, the Hon Dan Tehan MP announced \$300,000 from Round One of the Australian Government's Regional Airports Program to fund Stage 5 of the Stawell Airport Redevelopment.

The funding from the Government matches council's own investment to deliver a \$600,000 package of works which will focus on the remaining aviation/airside works packages to improve the overall safety and efficiency of the airport.

The project includes:

The installation of 3,580 metres of vermin-proof fencing, preventing wildlife from entering the airport by securing the entire perimeter

Upgrade and realignment of the Taxiway Bravo to Code B requirements for safe passage of aircraft to the main runway and improving access to Runways 11/29 and 18/36, the apron, hangars and refuelling area

Extension of the apron parking area to improve efficiency and safe aircraft movement to the hangars and refuelling area by increasing the apron area by 1,500 square metres and installing cable type and normal tie-downs to provide additional apron parking

Renewed line marking of the runways, taxiways and apron areas; additional aircraft tie-down points and general safety upgrades to ensure compliance with the new Manual of Standards (MOS) regulations.

Northern Grampians Shire Council is the owner operator of Stawell Airport and over the last

decade has overseen over \$4 million of upgrades, including: reconstruction of the main runway to code 3C standard; construction of a new taxiway; renewal of runway lighting and generator backup; installation of a Non-Precision Approach GPS facility; installation of perimeter vermin and security fencing; and upgrades to airport fuel facilities.

The current grant funded works at the airport will commence in late 2020 and are planned for completion in 2022.

## STAWELL GIFT

On 18 February 2020, council and the Stawell Athletic Club signed a landmark funding agreement with the Victorian Government to see the Stawell Gift secured until at least 2023.

Over the life of the four year funding agreement, the Victorian Government has committed to providing \$1.22 million and council \$150,000. The primary purpose of the funding agreement is to reform the operating model of the Stawell Gift to maximise growth and sustainability of the event and reduce the reliance on government funding.

The Stawell Gift is Australia's

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

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

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

The COVID-19 health crisis has sent major shockwaves throughout our local community, particularly within the hospitality and tourism sectors which all but shut down during what is ordinarily their peak period for visitation over Easter. Unfortunately this resulted in the cancellation of 2020 Stawell Gift Carnival.

The Stawell Gift Expanded Executive Group formed under the new agreement commenced





its work immediately to finalise the establishment of the new Committee of Management and develop a Stawell Gift Strategic Plan 2021-25. This will provide the new committee with the tools it needs to ensure we build back better with an operating model that sees the Stawell Gift return post COVID-19 with a stronger and more sustainable future.

## **SLOANE STREET HOUSING DEVELOPMENT**

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

In 2013 Northern Grampians Shire Council rezoned an 8.1 hectare site owned by council located on the corner of Sloane Street and Cahill Road in Stawell to Residential 1 Zone with the potential to develop 60-110 dwellings.

Since that time, council has been unable to attract interest from developers to purchase the greenfield site and unlock this development opportunity due to a market failure situation

which has hindered investment attraction to construct new housing.

Stawell has been experiencing a recent jobs boom with up to 1,000 jobs full time equivalent jobs expected to be created over the next decade. While current economic conditions will create challenges, recent stimulus measures will also fast-track many government funded projects.

The availability of rental housing in the Northern Grampians Shire and our neighbouring municipalities remains very low at around 1%. Several of the major employers in the region have indicated that this is a significant impediment in attracting skilled workers to meet their growing workforce demand.

Facing increasing pressure to solve local housing shortages, council went to market on 6 August 2019 to seek Expressions of Interest to sell the land for development.

Following an Expression of Interest (EOI) process for the development of the Sloane Street site, in February 2020, council selected PassivePlace as the preferred developer.

In May 2020, the Victorian Government announced grant funding of \$500,000 to extend town infrastructure and utilities to service the development site. Council matched this funding with a further \$500,000 to bridge the gap in development costs that has previously led to market failure.

Following project design and consultation with the community throughout the second half of 2020, the developer is expected to

commence construction in 2021 until the full project is completed in 2024.

## **BUSINESS ASSISTANCE SCHEME**

Council's Business Assistance Scheme grant program supports both new and existing business development to assist with the establishment of a new business, or the expansion, diversification or projects which assist with sustainability for existing businesses.

In the 2019-20 year, the scheme awarded over \$50,000 in financial assistance to a range of businesses across multiple townships in the Northern Grampians Shire.

### **Business Beautification Program**

A feature of the business assistance scheme in 2019-20 saw the introduction of the Business Beautification program. The facade improvement program was established to support commercial zoned properties to enhance their shop front amenity with updated signage, paint works, lighting or minor front entrance works. Council contributed up to \$3,000 per project on a 1:1 basis with a total of 22 local



enhancement projects across the municipality.

## **BUSINESS ENGAGEMENT**

### **Small Business Commissioner**

In partnership with StawellBiz, Victorian Small Business Commissioner, Judy O'Connell, was hosted at the Stawell Town Hall for a business breakfast presentation.

### **Small Business Victoria workshops - business webinars**

As businesses were impacted by the effects of COVID-19, a series of locally hosted business webinars were delivered to assist support the local business community:

- **April**

Victorian Business Together - Helping your Business  
COVID-19 Business Webinar  
Taking your business online - What you need to know  
Marketing your business

- **May**

Building Resilience  
Digital Opportunities - Introduction to Ecommerce  
Masterclass - Strategies for managing mental wellbeing  
Growers as Innovators

- **June**

Finance Fundamentals  
Small Business Recovery webinar  
Surviving in a digital environment

### **Focus on Business**

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



for businesses and encourage supporting local businesses.

### **Business E-news**

In response to COVID-19, Business Enews distribution increased to weekly distribution to the extensive mailing list. Subscribers have been provided with regular updates on opportunities for:

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

### **Small Business Friendly Charter**

As a signatory to the Victorian Small Business Charter, Northern Grampians Shire Council is committed to positive outcomes for local small businesses through. A number of localised initiatives have ensured compliance with the charter and further supporting local businesses:

- Faster permit approvals through the Better Approvals Project
- Prompt payment to small



business

- Working with businesses to manage disruption during infrastructure projects
- Working with local small business networks to communicate information from the state small business commission

## **BULGANA GREEN POWER HUB**

Construction commenced on the Bulgana Green Power Hub in May 2018 and was completed in October 2019. The initial permit to connect the first 30MW to the grid was approved by the Australian Energy Market Operator (AEMO) in late June 2020. The phased switch on of the remaining turbines will be approved by AEMO progressively until that facility is operating at full capacity by December 2020.

This partnership with renewable energy company Neoen to build the \$350 million Bulgana Green Power offers a reliable and affordable energy solution to the Nectar Farms project.

This 56 wind turbine and 20 MW/34 MWh Tesla lithium-ion battery storage facility is a world first solution that

effectively bolts-on a renewable energy facility to an industry, completely off the grid delivering secure power to industry at a highly competitive rate.

This project is a world first technological partnership, embedding renewable energy into sustainable and intensive horticulture. It is an example where council, the Victorian Government, Neoen Australia and Nectar Farms have developed a model that can be replicated anywhere.

This demonstrates that government, industry and the community can develop innovative partnerships that not only create a reliable and sustainable energy network supporting the transition to a low carbon economy, but also leverages major investment that creates jobs and delivers improved social outcomes in the regions.

Northern Grampians Shire Council's partnership with Neoen Australia enables \$120,000 in funding for community projects through

the Bulgana Green Power Hub Foundation.

Local projects that support Environmental sustainability, Health and wellbeing, Strong connected communities, Sport and recreation, Arts and culture and increase Skills, education and training are considered.

17 projects were made possible through the foundation in 2019-2020:

- Skene Street Specialist School - Strong Connected Communities project
- Stawell Primary School - Community Bike Safety and Education program
- St Arnaud Sports Stadium Association - Facility repairs
- St Arnaud Community Action Network - Encouraging Engagement quarterly newsletter
- Stawell Senior Citizens Centre - Wide screen television for karaoke
- St Arnaud Raillery Hub - Community Hub equipment
- Stawell Urban Landcare group - School holiday nature program
- St Arnaud Country Music Club - Poet's breakfast stage

- Stawell Tennis Club - Game Set Match Junior tennis program
- Grampians Community Health - New community car for transport access to medical appointments
- Paradise Hall Committee - Kitchen upgrade project
- Marnoo Incorporated - Community Hub infrastructure upgrade
- Grampians Field and Game - Equipment improvements
- Stawell Vintage Tractor and Engine Club - contribution towards Vintage Tractor and Engine rally
- Swifts/Great Western Cricket Club - Community Cricket program, ball machine
- Stawell Golf Club - Enhancing the Arts in Stawell infrastructure upgrade for musical arts group
- Friends of the Grampians Rail Trail - Rail Trail Surfacing

Details on the Bulgana Green Power Hub Foundation can be found at [www.ngshire.vic.gov.au/BGPH-grants](http://www.ngshire.vic.gov.au/BGPH-grants)

“

*One in six jobs in Northern Grampians Shire is directly or indirectly reliant on tourism spending.*

”



## EMERGENCY AND RISK INITIATIVES

“  
*The Northern Grampians Shire Municipal Emergency Management Planning Committee (NGS MEMPC) meets four times annually*  
 ”

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

### EMERGENCY MANAGEMENT EXERCISES RUN OR ATTENDED BY COUNCIL STAFF IN 2019-20

16 July 2019	Grampians MEMEG Exercise Revival (recovery exercise)	Ballarat
29 July 2019	IGEM and MAV Emergency Management Forum (Inspector-General Emergency Management review - feedback sought from councils)	Ballarat
1 September 2019	Stawell Gold Mines Emergency Exercise (vehicle collision)	Stawell
9 October 2019	DHHS Emergency Preparedness and Engagement Forum	Ararat
6 November 2019	Landslide Exercise (VICSES)	Halls Gap
26 November 2019	Exercise Rainbow Relief - (joint councils & agencies relief exercise)	Ararat
26 November 2019	Tour of Ararat Incident Control Centre (CFA)	Ararat
28 November 2019	Exercise Buffalo (Stawell Hospital mass casualty scenario)	Stawell
11 December 2019	Halls Gap Evacuation Discussion	Stawell
16 December 2019	NGSC MECC Set Up	Stawell

## EMERGENCY MANAGEMENT PLANNING

Council has continued to monitor, review and action requirements of relevant EM legislation and guidance material, including the review and ongoing development of the Municipal Emergency Management Plan (MEMP) and associated sub plans.

Council is well-prepared to implement changes in response to the *Emergency Management Legislation Amendment Act 2018*, which comes into effect on 1 December 2020.

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

Council keeps abreast of strategic and regional planning through participation on the Regional Strategic Fire Management Planning

Committee and the Regional Emergency Management Planning Committee. Involvement on these committees assists council to understand the changes being introduced throughout the state as a result of changes to EM processes being driven by Emergency Management Victoria and changes to EM legislation.

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

## VULNERABLE PEOPLE IN EMERGENCIES

Council works in partnership with the Department of Health and Human Services and other service providers for the aged

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

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

## PARTNERSHIPS AND COLLABORATIONS

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

**Additional collaborative work includes:**

- The review of Neighbourhood Safer Places - Bushfire Places of Last Resort and the Victorian Fire Risk Register-Bushfire with the assistance of the Country Fire Authority (CFA) and other Municipal Fire Management Planning Committee members and stakeholders. Coordination with the Department of Environment Land Water and Planning (DELWP), CFA, and Municipal Fire Prevention Officers on fire management issues (e.g. setting restrictions for permits to burn and working with CFA and DELWP staff on fire management activities and fuel reduction and risk reduction strategies) has occurred throughout the year.
- Coordination with Regional Roads Victoria to discuss issues relating to Emergency Road Diversions
- Collaboration with the CFA, Parks Victoria, DELWP, Grampians Tourism, and Melbourne University to investigate ways to address the lack of visitor understanding of the Halls Gap emergency risk landscape.
- Council continues to be involved in flood management discussions regarding possible sharing of resources between councils for possible risk mitigation projects coming out of the *Victorian Floodplain Management Strategy 2016*.

## **EMERGENCY RESPONSE AND RECOVERY ACTIVITIES**

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

## **COMMUNITY ENGAGEMENT IN EMERGENCY MANAGEMENT**

Council's commitment to community engagement remains as strong as ever. Council led the NGS MEMPC in recruiting and appointing its first Community Representatives in February 2020. The new Community Representatives provided valuable input into the recent review of the Municipal Emergency Management Plan in May 2020.

Council was also successful in securing funding for a 12-month Project Officer (Emergency Planning) position to build resilience and enhance emergency management

preparedness within our communities.

## **MEETING LOCAL PRIORITIES**

Council staff were provided with internal and external training to help prepare for their roles as Deputy Municipal Emergency Resource Officers, Deputy Municipal Recovery Managers, Vulnerable Persons Register Coordinators, and Municipal Emergency Coordination Centre Administrators.

Several newly appointed staff completed the Victoria State Emergency Service Introduction to Emergency Management Course to ensure they understood the part they play in EM within the state. Two new staff also undertook the CFA's Municipal Fire Prevention Officer training.

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



“

*The Northern Grampians Shire MEMP includes strategies to prevent, prepare, respond to and recover from emergencies which may occur within the Northern Grampians Shire and impact on residents and infrastructure.*

”



## ASSET INITIATIVES

“

*Council maintains millions of dollars worth of assets across the region to improve the livability of our shire.*

”

### ON THE ROAD AGAIN

Council's Infrastructure Department have again completed an effective Roads and Bridges Capital Program, including a number of major road renewal and upgrade works.

In a bid to try and reduce ongoing road maintenance costs on gravel roads or improve road functionality and safety, council undertook several road upgrade projects. These projects included upgrading several rural residential roads, including Cobey's Creek Road, St Georges Road and Woolpack Road. The intersection of McKay Road and Banyena Road, Church Road and McRae Road, Stuart Mill Low Road and Murray Road, Bolangum Inn Road and Wallace Road and Bulgana Road and Salt Creek Road were also realigned to cater for heavy vehicles and increase road safety.

Drainage improvement works were completed at Clyde Street, St Arnaud and Paxton Street

Carpark, Great Western. New kerb and channel works were completed at McMahon Street St Arnaud (Millet Street to Raglan Street) and Leslie Street Stawell (Seaby Street to Foster Street). Footpath installation was carried out at Millet Street (Queens Avenue to Bowen Street) and Silvermines Road (Mill Street to Edward Street) to provide access links to pedestrians and gophers.

### BRIDGE AND MAJOR CULVERT UPGRADES

Council completed 9 major culverts and bridges works in 2019-20 financial year.

Some of the completed works on the assets include deck strengthening to cater for heavy vehicle loads, upgrading guardrails to increase safety, and replacement of culverts which were at their end of useful life.

Among other projects, culverts have been replaced at Vances Crossing Road (Joel Joel), Swanwater Road (Swanwater)

and Archdale Road (Dalyenong). Larger works were seen on Dunolly Road where guardrail upgrades were done on 2 major culverts and a complete replacement of an existing culvert which was in very poor condition.

At Allanvale Road an existing narrow bridge was replaced with new crown units capable of handling daily vehicle loads. At Landsborough Road 2 bridges underwent strengthening works to increase load bearing capacity.

### AIRPORTS TAKING OFF

Time and effort has been put towards formulating the scope and exploring funding opportunities for Stawell Airport Stage 5, 6 and 7. Grant funding was sourced in 2019-20 and council was able to achieve

a large section of perimeter vermin proof fence replacement and this fencing work is aimed at eliminating the risk of native animals entering the aerodrome creating an unnecessary hazard for pilots taking off and landing. Additional work was also carried out for the subdivision of the hangar sites, which are aimed at the eventual sale of some of the hangar sites to existing lease tenants. Preliminary setout and review of contract scope and documents needed for the 2020-21 works has commenced.

## BUILDINGS

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

The following is a list of buildings where substantial works were carried out during the 2019-20 financial year:

- Renovation of the Scallan Street Toilets Stawell. Works included upgrades to fixtures, updated tiling and painting and improved lighting and ventilation.



- After thorough and extensive planning and consultation North Park Multipurpose Clubroom Development Project commenced during the 2019-20 financial year with construction due to be completed in the 2020-21 financial year.
- Construction of the public toilet at Navarre.
- Major structural repairs were undertaken at the Stawell Sports & Aquatic Centre. Works included replacement and repair of structural beams and a major overhaul of the suspended ceiling. Major pipework repairs were also undertaken to the spa including retiling.
- Major maintenance works were also undertaken at the Stawell Football Club clubrooms. Works included repointing of brickwork due rising damp damage. external brick wall repairs were also carried out.
- Painting of the St Arnaud pool including the toddlers pool.
- Repairs and recoating of the timber floors at the St Arnaud Town Hall including the stage area.
- Repairs and recoating of the timber floors at the Halls Gap Community Hall. Upgrades to the air conditioning and heating units were also completed.



- Repairs and recoating of the timber floors at the Banyena Public Hall.

## PARKS AND GARDENS

Works undertaken in the 2019-20 financial year are in line with achieving council's 2017-21 Council Plan to enhance the natural and built environment to improve lifestyle and visitation, including:

- Completion of the Queen Mary Gardens, St Arnaud extension over the old bowling green project. Works included the construction of a main shelter with arbors and stone wall seating, entry arbor, paved areas, installation of picnic tables and park benches and landscaping.
- Construction of a barbecue shelter and barbecue at Market Square. Works are in line with the adopted Market Square master plan.
- Installation of fountains at Cato Park Stawell to aid water quality and visual amenity.
- Ungraded barbecue and drinking fountain that are wheelchair accessible at Cato Park.
- Installation of additional paths to link to the barbecue shelter to improve all ability access at Cato Park.
- Reconstruction of the Wimmera Street roundabout Stawell.
- Replacement of concrete footpaths with paving at the Stawell war memorial to visually blend and be consistent with the footpaths in the Stawell streetscape.
- Installation of paths and landscaping at the Maud Street dams in line with the Central Park Precinct Plan.



## WASTE INITIATIVES

“  
As we all get smarter about waste management, council is agile and responsive to waste needs.”

### WASTE INITIATIVES

Initiatives 2019-20:

- Construction of an e-waste shed at both the Hard Hills (St Arnaud) and Stawell Transfer Stations completed
- Wimmera Mallee Waste have continued to privately manage the Stawell Transfer Station
- Completion of NGSC Waste Strategy following community consultation
- Participation in a Kerbside Waste Collection Contract Collaborative procurement process

### BIN STRAPS

NGSC purchased bin straps for residents within our shire to manage wildlife tipping over bins- especially in the Halls Gap area.

Over 52% of households have taken up the offer of bin straps, an ongoing program is being delivered to ensure the maximum uptake.

### CIRCULAR ECONOMY POLICY

Northern Grampians Shire Council is in the process of developing a “Transition Plan” for the Minister, outlining our implementation dates of new mandatory services in the next ten years.

- Kerbside FOGO Services
- Glass collections/Drop off points
- CDS-Container Deposit Scheme





## SOCIAL AND COMMUNITY INITIATIVES

“  
*One of the marvelous things about community is that it enables us to welcome and help people in a way we couldn't as individuals.*  
 ”

### REGIONAL ASSESSMENT SERVICE

Council provides the Regional Assessment Service for the local area, meaning that the council's trained assessment staff undertake face to face visits in the home with potential clients, to determine care needs, eligibility for services, and to develop a support plan which addresses client needs, goals and preferences. During these assessments, clients are given information about costs and are able to choose their service/s of choice. Throughout 2019-20, the council has provided 285 regional assessments. Proudly, 100% of these were completed within the required timeframe set by the Australian Government.

### POSITIVE AGEING

The Positive Ageing Department has delivered an exceptional year of high quality services to 515 residents across the shire.

The fantastic Direct Care workers have delivered a total

of 16,456 service hours directly supporting shire residents.

A mix of staff and dedicated volunteers delivered 10,742 meals to residents living in Stawell and St Arnaud, coming fresh out of our two major health services East Wimmera Health Service and Stawell Regional Health. Due to infection control policy we are now delivering all meals with internal staff until restrictions are reviewed.

### COMMUNITY PROJECTS AND EVENTS

#### Children's Week 2019 -

**Children have the right to be** Children's Week was celebrated in Stawell with a community event at Central Park, Stawell. Families, students and locals enjoyed an outdoor playroom with a morning of activities hosted by local organisations with a smoothie bike, playing modified sports, dressing up, story time and performance. Together with East Wimmera

Health Service young families enjoyed the atmosphere of Market Square with an outdoor community picnic, tabloid sports, treasure hunt, outdoor storytime and games were enjoyed.

#### Western Bulldogs Leadership Program - October

Young people from across the shire have gained skills and knowledge as part of the Western Bulldogs Leadership program. This was a unique opportunity for our young people to develop skills as they become the new leaders in our communities. Our young leaders were presented to the community at a graduation ceremony where they showcased their leadership projects undertaken as part of the program.

14 young people from across the shire graduated from the



youth leadership program.

### Social Enterprise Workshops - October 2019

Made available through Rural Councils Victoria Funding the Australian Centre for Rural Entrepreneurship (ACRE) were hosted in St Arnaud to deliver a two day workshop on the introduction to social enterprise. As an emerging approach to rural community leadership and creating sustainable economic and social outcomes - this workshop provided a foundation to introduce the possibilities for our local communities in establishing social enterprising to fund community priorities.

### STAND UP SPEAK OUT: Walk the Walk Against Violence November 2019

Northern Grampians Shire Council continued to work in partnership with Grampians Community Health, Stawell Neighbourhood House and Stawell Secondary College in solidarity against violence in our community. A well attended community march was held in Stawell on 22 November with participants showing solidarity by wearing orange to speak out against violence. The march concluded at the

Stawell Neighbourhood House as the community converged for formalities to honour the significance of “standing up and speaking out” against violence in our community.

### Seniors Week Events - OCTOBER

Seniors Week was celebrated across the shire as guests in St Arnaud gathered at the Town Hall as James Blundell entertained the crowd and participants were treated to a delicious luncheon. A matinee movie followed with a screening of Amazing Grace.

In Stawell crowd favourite, Jefferson Smith, delighted the audience with the music from loved classics including Johnny Cash, Neil Diamond, Elvis Presley and Roy Orbison - followed by an afternoon tea.

### The Future Story of St Arnaud

Community Visioning was undertaken in partnership with the St Arnaud community in September where groups and individuals were welcome to develop, consider and pitch local projects. Participants were led through workshops to develop skills in project planning, working in partnerships and working to the strengths within the community to develop locally led projects. Project leaders were given the opportunity to test their projects and reconvene in November to update on their progress. This has formed the basis for the updated St Arnaud Community Plan.

### IDAHOBIT Day 2020 - April

In supporting community inclusion and safety for all Stawell celebrated International Day Against Homophobia,

Biphobia, Interphobia and Transphobia (IDAHOBIT) in May with a rainbow flag raising in Stawell and St Arnaud. The ceremonial rainbow flag raising observed physical distancing requirements and was shared via our online community.

### SUPPORTING OUR COMMUNITY GROUPS

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

Projects that have benefited from council funding in 2019-20 include:

#### Community Grants

Local organisations have undertaken projects with the support of Community Grant funding

- Stawell Football/Netball Club
- Stawell Pioneers Soccer Club
- Stawell Camera Club
- Stawell 13 and under Football Association
- St Arnaud Neighbourhood House
- St Arnaud and District Historical Society
- Navarre Netball Club
- St Arnaud Raillery Hub



- Central Grampians Local Learning and Employment Network
- Community Association of Halls Gap
- Stawell Racquetball Association
- WAMA - Biggest Science Experiment
- Stawell West Primary School
- Stawell Senior Citizens Club
- Halls Gap Recreation Committee
- Eventide Homes
- Halls Gap Caravan Park and Recreation Reserve
- North Central LGBTIQ+ Network
- Paradise Hall Committee
- Stuart Mill Hall Committee
- Youth Club Cricket Club

#### Minor Grants

Recipients of minor grants for local initiatives

- Stawell's War Against Waste
- Stawell Quilters Incorporated
- Stawell Primary School
- Stawell Neighbourhood House
- Halls Gap Village Market
- Stawell Historical Society
- Glenorchy Golf Club

#### Event Seed Funding

Localised events and activities supported through event seed funding

- Vision St Arnaud
- St Arnaud Pipe Band
- Stawell and Ararat Cross Country Club

### SUMMER OUTDOOR POOLS

We had more than 9400 visitors through the gates of the St Arnaud Swimming Pool to seek respite from the summer sun, this is over 500 more than last summer. The 'no fee' access to the pool, the fun water aerobics sessions and school group

swimming saw a range of ages enjoy the beautiful pools for more than three months.

Once again the water slides of the Stawell Outdoor Pool were a draw card for many patrons travelling from near and far. School swimming lessons and carnivals saw usage of the outdoor pool during the school terms while kids and families enjoyed the pool and surroundings for summer picnics, birthday parties and everyday summer fun.

### STAWELL SPORTS & AQUATIC CENTRE (SSAC)

@leisure Planners conducted a feasibility study for the redevelopment of SSAC. This project was funded by a grant from the State Government. The final report is still to be submitted however some initial key findings in the study included:

- Overall facility upgrades:
  - ◊ Change facilities
  - ◊ Indoor Pool
  - ◊ Stadium
  - ◊ Improved Air Handling throughout centre
- Centre Accessibility
- Importance of services such as Clinical Health, Swim School and Group Fitness

SSAC was closed due to the COVID-19 Global pandemic for 13 weeks, however we finished the year with 310 members and up to 300 Swim and Survive students during the peak summer months and had over 50,000 visits for the year.

During the closure period SSAC offered free virtual group fitness classes for the extended community, during this time we also focused on some maintenance and repair work on the indoor pool and spa, including infrastructure repairs, tiling, plumbing repairs and

painting.

SSAC has seen a large demographic of patrons, however notably the 50+ age group has been a consistently committed group participating in our Active Aging classes and leading the way with technology to comprise the greatest portion of virtual group memberships during our COVID-19 closure.

### ST ARNAUD EARLY LEARNING CENTRE

St Arnaud Early Learning Centre is continuing to offer three long day care age group programs and two funded kindergarten programs. The newly implemented 3 year old funded Kindergarten program has been well supported by families with ongoing positive feedback from families and the Department of Education.

There are currently a total of 127 children enrolled at the service, including the Kindergarten programs that have:

- 34 active four-year-old kinder children
- 31 active three-year-old kinder children

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





19 families requesting 45 days of care for children per week: predominantly work related  
3 families wanting to relocate to St Arnaud who the service was unable to facilitate.

The staff have been implementing a mix of on-site and remote learning options for families throughout the pandemic, keeping children engaged in early learning opportunities that meet government restrictions and suit family circumstances.

There is a noticeable increase in the number of "at risk" referrals from family support agencies with a total of 16 mid year. The ELC has managed to incorporate referral booking requests and keep these children engaged on-site throughout Stage 3 restriction periods. The service is participating in weekly/ fortnightly family welfare meetings with local schools and Uniting Wimmera to collaborate unified support for families who have children across these education sites.

Due to COVID-19 restrictions the service is currently not operating the off-site bush kinder program or excursions to the Nursing Home; this will probably continue for the remainder of the year. Both the 3 & 4 year old Kindergarten

children are doing some artwork to send to Kara Court along with some singing they have taped on video.

The service is continuing to restrict families entering the building. They are operating a hygiene station outside the entrance where staff will greet children, complete a temperature check and assist with hand sanitising older children prior to escorting them into the building. Additional cleaning and hygiene measures of heavy traffic areas are being undertaken daily by service staff.

## MATERNAL AND CHILD HEALTH

Birth notifications received 110.

Home visits 103  
2 week KAS 105  
4 week KAS 105  
8 week KAS 102  
4 month KAS 92  
8 month KAS 96  
12 month KAS 95  
18 month KAS 95  
2 year KAS 89  
3.5 year KAS 72

Referrals continued. Ceased attending the one playgroup with preference to attend all playgroups within NGSC. Adjusted to COVID-19 practices as per recommendations from DHHS.

## IMMUNISATION SERVICE

Stawell : 112  
St Arnaud: 114

We offered immunisation sessions for children 6/12 months to 5 years of age.  
Stawell: 89  
St Arnaud: 38

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

Stawell: an additional 32 children in the above age group received an influenza vaccine.

St Arnaud: an additional 31 children in the above age group received an influenza vaccine.

Total of Stawell: 121 children received influenza vaccine  
Total of St Arnaud: 69 children received influenza vaccine.

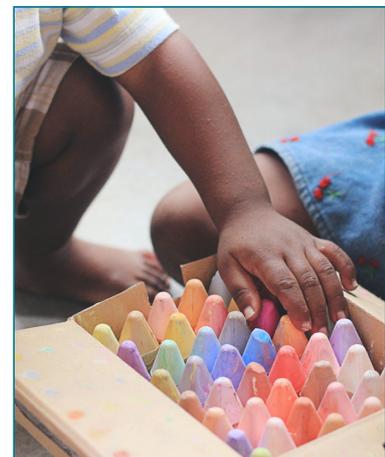
Total immunisations for NGSC for influenza 190, last year was 30.

The online booking system was adjusted to allow parents/ carers to book for the children's influenza sessions.

We continue to attend secondary schools, fortunately we attended prior to the COVID-19 pandemic commencing. For future sessions we will be using the Stawell and St Arnaud town halls if schools remain closed. The dates set at the commencement of the year will remain unchanged.

## SUPPORTED PLAYGROUP

Supported Playgroup is funded by the Department of Health and Human Services and has been established to assist vulnerable families experiencing disadvantage. Supported





Playgroup delivers the evidence-based program Smalltalk to help families build up their parenting confidence and to improve child development and learning. Supported playgroup has been running in the shire since October 2018 and is currently operating in Stawell and Marnoo. The start of the year saw a rebrand and intensive promotion period to increase attendance which was working well. With the start of COVID-19 and restrictions on activities, Playgroup has had to adapt and is now being offered online in a virtual capacity with increasing attendance. Other services have been added to assist families within the community, with family support, delivery of craft packs and virtual individual sessions on offer. Supported Playgroup is collaborating with key early years services throughout the shire, to ensure all families are aware of and can access the service.

### **RECREATIONAL WATER Walkers Lake**

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



of draft actions to commence the process to deliver the outcomes of the management plan over the next 12 months. The list is a work in progress and relevant items will be subject to approval through outcomes of assessment by a qualified Cultural Heritage Advisor to inform important activities for the recreational use at Walkers Lake.

### **Grampians Lakes Fishing Competition**

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

This information strengthened the pursuit of an initiative from

council whereby the Victorian Fisheries visited Lake Fyans to investigate the opportunities of establishing a VicFish Kids event that is part of the State Government's Target One Million plan to grow participation and get one million anglers by 2020. This event discussion that included Stawell and District Angling Club introduced the development of an open fishing competition. Held on the same weekend as the Melbourne Cup weekend in November 2019 this was a success and is expected to grow into a sustainable event for years to come. Whilst impacted by COVID-19 the event will look to be held in early 2021.

### **Lord Nelson Park and North Park Multipurpose Clubroom Developments**

Lord Nelson Park continues to gain momentum through the support of council's St Arnaud Recreation Advisory Group that is driving the project on behalf of the community. Draft concept designs have been developed over the last 18 months to establish the floor plan required to house the diverse number of users at the reserve. This project has been buoyed by the commitment from council and also the commitment of funding from Sports Australia, State Government, AFL and the efforts of community fundraising. The project has progressed to the Design and Construct Tender stage in 2019-20 financial year with construction to commence in early 2021.

The council supported North Park Multipurpose Clubroom Development reached the peak of support in 2018-19 and 2019-20 through multiple avenues. The Stawell Recreation Advisory Group formed by council in 2017 has played a major part in developing the project to a stage of concept design through to construction plans. During

this design phase the project achieved funding support from Sports Australia, State Government, Swifts Football and Netball Club to ensure this project construction timeline with completion expected early 2021.

**Stawell Parks Precinct Plan**

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

The plan, through the annual council budget process, has enabled the delivery of several key projects in 2019-20 including Cato Park Fountains, Cato and Maud St Dam pathways, Central Park Ticket Booth Restoration, Waites Robson site planning and Cato Park Toilet Planning.

**CARERS RECOGNITION ACT 2012**

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

- Undertaking Home Support assessments, and NGSC home care assessments which include appropriate assessment of care and support needed for individual carers
- Holding annual Seniors Day celebration events across the shire
- Networking with and providing information to allied organisations
- Advocating for carers rights according to the Act in Positive Ageing client newsletters

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

- Council induction and training programs for Positive Ageing staff
- Council induction and training programs for staff working in front-line positions with the general community.



“

*There is no power for change greater than a community discovering what it cares about.*

”



## DATA AND INFORMATION INITIATIVES

“  
*Agile, responsive, and ever evolving business practices allow us to serve the community in new exciting ways.*  
”

### BUSINESS TRANSFORMATION

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

Combining the key components of people, processes, technology and change management, council has continued to focus on the implementation of innovative solutions that provide integrated, easy to use, accessible services, prioritising customer experience, digital first and data management in order to improve service delivery and customer experience.

*LeaniNG Forward*, our continuous improvement project using ‘lean’ methods and process management to identify and implement ‘change for the better’ is ongoing across the organisation. Of the approximately 1,300 processes which have been identified, almost 500 have now been mapped with more

than 300 currently in progress. This not only provides council with corporate knowledge to provide a consistent customer experience, but also the opportunity to analyse and improve service delivery.

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

With the directives resulting from the COVID-19 situation, over 100 employees have been supported with equipment and technology to enable ‘working from home’, including design and rapid rollout of several

online processes to allow for continuity of service, and almost wholesale change of meetings and training to online platforms.

Council’s IT network has been extended this year to include the library services at Stawell and St Arnaud, and changes made following a review of communication services has resulted in considerable savings to council. Further work will be undertaken next year to improve service delivery in the future and further support our move towards a web enabled environment.



## GOVERNANCE MANAGEMENT AND OTHER INFORMATION INITIATIVES

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*Governance is more than following the rules, it's ensuring council is operating at it's best for the whole shire.*

”

### GOVERNANCE

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

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

- acting as a responsible partner in government by taking into account the needs of other communities
- fostering community cohesion and encouraging active participation in civic life.

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

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

### COUNCIL MEETINGS

Council conducts council meetings on the first Monday of each month at 12.30pm which are open to the public. Venues for meetings alternate between Stawell and St Arnaud. Any additional meetings or changes to the meeting timetable are publicised through the media.

Public question time is a regular feature at ordinary meetings, giving residents the opportunity to ask questions on any council related matter.

During 2019-20 there were 10 ordinary council meetings and 3 special council meetings. There were 42 councillor briefings.

The following table provides a summary of councillor attendance at these meetings for 2019-20.

	Ordinary Council	Special Council	Briefings
<b>No. of Meetings</b>	<b>10</b>	<b>3</b>	<b>42</b>
Cr Kevin Erwin	10	3	41
Cr Murray Emerson	10	3	41
Cr Tony Driscoll	10	3	36
Cr Rob Haswell	7	3	38
Cr Karen Hyslop	10	3	41
Cr Jason Hosemans	10	3	36
Cr Merrilee Reid	7	2	37

Audit Committee	
<b>No. of Meetings</b>	<b>4</b>
Cr Kevin Erwin	4
Cr Murray Emerson (delegation ended December 2018)	1
Cr Karen Hyslop (delegation commenced December 2018)	4

### SPECIAL COMMITTEES

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

- Queen Mary Botanic Gardens Committee

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

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

## COUNCILLOR CODE OF CONDUCT

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

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

The Code:

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

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

The Code was adopted at a Special Council Meeting on 13 February 2017 and each councillor agreed to make a written declaration before the Chief Executive Officer stating that they will abide by the Code.

The Code is compliant with the *Local Government Act 1989* and includes an internal resolution procedure to provide for an arbiter to hear and determine on allegations that a Councillor has contravened the Code.

## CONFLICT OF INTEREST

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

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

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2019-20 three conflicts of interest were declared at council meetings and Assemblies of Councillors.

Council has a current *Gift, Benefits and Hospitality Policy* as a means by which to achieve good practice in managing the risks identified in the *IBAC*

*2018 Local Government Integrity Frameworks Review.*

## COUNCILLOR ALLOWANCES

Section 74 of the Act requires each council to review and determine the level of the councillor and mayoral allowances within the period of six months after a general election or by the next 30 June, whichever is later. Allowances set through this process remain in force for the next four financial years unless one of the following applies: a) a review may be conducted if an Order in Council varies the limits or ranges of allowances payable; b) a review may be conducted if an Order in Council changes the category of council. The Minister for Local Government determined under section 73B of the Act that these allowances be increased by 2.0% from 1 December, 2019. In making this determination, the Minister had regard to the equivalent movement in remuneration of executives within the meaning of the *Public Administration Act 2004*. For council which is a Category 1 Council, based on population and revenue, the adjusted range limits which apply are: Category 1: Councillors: \$8,833-\$21,049pa; Mayors: up to \$62,884 per annum. The amount equivalent to the superannuation guarantee under Commonwealth taxation legislation (currently 9.5%) is payable in addition to these amounts.

Councillors are also entitled to a Remote Area Travel Allowance. If a councillor normally resides more than 50km by the shortest possible practicable road distance from the location or locations specified for the conduct of ordinary, special or committee meetings of the council, or any municipal or community functions which

have been authorised by council resolution for the councillor to attend, they must be paid an additional allowance of \$40.00 in respect of each day on which one or more meetings or authorised functions actually attended by that councillor, up to a maximum of \$5,000 per annum.

### COUNCILLOR EXPENSES

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

Council is required to review and amend its existing policy following each general election. The policy provides guidance on the reimbursement of out of pocket expenses and provision of support for councillors and members of council committees to enable them to perform their duties and to ensure that they are not financially or otherwise disadvantaged in undertaking their official council duties. The policy covers areas such as travel expenses, use of vehicles, training, dependant care expenses, civic support, facilities and equipment. The policy is due for review in 2020 to align with the new *Local Government Act 2020*.

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

Councillors	Allowance \$	Remote Area Travel Allowance \$	Council Paid expenses directly \$	Total \$
Cr Murray Emerson (Mayor 2019-20)	55,807.83	80.00	12,218.22	68,106.05
Cr Kevin Erwin (Mayor 2018-19)	35,498.04	80.00	11,837.11	47,415.15
Cr Tony Driscoll	22,897.92	640.00	4,266.88	27,804.80
Cr Rob Haswell	22,897.92	80.00	863.56	23,841.48
Cr Jason Hosemans	22,897.92	80.00	375.47	23,353.39
Cr Karen Hyslop	22,897.92	80.00	585.04	23,562.96
Cr Merrilee Reid	22,897.92	600.0	1,275.98	24,773.90
<b>Total</b>	<b>205,795.47</b>	<b>1,640.00</b>	<b>31,422.25</b>	<b>238,857.72</b>



The *Local Government Planning and Reporting Regulations 2014* require councils to detail councillor expenses in their annual reports in five distinct categories and the above summary of Council paid expenses amounting to \$31,422.25 are detailed below into these categories:

Councillors	Travel Expenses	Car Mileage	Childcare	Information and Communication Technology	Conference and Training Expenses
Cr Murray Emerson (Mayor 2019-20)	79.99	11,070.22	0.00	747.76	320.25
Cr Kevin Erwin (Mayor 2018-19)	0.00	8,057.6	0.00	831.12	2,948.39
Cr Tony Driscoll	0.00	1,993.32	0.00	594.48	1,679.08
Cr Rob Haswell	0.00	0.00	0.00	863.56	0.00
Cr Jason Hosemans	0.00	0.00	0.00	375.47	0.00
Cr Karen Hyslop	0.00	0.00	0.00	371.40	213.64
Cr Merrilee Reid	0.00	283.70	0.00	778.64	213.64
<b>Total</b>	<b>79.99</b>	<b>21,404.84</b>	<b>0.00</b>	<b>4,562.43</b>	<b>5,374.99</b>

**Note:** The Mayor is supplied with a vehicle in order to fulfil the duties of the role and these costs are allocated against car mileage.

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*Transparency and accountability in Local Government is the basis of fair and effective representation.*

”

## MANAGEMENT

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

## AUDIT COMMITTEE

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

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

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

A Committee Charter sets out the appropriate authority, composition, meeting requirements

and responsibilities of the committee to ensure good practice and compliance with the requirements of the *Local Government Act 1989*, and is supported by council's *Audit Committee Guidelines*.

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

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

## RECORDS MANAGEMENT

Council has particular responsibilities under the *Public Records Act 1973* and has a current *Records Management Policy* which establishes a council wide consistency in the management of records and a framework for the creation, capture, access, management, storage and disposal of records of all agency functions, irrespective of format, within the council. Council also has a current *Records Digitisation Policy* which establishes a framework for the conversion of hard copy documents (source records) to digital format and the subsequent disposal of the source records. The policy is supported by the *Records Digitisation Procedure* which outlines the digitisation process in detail so that full, accurate and complete converted records will be generated. It is mandatory for all Victorian

government agencies that are digitising physical records with the view to disposing of the physical source records to comply with Public Records Office of Victoria (PROV) Digitisation Specifications.

## MEMBERSHIPS

Council was a member of the following organisations during the 2019-20 year:

- Aquatics & Recreation Victoria
- Australasian Performing Right
- Australian Airports Association
- Civil Contractors Federation
- Compelling Economics (REMPAN)
- Dial Before you Dig Vic/Tas
- FOI Assist Pty Ltd
- Ibis World Pty Ltd
- ID Consulting Pty Ltd
- International Association for Public
- IPWEA Victorian Division
- Keep Australia Beautiful Victoria Inc
- Local Government Professionals (LGPRO Incorporated)
- Municipal Association of Victoria
- Municipal Works Operations Association
- North West Municipalities Association
- Position Partners Pty Ltd
- Rural Councils Victoria Incorporated
- TaxEd Pty Ltd
- Technogym Australia Pty Ltd
- TenderLink.com
- Vicsport
- Victorian Chamber of Commerce & Industry
- Victorian Local Governance Association
- Victorian Municipal Building Surveyors
- Wimmera Development Association

- Wimmera Regional Library Corporation

## ORGANISATIONAL RISK MANAGEMENT

Council recognises that it has a responsibility to, as far as is reasonably practical, identify and address all threats and opportunities associated with:

- The provision of a safe and healthy operating environment for all employees, the general public and other stakeholders involved with the provision and use of Council services
- The ability to achieve the Council Plan objectives and associated strategies
- The prudent management of Council property and resources on behalf of ratepayers
- The impact of potential interruption to the provision of Council services
- Non compliance with relevant legislative requirements.

To achieve this, Council is:

- Factoring risk management into business planning, performance management, audit and assurance, business continuity management and project management
- Implementing risk management software to capture and monitor Council's risk profile
- Investigating software options to ensure risk management is considered during the initial stage of implementation or review of Council projects, tenders, grant applications and capital expenditure
- Ensuring risk management is an integral behaviour within the Northern Grampians Shire Council culture.

During 2019-20, Council was active in implementing new risk management software to ensure all operational and strategic risks are registered,

current and managed and conducted quarterly Risk Committee meetings to achieve the revised Risk management policy, strategy and framework objectives. Over this period the risk committee activities include:

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



## GOVERNANCE AND MANAGEMENT CHECKLIST

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

Governance and Management Items	Assessment
<b>Community engagement policy</b> (policy outlining council's commitment to engaging with the community on matters of public interest)	Council adopted a Community Engagement Policy on 4 September 2017. In line with the new LGA 2020 Council must adopt a Community Engagement Policy before 1/3/2021. ✓
<b>Community engagement guidelines</b> (guidelines to assist staff to determine when and how to engage with the community)	At present, council uses the International Association of Public Participation (IAP2) Spectrum of Public Participation as the guideline for community engagement. In line with the new LGA 2020 Council must adopt a Community Engagement Policy before 1/3/2021 ✓
<b>Strategic Resource Plan</b> (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Strategic Resource Plan adopted in accordance with section 126 of the Act. ✓ Date of adoption: 10 August 2020
<b>Annual Budget</b> (plan under s.130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Annual Budget adopted in accordance with section 130 of the Act ✓ Date of adoption: 10 August 2020
<b>Asset management plans</b> (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Services Asset Management Plan in place which includes Part A - General Information associated with managing all asset groups • Part B – Road & Streets Network Plan • Part C – Bridges & Major Culverts Plan • Part D – Buildings & Facilities Asset Plan • Part E - Stormwater Drainage System Plan ✓ Date of operation of current plans: 19 November 2009
<b>Rating Strategy</b> (strategy setting out the rating structure of council to levy rates and charges)	Revenue and Rating Strategy in place - currently being reviewed ✓ Date of operation of current strategy: 3 March 2014

Governance and Management Items	Assessment	
<b>Risk Policy</b> (policy outlining council's commitment and approach to minimising the risks to Council's operations)	Risk Management Policy in place Date of operation of current policy: 6 May 2019	✓
<b>Fraud Policy</b> (policy outlining council's commitment and approach to minimising the risk of fraud)	Fraud Prevention Policy in place. Date of operation of current policy: 30 June 2017	✓
<b>Municipal Emergency Management Plan</b> (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Municipal Emergency Management Plan prepared and approved in accordance with section 20 of the Emergency Management Act 1986 Date of adoption of V4 of plan: 2 June 2020	✓
<b>Procurement Policy</b> (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Procurement Policy prepared and approved in accordance with section 186A of the Local Government Act 1989 Date of approval: 7 October 2019	✓
<b>Business Continuity Management Framework (incl Business Continuity Management Plan)</b> (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Plan, currently being reviewed Date of approval: 18 February 2014	✓
<b>Disaster recovery plan</b> (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Included in the Business Continuity Management Plan, currently being reviewed Date of approval: 18 February 2014	✓
<b>Risk Management Framework</b> (framework outlining council's approach to managing risks to the council's operations)	Strategy Date of approval: 6 May 2019	✓
<b>Audit Committee</b> (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 13 May 1999	✓

Governance and Management Items	Assessment
<p><b>Internal audit</b> (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)</p>	<p>Internal audit projects are selected from items identified within the council's Risk Register and appropriately qualified persons/organisations engaged to undertake the audit. Accounting professionals are employed when the project is relevant to their skill set.</p> <p style="text-align: right;">✓</p>
<p><b>Performance reporting framework</b> (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)</p>	<p>Local Government Performance Reporting Indicators Policy and Procedure in place</p> <p>Date of adoption by Senior Leadership Team: 25 August 2015</p> <p style="text-align: right;">✓</p>
<p><b>Council Plan reporting</b> (report reviewing the performance of the council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)</p>	<p>Council Plan performance not undertaken and efforts made to populate CAMMS software to track Council Plan objectives and strategy for 2019-20. Council Plan reviewed June 2019.</p> <p style="text-align: right;">✓</p>
<p><b>Financial reporting</b> (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)</p>	<p>Statements presented to council in accordance with section 138(1) of the Act</p> <p>Date statements presented: 3/6/2019; 11/11/2019; 03/02/2020; 6/7/2020</p> <p style="text-align: right;">✓</p>
<p><b>Risk reporting</b> (regular reports to Audit Committee of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)</p>	<p>Risk reporting is understood to be an important area for Local Government. The Risk Committee monitors strategic and operational risks and reports to the Executive Leadership Team monthly and to each Audit Committee meeting to provide the opportunity to comment on Council's direction and operational management of risk. In 2019-20 the Audit Committee received an update from officers about the new risk management framework and regular reporting process commenced.</p> <p>Date of Audit Committee Meetings: 21 June 2019, 4 December 2019 and 3 April 2020</p> <p style="text-align: right;">✓</p>
<p><b>Performance reporting</b> (six monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)</p>	<p>Performance reporting legislation progress report provided to council for the six months ended 31 December 2018.</p> <p>Date of report: 1/7/2018-31/12/2018 reported to council 9/4/2018</p> <p style="text-align: right;">✓</p>

Governance and Management Items	Assessment
<b>Annual Report</b> (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Annual Report considered at a meeting of council in accordance with section 134 of the Act.  Date statements presented: 21 September 2020 <span style="float: right;">✓</span>
<b>Councillor Code of Conduct</b> (code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by councillors)	Councillor Code of Conduct reviewed in accordance with section 76C of the Act  Date reviewed: 13 February 2017 <span style="float: right;">✓</span>
<b>Delegations</b> (a document setting out the powers, duties and functions of council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act, sections 11 and 47 LGA 2020  Date of Review: 1 June 2020 <span style="float: right;">✓</span>
<b>Meeting procedure</b> (a local law governing the conduct of meetings of council and special committees)	Meeting Procedure Local Law 2020 made in accordance with section 91(1) of the Act  Date local law made: 3 February 2020 <span style="float: right;">✓</span>

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

**Liana Thompson**  
**Chief Executive Officer**  
 Dated: 30 June 2020

**Cr Murray Emerson**  
**Mayor**  
 Dated: 30 June 2020

## STATUTORY INFORMATION

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

The following documents are made available for public inspection in a number of formats including the council's website. On the website there is a list of all documents council makes available including public registers; alternatively by contacting council's Governance Team on 03 5358 8700. All documents for which council has a legislative requirement to make available to the public are also listed in the council's FOI Part II Statement on our website.

## INFORMATION PUBLICLY AVAILABLE UNDER THE LOCAL GOVERNMENT ACT 2020 OR ANY OTHER ACT

Type	Description	Ways in which information is made publicly available
Travel Register	Details of overseas or interstate travel by Councillors and members of council staff including names, dates, destination, purpose and total cost including accommodation r.12(a) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Agendas and minutes	Agendas and minutes of council meetings other than agendas and minutes relating to a part of a meeting which was closed to members of the public. r.12(b) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Minutes	Minutes of meetings of delegated committees established by council other than agendas and minutes relating to a part of a meeting which was closed to members of the public. r.12(c) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Register of Land Leases	Details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of lease r.12(e) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours upon request.
Authorised Officers	A register maintained under section 224(1) of the Act of authorised officers appointed under that section r.12(f) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours on request.
Donations and Grants	List of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant r.12(g) <i>Local Government (General) Regulations 2015</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a> Included in Annual Report.

Type	Description	Ways in which information is made publicly available
Delegations by Council	Council must keep a public register of delegations made under section 11 of the Act s.11(8) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours on request.
Delegations by CEO	A Chief Executive Officer must keep a register of delegations made under section 47 of the Act s.47(7) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours on request.
Campaign Donation Returns	The CEO must ensure that within 14 days after a specified period that a summary of each election campaign donation return submitted to him is made available. s.307(2) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours on request.
Campaign Donation Returns	If an election campaign donation return is given after the end of the period specified in section 306(1), the Chief Executive Officer must ensure that a summary of the return is made available on the Council's internet site. s.307(3) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.
Campaign Donation Returns	The Chief Executive Officer must ensure that a summary of an election campaign donation return is made available on the Council's internet site until the close of the roll for the next general election. s.308(2) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.
Summary of Personal Interest Returns	CEO must publish a summary of personal interests on the Council's internet site and ensure that the summary of personal interests is available for inspection at the Council office. s.135(3) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.
Personal interest returns	The CEO must publish on its website and ensure it is available for inspection at the council office a summary of the personal interests information disclosed in the last personal interests returns lodged. s.135(3) <i>Local Government Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.
Local Laws	Council must ensure that (a) a copy of the proposed local law; and (b) an explanatory document setting out prescribed details in relation to the local law - is available at, and obtainable from, the Council office during ordinary business hours. s.119(2A) <i>Local Government Act 1989</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours.

Type	Description	Ways in which information is made publicly available
Local Laws	A Council must ensure that a copy of every document incorporated by a local law under section 112 is available for inspection at the Council office during the Council's office hours. s.120(3) <i>Local Government Act 1989</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours.
Public Interest Disclosures Procedures	Council has a duty to make procedures established under s.58 available. s.59(4) <i>Public Interest Disclosures Act 2012</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Local Laws	<ol style="list-style-type: none"> <li>1. Council must ensure a copy of any proposed local law is available for inspection at its offices and on its website s.73(5) <i>Local Government Act 2020</i></li> <li>2. After any local law is made, Council must publish a notice stating the title, objectives and effect of the local law and make a copy available for inspection at its offices and on its website s.74(4) <i>Local Government Act 2020</i></li> <li>3. A notice under subsection (4) must be published - (a) in the Government Gazette; and (b) on the Council's internet site; and (c) in any other manner prescribed by the regulations for the purposes of this section. s.74(5) <i>Local Government Act 2020</i></li> <li>4. Council must ensure a copy of each local law it makes is available for inspection at its offices and on its website. s.75 <i>Local Government Act 2020</i></li> <li>5. Council must ensure a copy of any document, code, standard, rule, specification or method which contains any matter incorporated in a local law is available for inspection at its offices and on its website. s.76(4) <i>Local Government Act 2020</i></li> </ol>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours.
Differential Rates	A Council which declares a differential rate must ensure that copies of the following information are available on its Internet website and for public inspection at the Council office-(a) the definition of the types or classes of land which are subject to the rate;(b) the objectives of the differential rate;(c) the rate an amount of rates payable in relation to each type or class of land and what proportion of the total rates and charges this represents;(d) any other information which the Council considers it necessary to make available. s.161(3) <i>Local Government Act 1989</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.

Type	Description	Ways in which information is made publicly available
Differential Rate	In addition to any other requirements specified by this Act, the public notice must - (c) advise that copies of the proposed declaration available for inspection at the Council office for at least 28 days after the publication of the notice. s.163(1B) (c) <i>Local Government Act 1989</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council Offices during office hours.
Register of Building, Occupancy Permits and Temporary Approvals	Council is required to keep a register of all building permits issued, and make the register available during office hours for any person to inspect free of charge. s.31(2) <i>Building Act 1993</i>	Available for inspection at Council offices during office hours for any person free of charge.
Register of Occupancy Permits and Temporary Approvals	Council is required to keep a register of all occupancy permits and temporary approvals and amendments given to it and make the register available. s.74(2) <i>Building Act 1993</i>	Available for inspection for any person at Council offices during office hours free of charge.
Register of Orders	Council is required to keep and make available a register of all emergency orders, building notices or building orders given to Council. s.126(2) <i>Building Act 1993</i>	Available for inspection for any person at Council offices during office hours free of charge.
Designated bushfire prone areas map	Council has a duty to make a copy of the most recent map of designated bushfire prone areas under sub-section (7) prepared by the Minister available for inspection. s.192A(8) <i>Building Act 1993</i>	Available for inspection by members of the public without charge, during business hours, at Council offices.
Power of entry register	Council has a duty to make the register required under s.230(2) available. s.230(7)(b) <i>Building Act 1993</i>	Available for inspection by the Authority on request and at a time agreed to between Council and the Authority.
Building Permits	Council has a duty to make documents available on request of owner or mortgagee or person authorised in writing by the owner or mortgagee. r.50 <i>Building Regulations 2018</i>	Available on request from Council offices. See website for contact details <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a>
Designated special areas	Council has a duty to make up to date copy of each designated special area map, applicable to Council's municipal district, available to the public for inspection. r.149(4) <i>Building Regulations 2018</i>	Available for inspection at council offices during office hours.
Register of Occupancy Permits and Temporary Approvals	Council is required to keep a register of all occupancy permits and temporary approvals and amendments given to it and make the register available. s.74(2) <i>Building Act 1993</i>	Available for inspection for any person at Council offices during office hours free of charge.

Type	Description	Ways in which information is made publicly available
Designated bushfire prone areas map	Council has a duty to make a copy of the most recent map of designated bushfire prone areas under s.r.7 prepared by the Minister available for inspection. r.155(8) <i>Building Regulations 2018</i>	Available for inspection by members of the public without charge during business hours at the office of the council.
Neighbourhood Safer Places Plan	Council has a duty to publish and make available its Neighbourhood Safer Places Plan. s.50F(4) <i>Country Authority Act 1958</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during office hours.
Licensing of Premises/ Works Approval referral	Council must make available a copy of an application and any accompanying documents for a licence for certain premises that required a works approval to be obtained that had not been obtained and the works have been completed/ substantially completed. s.20(8) (ba) <i>Environment Protection Act 1970</i>	Available for inspection at Council offices free of charge.
Amendment of Licence	Council must make available at its offices for inspection free of charge a copy of an application referred to it under section 20A(6)(a) and any accompanying plans/specifications for works approval within the meaning of section 19B. s.20A(6)(ba) <i>Environment Protection Act 1970</i>	Available for inspection at Council offices during office hours.
Dog and Cat Register	<ol style="list-style-type: none"> <li>1. Council is required to keep a register of all registered cats and dogs and make the register available.</li> <li>2. A person, upon payment of a fee fixed by Council, can make a record of the information contained in the registration of a dog or cat, or obtain a certificate from Council setting out all or any requested particulars in relation to the registration of a dog or cat. s.18 <i>Domestic Animals Act 1994</i></li> </ol>	<ol style="list-style-type: none"> <li>3. Available during office hours for any person to inspect, upon payment of a fee fixed by Council.</li> <li>4. A person can make a record or obtain a certificate of registration details.</li> </ol>
Roadside Weed and Pest Animal Management Plan	<ol style="list-style-type: none"> <li>1. Council must publish the approved plan on its website as soon as practicable after the plan is approved. s.22I(1) <i>Catchment and Land Protection Act 1994</i></li> <li>2. Council has a duty to ensure copies of the plan are available for inspection during normal office hours s.22I(2) <i>Catchment and Land Protection Act 1994</i></li> <li>3. Council has a duty to ensure a consolidated version of the plan is available for inspection. s.22M(2) <i>Catchment and Land Protection Act 1994</i></li> <li>4. Council must publish a consolidated version of its plan on its website as soon as practicable after a variation to the plan is approved under section 22K or 22L. s.22M(1) <i>Catchment and Land Protection Act 1994</i></li> </ol>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available for inspection at Council offices during normal office hours.

Type	Description	Ways in which information is made publicly available
	5. Council must ensure that copies of the consolidated version of its approved plan are available for inspection during normal office hours at its offices. s.22M(2) <i>Catchment and Land Protection Act 1994</i>	
Food Safety Audits	Council has a duty to ensure that information relating to costs of a food safety audit are available for inspection by the public. s.19U(4) <i>Food Act 1984</i>	Available for inspection at Council offices during office hours.
Food Safety Audits	Council has a duty to ensure that the method of determining a fee under subsection 3(a) and the considerations that apply under subsection (4) are available for inspection by the public. s.19UA(5) <i>Food Act 1984</i>	Available for inspection at Council offices during office hours.
Registration Authority	Council has a duty to maintain records of registration of food premises. If a person requests information held in the records in relation to a particular food premises. s.43(3) <i>Food Act 1984</i>	Available on request at Council offices during office hours free of charge.
Administration of Food Act 1984	Council must publish in its Annual Report any direction given under s.7E(1) from the Minister in relation to any matter concerning the administration of the Food Act 1984. s.7E(6) <i>Food Act 1984</i>	Annual Report is available on <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a>
Freedom of Information Annual Report	Council must make available a copy of each report of the operation of the FOI Act under s.65AA. s.65AA(3) <i>Freedom of Information Act 1982</i>	Available for public inspection during ordinary office hours at the main office of the council.
Gender Equality Action Plan	Council must prepare a Plan to include results of a workplace gender audit and strategies and measures for promoting gender equality in the workplace. s.10 <i>Gender Equality Act 2020</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a> Report publicly every two years on progress of plan (Currently in development)
Freedom of Information Part II Statement	The CEO must publish a statement specifying the documents in its possession to which s.11 applies. s.11(2)(a) <i>Freedom of Information Act 1982</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Freedom of Information Procedures and Guidelines	Council must make available for inspection and purchase certain documents provided by it for the use or guidance of, or are used or may be used by the Council or its officers in making decisions or recommendations. These include interpretations of legislation and schemes,	A list of documents available is listed in the FOI Part II Statement available on <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available

Type	Description	Ways in which information is made publicly available
	manuals, procedures, policies, guidelines, practices, precedents and documents referred to assist to make decisions as set out in section 8. <i>s.8 Freedom of Information Act 1982</i>	upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Planning Scheme Amendments	The planning authority that prepared an amendment and any person who is given a copy of an amendment under section 17(1) (a) or (c) must make the amendment, the explanatory report, any document applied, adopted or incorporated in the amendment and any accompanying agreement available. Part 3, Division 1, s.18 <i>Planning &amp; Environment Act 1987</i>	Available for inspection at Council offices during office hours free of charge until the amendment is approved or lapses.
Planning Scheme Amendment Submissions	The planning authority must make a copy of every submission available at its office for any person to inspect during office hours free of charge until the end of two months after the amendment comes into operation or lapses. Division 2, s.21(2) <i>Planning &amp; Environment Act 1987</i>	Available for inspection at Council offices during office hours until the end of two months after the amendment comes into operation or lapses.
Planning Scheme Amendments	<ol style="list-style-type: none"> <li>1. Council may make the panel's report available at its office during office hours for any person to inspect free of charge at any time after the planning authority receives the report and must make it so available forthwith if— <ol style="list-style-type: none"> <li>(a) the planning authority has decided whether or not to adopt the amendment; or</li> <li>(b) 28 days have elapsed since it received the panel's report.</li> </ol> </li> <li>2. A report made available for inspection under ss. 26(1) must be kept available for inspection until the end of two months after the amendment comes into operation or lapses. s.26(1) and (2) <i>Planning &amp; Environment Act 1987</i></li> </ol>	Available for inspection at Council offices during office hours as required.
Planning Scheme Amendments	Council must make available the copy and any documents lodged with it. <i>s.4H Planning &amp; Environment Act 1987</i>	Available at Council offices for inspection during office hours for any person free of charge for 2 months after the amendment comes into operation and after that period on payment of the prescribed fee.
Planning Scheme Amendments and schemes (approved)	Council must make the copy of an approved amendment and any documents lodged with it available. [Division 4, s.41 <i>Planning &amp; Environment Act 1987</i>	Available at Council offices for inspection during office hours for any person free of charge for 2 months after the amendment comes into operation and after that period on payment of the prescribed fee.

Type	Description	Ways in which information is made publicly available
Planning Scheme Amendments and schemes (approved)	Council must keep a copy of the planning scheme incorporating all amendments to it and of all documents lodged with those amendments under s.40 available. Division 4, s.42 <i>Planning &amp; Environment Act 1987</i>	Available at Council offices for inspection during office hours for any person free of charge.
Planning Permit Applications	Council is required to keep a register of all applications for permits and all decisions and determinations relating to permits. Part 4, Division 1, s.49(1) & (2)	Available at Council offices for inspection during office hours for any person free of charge.
Planning Permit Applications	Council must keep a copy of each agreement indicating any amendment made to it available. s.179(2) <i>Planning &amp; Environment Act 1987</i>	Available at Council offices for any person to inspect during office hours free of charge.
Planning Permit Applications	Council has a duty to make a copy of matter considered under s.60(1A)(g) available for inspection free of charge. r.25(a) and r.25(b) <i>Planning &amp; Environment Regulations 2015</i>	Available at Council offices for any person to inspect during office hours free of charge.
Planning Permit Applications	Council must make a copy of every permit issued under section 97F by the Minister available. s.97G(6) <i>Planning &amp; Environment Act 1987</i>	Available at Council offices for inspection by any person during office hours free of charge.
Planning Permit Applications	<ol style="list-style-type: none"> <li>1. Council is required to make a copy of every application and the prescribed information supplied in respect of it. Part 4, Division 1, s.51 <i>Planning &amp; Environment Act 1987</i></li> <li>2. Council is required to make a copy of every objection available. s.57(5) <i>Planning &amp; Environment Act 1987</i></li> </ol>	<ol style="list-style-type: none"> <li>1. Available from Council offices for any person to inspect during office hours free of charge until the end of the latest period during which an application for review may be made under section 77, 79, 80 or 82 in relation to the application or the permit, or if an application for review is made to the Tribunal within that period, until the application is determined by the Tribunal or withdrawn. Whilst the application for a permit is current any person may come into the office and inspect all of the documents on the planning application file.</li> <li>2. Available for any person to inspect during office hours free of charge until the end of the period during which an application may be made for review of a decision on the application.</li> </ol>

Type	Description	Ways in which information is made publicly available
Public Health & Wellbeing Plan	Council has a duty to make a copy of its current municipal public health and wellbeing plan available. s.26(7) <i>Public Health &amp; Wellbeing Act 2008</i>	Available at Council offices for any person to inspect during office hours.
Register of Public Roads	A road authority must ensure that the register of public roads is available. (It is sufficient for the purposes of subsection (5) if a copy of the register of public roads is published on an Internet website maintained by the road authority.) s.19(5) & 19(5A) <i>Road Management Act 2004</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Available at Council offices for inspection by members of the public free of charge, during normal office hours.
Road Management Plan Review	Council has a duty to produce a written report of review of road management plan and make the report available. r.9(2) <i>Road Management (General) Regulations 2016</i>	Available on website <a href="http://www.ngshire.vic.gov.au">www.ngshire.vic.gov.au</a> Hard and soft copies are available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Subdivision Permits	Council has a duty to make a register available for inspection. r.33(4) <i>Subdivision (Procedures) Regulations 2016</i>	Available at Council offices for inspection by members of the public free of charge, during normal office hours.
Management Plan	Duty to keep copy of approved management plan available for inspection. s.32H <i>Water Act 1989</i>	Available at Council offices for inspection by members of the public free of charge, during normal office hours.
Cemetery records	Council as a Cemetery Trustee has a duty to make information in records available to the public for historical or research purposes. s.60(1) <i>Cemeteries and Crematoria Act 2003</i>	Available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>
Cemetery records	Council as a Cemetery Trustee has a duty to make plans of existing place of interment available to the public. s.70(2) <i>Cemeteries and Crematoria Act 2003</i>	Available upon request 03 5358 8700 or email <a href="mailto:ngshire@ngshire.vic.gov.au">ngshire@ngshire.vic.gov.au</a>

## CONTRACTS

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

(1) has been increased to the following amounts: \$150,000 for contracts for the purpose of goods and services and \$200,000 for contracts for the carrying out of works.

## FREEDOM OF INFORMATION

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

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

Council received one request under Freedom of Information for the period 1 July 2019 to 30 June 2020. Access was

granted in full for one request and in part for one request. There were no applications for review of a decision made and no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$29.60 in fees was collected and \$29.60 in fees waived by council.

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

## **PUBLIC INTEREST DISCLOSURES**

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

In accordance with section 69 of the Act a council must include in

their annual report information about how to access the procedures established by the Council under Part 9 of that Act. Procedures on how to make a disclosure are publicly available on council's website.

Council is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year. During 2019-2020 no disclosures were notified to council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

## **ROAD MANAGEMENT ACT MINISTERIAL DIRECTION**

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

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

## **LOCAL LAWS**

The Local Laws current at 30 June 2020 are:

- Meeting Procedure Local Law

2020

- General Local Law 2012

## **AUSTRALIA DAY AWARDS 2020**

In 2020, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, and Navarre.

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

### Citizen of the Year

Jennifer Lanyon (St Arnaud)  
Lois Johnson (Stawell)

### Senior of the Year

Franklin (Lin) Postlethwaite (St Arnaud)

### Young Citizen of the Year

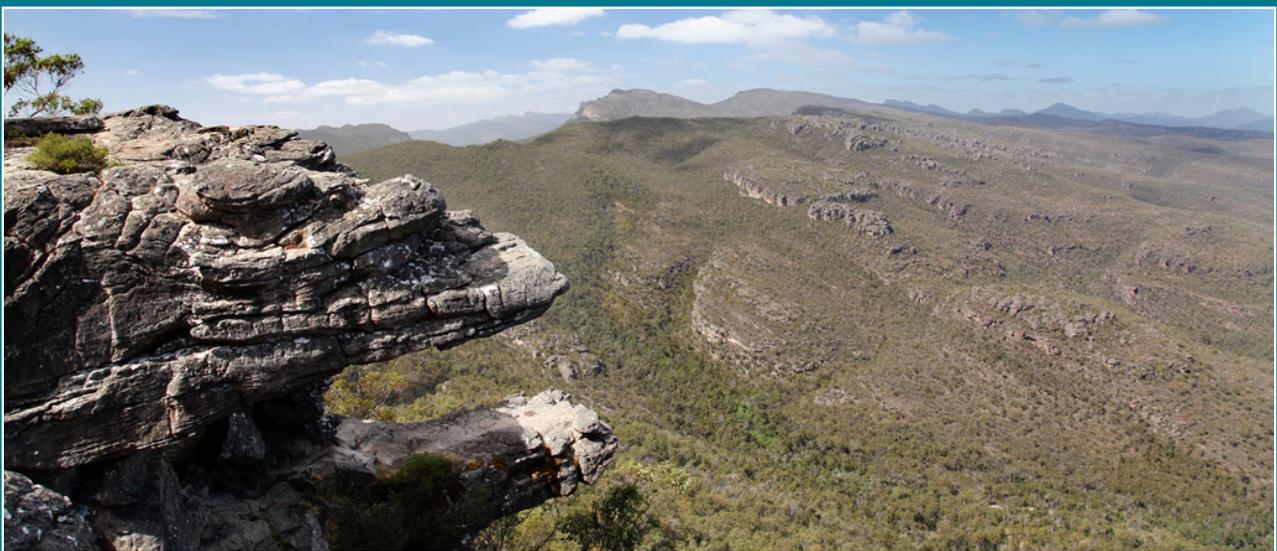
Belinda Burke (St Arnaud)  
Melissa Sanders (Stawell)

### Local Hero Award

Ian O'Donnell (Stawell)

### Community Event of the Year

St Arnaud Norman Simpson Memorial Pipe Band (St Arnaud)  
Stawell Amazing Race (Stawell)



Service Performance Indicators	Results	Results	Results	Results	Material Variations and Comments
Service/indicator/measure	2017	2018	2019	2020	
<b>Aquatic Facilities</b>					
<b>Service standard</b>					
AF2 Health inspections of aquatic facilities [Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]	2.00	1.00	0.50	0.50	No change from prior year.
<b>Utilisation</b>					
AF6 Utilisation of aquatic facilities [Number of visits to aquatic facilities / Municipal population]	4.51	3.90	4.07	4.43	Increased utilisation prior to the impact of Covid-19.
<b>Service Cost</b>					
AF7 Cost of aquatic facilities [Direct cost of aquatic facilities less income received / Number of visits to aquatic facilities]	New in 2020	New in 2020	New in 2020	6.52	New indicator introduced in 2020.  <i>Note: From 2020, this measure replaced two previous measures: 'Cost of indoor aquatic facilities' and 'Cost of outdoor aquatic facilities', see retired measures.</i>
<b>Animal Management</b>					
<b>Timeliness</b>					
AM1 Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.64	3.17	10.72	4.52	Increased number of animal requests via email that enabled management to respond in a more timely manner.
<b>Service standard</b>					
AM2 Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	46.09%	23.96%	23.03%	45.75%	Reduction to number of animals entering the pound (collected). However, the number of animals being reclaimed by pet owners has increased.
<b>Animals rehomed</b>					
AM5 Cost of animal management service [Number of animals rehomed / Number of animals collected] x100	New in 2020	New in 2020	New in 2020	25.51%	Result of 25.5% is marginally below expected range of 30% to 90%. <i>Note: New measure for 2019-20 financial year.</i>
<b>Service Cost</b>					
AM6 Cost of animal management service per population [Direct cost of the animal management service / Population]	New in 2020	New in 2020	New in 2020	\$19.48	Increased investment in animal management service resulting in a corresponding increase to the service cost. <i>Note: This measure is replacing previous 'Cost of animal management service' which was based on cost per number of registered animals, see retired measures.</i>
<b>Health and safety</b>					
AM7 Animal management prosecutions [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	New in 2020	New in 2020	New in 2020	0.00	No recorded prosecutions to date. <i>Note: This measure is replacing previous 'Animal management prosecutions' which was a measure of number, not proportion, see retired measures.</i>
<b>Food Safety</b>					
<b>Timeliness</b>					
FS1 Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	2.75	1.00	1.50	0.40	Improved 19/20 turnaround time, together with an increase in the number of complaints has resulted in a favourable movement in number of days. This result is lower than the expected range of 1 to 10 days.
<b>Service standard</b>					
FS2 Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100	98.33%	94.89%	93.75%	92.03%	Consistent result to last year with 92% assessment level.
<b>Service cost</b>					
FS3 Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$346.14	\$277.99	\$222.28	\$235.25	Marginal increase to the 1920 cost of providing food safety and below the expected cost range.
<b>Health and safety</b>					
FS4 Critical and major non-compliance outcome notifications [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	114.29%	133.33%	Result is above 100% due to two food premises follow ups from the prior year resulting in more inspections than the number of premises normally identified for inspection.

Service Performance Indicators Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
<b>Governance</b>					
<b>Transparency</b>					
G1 Council decisions made at meetings closed to the public  [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors ] x100	15.45%	15.65%	24.77%	26.92%	Increase in meetings closed to the public is determined by the nature of Council business and driven by legislative and legal requirements to maintain confidentiality of affected parties.
<b>Consultation and engagement</b>					
G2 Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	47.00	48.00	53.00	50.00	Marginal decrease to the level of satisfaction.
<b>Attendance</b>					
G3 Councillor attendance at council meetings  [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	92.86%	94.64%	86.55%	90.82%	Increase to over 90% reflects consistent attendance by elected representatives.
<b>Service cost</b>					
G4 Cost of governance  [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$33,812.29	\$33,478.29	\$34,624.57	\$34,729.00	Minimal change due to the relatively fixed nature regarding the cost of delivering representation to the community.
<b>Satisfaction</b>					
G5 Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	44.00	47.00	51.00	50.00	Marginal decrease to the level of satisfaction.
<b>Libraries</b>					
<b>Utilisation</b>					
LB1 Library collection usage  [Number of library collection item loans / Number of library collection items]	2.17	2.15	1.90	1.44	Northern Grampians will directly manage the library operations from July 2020 with an aim to review the level of collection usage.  <i>Note: From 2019-20, this indicator measures the performance of physical library items as a subset of the wider library collection.</i>
<b>Resource standard</b>					
LB2 Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	44.51%	43.32%	41.17%	42.36%	Minimal change due to consistency of book stock turnover.
<b>Participation</b>					
LB4 Active library members  [Number of active library members / Municipal population] x100	15.44%	15.22%	13.98%	12.92%	Northern Grampians will directly manage the library operations from July 2020 with an aim to review the level of collection usage.
<b>Service Cost</b>					
LB5 Cost of library service per population  [Direct cost of the library service / Population]	New in 2020	New in 2020	New in 2020	\$37.98	Lower contribution costs due to the wind down of the regional library service - Council has exited the library corporation effective 30 June 2020.  <i>Note: This measure is replacing the previous 'Cost of library service' indicator which measured based on number of visits, see retired measures.</i>
<b>Maternal and Child Health (MCH)</b>					
<b>Service standard</b>					
MC2 Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	99.07%	100.98%	101.92%	100.00%	Enrolment maintained to a high participation rate at 100%.
<b>Service cost</b>					
MC3 Cost of the MCH service [Cost of the MCH service / Hours worked by MCH nurses]	\$62.85	\$65.95	\$72.05	\$72.83	Consistent service costs to prior year.
<b>Participation</b>					
MC4 Participation in the MCH service  [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	89.05%	90.73%	85.92%	84.02%	Consistent rate of participation to prior year.
<b>Participation</b>					
MC5 Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	94.74%	83.33%	93.33%	89.47%	Marginal decrease in participation rate
<b>Participation</b>					
MC6 Participation in 4-week Key Age and Stage visit  [Number of 4-week key age and stage visits / Number of birth notifications received] x100	New in 2020	New in 2020	New in 2020	95.45%	New measure with participation of 95% well within accepted range 90% to 100%.

Service Performance Indicators Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations and Comments
<b>Roads</b>					
<b>Satisfaction of use</b>					
R1 Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads ] x100	8.54	7.84	5.59	5.34	Marginal decrease to number of requests for sealed roads.
<b>Condition</b>					
R2 Sealed local roads maintained to condition standards [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	82.85%	77.69%	90.31%	90.31%	Consistent result of 90% that is well within the expected range of 80% to 100%.
<b>Service cost</b>					
R3 Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$65.11	\$0.00	\$95.97	\$22.41	The prior year 18/19 unit rate of \$95.97 is unusually high due to the nature of works that required higher quality materials and significantly more excavation works than normal. The 19/20 unit rate of \$22.41 better reflects normal cost of works provided there are no unforeseen costs associated with site preparation.
<b>Service Cost</b>					
R4 Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.00	\$4.54	\$5.81	\$5.68	Resealing costs per square metre relatively stable and well within the acceptable range of \$4 to \$30.
<b>Satisfaction</b>					
R5 Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54.00	48.00	53.00	50.00	Marginal decrease in satisfaction level to 50%.
<b>Statutory Planning</b>					
<b>Timeliness</b>					
SP1 Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	78.00	77.00	79.00	66.00	Improved turnaround time to process and determine application outcomes.
<b>Service standard</b>					
SP2 Planning applications decided within required time frames [(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100	25.93%	54.44%	66.32%	73.00%	Improved turnaround times have resulted in more favourable result of 73% decided within required time frames.
<b>Service cost</b>					
SP3 Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$3,524.86	\$4,296.11	\$6,503.68	\$4,543.24	Lower 19/20 cost better reflects the real cost of statutory planning after removal of strategic planning cost component that should not be included to this measure.
<b>Decision making</b>					
SP4 Council planning decisions upheld at VCAT [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	0.00%	0.00%	0.00%	0.00%	There were no VCAT decisions in relation to planning applications for the year.
<b>Waste Collection</b>					
<b>Satisfaction</b>					
WC1 Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	67.20	36.90	76.51	65.17	Decrease in number of requests indicates improved service at time of initial collection.
<b>Service standard</b>					
WC2 Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	5.38	4.14	6.27	4.34	Decrease in number of bins missed indicates improved service at time of initial collection.
<b>Service cost</b>					
WC3 Cost of kerbside garbage bin collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$125.85	\$142.57	\$144.61	\$138.75	Marginal decrease in unit costs mainly due to the reduction in collection / delivery requests.
<b>Service cost</b>					
WC4 Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$39.02	\$39.69	\$34.82	\$40.85	Increased unit costs due to the increasing contract cost to collect and process recyclables.
<b>Waste diversion</b>					
WC5 Kerbside collection waste diverted from landfill [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	31.90%	33.64%	33.60%	31.69%	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.



# ENVIRONMENT & COMMUNITY PROTECTION INITIATIVES

“  
**Keeping out  
 community safe,  
 healthy, and protected  
 is a core service of  
 Local Government.**  
 ”

## DOMESTIC ANIMAL MANAGEMENT PLAN

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

Council adopted the Domestic Animal Management Plan 2017-21 on 2 October 2017 and was developed through consultation with council’s local laws team and consideration of input from other council departments. The purpose of the DAMP is to:

- Document current processes and practices under NGSC animal management responsibilities
- Increase compliance with the *Domestic Animals Act 1994*
- Increase pet owners’ knowledge of the principles of responsible pet ownership
- Enhance community safety and awareness
- Assist the Bureau of Animal Welfare to achieve its stated

objectives of reducing the numbers of dogs and cats being euthanized

- Maximise the numbers of dogs and cats that are registered in the NGSC municipality
- Minimise the harmful effect of domestic pets on the population of native birds, mammals and reptiles
- Take community views on animal management matters into account
- Comply with the relevant provisions of the *Domestic Animals Act 1994*.



## GENERAL LOCAL LAW REVIEW

The Council’s General Local Law remains current and will sunset in September 2022. The following departments will be involved in the consultation to make a new local law early in 2022:

- Planning
- Environmental Health
- Community Safety Team
- Governance

## FOOD ACT MINISTERIAL DIRECTIONS

In accordance with section 7E of the *Food Act 1984*, council is required to publish a summary of any ministerial directions received during the financial year in its annual report. No such ministerial directions were received during the financial year.



## FINANCIAL SUSTAINABILITY INITIATIVES

### KEEPING FINANCIALS IN CHECK

Council continues to meet its reporting and accountability requirements. The Audit Committee, consisting of two councillors and three external representatives, met four times during 2019-20, as set out in the Audit Committee Charter. The committee's role is to focus on identified risks to the organisation, risk management, financial and governance responsibilities and to review processes to provide assurance regarding the council's performance. Work towards long term sustainability is ongoing. Council has been systematically assessing its services to review what is offered and how it is offered. The aim is to better match the services provided to that expected by the community at a value they are prepared to pay. In the process council seeks to provide services in a smarter and more innovative way.

The rate cap set by the state government has provided a limit to the income council can raise, therefore proving the relevance of service reviews to our future sustainability. Although these reviews will mean making difficult decisions and changing the services we deliver to the community, council is aiming to maintain a viable cash position to ensure we remain financially sustainable in the long-term.

### INTERNAL AUDIT

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

is monitored.

Major reviews undertaken in 2019-20 include the MAV OHS Improvement Program, VAGO Local Road Maintenance Efficiency Audit, a report on Council libraries as well as an internal management review into major supplier expenditure and compliance with the Procurement Policy.

### EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General. For the 2019-20 year the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative. The external auditors attend the September Audit Committee meeting to present the annual Independent Audit Report. The external audit management letter and responses are also provided to the Audit Committee.



# **NORTHERN GRAMPIANS SHIRE COUNCIL**

**Annual Financial Statements  
2019/20**

[www.ngshire.vic.gov.au](http://www.ngshire.vic.gov.au)

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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 :** 12 November 2020  
*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 Murray Emerson*  
**Councillor**

**Date :** 12 November 2020  
*Stawell*



*Cr Kevin Erwin*  
**Councillor**

**Date :** 12 November 2020  
*Stawell*



*Ms Liana Thompson*  
**Chief Executive Officer**

**Date :** 12 November 2020  
*Stawell*

## Independent Auditor's Report

### To the Councillors of Northern Grampians Shire Council

<b>Opinion</b>	<p>I have audited the financial report of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• balance sheet as at 30 June 2020</li> <li>• comprehensive income statement for the year then ended</li> <li>• statement of changes in equity for the year then ended</li> <li>• statement of cash flows for the year then ended</li> <li>• statement of capital works for the year then ended</li> <li>• notes to the financial statements, including significant accounting policies</li> <li>• certification of the financial report.</li> </ul> <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
<b>Basis for Opinion</b>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<b>Councillors's responsibilities for the financial report</b>	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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

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

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

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

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

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MELBOURNE  
16 November 2020



Sanchu Chummar

*as delegate for the Auditor-General of Victoria*

## Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	Restated * 2019 \$'000
<b>Income</b>			
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	11,036	10,207
Grants - capital	3.4	8,029	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)
Other income	3.6	426	544
<b>Total income</b>		<b>40,020</b>	<b>39,271</b>
<b>Expenses</b>			
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	4.4	(105)	-
Bad and doubtful debts	4.5	(76)	-
Borrowing costs	4.6	(111)	(124)
Finance Costs - Leases	4.7	(3)	-
Net loss on disposal of property, infrastructure, plant and equipment	4.8	(1,553)	(2,819)
Other expenses	4.9	(1,701)	(1,719)
<b>Total expenses</b>		<b>(38,543)</b>	<b>(37,810)</b>
<b>Surplus/(deficit) for the year</b>		<b>1,477</b>	<b>1,461</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation increment	6.2	12,373	9,984
Share of other comprehensive income of associates	6.3	(63)	9
<b>Total comprehensive result</b>		<b>13,787</b>	<b>11,454</b>

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

\* See note 9.4 for information regarding a prior period adjustment

## Balance Sheet As at 30 June 2020

	Note	2020 \$'000	Restated * 2019 \$'000
<b>Assets</b>			
<b>Current assets</b>			
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
<b>Total current assets</b>		<b>29,523</b>	<b>24,319</b>
<b>Non-current assets</b>			
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	425,359
Right-of-use assets	5.8	209	-
<b>Total non-current assets</b>		<b>435,641</b>	<b>425,622</b>
<b>Total assets</b>		<b>465,164</b>	<b>449,941</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	5.3 (a)	2,373	3,210
Trust funds and deposits	5.3 (b)	123	108
Unearned Income	5.3 (c)	1,752	-
Provisions	5.5	2,874	3,081
Interest-bearing loans and borrowings	5.4	218	210
Lease liabilities	5.8	114	-
<b>Total current liabilities</b>		<b>7,454</b>	<b>6,609</b>
<b>Non-current liabilities</b>			
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	-
<b>Total non-current liabilities</b>		<b>3,389</b>	<b>2,798</b>
<b>Total liabilities</b>		<b>10,843</b>	<b>9,407</b>
<b>Net assets</b>		<b>454,321</b>	<b>440,534</b>
<b>Equity</b>			
Accumulated surplus		134,212	133,929
Reserves	9.1	320,109	306,605
<b>Total Equity</b>		<b>454,321</b>	<b>440,534</b>

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

\* See note 9.4 for information regarding a prior period adjustment

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

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

	Note	Accumulated		Revaluation	Other
		Total	Surplus	Reserve	Reserves
2019 - Restated *		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		468,359	131,312	333,975	3,072
Prior period adjustment	9.4	(39,279)	2,566	(41,845)	-
<b>Restated opening balance</b>		<b>429,080</b>	<b>133,878</b>	<b>292,130</b>	<b>3,072</b>
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
<b>Balance at end of the financial year</b>		<b>440,534</b>	<b>133,929</b>	<b>302,114</b>	<b>4,491</b>

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

\* See note 9.4 for information regarding a prior period adjustment

**Statement of Cash Flows  
For the Year Ended 30 June 2020**

	Note	2020 Inflows/ (Outflows) \$'000	2019 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		17,751	17,362
Statutory fees and fines		370	361
User fees		1,296	1,718
Grants - operating		11,036	10,207
Grants - capital		8,029	8,192
Contributions - monetary		668	666
Trust funds and deposits taken		15	(117)
Other receipts		492	474
Net GST refund / (payment)		386	(467)
Employee costs		(13,457)	(13,050)
Materials and services		(7,467)	(8,514)
Other payments		(1,547)	(1,719)
<b>Net cash provided by operating activities</b>	9.2	<b>17,572</b>	<b>15,113</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	6.2	(10,903)	(10,104)
Proceeds from sale of property, infrastructure, plant and equipment		101	52
Loans and advances made		21	41
<b>Net cash used in investing activities</b>		<b>(10,781)</b>	<b>(10,011)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(111)	(124)
Repayment of borrowings		(211)	(322)
Interest paid - lease liability		(3)	-
Repayment of lease liabilities		(113)	-
<b>Net cash used in financing activities</b>		<b>(438)</b>	<b>(446)</b>
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
<b>Cash and cash equivalents at the end of the financial year</b>	5.1 (a)	<b>27,208</b>	<b>20,855</b>
Financing arrangements	5.6		
Restrictions on cash assets	5.1 (b)		

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

**Statement of Capital Works  
For the Year Ended 30 June 2020**

	2020 \$'000	2019 \$'000
<b>Property</b>		
Buildings	1,443	388
<b>Total property</b>	<u>1,443</u>	<u>388</u>
<b>Plant and equipment</b>		
Plant, machinery and equipment	1,030	387
Fixtures, fittings and furniture	-	90
Library resources	400	-
Computers and telecommunications	17	5
<b>Total plant and equipment</b>	<u>1,447</u>	<u>482</u>
<b>Infrastructure</b>		
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
<b>Total infrastructure</b>	<u>8,414</u>	<u>9,235</u>
<b>Total capital works expenditure</b>	<u>11,304</u>	<u>10,105</u>
<b>Represented by:</b>		
New asset expenditure	2,245	2,007
Asset renewal expenditure	6,319	5,649
Asset upgrade expenditure	2,740	2,449
<b>Total capital works expenditure</b>	<u>11,304</u>	<u>10,105</u>

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

**OVERVIEW**

**Introduction**

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

**Statement of compliance**

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

**Significant accounting policies**

**(a) Basis of accounting**

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

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

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of 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.

**OVERVIEW (cont)**

**(b) Impact of COVID-19 crisis on council operations and 2019-20 financial report**

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

- Council's sports and aquatic centre experienced a reduction in attendance resulting in an estimated loss of revenue in the order of \$0.2m compared to budget.
- Council's Early Learning Centre was required to close its doors prior to 30 June 2020 resulting in an estimated loss of income in the order of \$0.1m.
- There was minimal impact on staffing costs as the majority of impacted staff were able to be redeployed.
- Council has provided rent relief in the form of rent waiver to lessee's meeting the criteria under the Victorian Government Tenancy. There was no material impact to Council's revenue for the 2019/20 financial year.
- While Council offered ratepayers deferred payment of rates and charges, this initiative did not result in any material impact to the financial statements.

**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 \$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**

	<b>Budget 2020 \$'000</b>	<b>Actual 2020 \$'000</b>	<b>Variance 2020 \$'000</b>	<b>Variance 2020 %</b>	<b>Ref</b>
<b>Income</b>					
Rates and charges	18,110	17,857	(253)	-1%	1
Statutory fees and fines	320	370	50	16%	
User fees	1,811	1,582	(229)	-13%	
Grants - operating	5,564	11,036	5,472	98%	2
Grants - capital	7,598	8,029	431	6%	3
Contributions - monetary	297	668	371	125%	4
Reversal of provision	-	45	45	100%	
Share of net profits/(losses) of associates	-	7	7	100%	
Other income	705	426	(279)	-40%	5
<b>Total income</b>	<b>34,405</b>	<b>40,020</b>	<b>5,615</b>	<b>16%</b>	
<b>Expenses</b>					
Employee costs	(14,235)	(13,218)	1,017	-7%	6
Materials and services	(9,576)	(9,710)	(134)	1%	
Bad and doubtful debts	-	(76)	(76)	100%	
Depreciation	(9,467)	(12,066)	(2,599)	27%	7
Amortisation - Right of use assets	-	(105)	(105)	100%	
Borrowing costs	(111)	(111)	-	0%	
Finance costs - Leases	-	(3)	(3)	100%	
Net loss on disposal of property, infrastructure, plant and equipment	-	(1,553)	(1,553)	100%	8
Other expenses	(1,647)	(1,701)	(54)	3%	
<b>Total expenses</b>	<b>(35,036)</b>	<b>(38,543)</b>	<b>(3,507)</b>	<b>10%</b>	
<b>Surplus for the year</b>	<b>(631)</b>	<b>1,477</b>	<b>2,108</b>	<b>-334%</b>	

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	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. Further initiatives totalling \$400k was also received for 2019/20.
3	Grants - Capital	Flood income of \$1.5m received in 19/20 relating to project works associated with the 2017 floods. This has been offset by \$1.1m of grant funding budgeted in 19/20 but allocated as income in advance to the 20/21 year for projects not yet commenced.
4	Contributions - monetary	The variance mainly comprises \$200k for a contribution to capital works that was incorrectly budgeted to Other Income rather than budgeted to Contributions - monetary.
5	Other Income	The variance mainly relates to the incorrect allocation of \$200k budget that should have been budgeted to contributions - monetary. Increase in reimbursement income of \$79k across various services.
6	Employee Costs	Staff turnover and restructure of services has contributed to the variance against budget.
7	Depreciation	The increase in depreciation is mainly due to the prior 2019 revaluation of buildings not known at the time of budget adoption. The buildings revaluation resulted in an increase in depreciable building assets as well as a review of useful lives resulting in the higher depreciation charge in the order of \$1m. In addition, the net impact of found assets, in 2019 year was also not available at the time of budget adoption, impacted depreciation by a further \$750k.
8	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.

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
<b>Total Property</b>	<b>500</b>	<b>1,443</b>	<b>943</b>	<b>189%</b>	
<b>Plant and Equipment</b>					
Plant, machinery and equipment	715	1,030	315	44%	2
Library resources	-	400	400	0%	3
Computers and telecommunications	-	17	17	0%	
<b>Total Plant and Equipment</b>	<b>715</b>	<b>1,447</b>	<b>732</b>	<b>102%</b>	
<b>Infrastructure</b>					
Roads	9,658	5,387	(4,271)	-44%	4
Bridges	-	1,425	1,425	100%	5
Footpaths and cycleways	-	657	657	100%	6
Drainage	-	190	190	100%	
Parks, open spaces and streetscapes	5,285	755	(4,530)	-86%	7
<b>Total Infrastructure</b>	<b>14,943</b>	<b>8,414</b>	<b>(6,529)</b>	<b>-44%</b>	
<b>Total Capital Works Expenditure</b>	<b>16,158</b>	<b>11,304</b>	<b>(4,854)</b>	<b>-30%</b>	
<b>Represented by:</b>					
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%	
<b>Total Capital Works Expenditure</b>	<b>16,158</b>	<b>11,304</b>	<b>(4,854)</b>	<b>-30%</b>	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	The variance is due to the inclusion of \$1m North Park Precinct Works that were budgeted against Parks, Open Spaces and Streetscapes.
2	Plant, Machinery & Equipment	Major plant acquisitions that were not accounted for at the time of the adopted budget.
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 allocation of budget for roads includes bridges, footpaths and drainage. The roads program was incomplete because of weather and resource availability due to COVID-19. 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	\$400k worth of costs from the streetscapes and open spaces programs were actually footpath assets and therefore these figures are not a direct comparison. The budgeted footpaths program was achieved.
7	Parks, Open Spaces and streetscapes	The variance includes \$1.7m budgeted works at North Park Precinct however the corresponding actual was reclassified to the building asset category. The variance is also due to a number of budgeted projects not completed including \$1.2m for the Stawell Park Precinct, \$0.5m Halls Gap Action Plan, \$0.5m Stawell Housing Development as well as \$0.4m Stawell Airport Upgrades.

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

	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets *
<b>2019 - Restated *</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
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	420,646
Community Safety	2,888	3,084	(196)	1,091	-
Governance	5,128	6,277	(1,149)	1,650	23,815
	<b>39,271</b>	<b>37,810</b>	<b>1,461</b>	<b>18,399</b>	<b>449,941</b>

\* See note 9.4 for information regarding a prior period adjustment

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
<b>Total general rates</b>	<b>13,737</b>	<b>13,366</b>

**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
<b>Total other rates and charges</b>	<b>4,120</b>	<b>4,077</b>
<b>Total rates and charges</b>	<b>17,857</b>	<b>17,443</b>

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
<b>Total statutory fees and fines</b>	<b>370</b>	<b>361</b>

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
<b>Total user fees</b>	<b>1,582</b>	<b>1,814</b>

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

\* The impact of COVID-19 has resulted in a loss of user fees to Council's Leisure centre as well as the child care programs in the order of \$0.2m and \$0.1m respectively.

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

	2020 \$'000	2019 \$'000
<b>3.4 Funding from other levels of government</b>		
Grants were received in respect of the following		
<b>Summary of grants</b>		
Commonwealth funded grants	12,274	13,728
State funded grants	6,791	4,671
<b>Total</b>	<b>19,065</b>	<b>18,399</b>
<b>(a) Operating grants</b>		
<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	269	217
Recreation	200	-
Community safety	120	123
Pre school	334	228
Youth	50	108
Other	75	75
<b>Total recurrent operating grants</b>	<b>9,695</b>	<b>9,313</b>
<i>Non-recurrent - Commonwealth Government</i>		
Economic development	222	64
<i>Non-recurrent - State Government</i>		
Aged care	34	-
Family and children	62	130
Youth	1	13
Infrastructure operations	-	10
Economic development	498	232
Recreation	11	21
Other	513	424
<b>Total non-recurrent operating grants</b>	<b>1,341</b>	<b>894</b>
<b>Total operating grants</b>	<b>11,036</b>	<b>10,207</b>
<b>(b) Capital grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,858	1,131
<b>Total recurrent capital grants</b>	<b>1,858</b>	<b>1,131</b>
<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	2,155	1,065
Recreational facilities	-	490
Infrastructure	1,946	1,100
Natural disaster reconstruction	200	-
<b>Total non-recurrent capital grants</b>	<b>6,171</b>	<b>7,061</b>
<b>Total capital grants</b>	<b>8,029</b>	<b>8,192</b>

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

<b>3.4 Funding from other levels of government (cont)</b>	<b>2020 \$'000</b>	<b>2019 \$'000</b>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
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	<b>3,913</b>	<b>1,481</b>

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

<b>3.5 Contributions</b>		
Monetary	668	666
<b>Total contributions</b>	<b>668</b>	<b>666</b>

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

<b>3.6 Other income</b>		
Interest	216	347
Other	210	197
<b>Total other income</b>	<b>426</b>	<b>544</b>

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	2020 \$'000	2019 \$'000
<b>4.1 (a) Employee costs</b>		
Wages and salaries	13,314	12,640
less capitalised wages and salaries	(1,376)	(1,331)
	<b>11,938</b>	<b>11,309</b>
WorkCover	265	265
Superannuation	1,177	1,107
Fringe benefits tax	45	45
Other	(207)	497
<b>Total employee costs</b>	<b>13,218</b>	<b>13,223</b>
<b>(b) Superannuation</b>		
Council made contributions to the following funds:		
<b>Defined benefit fund</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	60	53
	<b>60</b>	<b>53</b>
Employer contributions payable at reporting date.	43	5
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	685	661
Employer contributions - other funds	433	393
	<b>1,118</b>	<b>1,054</b>
Employer contributions payable at reporting date.	(210)	48

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 is \$65k. Refer to Note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services *	2020	2019
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
<b>Total materials and services</b>	<b>9,710</b>	<b>9,724</b>

\* The impacts of COVID-19 did not materially affect Council's expenditure as detailed in the schedule of materials and services listed above.

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

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

Refer to note 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and

**4.4 Amortisation - Right of use assets**

Vehicles	105	-
<b>Total Amortisation - Right of use assets</b>	<b>105</b>	<b>-</b>

**4.5 Bad and doubtful debts \***

Other debtors	76	-
<b>Total bad and doubtful debts</b>	<b>76</b>	<b>-</b>

**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	<b>78</b>	<b>2</b>

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

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

**4.6 Borrowing costs**

Interest - Borrowings	111	124
<b>Total borrowing costs</b>	<b>111</b>	<b>124</b>

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

**4.7 Finance Costs - Leases**

Interest - Lease Liabilities	3	-
<b>Total finance costs</b>	<b>3</b>	<b>-</b>

**4.8 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)
<b>Total net loss on disposal of property, infrastructure, plant and equipment</b>	<b>(1,553)</b>	<b>(2,819)</b>

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.

**4.9 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
<b>Total other expenses</b>	<b>1,701</b>	<b>1,719</b>

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

<b>Note 5 Our financial position</b>	<b>2020</b>	<b>2019</b>
<b>5.1 Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Cash and cash equivalents</b>		
Cash on hand	2	2
Cash at bank	27,206	20,853
	<b>27,208</b>	<b>20,855</b>

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

- Trust funds and deposits (Note 5.3 (b))	123	108
- Unspent grants (Note 3.4)	3,913	1,481
<b>(b) Total restricted funds</b>	<b>4,036</b>	<b>1,589</b>
Total unrestricted cash and cash equivalents	23,172	19,266

**Intended allocations**

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

- Cash held to fund carried forward capital works	2,459	1,750
- Cash held to fund carried forward projects	70	533
- Reserve funds (Note 9.1)	5,622	4,491
Total funds subject to intended allocations	8,151	6,774

**(c) Trade and other receivables**

**Current**

*Statutory receivables*

Rates debtors	1,025	919
Net GST receivable	201	587

*Non statutory receivables*

Loans and advances to community organisations	99	56
Other debtors	732	446
Provision for doubtful debts - other debtors	(78)	(2)

**Total current trade and other receivables** 1,979 2,006

**Non-current**

*Non statutory receivables*

Loans and advances to community organisations	9	73
Total non-current trade and other receivables	9	73

**Total trade and other receivables** **1,988** **2,079**

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

**(d) Ageing of Receivables \***

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

Current (not yet due)	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

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

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

**5.1 Financial assets (cont)**

**(e) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$105,000 (2019: \$83,000) were impaired. The amount of the provision raised against these debtors was \$78,000 (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
<b>Total trade &amp; other receivables</b>	<b>78</b>	<b>2</b>

**5.2 Non-financial assets**

**(a) Inventories**

Inventories held for distribution	56	39
Inventories held for sale	2	2
<b>Total inventories</b>	<b>58</b>	<b>41</b>

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

**(b) Other assets**

Prepayments	39	560
Accrued income	173	70
<b>Total other assets</b>	<b>212</b>	<b>630</b>

	2020 \$'000	2019 \$'000
<b>5.3 Payables</b>		
<b>(a) Trade and other payables</b>		
Trade payables	1,813	2,822
Accrued wages and salaries	111	333
Accrued expenses	449	55
<b>Total trade and other payables</b>	<b>2,373</b>	<b>3,210</b>
<b>(b) Trust funds and deposits</b>		
Refundable deposits	6	7
Fire service levy	115	100
Retention amounts	2	1
<b>Total trust funds and deposits</b>	<b>123</b>	<b>108</b>
<b>(c) Unearned Income</b>		
Grants received in advance - operating	220	-
Grants received in advance - capital	2,332	-
<b>Total unearned income</b>	<b>2,552</b>	<b>-</b>

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

*Unearned Income*

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

*Purpose and nature of items*

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

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

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

<b>5.4 Interest-bearing loans</b>		
<b>Current</b>		
Borrowings - secured (1)	218	210
	<b>218</b>	<b>210</b>
<b>Non-current</b>		
Borrowings - secured (1)	2,189	2,408
	<b>2,189</b>	<b>2,408</b>
<b>Total</b>	<b>2,407</b>	<b>2,618</b>
(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
	<b>2,407</b>	<b>2,618</b>

#### 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	<b>3,068</b>	<b>62</b>	<b>57</b>	<b>3,187</b>

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	<b>3,307</b>	<b>67</b>	<b>97</b>	<b>3,471</b>

	2020 \$'000	2019 \$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12</b>		
Annual leave	850	772
Rostered days off	12	14
Long service leave	21	64
	<b>883</b>	<b>850</b>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	556	525
Long service leave	1,435	1,706
	<b>1,991</b>	<b>2,231</b>
<b>Total current provisions</b>	<b>2,874</b>	<b>3,081</b>
<b>Non-current</b>		
Long service leave	194	226
<b>Total non-current provisions</b>	<b>194</b>	<b>226</b>
Aggregate carrying amount of employee provisions:		
Current	2,874	3,081
Non-current	194	226
<b>Total aggregate carrying amount of employee</b>	<b>3,068</b>	<b>3,307</b>

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
	<b>62</b>	<b>67</b>

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
	<b>57</b>	<b>97</b>

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
	<b>450</b>	<b>450</b>
Unused facilities	450	450
<b>Unused facilities</b>	<b>450</b>	<b>450</b>

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
<b>Operating</b>					
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
<b>Total</b>	<b>2,523</b>	<b>1,296</b>	<b>1,838</b>	<b>-</b>	<b>5,657</b>
<b>Capital</b>					
Bridges	230	-	-	-	230
Roads	2,008	2,048	4,945	-	9,001
Recreation Facilities	3,089	-	-	-	3,089
<b>Total</b>	<b>5,327</b>	<b>2,048</b>	<b>4,945</b>	<b>-</b>	<b>12,320</b>

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
<b>Operating</b>					
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
<b>Total</b>	<b>2,020</b>	<b>700</b>	<b>1,660</b>	<b>-</b>	<b>4,380</b>
<b>Capital</b>					
Bridges	448	-	-	-	448
<b>Total</b>	<b>448</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>448</b>

## 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 (cont)

**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)
<b>209</b>	<b>209</b>

**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
116
88
-
<b>204</b>

Lease liabilities included in the Balance Sheet at 30 June:

Current  
Non-current  
Total lease liabilities

114
87
<b>201</b>

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.

**Impact on financial statements**

When measuring lease liabilities, Council discounted lease payments using its incremental borrowing rate at 1 July 2019. The weighted-average rate applied is 0.87%.

Lease commitment at 30 June 2019 as disclosed in Council's financial statements  
Prior period adjustment \*  
Adjusted opening balance lease commitment at 1 July 2019

2019 \$'000
1,022
(581)
<b>441</b>

Discounted using the incremental borrowing rate at 1 July 2019  
Lease commitment recognised as at 30 June 2019

(5)
<b>436</b>

- Recognition exemption for:  
short-term leases  
leases of low-value assets  
Total Exempt Leases

122
-
<b>122</b>

**Lease liabilities recognised as at 1 July 2019**

<b>314</b>
------------

\* The 2019 lease commitment of \$1,022k included a \$581k allowance for expected new lease commitments that did not occur during the 2020 year.

Note 6 Assets we manage

6.1 Non current assets classified as held for sale

Cost of acquisition

**Total non current assets classified as held for sale**

2020 \$'000	2019 \$'000
66	-
<b>66</b>	<b>-</b>

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	Write-Offs	Revaluation	Depreciation	Disposal	At Fair Value 30 June 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	11,786	-	(66)	(6)	-	(26)	(38)	11,650
Buildings	55,069	276	-	-	-	(1,764)	(11)	53,570
Plant and Equipment	5,660	1,447	-	-	-	(872)	(117)	6,118
Infrastructure	351,880	6,025	621	-	12,373	(9,404)	(1,485)	360,010
Work in progress	963	3,556	(621)	(20)	-	-	-	3,878
	<b>425,358</b>	<b>11,304</b>	<b>(66)</b>	<b>(26)</b>	<b>12,373</b>	<b>(12,066)</b>	<b>(1,651)</b>	<b>435,226</b>

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	2,389	(621)	(20)	2,711
Total	<b>963</b>	<b>3,556</b>	<b>(621)</b>	<b>(20)</b>	<b>3,878</b>

\* See note 9.4 for information regarding a prior period adjustment

(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	11,328	432	132	<b>11,892</b>	73,175	<b>73,175</b>	-	<b>85,067</b>
Accumulated depreciation at 1 July 2019	-	-	(106)	<b>(106)</b>	(18,106)	<b>(18,106)</b>	-	<b>(18,212)</b>
	<b>11,328</b>	<b>432</b>	<b>26</b>	<b>11,786</b>	<b>55,069</b>	<b>55,069</b>	-	<b>66,855</b>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	-	-	-	-	276	<b>276</b>	1,167	<b>1,443</b>
Reclassified as held for sale	-	(66)	-	<b>(66)</b>	-	-	-	<b>(66)</b>
Impairment losses recognised in operating result	-	(6)	-	<b>(6)</b>	-	-	-	<b>(6)</b>
Fair value of assets disposed	(38)	-	-	<b>(38)</b>	(13)	<b>(13)</b>	-	<b>(51)</b>
Transfers	42	(42)	-	-	-	-	-	-
	<b>4</b>	<b>(114)</b>	<b>-</b>	<b>(110)</b>	<b>263</b>	<b>263</b>	<b>1,167</b>	<b>1,320</b>
<b>Movements in accumulated depreciation</b>								
Depreciation	-	-	(26)	<b>(26)</b>	(1,764)	<b>(1,764)</b>	-	<b>(1,790)</b>
Accumulated depreciation of disposals	-	-	-	-	2	<b>2</b>	-	<b>2</b>
	-	-	(26)	<b>(26)</b>	(1,762)	<b>(1,762)</b>	-	<b>(1,788)</b>
At fair value 30 June 2020	11,332	318	132	<b>11,782</b>	73,438	<b>73,438</b>	1,167	<b>86,387</b>
Accumulated depreciation at 30 June 2020	-	-	(132)	<b>(132)</b>	(19,868)	<b>(19,868)</b>	-	<b>(20,000)</b>
	<b>11,332</b>	<b>318</b>	<b>-</b>	<b>11,650</b>	<b>53,570</b>	<b>53,570</b>	<b>1,167</b>	<b>66,387</b>

6.2 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	<b>12,850</b>
Accumulated depreciation at 1 July 2019	(5,666)	(339)	-	(1,185)	<b>(7,190)</b>
	<u>5,413</u>	<u>101</u>	<u>-</u>	<u>146</u>	<u><b>5,660</b></u>
<b>Movements in fair value</b>					
Acquisition of assets at fair value	1,030	-	400	17	<b>1,447</b>
Fair value of assets disposed	(297)	-	-	(28)	<b>(325)</b>
	<u>733</u>	<u>-</u>	<u>400</u>	<u>(11)</u>	<u><b>1,122</b></u>
<b>Movements in accumulated depreciation</b>					
Depreciation	(771)	(23)	-	(78)	<b>(872)</b>
Accumulated depreciation of disposals	180	-	-	28	<b>208</b>
	<u>(591)</u>	<u>(23)</u>	<u>-</u>	<u>(50)</u>	<u><b>(664)</b></u>
At fair value 30 June 2020	11,812	440	400	1,320	<b>13,972</b>
Accumulated depreciation at 30 June 2020	(6,257)	(362)	-	(1,235)	<b>(7,854)</b>
	<u><b>5,555</b></u>	<u><b>78</b></u>	<u><b>400</b></u>	<u><b>85</b></u>	<u><b>6,118</b></u>

(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 - * Restated	280,064	98,668	17,364	21,091	6,110	786	963	<b>425,046</b>
Accumulated depreciation at 1 July 2019	(43,743)	(10,462)	(6,527)	(9,300)	(1,887)	(284)	-	<b>(72,203)</b>
	<u>236,321</u>	<u>88,206</u>	<u>10,837</u>	<u>11,791</u>	<u>4,223</u>	<u>502</u>	<u>963</u>	<u><b>352,843</b></u>
<b>Movements in fair value</b>								
Acquisition of assets at fair value	3,879	867	511	188	580	-	2,389	<b>8,414</b>
Revaluation increments/decrements	15,537	-	1,539	-	-	-	-	<b>17,076</b>
Fair value of assets disposed	(1,395)	(290)	(69)	(5)	-	(127)	-	<b>(1,886)</b>
WIP Expensed	-	-	-	-	-	-	(20)	<b>(20)</b>
Transfers	5,269	(5,230)	104	766	162	(450)	(621)	<b>-</b>
	<u>23,290</u>	<u>(4,653)</u>	<u>2,085</u>	<u>949</u>	<u>742</u>	<u>(577)</u>	<u>1,748</u>	<u><b>23,584</b></u>
<b>Movements in accumulated depreciation</b>								
Depreciation	(7,619)	(915)	(394)	(234)	(240)	(2)	-	<b>(9,404)</b>
Accumulated depreciation of disposals	249	51	17	3	-	81	-	<b>401</b>
Revaluation adjustment on accumulated depreciation	(3,721)	-	(982)	-	-	-	-	<b>(4,703)</b>
Transfers	(1,180)	1,180	-	(147)	(15)	162	-	<b>-</b>
	<u>(12,271)</u>	<u>316</u>	<u>(1,359)</u>	<u>(378)</u>	<u>(255)</u>	<u>241</u>	<u>-</u>	<u><b>(13,706)</b></u>
At fair value 30 June 2020	303,354	94,015	19,449	22,040	6,852	209	2,711	<b>448,630</b>
Accumulated depreciation at 30 June 2020	(56,014)	(10,146)	(7,886)	(9,678)	(2,142)	(43)	-	<b>(85,909)</b>
	<u><b>247,340</b></u>	<u><b>83,869</b></u>	<u><b>11,563</b></u>	<u><b>12,362</b></u>	<u><b>4,710</b></u>	<u><b>166</b></u>	<u><b>2,711</b></u>	<u><b>362,721</b></u>

\* See note 9.4 for information regarding a prior period adjustment

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

### Acquisition

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

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

In accordance with Council's policy, the threshold limits have 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.

Buildings were revalued in 2019 and the range of depreciation periods has not changed, however the number of buildings with a higher depreciation rate has increased. This has resulted in approximately \$1m in additional depreciation annually for buildings.

Additional road data was captured in 2020 and the subsequent range of depreciation periods has not changed, however the useful life of some sealed pavements (high use sealed roads) has decreased from 80 to 50 years resulting in approximately \$25k in additional depreciation annually for sealed pavements.

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

### Asset recognition thresholds and depreciation periods

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

### Repairs and maintenance

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

## 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*

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

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

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 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
<b>Reconciliation of specialised land</b>		
Land under roads	2	2
Parks and reserves	5,023	5,023
Vacant land	716	716
Water management	242	242
Waste management	286	286
Gravel reserve	263	263
Aerodromes	269	269
Carpark	619	619
Recreation	511	511
Zoning restrictions	726	726
Council controlled	2,062	2,058
Other	613	613
<b>Total specialised land</b>	<b>11,332</b>	<b>11,328</b>

\* Restated prior year due to prior period adjustment detailed in Note 9.4a

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

	2020 \$'000	2019 \$'000
<b>6.3 Investment in associates</b>		
<b>Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	-	787
- Wimmera Development Association	197	190
	<b>197</b>	<b>977</b>
Change in equity share apportionment	<b>(63)</b>	<b>9</b>
Share of (deficit)/surplus for year	<b>7</b>	<b>(2)</b>
<b>(a) Wimmera Regional Library Corporation</b>		
Background		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
<b>Fair value of Council's investment in Wimmera Regional Library Corporation</b>	<b>-</b>	<b>787</b>
<b>Council's interest in equity</b>	<b>0.00%</b>	<b>27.20%</b>
<b>Council's share of accumulated surplus</b>		
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	<b>-</b>	<b>332</b>
<b>Council's share of reserves</b>		
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	<b>-</b>	<b>454</b>
<b>Movement in carrying value of specific investment</b>		
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	<b>-</b>	<b>787</b>

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
<b>6.3 Investment in associates (cont.)</b>		
<b>(b) Wimmera Development Association</b>		
<i>Background</i>		
Council's investment in the Wimmera Development Association is based on the equity method of accounting.		
<b>Fair value of Council's investment in Wimmera Development Association</b>	<b>197</b>	<b>190</b>
<b>Council's interest in equity</b>	<b>20.17%</b>	<b>20.17%</b>
<b>Council's share of accumulated surplus</b>		
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	<b>93</b>	<b>100</b>
<b>Council's share of reserves</b>		
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	<b>136</b>	<b>122</b>
<b>Movement in carrying value of specific investment</b>		
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	<b>197</b>	<b>190</b>

**Note 7 People and relationships**

**7.1 Council and key management remuneration**

**(a) Related Parties**

*Parent entity*

Northern Grampians Shire Council is the parent entity.

*Associates*

Interests in associates are detailed in note 6.3.

**(b) Key Management Personnel**

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

**Councillors**

Councillor Brian Emerson (Mayor - Nov 19 to present)  
Councillor Kevin Erwin (Resigned - Mayor Nov 19)  
Councillor Anthony Driscoll  
Councillor Karen Hyslop  
Councillor Merrilee Reid  
Councillor Jason Hosemans  
Councillor Rob Haswell

**Key Management**

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

**Total Number of Councillors**

**Chief Executive Officer and other Key Management Personnel**

**Total Key Management Personnel**

	2020	2019
	No.	No.
<b>Total Number of Councillors</b>	7	7
<b>Chief Executive Officer and other Key Management Personnel</b>	5	5
<b>Total Key Management Personnel</b>	12	12

**(c) Remuneration of Key Management Personnel**

Total remuneration of key management personnel was as follows:

Short-term benefits

Long-term benefits

Termination benefits

Post-employment benefits

Total

	2020	2019
	\$'000	\$'000
Short-term benefits	948	1,029
Long-term benefits	21	23
Termination benefits	-	7
Post-employment benefits	86	98
<b>Total</b>	<b>1,055</b>	<b>1,157</b>

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

\$20,000 - \$29,999

\$30,000 - \$39,999

\$50,000 - \$59,999

\$110,000 - \$119,999

\$130,000 - \$139,999

\$140,000 - \$149,999

\$160,000 - \$169,999

\$170,000 - \$179,999

\$190,000 - \$199,999

\$200,000 - \$209,999

\$270,000 - \$279,999

	2020	2019
	No.	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
<b>Total</b>	<b>12</b>	<b>12</b>

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 \$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.

(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
	<b>166</b>	<b>166</b>

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.

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
<b>2020</b>			
<b>Property</b>			
Land	6,619	-	6,619
Buildings	52,966	-	52,966
	59,585	-	59,585
<b>Infrastructure</b>			
Roads	169,919	11,816	181,735
Bridges	65,715	-	65,715
Footpaths and cycleways	6,306	557	6,863
Drainage	570	-	570
	242,510	12,373	254,883
	302,095	12,373	314,468
<b>Other</b>			
Investment in associates	19	-	19
	19	-	19
<b>Total asset revaluation reserves</b>	<b>302,114</b>	<b>12,373</b>	<b>314,487</b>
<b>2019 - Restated *</b>			
<b>Property</b>			
Land	6,619	-	6,619
Buildings	55,097	(2,131)	52,966
	61,716	(2,131)	59,585
<b>Infrastructure</b>			
Roads	168,867	1,052	169,919
Bridges	54,373	11,342	65,715
Footpaths and cycleways	6,585	(279)	6,306
Drainage	570	-	570
	230,395	12,115	242,510
	292,111	9,984	302,095
<b>Other</b>			
Investment in associates	19	-	19
	19	-	19
<b>Total asset revaluation reserves</b>	<b>292,130</b>	<b>9,984</b>	<b>302,114</b>

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

\* See note 9.4 for information regarding a prior period adjustment

Note 9 Other matters (cont.)

	Balance at beginning of reporting period	Transfer to / (from) accumulated surplus	Balance at end of reporting period
(b) Other reserves	\$'000	\$'000	\$'000
<b>2020</b>			
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
<b>Total other reserves</b>	<b>4,491</b>	<b>1,131</b>	<b>5,622</b>
<b>2019</b>			
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
<b>Total other reserves</b>	<b>3,072</b>	<b>1,419</b>	<b>4,491</b>

**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
<b>9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>		
<b>Surplus/(deficit) for the year</b>	1,477	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
Reversal of Provision	(45)	(46)
Share of (profit)/loss of associates	(7)	2
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	24	21
<b>Change in assets and liabilities:</b>		
(Increase)/decrease in trade and other receivables	70	(644)
(Increase)/decrease in other assets	418	(600)
Increase/(decrease) in trade and other payables	1,715	1,718
(Decrease)/increase in other liabilities	15	(117)
(Increase) in inventories	(17)	1
Increase/(Decrease) in provisions	(239)	173
<b>Net cash provided by operating activities</b>	<b>17,572</b>	<b>15,113</b>

### 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 were:

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 benefit.

##### *Funding Calls*

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

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

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

#### **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. The financial assumptions for the purposes of this investigation are:

##### 2020 Triennial investigation:

Net investment return	5.6% pa
Salary inflation	2.50% pa for the first two years and 2.75% pa thereafter
Price inflation	2.0% pa

#### 9.4 Adjustment to prior period

Council has identified a number of material prior period adjustments. Council has adjusted comparative numbers for the adjustment and restated each of the affected financial statements for the 2020 financial year, as shown in the tables below. The adjustment has been applied as at 1 July 2018.

##### Recognition of road revaluation

During the 2019/20 financial year Council completed a fair value review of assets. The valuation input for sealed pavement road assets was amended to reflect the cost of supply of road construction material from Council's gravel pits. The previous valuation method relied on the valuation of road construction materials based on the unit price provided from third party contractors, itself being representative of an average sector derived rate.

Applying a more specific valuation input rate based on materials sourced from Council's gravel pits has resulted in the restatement of the fair value of road assets in the prior period as at 1 July 2018. The impact of this restatement is a reduction to the 2019 Year opening fair value of roads by \$61.138m and accumulated depreciation of \$6.732m with a resultant change in opening net assets of \$54.406m.

The valuation of sealed surface road assets was also amended to move away from applying a sector derived standard to instead reflect Council's specific practice of constructing two layers of road seal. The prior valuation recognised only one layer of road seal. The impact of this correction resulted in an addition to the 1 July 2018 opening balance comprising \$17.031m opening fair value for roads and an increase in accumulated depreciation of \$4.470m with a resultant change in opening net assets of an additional \$12.561m.

In addition, the restated 2019 opening balance also includes the impact of found and relinquished assets comprising \$3.313m fair value less \$0.747m accumulated depreciation that was not previously identified in the audited 2019 financial report. This resulted from the recognition of assets previously thought to be controlled by Grampians Wimmera Mallee Water and other long lived assets that were not recognised until brought to Council's attention via customer requests. A separate schedule, by asset class, is included in this disclosure note.

##### Restatement on the Balance Sheet

	Actual 2019 \$'000	Opening bal. Adjusted 2019 \$'000	Restated Actual 2019 \$'000
<b>Non current assets</b>			
Found & relinquished assets recognised	-	3,313	3,313
Found & relinquished assets acc dep	-	(747)	(747)
Road Assets - Restatement	-	(44,107)	(44,107)
Road Assets - Restatement acc dep	-	2,262	2,262
	<u>-</u>	<u>(39,279)</u>	<u>(39,279)</u>
<b>Equity</b>			
Accumulated Surplus	131,363	2,566	133,929
Reserves	348,450	(41,845)	306,605
<b>Total equity</b>	<u>479,813</u>	<u>(39,279)</u>	<u>440,534</u>

9.4 Adjustment to prior period (cont)

Restatement on the Statement of Changes in Equity

	Actual 2019 \$'000	Opening bal. Adjusted 2019 \$'000	Restated Actual 2019 \$'000
Accumulated Surplus	131,363	2,566	133,929
Revaluation Reserve	343,959	(41,845)	302,114
Other Reserves	4,491	-	4,491
<b>Balance at opening of the financial year</b>	<b>479,813</b>	<b>(39,279)</b>	<b>440,534</b>

Found & relinquished assets

	Current Cost \$'000	Accum. Depn \$'000	2019 WDV \$'000
<i>Details of found assets:</i>			
Buildings	25	(2)	23
Roads	959	(388)	571
Bridges	2,481	(284)	2,197
Footpath	450	(189)	261
Drainage	17	(6)	11
<b>Total</b>	<b>3,932</b>	<b>(869)</b>	<b>3,063</b>
<i>Details of relinquished assets:</i>			
Land	(234)	-	(234)
Buildings	(25)	14	(11)
Roads	(343)	100	(243)
Drainage	(8)	3	(5)
Open Spaces	(9)	5	(4)
<b>Total</b>	<b>(619)</b>	<b>122</b>	<b>(497)</b>
<b>Total Found &amp; relinquished assets</b>	<b>3,313</b>	<b>(747)</b>	<b>2,566</b>

## 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	Adjustments \$'000	Post adoption \$'000
<b>Assets</b>			
Right of use assets	-	314	314
	-	314	314
<b>Liabilities</b>			
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
<b>Own-source revenue</b> <i>Own-source revenue per head of municipal</i> [Own-source revenue / Municipal population]	\$1,585	\$1,804	\$1,769	\$1,779	Minimal change due to limited capacity to improve revenue sources and constant population.
<b>Recurrent grants</b> <i>Recurrent grants per head of municipal</i> [Recurrent grants / Municipal population]	\$1,275	\$981	\$915	\$1,013	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.
<b>Population</b> <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	2019 prior year should be \$36,272 following a restatement (reduction) of the 2019 infrastructure amount due to the impact of asset devaluations. The 2020 result is therefore an increase on the 2019 restated result where this increase is due to the impact of current 2020 year asset revaluations (increase in the asset values).
<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.
<b>Disadvantage</b> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	1	1	1	1	Minimal change due to constant demographic.
<b>Workforce Turnover</b> <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
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	44	47	51	50	Marginal decrease to the level of satisfaction.
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.0%	0.0%	0.0%	0.0%	There were no VCAT decisions in relation to planning applications for the year
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54	48	53	50	Marginal decrease in satisfaction level to 50%.
<b>Libraries</b> <b>Participation</b> <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.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	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.
<b>Aquatic Facilities</b> <b>Utilisation</b> <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.
<b>Animal Management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	0	No recorded prosecutions to date.
<b>Food Safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100.0%	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
<b>Maternal and Child Health (MCH) Participation</b>					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	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

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

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

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

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

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

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

"population" means the resident population estimated by council

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

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

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

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

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

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

Dimension/indicator/measure	Result 2017	Result 2018	Result 2019	Result 2020	Forecasts				Material Variations
					2021	2022	2023	2024	
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i>	2.4%	-20.6%	-19.6%	-16.2%	-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									
<b>Liquidity</b>									
<b>Working capital</b>									
<i>Current assets compared to current liabilities</i>	301.0%	362.2%	368.0%	396.1%	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									
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i>	246.3%	268.0%	191.0%	235.1%	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									
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<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									
<b>Indebtedness</b>									
<i>Non-current liabilities compared to own source revenue</i>	24.6%	15.1%	13.9%	16.7%	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									
<b>Asset renewal and upgrade</b>									
<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									
<b>Stability</b>									
<b>Rates concentration</b>									
<i>Rates compared to adjusted underlying revenue</i>	48.1%	50.8%	55.1%	53.8%	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									
<b>Rates effort</b>									
<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									
<b>Efficiency</b>									
<b>Expenditure level</b>									
<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]									
<b>Revenue level</b>									
<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](http://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:** 12 November 2020

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 Murray Emerson**  
**Councillor**

**Dated:** 12 November 2020



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

**Dated:** 12 November 2020



**Liana Thompson**  
**Chief Executive Officer**

**Dated:** 12 November 2020

## Independent Auditor's Report

### To the Councillors of Northern Grampians Shire Council

<p><b>Opinion</b></p>	<p>I have audited the accompanying performance statement of Northern Grampians Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> <li>• description of municipality for the year ended 30 June 2020</li> <li>• sustainable capacity indicators for the year ended 30 June 2020</li> <li>• service performance indicators for the year ended 30 June 2020</li> <li>• financial performance indicators for the year ended 30 June 2020</li> <li>• notes to the performance statement and</li> <li>• the certification of the performance statement.</li> </ul> <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2020 in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p><b>Basis for Opinion</b></p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p><b>Councillors' responsibilities for the performance statement</b></p>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
<p><b>Auditor's responsibilities for the audit of the performance statement</b></p>	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

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Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

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

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

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

---

MELBOURNE  
16 November 2020



Saichu Chummar

*as delegate for the Auditor-General of Victoria*



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### 3.2. Quarterly Finance Report

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

**Purpose**

To advise Council of the Financial Report for the first quarter ended 30 September 2020 that includes projects to be carried forward from the 2019-20 financial year.

**Summary**

This report discloses:

1. The Financial Report for the first quarter ended 30 September 2020;
2. The value of projects, operating and capital, to be carried forward from the 2019-20 financial year for completion during the 2020/21 financial year.

**Recommendation**

**That Council notes the Financial Report for the first quarter ended 30 September 2020.**

**RESOLUTION**

**That Council notes the Financial Report for the first quarter ended 30 September 2020.**

**Moved:** Cr Tony Driscoll  
**Seconded:** Cr Lauren Dempsey

**Carried**

## Background/Rationale

Every three months, the Chief Executive Officer is required to provide Council with a financial report comparing budgeted revenue and expenditure to actual revenue and expenditure. This report is the first financial report for 2020-21 that will track Council's performance against the adopted budget.

The report shows the forecasted end of year result for the current financial year based on actual results to 30 September 2020 together with major variations to the adopted budget that have arisen between July 2020 and September 2020.

It should be noted that the opening cash balance includes \$6.54 million to fund services and projects that are carried forward from the prior 2019-20 financial year. The carry forward projects are now included in the Financial Report for the first quarter ended 30 September 2020 within the forecast column.

The quarterly financial report includes the following key highlights:

- \$6.54 million additional opening cash balance to fund projects carried forward from the prior 2019/20 year;
- \$0.33 million savings from 2019/20 financial year that are included to the forecast closing cash balance as at 30 June 2021;
- \$21.38 million forecast capital works that is a significant increase compared to the adopted budget of \$13.41 million. The increase is mainly due to projects carried forward from the prior 2019/20 financial year;
- \$28.43 million total cash balance at the end of September 2020 mainly to fund capital works and other scheduled projects;
- \$16.48 million debtors (rates and sundry) balance outstanding at the end of September 2020. This balance is comparable to the prior 2019/20 year with minimal impact due to COVID-19;
- \$2.41 million loan balance with \$0.22 million of scheduled repayments during the 2020/21 financial year.

## Legislation, Council Plan, Strategy and Policy Implications

*Local Government Act 1989*

Council Plan 2017-21 - Improve Organisational Effectiveness

## Options

### Option 1

That Council notes the Financial Report for the first quarter ended 30 September 2020 and the projects to be carried forward from the 2019-20 financial year to the 2020-21 financial year without amendment.

**[recommended]**

### Option 2

That Council notes the Financial Report for the first quarter ended 30 September 2020 and the projects to be carried forward from the 2019-20 financial year to the 2020-21 financial year with amendments. **[not 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.

**Procurement**

The report does not raise any procurement agreement matters.

**Community Engagement**

No community engagement was required.

**Innovation and Continuous Improvement**

This report incorporates the impact of new accounting standards and better practice reporting.

**Collaboration**

No collaboration was required in completing this report.

**Officer's Declaration of Interest**

All officers providing advice to Council must disclose any interest, 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. Finance Report September 2020 v 3 [3.2.1 - 16 pages]

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# Financial Report

30 SEPTEMBER, 2020



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## FINANCE REPORT - SEPTEMBER 2020: CARRY FORWARDS & MAJOR VARIATIONS

### Summary of Variations

The variation between the 2020/21 Adopted Budget and the 2019/20 Actuals made up of the following components: -

		\$000's
<b>Opening Cash</b>		
	Additional Cash @ 30 June 2020 vs 2021 Opening Budgeted Cash Position	<u>6,870</u>
<b>Explanation of Additional Cash</b>		
	<i>Carry Forward to 2020/21:</i>	
	Capital Works & Projects	4,860
	Projects Grants & Contributions	1,576
	Operating Programs	100
		<u>6,536</u>
<b>Explanations of Further Variances Against Additional Cash</b>		
	Savings in Operating Programs	334
		<u>334</u>

### Summary of Carry Forwards & Major Variations for 2020/21

<b>Carry Forwards</b>		<b>\$000's</b>
	Capital Works & Projects	4,860
	Project Grants & Contributions	1,576
	Operating Programs	100
		<u>6,536</u>
<b>YTD Major Variations</b>		<b>\$000's</b>
	Balance of 19/20 Flood Income	(449)
	Additional income recovered against annual budget	(119)
	Reversal of contribution expense	(20)
	Taylor's Gully Park - New Grant Funding Received	(16)
	Reversal of investment in associates budget	190
	Bellfield Bike Path - Reversal of AASB15 Income	33
		<u>(381)</u>
<b>Successful Grant Funding (no net impact on cash)</b>		<b>\$000's</b>
	Local Roads and Community Infrastructure	1,858
	Campbells Bridge - Infrastructure	376
	Local Councils Outdoor Eating and Entertainment	250
	Grampians RDV Regional Cycling	200
	COVID Early Learning Centre Support	130
	Rural Council ICT Technology Support	90
	Bushfire Recovery Community Grant	50
	COVID Safe Australia Day Program & Branding	21
	Respect Women: Call it Out	3
		<u>2,978</u>

## Executive Summary as at 30 September, 2020

It should be noted that this report only reflects spending to 30 September, 2020.

The forecast shows a favourable movement of \$0.7M in expected closing cash held at the end of the financial year compared to budget.

It is projected that the Council will end the year with \$10.7M cash.

## Cash Flow Statement as at 30 September, 2020

	Actuals to September, 2020 \$`000	Total Forecast \$`000	Budget 2020-21 \$`000	Variations to Budget Fav (Unfav) \$`000
<b>Operating Activities</b>				
<b>Revenue</b>				
Rates & Charges	(4,548)	(18,511)	(18,262)	249
Operating Grants	(2,652)	(7,491)	(6,822)	669
Statutory Fees & Fines	(36)	(312)	(318)	(6)
User Fees	(78)	(1,163)	(1,258)	(95)
Contributions	(96)	(418)	(48)	370
Other Revenue	(97)	(327)	(703)	(376)
<b>Total Revenue</b>	<b>(7,507)</b>	<b>(28,222)</b>	<b>(27,411)</b>	<b>811</b>
<b>Expenses</b>				
Employee Costs	4,153	17,123	16,169	(954)
Materials & Services	2,565	14,639	10,064	(4,575)
Borrowing Costs	(5)	102	102	-
Other Expenses	12	1,003	1,455	452
<b>Total Expenses</b>	<b>6,725</b>	<b>32,867</b>	<b>27,790</b>	<b>(5,077)</b>
<b>Major Emergency Operations</b>				
<b>Expenses</b>				
Materials & Services	-	200	-	(200)
<b>Major Emergency Expenses</b>	<b>0</b>	<b>200</b>	<b>0</b>	<b>(200)</b>
<b>Net Operating</b>	<b>(782)</b>	<b>4,845</b>	<b>379</b>	<b>(4,466)</b>
<b>Investing Activities</b>				
Capital Expenditure	2,669	18,838	13,392	(5,446)
Capital Grants	(2,718)	(6,593)	(3,452)	3,141
Capital Income	(2)	(2)	-	2
Capital Contributions	-	(249)	(85)	164
Proceeds from investment in associates	-	-	(190)	(190)
Repayment of Loans & Advances	3	(63)	(63)	-
<b>Net Investing Activities</b>	<b>(48)</b>	<b>11,931</b>	<b>9,602</b>	<b>(2,329)</b>
<b>Major Emergency Restoration Investment Activities</b>				
Capital Grants	(449)	(449)	-	449
<b>Net Major Emergency Restoration</b>	<b>(449)</b>	<b>(449)</b>	<b>0</b>	<b>449</b>
<b>Financing Activities</b>				
Principal Repayments	53	218	218	-
Interest Paid - Lease Liability	-	3	3	-
Repayment of Lease Liability	-	(83)	108	191
Net Trust Movement	(2)	-	-	-
<b>Net Financing Activities</b>	<b>51</b>	<b>138</b>	<b>329</b>	<b>191</b>
<b>Net Movements for Year</b>	<b>(1,228)</b>	<b>16,465</b>	<b>10,310</b>	<b>(6,155)</b>
Opening Cash	27,208	27,208	20,338	6,870
<b>Closing Cash</b>	<b>28,436</b>	<b>10,743</b>	<b>10,028</b>	<b>715</b>

## Operating Statement as at 30 September, 2020

25% through the year

	YTD Committed Actuals \$`000	Forecast \$`000	Adopted Budget \$`000	% Actuals to Forecast
<b>Revenue</b>				
<b>Rates &amp; Charges</b>				
Residential	(8,033)	(8,033)	(7,858)	100%
Farm/Rural	(5,017)	(5,017)	(5,025)	100%
Commercial	(783)	(783)	(848)	100%
Industrial	(291)	(291)	(291)	100%
Cultural & Recreational	(11)	(11)	(11)	100%
Municipal Charge	(1,312)	(1,312)	(1,308)	100%
Garbage Charge	(2,815)	(2,815)	(2,810)	100%
Rates in Lieu	(24)	(112)	(112)	21%
<b>Rates &amp; Charges</b>	<b>(18,286)</b>	<b>(18,374)</b>	<b>(18,263)</b>	<b>100%</b>
<b>Grants Capital</b>				
Capital Grants	(3,250)	(7,042)	(5,592)	46%
<b>Grants Capital</b>	<b>(3,250)</b>	<b>(7,042)</b>	<b>(5,592)</b>	<b>46%</b>
<b>Grants Operating</b>				
Aged & Disability Services Grants	(211)	(714)	(714)	30%
Child Care Grants	(286)	(772)	(641)	37%
Economic Development Grants	(575)	(766)	(1,149)	75%
Environmental Grants	-	(75)	(75)	0%
Untied Grants	(946)	(3,903)	(3,903)	24%
Operating Grants	(345)	(1,138)	(217)	30%
Public Safety Grants	(120)	(123)	(123)	98%
<b>Grants Operating</b>	<b>(2,483)</b>	<b>(7,491)</b>	<b>(6,822)</b>	<b>33%</b>
<b>User Fees</b>				
Aged and Disability Service Fees	(100)	(412)	(412)	24%
Child Care Fees	(73)	(276)	(276)	26%
Leisure Fees	(47)	(297)	(297)	16%
Local Law Fees	(17)	(115)	(115)	15%
Other Fees	(20)	(125)	(125)	16%
Public Health Fees	(5)	(7)	-	71%
Rental Income	(24)	(24)	-	100%
Private Works Infrastructure	(4)	(17)	(17)	24%
Waste Management Fees	(9)	(27)	(27)	33%
<b>User Fees</b>	<b>(299)</b>	<b>(1,300)</b>	<b>(1,269)</b>	<b>23%</b>
<b>Statutory Fees and Fines</b>				
Building Fees	(69)	(178)	(178)	39%
Local Law Fees	(5)	(4)	(4)	125%
Other Fees	(3)	(16)	(16)	19%
Planning Fees	(38)	(114)	(114)	33%
<b>Statutory Fees and Fines</b>	<b>(115)</b>	<b>(312)</b>	<b>(312)</b>	<b>37%</b>
<b>Contributions</b>				
Contributions Child Care	(112)	(340)	(340)	33%
Contributions to Capital	-	(251)	(75)	0%
Contributions Debt Collectors	(2)	(30)	(30)	7%
Contributions Other	(48)	(48)	(48)	100%
<b>Contributions</b>	<b>(162)</b>	<b>(669)</b>	<b>(493)</b>	<b>24%</b>
<b>Other Revenue</b>				
Interest Income	(2)	(175)	(175)	1%
Other Revenue	78	(152)	(152)	-51%
<b>Other Revenue</b>	<b>76</b>	<b>(327)</b>	<b>(327)</b>	<b>-23%</b>
<b>Revenue</b>	<b>(24,519)</b>	<b>(35,515)</b>	<b>(33,078)</b>	<b>69%</b>
<b>Revenue (excl Rates &amp; Charges)</b>	<b>(6,233)</b>	<b>(17,141)</b>	<b>(14,815)</b>	<b>36%</b>

## Operating Statement as at 30 September, 2020

25% through the year

	YTD Committed Actuals \$`000	Forecast \$`000	Adopted Budget \$`000	% Actuals to Forecast
<b>Expenses</b>				
<b>Employee Benefits</b>				
Salary & Wages	3,557	14,660	14,005	24%
Superannuation	308	1,438	1,410	21%
LSL Provision Movement	-	402	402	0%
Fringe Benefit Tax	(3)	33	33	-9%
Workcover	266	319	319	83%
Training	33	272	246	12%
<b>Employee Benefits</b>	<b>4,161</b>	<b>17,124</b>	<b>16,415</b>	<b>24%</b>
<b>Materials &amp; Services</b>				
Advertising	22	95	94	23%
Audit Fees	2	56	56	4%
Bank Fees	11	66	66	17%
Catering	-	55	45	0%
Communications	12	154	154	8%
Professional Advice	135	369	301	37%
Contractors	593	4,147	3,509	14%
Contributions - Reciprocal	55	105	105	52%
Cost of Goods Sold	30	142	142	21%
Equipment Mtc & Repair	282	678	678	42%
Fuel	112	556	556	20%
Insurance	292	579	579	50%
Leases	91	469	293	19%
Legal Expenses	14	95	95	15%
Memberships & Subscriptions	17	221	221	8%
Minor Equipment	181	289	229	63%
Office Supplies	2	10	10	20%
Other Materials and Services	403	2,560	1,125	16%
Postage & Freight	10	37	37	27%
Printing	14	80	80	18%
Recruitment & Retention Expenses	6	21	21	29%
Security Expenses	9	57	57	16%
Software Costs	225	904	904	25%
Uniforms & Protective Clothing	95	119	115	80%
Utilities	92	435	435	21%
Contract Employees	124	374	374	33%
<b>Materials &amp; Services</b>	<b>2,829</b>	<b>12,673</b>	<b>10,281</b>	<b>22%</b>
<b>Depreciation</b>				
Depreciation	-	11,378	11,378	0%
<b>Depreciation</b>	<b>-</b>	<b>11,378</b>	<b>11,378</b>	<b>0%</b>
<b>Amortisation</b>				
Amortisation	-	99	99	0%
<b>Amortisation</b>	<b>-</b>	<b>99</b>	<b>99</b>	<b>0%</b>
<b>Finance Costs</b>				
Finance Costs	(4)	102	102	-4%
Lease Costs	-	3	3	0%
<b>Finance Costs</b>	<b>(4)</b>	<b>105</b>	<b>105</b>	<b>-4%</b>
<b>Other Expenses</b>				
Contributions - Non Reciprocal	(71)	763	973	-9%
Councillor Allowances	69	214	214	32%
Other Expenses	15	26	26	58%
<b>Other Expenses</b>	<b>13</b>	<b>1,003</b>	<b>1,213</b>	<b>1%</b>
<b>Expenses</b>	<b>6,999</b>	<b>42,382</b>	<b>39,491</b>	<b>17%</b>
<b>Expenses (excl Depreciation)</b>	<b>6,999</b>	<b>30,905</b>	<b>28,014</b>	<b>23%</b>

## Operating Statement as at 30 September, 2020

25% through the year

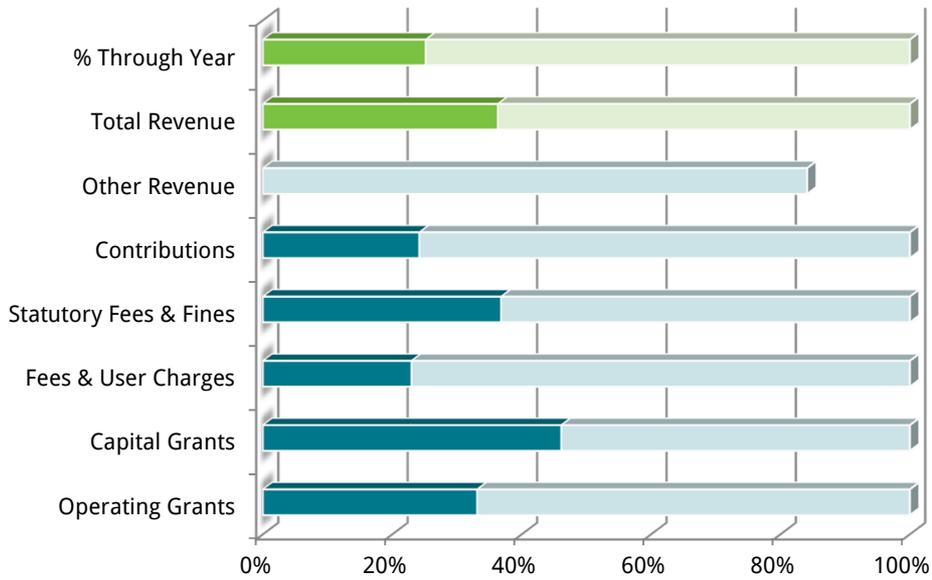
	YTD Committed Actuals \$`000	Forecast \$`000	Adopted Budget \$`000	% Actuals to Forecast
<b>Other Income Statement Items</b>				
Proceeds of Asset Sales	(168)	(35)	-	480%
Written Down Value of Assets Sold	141	35	35	0%
<b>Other Income Statement Items</b>	<b>(27)</b>	<b>0</b>	<b>35</b>	<b>0%</b>
<b>Operating Statement</b>	<b>(17,547)</b>	<b>6,867</b>	<b>6,448</b>	

### Discussion:

The depreciation expense is calculated and charged to the general ledger at the end of the financial year. Based on the budgeted depreciation the Adjusted Operating Statement result as at September 2020 is a surplus of \$14.7m.

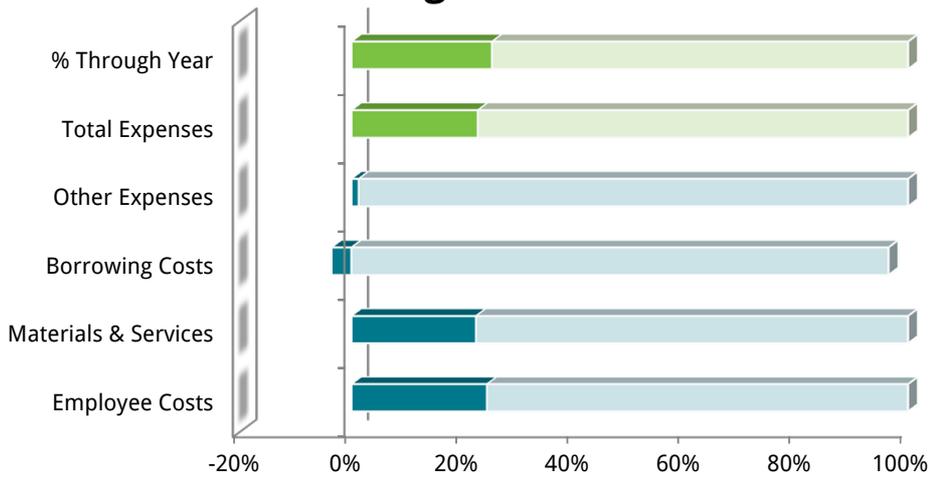
Operating Result	(17,547)
Less Depreciation	<u>2,845</u>
<b>Adjusted Operating Result</b>	<b>(14,703)</b>

## Ordinary Operating Revenue Progress



*This graph excludes rates & charges, with the details for this area shown in the Debtors Report.*

## Ordinary Operating Expenditure Progress



## Capital & Project Expenditure Summary

Programs	Actuals \$000's	Forecast \$000's	% Complete	Remaining
Major Emergency Restoration	8	200	0%	100%
Roads	1,642	8,463	19%	81%
Bridges	540	1,511	36%	64%
Building	69	2,439	3%	97%
Drainage	-	65	0%	100%
Open Spaces	332	5,705	6%	94%
Land & Land Improvements	68	605	11%	89%
IT	17	17	100%	0%
Plant, Vehicles & Equipment	173	874	20%	80%
Projects	81	1,507	5%	95%
<b>Total Capital &amp; Projects</b>	<b>2,930</b>	<b>21,387</b>	<b>14%</b>	<b>86%</b>

### 2020/21 Capital Program

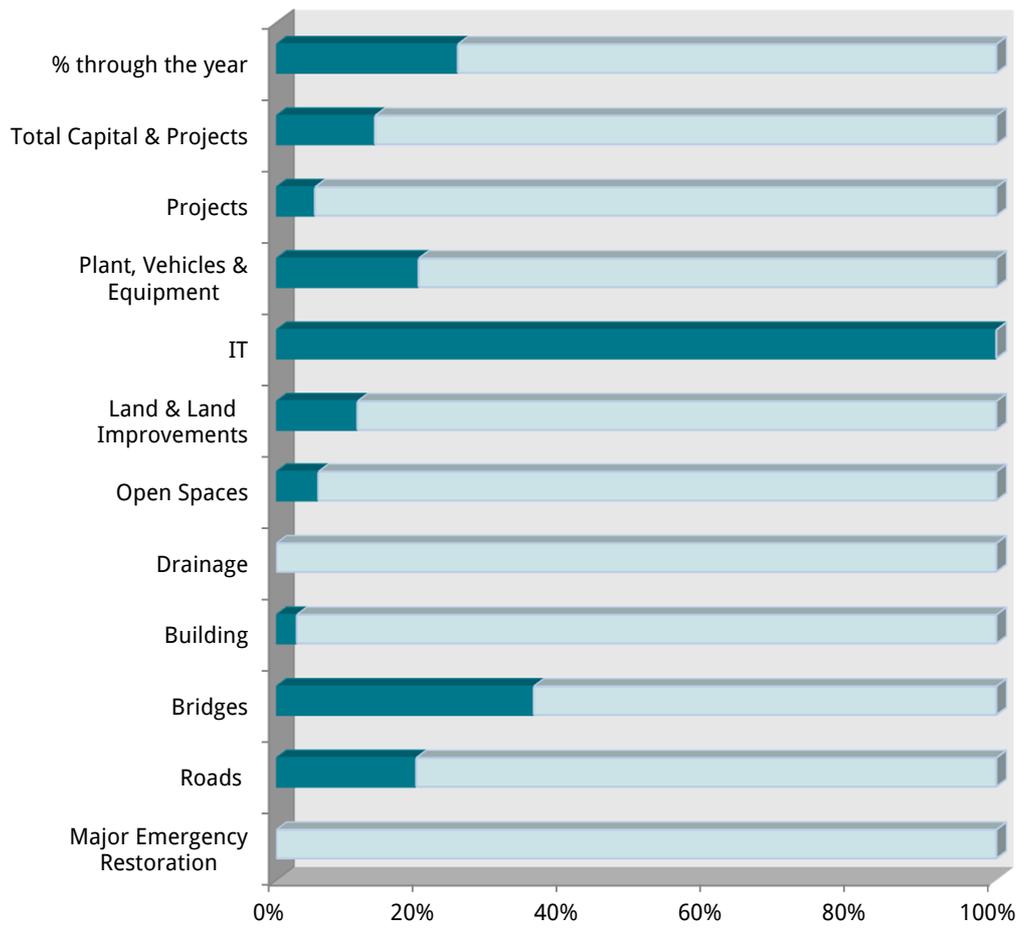
Capital Projects	2,819	18,909
Expensed Projects	103	2,278

### 2020/21 Major Emergency Restoration

Capital Projects	0	-
Expensed Projects	8	200

<b>Total Capital &amp; Projects</b>	<b>2,930</b>	<b>21,387</b>
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## Capital & Project Expenditure Progress



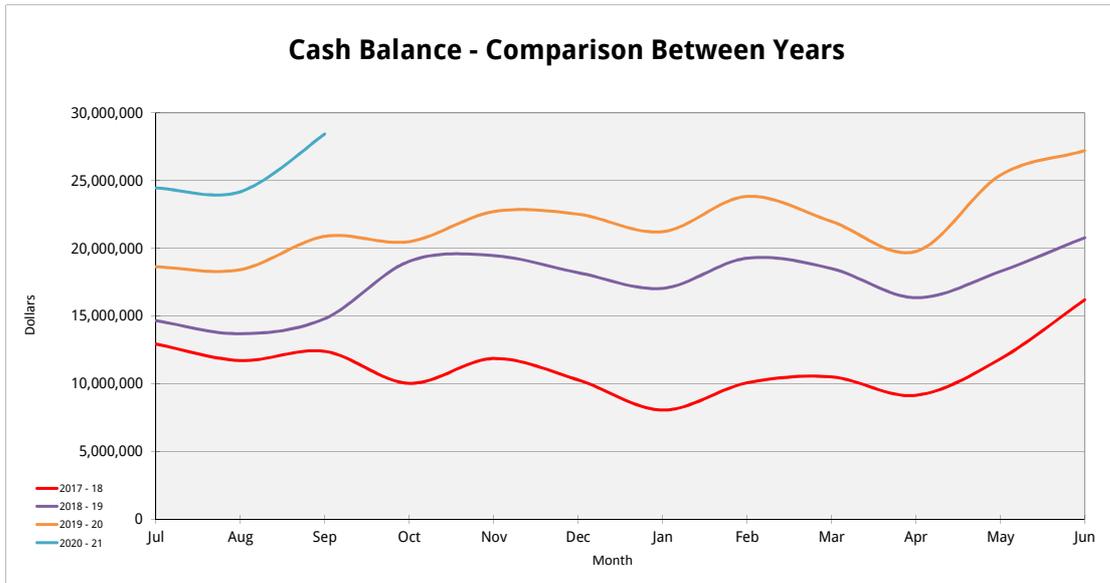
## Capital & Project Expenditure Summary as at 30 September, 2020

	YTD Actuals (incl Commitments)	Forecast	Adopted Budget	% Committed to Forecast
<b>02 - Capital</b>				
1112 - B - Roads - Aerodrome Program	14,740	439,710	500,000	3
1101 - B - Roads - Final Seal Program	272,558	447,309	321,000	61
1110 - B - Roads - Footpaths Program	10,956	130,113	130,000	8
1100 - B - Roads - Kerb & Channel Program	13,911	410,000	325,000	3
1102 - B - Roads - Major Rural Roads Program	165,113	1,725,080	390,000	10
1104 - B - Roads - Resealing Program	653,143	1,277,928	1,330,000	51
1105 - B - Roads - Resheeting Program	184,202	1,014,000	1,120,000	18
1106 - B - Roads - Rural & Residential Program	152,651	450,725	285,000	34
1111 - B - Roads - Streetscapes	18,116	1,202,455	0	2
1107 - B - Roads - Town Street Sealing Program	(198)	113,200	85,000	(0)
1108 - B - Roads - Transport Dev Program	157,255	774,345	460,000	20
1109 - B - Roads - Urban Rd Improvement Program	0	106,000	70,000	0
1103 - B - Roads - Rehabilitation Program	3	372,440	250,000	0
1113 - C - Bridge & Major Culverts Program	540,053	1,510,795	1,090,000	36
1114 - C - Floodway Program	0	35,000	35,000	0
1115 - D - Building Program	68,991	2,439,385	1,800,000	3
1116 - E - Drainage Program	0	65,000	65,000	0
1122 - F - Open Spaces Program	332,262	5,704,814	3,850,500	6
1120 - G - Land & Land Improvement Program	68,162	605,465	600,000	11
1119 - H - IT Program	16,683	16,700	0	100
1118 - H - Plant, Vehicles & Equipment Program	172,690	839,035	685,000	21
1121 - J - Projects	80,901	1,507,389	20,000	5
<b>Total 02 - Capital</b>	<b>2,922,191</b>	<b>21,186,888</b>	<b>13,411,500</b>	<b>14</b>
<b>04 - Emergency Capital</b>				
0257 - 11/19 Bushfire Recovery	8,111	200,000	0	4
<b>Total 04 - Emergency Capital</b>	<b>8,111</b>	<b>200,000</b>	<b>0</b>	<b>4</b>
<b>Grand Total</b>	<b>2,930,302</b>	<b>21,386,888</b>	<b>13,411,500</b>	<b>14</b>

## Capital & Project Revenue Summary as at 30 September, 2020

Level 2	YTD Actuals (incl Commitments)	Forecast	Adopted Budget	% Committed to Forecast
<b>02 - Capital</b>				
1112 - B - Roads - Aerodrome Program	(60,000)	(120,000)	(300,000)	50
1101 - B - Roads - Final Seal Program	(100,000)	(100,000)	(100,000)	100
1110 - B - Roads - Footpaths Program	0	(10,000)	(10,000)	0
1102 - B - Roads - Major Rural Roads Program	(564,935)	(940,935)	(300,000)	60
1105 - B - Roads - Resheeting Program	0	(1,857,000)	(1,682,000)	0
1106 - B - Roads - Rural & Residential Program	(1,011,592)	(82,600)	(63,000)	1,225
1108 - B - Roads - Transport Dev Program	0	(245,000)	(335,000)	0
1109 - B - Roads - Urban Rd Improvement Program	0	(36,000)	0	0
1113 - C - Bridge & Major Culverts Program	(184,000)	(184,000)	(1,009,000)	100
1114 - C - Floodway Program	0	(25,000)	(25,000)	0
1115 - D - Building Program	(780,000)	(700,000)	(700,000)	111
1122 - F - Open Spaces Program	0	(2,242,634)	(643,000)	0
1120 - G - Land & Land Improvement Program	(133,000)	(300,000)	(300,000)	44
1118 - H - Plant, Vehicles & Equipment Program	(109,440)	(35,000)	0	313
1121 - J - Projects	(89,750)	(617,750)	0	15
<b>Total 02 - Capital</b>	<b>(3,032,717)</b>	<b>(7,495,919)</b>	<b>(5,467,000)</b>	<b>40</b>
<b>04 - Emergency Capital</b>				
0256 - 09/16 Natural Disaster Funding Income	(449,461)	(449,461)	0	100
0257 - 11/19 Bushfire Recovery	0	0	(200,000)	0
<b>Total 04 - Emergency Capital</b>	<b>(449,461)</b>	<b>(449,461)</b>	<b>(200,000)</b>	<b>100</b>
<b>Grand Total</b>	<b>(3,482,178)</b>	<b>(7,945,380)</b>	<b>(5,667,000)</b>	<b>44</b>

## Cash and Investments as at 30 September, 2020



**Total Cash Balance at Month End**

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>2017 - 18</b>	12,943,095	11,722,616	12,402,540	10,045,586	11,871,466	10,298,760	8,070,124	10,076,254	10,520,858	9,157,008	11,843,662	16,202,519
<b>2018 - 19</b>	14,662,878	13,696,212	14,814,349	19,043,239	19,466,664	18,213,979	17,049,983	19,275,427	18,514,123	16,357,309	18,298,119	20,785,979
<b>2019 - 20</b>	18,642,143	18,424,373	20,885,437	20,496,673	22,711,437	22,520,759	21,226,659	23,831,676	21,993,073	19,771,946	25,394,596	27,206,212
<b>2020 - 21</b>	24,458,405	24,173,971	28,436,358									

**Restricted Cash required as at 30 September 2020**

**\$ 5,148,000**

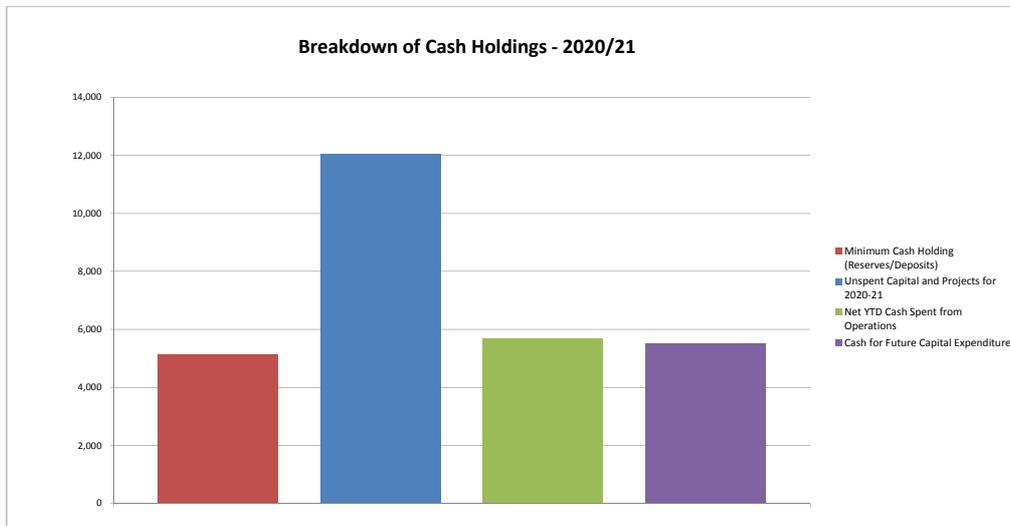
**Available Cash as at 30 September, 2020**

**\$ 23,288,358**

**\$ 28,436,358**

### [1] Breakdown of Cash Holdings

	<b>\$000's</b>
Minimum Cash Holding (Reserves/Deposits)	5,148
Cash for Future Capital Expenditure	5,529
Unspent Capital and Projects for 2020-21	12,045
	<u>22,722</u>
Net YTD Cash Spent from Operations	5,714
<b>Total Cash held as at 30 September 2020</b>	<b>28,436</b>



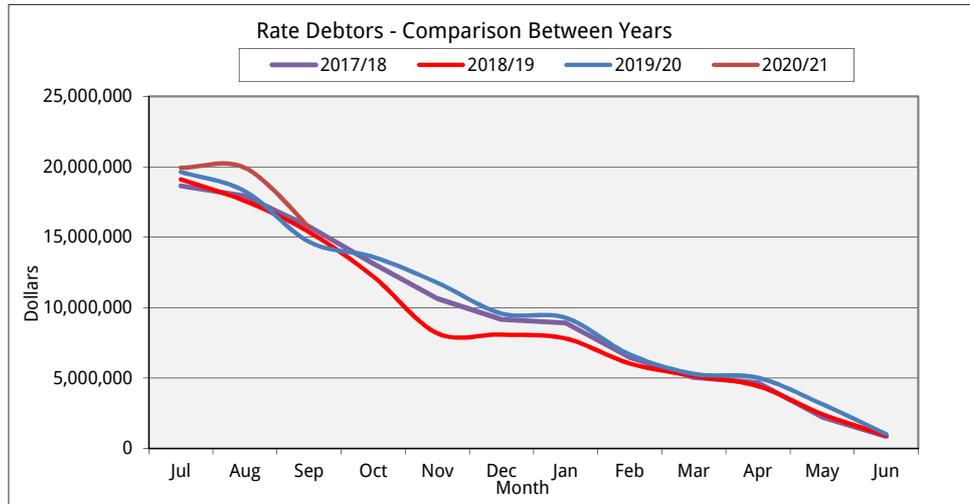
**Reserves - Restricted Assets:**

	<b>\$000's</b>
Development Fund	392
Community / Heritage Loan	113
Waste Program	3,530
Defined Benefits Additional Call	300
Loan Repayment	<u>625</u>
	<b><u>4,960</u></b>

**Discussion:**

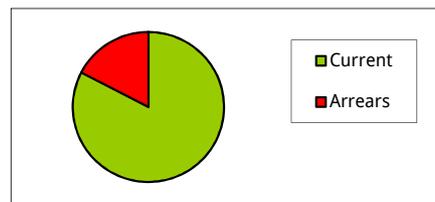
Council should see a slight increase in the cash held into the future. Council will be holding more cash as it builds up its funds to pay off the long term interest only loans entered into together with future capital program expenditure. By 30 June 2021 it is anticipated that the cash balance will be down at \$10.7m.

# Debtors Reports as at 30 September, 2020



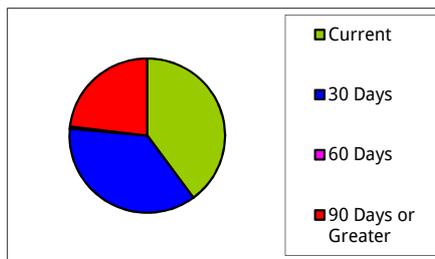
## Rates Debtors YTD

	\$	%
Current	12,979,484	83%
Arrears	2,733,217	17%
<b>Total</b>	<b>15,712,701</b>	<b>100%</b>



## Sundry Debtors YTD

	\$	%
Current	307,723	39.9%
30 Days	281,985	36.5%
60 Days	3,757	0.5%
90 Days or Greater	178,124	23.1%
<b>Total</b>	<b>771,588</b>	<b>100%</b>



### Details:

Current	The majority of the current balance of sundry debtors is made up of grant funding requested in relation to Working for Victoria (\$211k) and Fire Services Property Levy (\$52k) to be recovered.
30 Days	Recovery of income related to Working for Victoria (\$211k); rates in lieu for Ararat Wind Farm (\$18k) and Wimmera Regional Libraries (\$44k).
60 days	Minor balances outstanding on 7 sundry debtors ranging from \$40 to \$1,900
90 Days or Greater	Balances outstanding on 4 sundry debtors relating to central park power upgrade (\$83k); Stawell Cemeteries (\$61k); Wheelie Waste - Community Education Program (\$12k) and St Arnaud Sports BSL (\$6k).

## Loan Report - Budget 2019/2020

### Borrowing Principles:

#### Indebtedness

Our level of debt will not exceed 60% or \$11.1 Million of Rates and Charges Revenue.

Indebtedness Calculation Check 12% ✓

#### Debt Servicing Costs

Our level of annual debt servicing costs (principal plus Interest) will not exceed 5% or \$1.8 Million of our Total Operating Revenue.

Debt Servicing Calculation Check 1% ✓

### Loans Budgeted 2020/2021:

#### Principal

	\$000's
Loans Outstanding as at 30 June, 2020	2,408
Add proposed new loans 2020/2021	-
Less Scheduled Repayments 2020/2021	(218)
Loans Outstanding as at 30 June, 2021	2,190

#### Expiry of Existing Loans

	Expiry	Balance at 30/06/21 \$000's
Loan 15	Jun-21	0
Loan 16	Jun-23	190
Loan 18	Nov-21	1,000
Loan 20	Jun-26	1,000
		2,190

**4. Close**

**There being no further business the Mayor declared the meeting closed at 12.40pm.**

Confirmed

A handwritten signature in black ink, appearing to be 'CR Murray Emerson', written in a cursive style.

CR MURRAY EMERSON  
MAYOR

Date: 7 December 2020