



GANNAWARRA
Shire Council

ATTACHMENTS

UNDER SEPARATE COVER

Ordinary Council Meeting

18 September 2019

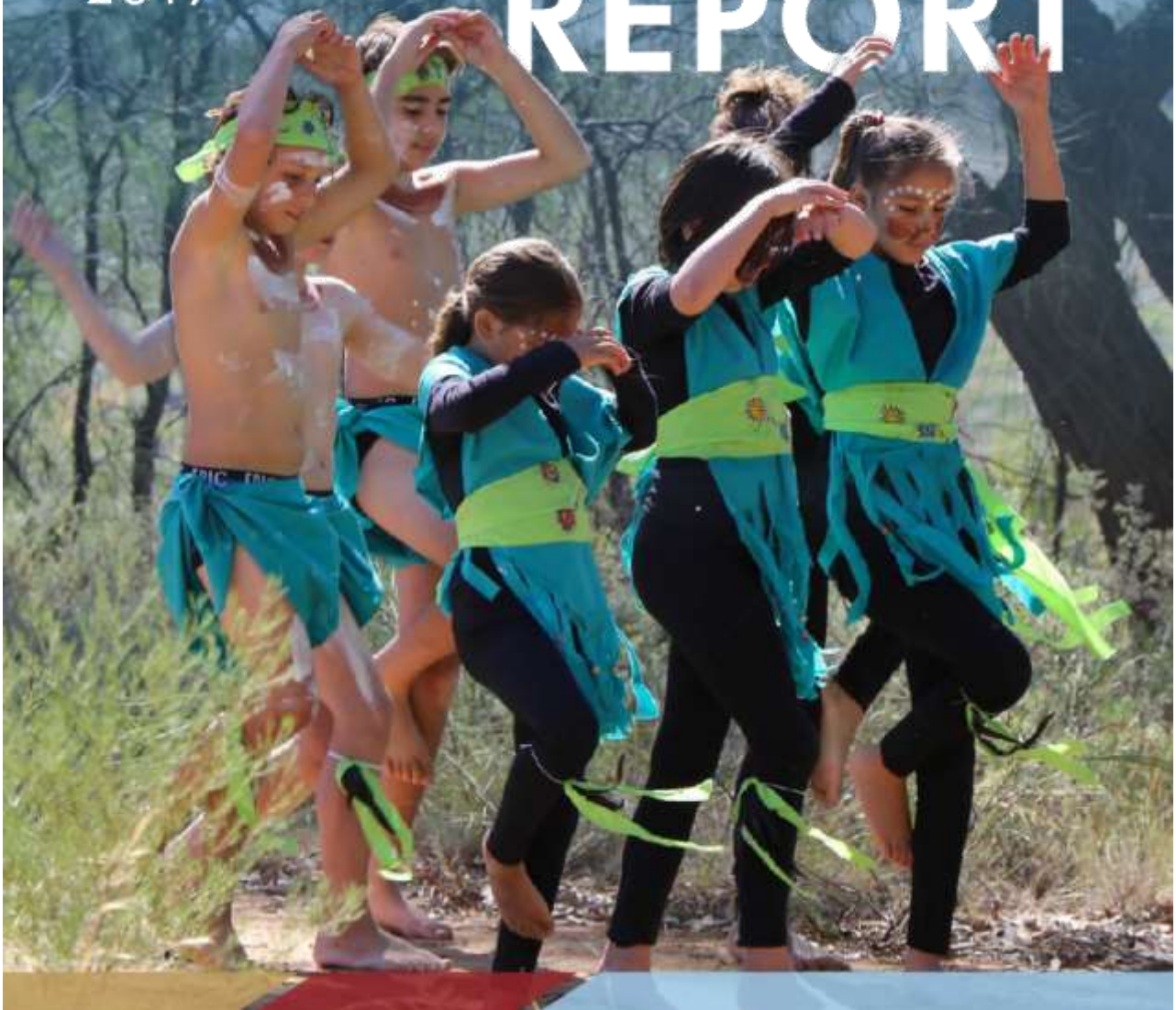
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- COHUNA
- KOONDROOK
- LAKES DISTRICT
- MURRABIT AND DISTRICT
- LEITCHVILLE
- LALBERT
- QUAMBATOOK
- MACORNA
- TRAGOWEL

ANNUAL 2019 REPORT





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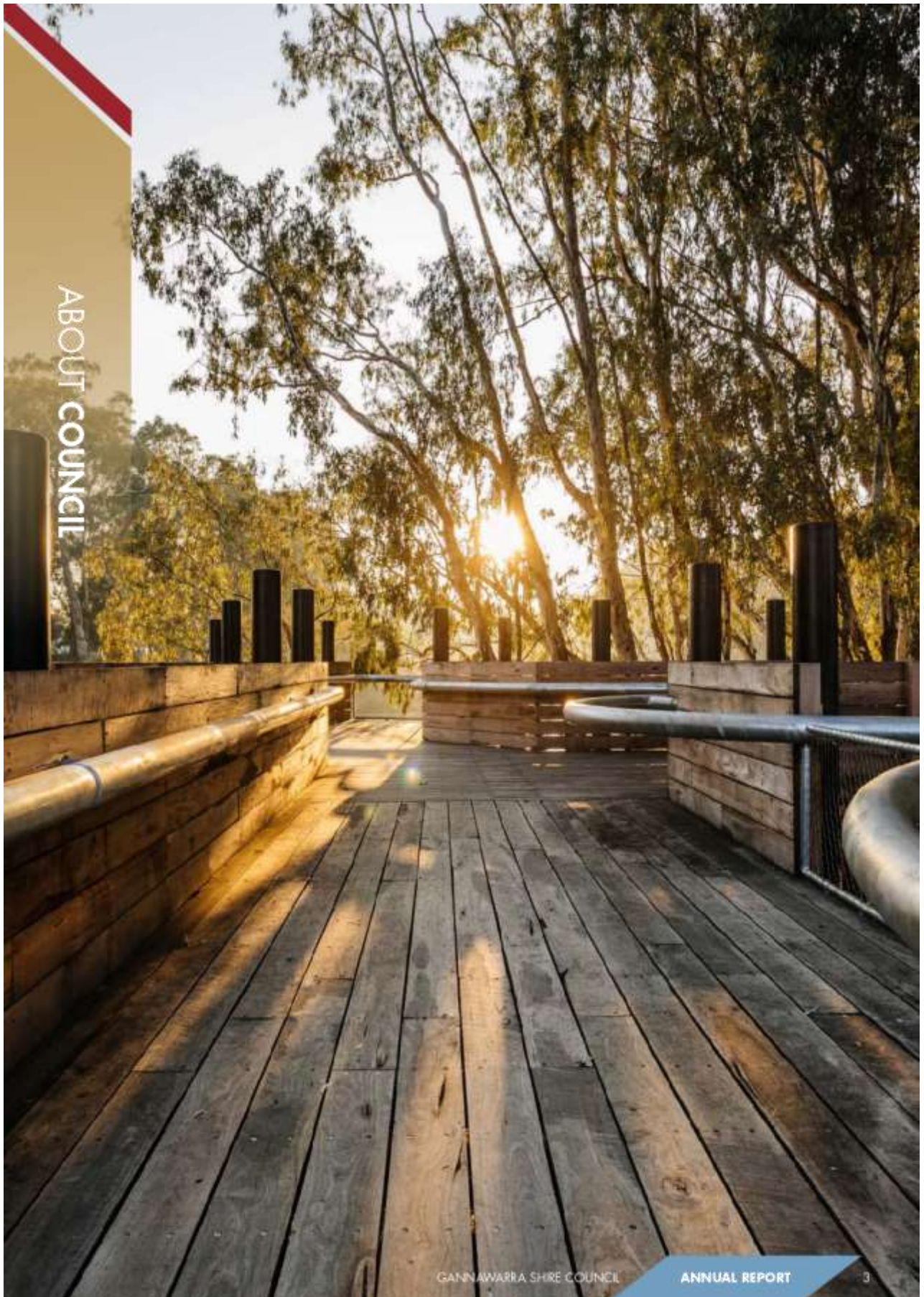
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ABOUT COUNCIL

WELCOME TO GANNAWARRA SHIRE COUNCIL'S ANNUAL REPORT 2019

Gannawarra Shire Council's Annual Report provides our community with comprehensive and transparent information on Council's operational, financial, environmental and social performance during the 2018/19 year.

All councils are required by the *Local Government Act 1989* to prepare an Annual Report each financial year which is compliant with the *Local Government Performance Reporting Framework (LGPRF)*.

This Annual Report documents Council's highlights, our achievements and our response to emerging challenges.

NEED AN EXTRA COPY?

Additional copies of the Annual Report can be obtained by:

- Visiting our website www.gsc.vic.gov.au
- Calling us on (03) 5450 9333
- Visiting one of our Customer Service Centres
(See Contact Council section for locations)
- Emailing council@gannawarra.vic.gov.au
- Writing to Gannawarra Shire Council at PO Box 287, Kerang 3579.

FEEDBACK

We welcome feedback regarding the production of our Annual Report. Feedback provides us with the opportunity to continuously improve our methods for communicating the information contained within this report. If you would like to provide feedback please contact us via the details provided in the Contact Council section of this report.



ABOUT COUNCIL

VISION

Building upon our strengths of people, place and pride to inspire a positive future together.

MISSION

Together with our community we will capitalise on our natural assets, support our business and agricultural sector and deliver quality services to our community.

VALUES

BE COLLABORATIVE

We will work closely with our community using our collective skills and knowledge to build a positive future. Together with our partners we will deliver great things to our community.

BE RESOURCEFUL

We will be resourceful and resilient, employing creative problem solving to our challenges. We will plan and be prepared for when opportunities present.

BE INNOVATIVE

We will embrace new ideas and technology to deliver quality services to our community at a lower cost. We will make time to consider the big issues and actively seek creative solutions.

... AND WE WILL LISTEN

We will listen to our community and use our collective knowledge and sound judgement to respond and close the loop.



Gannawarra Shire Council acknowledges the Traditional Custodians of the land and pays its respect to Elders both past and present.

ABOUT COUNCIL

ABOUT GANNAWARRA

The Gannawarra has a diverse regional economy and features significant natural assets such as the Gunbower National Park, Murray River, Gunbower Creek and the Kerang Lakes.

The Gannawarra is bordered by Swan Hill to the north, Buloke to the west, Loddon and Campaspe to the south and the Murray River to the east. It contains two central towns – Kerang and Cohuna and a number of smaller settlements including Koondrook, Quambatook, Leitchville, Lalbert, Lake Charm, Murrabit and Mystic Park (Kangaroo Lake).

Located on the Murray River, the Gannawarra is just 1.25 hours from Bendigo, 40 minutes from Swan Hill and 3 hours from Melbourne. It is serviced by the Murray Valley Highway and the Loddon Valley Highway. Regular passenger rail services also exist from Kerang to Swan Hill and Bendigo with connections to Melbourne.

The Gannawarra enjoys a diverse economy with representation across all sectors including dairy, cropping, livestock, retail trade, manufacturing and government services such as healthcare, education etc with emerging opportunities in areas such as nature based tourism and renewable energy.

The Gannawarra is a place of strong community pride where our communities motivate and inspire each other to make the region a great place to live, visit and do business.

OUR PEOPLE

Our primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert, Macorna and Mystic Park. Our small communities each have their own unique identity.

OUR COMMUNITIES ARE

*Vibrant | Supportive | Innovative
Creative | Proud*



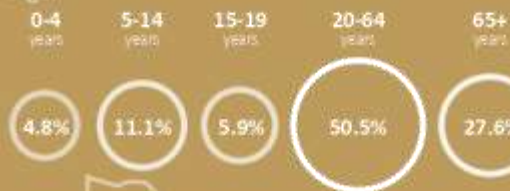
OUR POPULATION



Median age: 49

Area: 3,736 sq kilometres

Age:



ABOUT COUNCIL

GANNAWARRA QUICK STATS 2018/19



TOURISM

- **8,641** visitors to Gannawarra Shire Council-managed visitor centres
- **21%** of visitors to the Gateway to Gannawarra Visitor Centre were from interstate
- **1.6%** of visitors to the Gateway to Gannawarra Visitor Centre were international travellers
- **8,856** visits to the Gannawarra tourism website by **7,142** users
- **17,242** website pages were viewed
- Approximately **1,308** volunteer hours provided at the Gateway Visitor Centre



CUSTOMER SERVICE

- **28,285** incoming calls received
- **6-second** average to answer telephone
- **228** Live chats



L2P PROGRAM

- **9** Learner Drivers obtained their P Plates
- **509** hours of driving was logged by Learner drivers
- **410** volunteer hours contributed by 14 volunteer drivers



IMMUNISATION

- **92.51%** of children under 63 months (5.25 years) living in the Gannawarra Shire were fully immunised compared to the state average of 94.17% and Australian average of 93.50%
- **1,854** vaccinations were administered to **1,382** people through Council's immunisation program
- **52** immunisation sessions held
- **780** influenza shots administered as part of the 2019 influenza program
- **32** workplaces participated in the 2019 workplace influenza program



MATERNAL CHILD HEALTH

- **109** babies born
- **39** families experienced the birth of their first baby
- **887** Key Ages and Stages consultations completed
- **353** additional consults made with the top four reasons being emotional support, physical checks and growth



PLANNING PERMITS

- **133** Planning Permits received
- **35** median processing days to confirm responsible authority determination



WALK TO SCHOOL PROGRAM

- All **10** local primary schools involved
- **95.8%** of primary school students participated (747 out of the 780 children enrolled across the 10 primary schools)
- Students walked **18,097** times during the month-long program
- Students walked a combined distance of **12,993** kilometres



WEBSITE

- **39,000** users across 75,000 sessions
- Average session duration of **1 minute, 53 seconds**
- **49.8%** of visits made on desktop computer, with **50.2%** of visits made on mobile phones/tablets
- Most popular pages were home page (**35,222**), situations vacant (**8,528**) and contact us (**6,556**)



MYWARRA WEBSITE

- **875** users
- **1,100** sessions
- Average session duration of **2 minutes, 29 seconds**

ABOUT COUNCIL



SOCIAL MEDIA:

Figures as of 30 June 2019

Gannawarra Shire Council Facebook

- 2,797 likes

Gannawarra Library Service

- 370 likes

Gannawarra Healthy Lifestyles

- 316 likes

myWarra

- 577 likes

Gannawarra Children's Centre

- 530 likes

@GannawarraShire Twitter

- 840 followers

Gannawarra Instagram @visit_kck

- 291 followers



ROADS

- **36** kilometres of roads re-sheeting completed
- **2,150** kilometres of sealed road rehabilitation
- **1,329** square metres of footpath replaced
- **1.2** kilometres of kerb and channel replaced
- **697** kilometres of roads graded
- Maintenance works conducted on **618** signs
- **2,000** kilometres of sealed roadside shoulders slashed
- **168,571** square metres of sealed roads resealed



CHILDREN'S SERVICES

- **2,032** hours of Long Day Care a week
- **1,755** hours of 4 year old kindergarten a week
- **1,399** hours of Family Day Care a week



LIBRARY

- **3,071** computer bookings
- **4,329** inter library loans from other libraries
- **8,061** loans to other libraries
- **390** new members
- **75,009** library collection item loans
- **3,362** new titles added
- **904** tourism enquiries answered
- **234** programs attended by **4,165** children and adults
- Borrowing of e-audio and e-book resources increased by **27%** from the previous year, up from **1,979** to **2,722**



COMMUNITY GRANTS

- **\$85,774** provided to 23 groups through the Community Grants Program



COMMUNITY CARE

- **753** clients serviced in home
- **14,486** hours of domestic care provided
- **9,431** hours of personal care
- **3,518** hours of respite care
- **10,326** meals on wheels delivered
- **8,001** social meals provided
- **1,929** hours of property maintenance
- **7,494** hours of planned activity group events conducted
- **132** clients transported to medical appointments (GNETS)



LOCAL LAWS

- **183** animals re-housed (58 dogs, 125 cats)
- **102** wild cats seized
- **55** Notices to Comply issued



SWIMMING POOLS

- **29,367** visitors to Kerang Outdoor Pool
- **13,523** visitors to Cohuna Outdoor Pool
- **5,727** visitors to Kerang Exercise Pool



YEAR IN REVIEW

JULY

- *Dinosaur Time Machine* performance at Leitchville Memorial Hall (right)
- Kerang Exercise Pool brochure launched
- Tenders awarded for Koondrook Nature Based Tourism Hub projects
- Koondrook Wharf won three category awards at the 2018 Victorian Architecture Awards



AUGUST

- Cohuna Lighting Upgrade Project officially opened at Cohuna Recreation Reserve
- Victoria Square won Award of Excellence in 2018 Victorian Architecture Award
- A 'Couch is not a Home' event presented in Victoria Square (left)
- *Swing Man* performance at Kerang Memorial Hall
- *The Bottle Collector* presented in Kerang and Cohuna to kindergarten students
- Award winning author, Rohan Cleave hosted talks at the Cohuna Library
- Council's Early Years services received Smiles 4 Miles awards



SEPTEMBER

- New park at McCann Crescent, Kerang officially opened (above left)
- *Hell Ship* performance held at Kerang Memorial Hall
- Gannawarra Library Service hosted Superhero Science school holiday events

OCTOBER

- Council committed \$84,207 to community organisations through its Community Grants Program
- Council won the Premier’s Regional Recognition Award at 2018 Premier’s Sustainability Awards
- Victoria Square won Urban Design award at 2018 National Landscape Architecture Awards
- Events held throughout the month to celebrate the 2018 Victoria Seniors Festival

- Walk to School events held across Gannawarra Shire
- Mental Health Week Heritage Walk held in Kerang
- Leitchville Community Garden officially opened
- CEO and Manager Economic Development presented “The Gannawarra – Creating a soul where art influences a creative economy” at Artlands Victoria Conference in Bendigo

YEAR IN REVIEW

NOVEMBER

- *Beyond the Bottle* documentary film and exhibition presented on Remembrance Day at the Kerang Memorial Hall
- New look "Egg Park" opened in Kerang
- Cr Lorraine Learmonth elected Mayor
- Council supported the *Stop it at the Start* campaign, which aims to reduce violence against women and their children

DECEMBER

- International Day of People with Disability celebrations held at Atkinson Park, Kerang
- Gannawarra Goes Orange 'Pledge Ceremony' held in Victoria Square, Kerang (right)
- Council hosted a Free Community Mulch Day
- Koondrook CBD redevelopment began
- Council adopted the *Gannawarra Shire Advocacy Strategy 2018-2021*
- Planning approval granted for 510MW Solar Farm at Tragowel

JANUARY

- Australia Day community celebrations held across the Shire
- Dick Walters of Murrabit announced as Council's Citizen of the Year and Cohuna's Kaila Wilson received Council's Young Citizen of the Year Award (bottom)
- Essential Theatre Company performed *A Midsummer Night's Dream* on the Lake Meran foreshore
- *The Morning Rush* broadcasted live from the Gateway to Gannawarra Visitor Centre
- Council hosted a Disability and Carer's Expo
- Live Light Painting workshops held at Kerang



YEAR IN REVIEW

FEBRUARY

- Council adopted its *Social Inclusion Strategy 2019-2023*
- Council won the LGPro 2019 Awards for Excellence Sustainability Initiative title
- Works occurred at the Cohuna and Kerang Transfer Stations in readiness for the 1 July 2019 ban on electronic materials being placed in landfills
- Mayoral Listening Post program began, with sessions held throughout the Shire during February and March
- *Arts & Culture in Gannawarra – February-June 2019* published and distributed
- CEO and Manager Economic Development presented “The Gannawarra – Creating a soul where art influences a creative economy” at Victorian Association of Performing Arts Centres Conference in Melbourne



MARCH

- Gannawarra Library Service hosted an International Women’s Day breakfast, headlined by Victoria’s Small Business Commissioner, Judy O’Connell (above)
- Story Time program expanded to Cohuna
- Social Meals program expanded to Macorna, meaning the program covers eight communities in the Shire
- Gannawarra received NDIS Approved Provider registration
- Waterfront Masterplans adopted by Council

APRIL

- Kerang Open Space precinct completed
- *Splash Test Dummies* performed at the Kerang Memorial Hall, with workshops held at Cohuna and Kerang
- Council took over management of the Kerang Saleyards
- Community events held throughout the Gannawarra during the Easter long weekend
- Leitchville Pre-School new building licensed and operational



MAY

- New public toilets at Apex Park, Cohuna opened
 - Works began to replace Sampson’s Bridge
- Council supported an annual Reconciliation Week walk through the streets of Kerang
- The third edition of the *School Transition in Gannawarra* booklet was launched as part of Education Week celebrations (above)
- *Swansong* performed at the Cohuna Memorial Hall
- Commonwealth Home Support Program service agreement extended to 2022
- Council adopted the *Gannawarra Shire Sport and Recreation Strategy 2019-2029*

JUNE

- The *ReSpark the Park* project was highly commended in the Prevention and Community Safety category at the 2019 National Awards for Local Government
- Gannawarra Energy Storage System opened
- Koondrook Wharf won the Urban Planning/ Landscape Architecture title in the 2019 Chicago Athenaeum/European Design for Architecture Art and Urban Design Studies Awards



YEAR IN REVIEW

OUR CHALLENGES AND OPPORTUNITIES

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YEAR IN REVIEW

CHALLENGES – THE COMMUNITY WILL BE AT THE HEART OF COUNCIL’S ADVOCACY

After considering the ongoing discussions Council has had with community through a range of consultations, we have identified and consolidated the key issues of importance for Gannawarra Shire residents and businesses. Council has also considered issues where it can have the greatest influence, in particular where we can partner with other councils or organisations from the region to gain greater benefits.

Council’s top five issues for advocacy:

1. **Financial sustainability:** Council is seeking a fairer funding framework for small rural councils in Victoria which provides ongoing financial sustainability.
2. **Connections for rural communities:** People living in the Gannawarra Shire need to connect and travel to surrounding communities to access services, education, recreation and employment. We advocate for improved connectivity to our rail, public transport, community transport and digital infrastructure.
3. **Lakes, Riverfront and Waterfront Development:** Council is seeking policy and planning frameworks that support waterfront development to improve liveability and tourism investment in our region.
4. **Investment in Renewable Energy:** We require significant network upgrades to facilitate investment in solar energy production in our region. Council is a key partner in unlocking northern Victoria’s solar potential and we are uniquely placed to work with key stakeholders to maximise this opportunity for our communities.
5. **Healthy Communities:** We advocate for improved access to services which support the health and wellbeing of our communities.

These advocacy priorities form part of the *Gannawarra Shire Advocacy Strategy 2018-2021*, adopted by Council in December 2018.

Advocacy is a process that challenges inequities by collaboratively and actively working with communities and key stakeholders to bring about changes in policy, process, practice and attitudes in order to ensure communities’ rights are upheld.

Council’s Advocacy Strategy links closely with other strategic documentation developed at Council and will continue to evolve as State and Federal Government directions shift. The priorities align with the advocacy direction of Council’s key partnerships including Murray River Group of Councils, Rural Councils Victoria, Mallee Regional Partnerships, Murray River Tourism and Campaspe Loddon Group of Councils.

OPPORTUNITIES – OUR COMPETITIVE ADVANTAGE

Gannawarra has undergone significant change over the past decade, in particular with a changing agricultural sector maintaining a focus on diversity, which in the past five years has realised some notable achievements. Local economic circumstances have changed considerably, which has highlighted the natural strengths of the local area and how these built and environmental assets can be better utilised to diversify and stimulate the local economy.

Gannawarra’s Comparative Advantages:

- Agriculture
- Lifestyle
- Industry
- Environment
- Tourism
- Renewable Energy

The Gannawarra Shire has significant natural features which provide a strong foundation for nature-based tourism and emerging new industries such as energy and mining.



MAYOR'S MESSAGE

This Annual Report details Gannawarra Shire Council's achievements against the *Council Plan 2017-2021* strategic objectives.

The role of 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 Council by ensuring that resources are managed in a responsible and accountable manner;
- Advocating the interests of the local community to other communities and governments;
- Acting as a responsible partner in government by taking into account the needs of other communities; and
- Fostering community cohesion and encouraging active participation in civic life.

HIGHLIGHTS

It has been a successful 12 months for Gannawarra Shire Council, with our work recognised at a State and Federal level.

Accolades have ranged from the 2018 Premier's Sustainability Award for Council's support of large scale solar projects to LGPro's 2019 Award for Excellence for Sustainability Initiative, recognising Council's sustainability practices.

The redevelopment of Victoria Square, Kerang received State and National landscape architectural awards, whilst the rejuvenation of McCann Crescent Park, Kerang was highly commended in the 2019 National Awards for Local Government's Prevention and Community Safety Award.

Despite being recognised at State and Federal level, it is the work within our communities that matters the most to residents.

Whether it is hosting arts and culture events in towns and communities throughout the Gannawarra, supporting community building projects such as the Leitchville Community Garden and McCann Crescent Park at Kerang or collaborating and developing opportunities for our communities, what we do as a Council within our boundaries is our primary work.

This is why Council's decision to become an accredited National Disability Insurance Scheme (NDIS) provider from 1 January 2019 was an important initiative. Disability support services have been an important part of the core business for Council for many years and are highly valued services for our residents. Council is committed to ensuring that our community has continuity of care so that they will be provided with the support they need to achieve their individual needs and goals into the future.

As a result, Council is recognised as a leader in this field, thanks to being the smallest council and only one located north of Melbourne to be an accredited NDIS provider. It also means Council continues to provide services for residents of all ages – from Maternal and Child Health and pre-schools for our children through to the Commonwealth Home Support Program and Social Meals for our senior residents.

Council continues to support the community through its Community Grants program, which provided more than \$65,000 to 16 community groups for items such as air conditioners, exercise equipment, shade sails, signage and training aids. Council also provided close to \$17,000 to seven community events to support celebrations such as annual gatherings to New Year's Eve festivities.

YEAR IN REVIEW

Council has played a role in delivering a number of strategies that aim to improve the lives of our residents. These include:

- *Gannawarra Shire Council Advocacy Strategy 2019-2023*, which outlines our advocacy priorities, as well as the partnerships we have with other councils through the Murray River Group of Councils, Mallee Regional Partnership and Loddon Campaspe Group of Councils;
- *Gannawarra Shire Council Social Inclusion Strategy 2019-2023*, which aims to ensure everyone living in the Gannawarra feels that they are part of everyday life;
- *Gannawarra Shire Sport and Recreation Strategy 2019-2029 and Implementation Plan*, which consolidates the direction of Council’s investment and planning into sport and recreational facilities to better facilitate long-term planning and development opportunities across the Gannawarra;
- Waterfront Development Masterplans for Cohuna, Koondrook and the Kerang Lakes, which identify projects that will lead to strong economic development outcomes, maximising tourism, recreation, commercial and residential opportunities; and
- Central Murray Regional Transport Strategy, developed by seven councils located throughout north-western Victoria and south-western New South Wales.

Community consultation played a key role in the development of these documents, and I thank all residents who took the time to read these strategies or plans and provide feedback.



THANK YOU

I would like to thank my fellow Councillors for their commitment and ongoing efforts on behalf of residents and look forward to continuing to deliver our Council Plan commitment.

With efforts to implement the goals outlined in the *Gannawarra Shire Council Plan 2017-2021* entering their fourth year in 2020, Council will continue to listen to our community so that our decision making supports the community’s vision, hopes and goals.

I look forward to continuing to work with my fellow Councillors and closely with our community to ensure that Gannawarra continues to be a fantastic place for residents to live, work and play.

**Cr Lorraine Learmonth
Mayor**



YEAR IN REVIEW

CEO MESSAGE

On behalf of Gannawarra Shire Council it is a great pleasure to present Council's Annual Report for the year 2018/19.

I continue to be proud of this organisation and its achievements, which are highlighted in this document.

I am also proud to be part of the Gannawarra Shire community – one that continues to work together to deliver objectives outlined in the *Gannawarra Shire Council Plan 2017-2021*.

As Chief Executive Officer I am responsible for:

- Establishing and maintaining an appropriate organisational structure for Council;
- Ensuring that the decisions of Council are implemented without undue delay;
- The day to day management of the Council's operations in accordance with the Council Plan;
- Developing, adopting and disseminating a Code of Conduct for Council staff; and
- Providing timely advice to Council.



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HIGHLIGHTS

As we come to the end of another financial year, I have plenty of good news to again share with you about the great things happening in the Gannawarra. Gannawarra Shire Council prides itself on what is described within Council as *The ART of the Gannawarra*. This recognises Council's efforts to support alternative, innovative agricultural land use; promote the Gannawarra as a location for renewable energy investment; and develop tourism initiatives, specifically around nature-based tourism that showcases the Gannawarra's forests, lakes and waterways.

Council is recognised as a leader in the field of renewable energy investment, evident by the completion of the Gannawarra Energy Storage System – which makes the Gannawarra Solar Farm the largest integrated solar and battery storage facility in Australia – and underpinned by eight planning applications approved for the development of solar energy facilities within the Gannawarra.

Yet it is the advocacy work that is not seen by the community that Council should also be proud of. Council campaigned successfully for the State Government to recognise solar farms in the Electricity Industry Act, which enables local government to charge a payment in lieu of rates known as PiLoR. This guarantees that as solar farms are built within the Gannawarra, a permanent income stream is generated by PiLoR from these facilities, monies that can be reinvested into the community.

Council is also working with the Murray River Group of Councils in lobbying the Australian Energy Market Operator to upgrade the major electricity transmission line between Melbourne and Mildura. These works will support large-scale solar development in our region, both now and into the future.

The dry conditions and uncertainty of water availability due to the implementation of the Murray-Darling Basin Plan has led to landowners and communities exploring alternative ways to generate revenue from their land.

VHM Limited's mineral sands project at Goschen is one example of using land in alternative ways, and this market-driven project is well advanced. It is anticipated this project will create 250 jobs, which will be a game changer for the Lalbert area.



Kilter Rural's farming investments in the Kerang Lakes area continues to provide an economic flow on for the community. Kilter Rural can justly claim to have produced Victoria's first commercial cotton crop. Similarly their innovative farming practices resulted in them producing Australia's first commercial crop of organic field processing tomatoes and they now supply around one-third of the Australian market volume. This is a tremendous achievement and demonstrates the potential food producing capacity of the Gannawarra soil through the application of innovative, leading edge farming techniques.

Initiatives to showcase the Gannawarra's natural tourism assets to residents and visitors are continuing. These efforts include the development of the Murray River Adventure Trail, which aims to build on the growing annual visitor numbers; especially along the Cohuna to Koondrook corridor. The State Government is committed to ensuring the trail develops, with Council supporting initiatives that will increase tourism numbers locally, such as the future construction of the Koondrook Nature Based Tourism Hub.

The development of Waterfront Masterplans for Cohuna, Koondrook and Kerang Lakes will drive tourism promotion. Identified as a key component in the *Gannawarra Shire Council Plan 2017-2021*, a comprehensive consultation process resulted in the development of a community-driven blueprint of exciting strategic waterfront development within these areas.

The first of these waterfront projects will proceed in the coming financial year after Council partnered with six other neighbouring councils located across north-western Victoria and south-western New South Wales to successfully apply for a grant from the Federal Government's Regional Growth Fund.

Council can also take immense pride in its leadership in being an accredited National Disability Insurance Scheme provider; noting we are the smallest and only council north of Melbourne to provide this service to their community. We have become leaders in this space since and it supports our premise that we are there for ALL in our communities.

FINANCIAL SUSTAINABILITY FOCUS

Council is being proactive and financially responsible by developing a long-term financial plan for the next 10 years. This will build upon our annual budget setting process and help better inform Council and our community of our future financial commitments and also foreshadow potential future major projects. A predicted long-term surplus outlined in the 2019/2020 Budget complements the first stage of this planning, and although Gannawarra Shire is not a wealthy council, we are continually improving our ability to maintain our asset base, pay our own way and move forward in a financially sustainable direction.

TEAM GANNAWARRA

A team culture where everyone feels valued, respected, able to contribute and proud to be working for the Gannawarra Shire continues to grow across the organisation. As a small rural council we continue to share our story and punch above our weight. This is reflected by our remarkable run of successes in winning or receiving high commendations in numerous State and National awards during 2018/19. These successes reflect great teamwork and partnering and that staff and communities located within the Gannawarra demonstrate care and pride for where they work and where they live.

Thanks to the Council, staff and the community there are many great things happening in the Gannawarra. In looking back over the 2018/19 year, I believe the Gannawarra is well positioned to build upon its emerging new future with hope and confidence and will continue to be a great place to work and live.

Tom O'Reilly
Chief Executive Officer

YEAR IN REVIEW

COMMUNITY SATISFACTION

2019 COMMUNITY SATISFACTION SURVEY

Each year Local Government Victoria (LGV) coordinates a State-wide Local Government Community Satisfaction Survey throughout Victorian local government areas. The main objectives of the survey are to assess the performance of councils across a range of measures and to seek insight into ways to provide improved or more efficient service delivery.

A total of 400 Gannawarra Shire residents over the age of 18 were interviewed in February 2019, with survey results received at the June 2019 Ordinary Council Meeting.

Although lower than the 2018 results, Gannawarra Shire Council's overall performance still rated statistically higher than the average rating for councils in the Small Rural group.

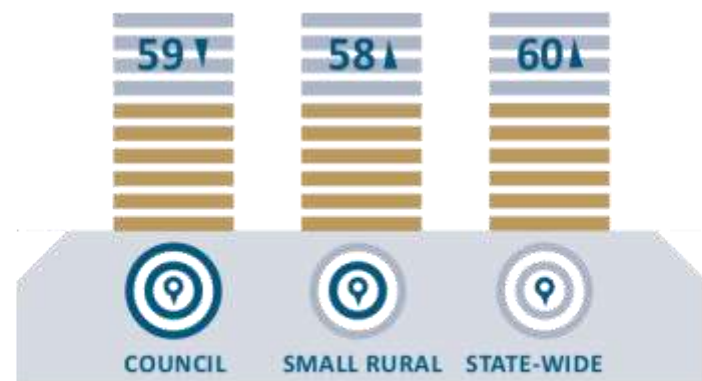
Council recorded increases in three of the Core Performance Measures categories compared to the 2018 survey results – Community Consultation; Sealed Local Roads; and Customer Service. The increase in the Customer Service and Sealed Local Roads Core Performance Measures were a result of Council's focus to improve these areas following the release of the 2018 survey.

Council's performance in Advocacy; Making Community Decisions; and Overall Council Direction declined compared to the 2018 results. Council will focus on improving its performance in these three areas during the coming 12 months.



YEAR IN REVIEW

OUR CORE PERFORMANCE



OVERALL COUNCIL PERFORMANCE

RESULTS SHOWN ARE INDEX SCORES OUT OF 100

Performance Measures	Gannawarra 2019	Gannawarra 2018	Small Rural 2019	State-wide 2019	Highest Score	Lowest Score
Overall Performance	59	60	58	60	Murray Ward	Patchell Ward, 50-64 years
Community Consultation (Community consultation and engagement)	55	54	56	56	Murray Ward	Aged 50-64 years
Advocacy (Lobbying on behalf of the community)	52	54	55	54	Murray Ward	Aged 50-64 years
Making Community Decisions (Decisions made in the interest of the community)	52	54	55	55	Murray Ward	Aged 35-49 years
Sealed Local Roads (Condition of sealed local roads)	50	46	53	56	Men	Aged 50-64 years
Customer Service	71	67	70	71	Murray Ward	Aged 35-49 years
Overall Council Direction	51	52	53	53	Murray Ward	Aged 50-64 years

YEAR IN REVIEW

FINANCE MESSAGE

TOTAL REVENUE	\$29.76 million
TOTAL EXPENDITURE	\$26.85 million
SURPLUS	\$2.92 million
TOTAL ASSETS	\$215.93 million
TOTAL LIABILITIES	\$7.56 million
EQUITY	\$208.37 million
NET CASH FROM OPERATING ACTIVITIES	\$7.96 million
DEBT COMMITMENT RATIO	1.11%

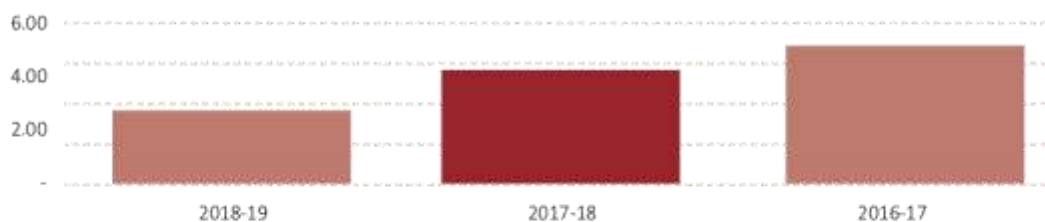
OPERATING POSITION

Council has achieved a surplus of \$2.92 million in 2018/19. This surplus is an increase on the budgeted surplus of \$0.80 million. This is mainly due to Council receiving a \$2.91 million payment in June 2019 being part payment of the 2019/20 Victorian Grants Commission allocation.

CAPITAL WORKS

Council aims to maintain its infrastructure assets at the expected levels while at the same time continuing to deliver the services needed by the community. Council invested a total of \$8.57 million on renewing, expanding and upgrading existing infrastructure in the 2018/19 financial year. This included \$2.94 million on roads; other projects included bridges \$0.63 million, footpaths, kerbs and drainage works of \$0.38 million, various recreation & leisure projects totalling \$0.73 million across the municipality.

SURPLUS



YEAR IN REVIEW

FINANCE MESSAGE

EXPENDITURE

Category	Percentage
Sustainable Natural and Built Environment	36.7%
Strong Healthy Communities	32.5%
Good Governance and a Healthy Organisation	22.8%
Economic Diversity, Growth and Prosperity	5.7%
Connectivity	2.3%

COUNCIL EXPENDITURE

There are a variety of community services that Council operates alongside their capital work projects. In the 2018/19 financial year, total council expenditure was \$26.85 million, with 36.7% being spent on the natural and built environment. Programs undertaken to achieve the strategic activity include bridges, community facilities, drainage, environment protection, fire prevention, footpath, kerb and channel, pest control, roads and waste management.

Essential waste management services are a big part of Councils priority in creating sustainable living environments for the Gannawarra community, with \$2.07 million utilised in collection of kerbside and public bin waste in addition to the management of the local landfill.

A total of 32.5% of Council's expenditure was dedicated to deliver vital services and resources in line with Council's commitment to producing healthy liveable communities. This included \$2.82 million being devoted to people in need within our community care sector and \$2.71 million expended on children's services such as kindergarten, long day care and family day care.

STABILITY AND EFFICIENCY

Council receives income from a number of sources including rates, grants, user fees, fines as well as contributions. Rates and charges are one of Council's main sources of income representing 42% of total income. Following the advance payment by the Victorian Grants Commission grants comprised 38% of total income.

INCOME

Category	Percentage
Rates & Charges	42%
Grants	38%
Reimbursements for service	8%
User fees	5%
Statutory fees and fines	1%
Contributions	1%
Net gain on disposal of assets	1%

YEAR IN REVIEW



Koondrook CBD Redevelopment

MAJOR CAPITAL WORKS

Koondrook CBD Redevelopment (Stages 1 and 2) - \$700,000 (supported by \$635,000 from the State Government's Regional Roads Victoria Fixing Country Roads program)

The rejuvenation of Koondrook's central business area began in December 2018.

Split into two stages, Stage 1 of the project involved the development of new kerb and parking areas along Punt Road for traffic calming and controlling purposes.

These works also enabled Apex Park to be expanded, roadside drainage to be upgraded and the creation of a new concrete entrance to Arbuthnot's Sawmill.

Stage 2 of the project began in February 2019, focusing on the precinct adjacent to the Koondrook Wharf and Goods Shed.

Works included rejuvenating Main Street between Keene and Station streets, using traffic calming measures

to improve pedestrian access to the neighbouring Koondrook Wharf and linking the precinct to the Koondrook Nature Based Tourism Hub.

Due to weather delays, Stage 2 of the project was completed in early July 2019.

Apex Park, Cohuna Toilet Upgrade - \$216,000 (fully funded)

Completed in May 2019, the construction of a new public toilet block at Apex Park, Cohuna meant visitors to the popular park precinct were able to utilise modern, functional and practical amenities.

Construction on the facility began in January 2019, with the building incorporating bespoke exposed truss frames – similar to the roofing used in the Gateway to Gannawarra Visitor Centre and a design feature Council hopes will set a trend for future construction projects along the Gunbower Creek at Cohuna.

Kerang Open Space Precinct - \$200,000 (fully funded)

Completed in April 2019, the upgrade of public amenities at Scoresby Street, Kerang was part of a wider project to develop an open space within close proximity to the town's central business area.

Demolition of the former toilet and shower facilities began in January 2019, with the new amenities providing residents and visitors access to modern, functional and practical facilities.

The new amenities form part of an open space area that incorporates seating, natural garden beds and grassed areas.

Exposed aggregated paths used for pedestrian access between Scoresby Street and the on-site amenities feature a glow-stone finish, which assist in guiding people to and from the building without the need for extra lighting.

YEAR IN REVIEW

Sampson's Bridge Upgrade - \$942,700 (supported by \$471,350 from the Federal Government's Bridges Renewal Program)

Work commenced in May 2019 to replace Sampson's Bridge – which enables motorists travelling along Kerang-Leitchville Road to traverse Pyramid Creek – with a dual-lane concrete structure.

The bridge forms part of a vital interstate and intrastate transport link for the Gannawarra, linking the area to New South Wales and the regional centres of Mildura, Swan Hill, Echuca and Shepparton.

Although the structure had supported sufficient traffic flow for the past 50 years, the bridge had begun to show signs it was deteriorating under the increased loads now being carried.

Due to weather delays, this project was completed in early July 2019.

Leitchville Pre-School \$441,000 (supported by \$341,000 from the Victorian Department of Education and Training Annual Children's Capital Grant program)

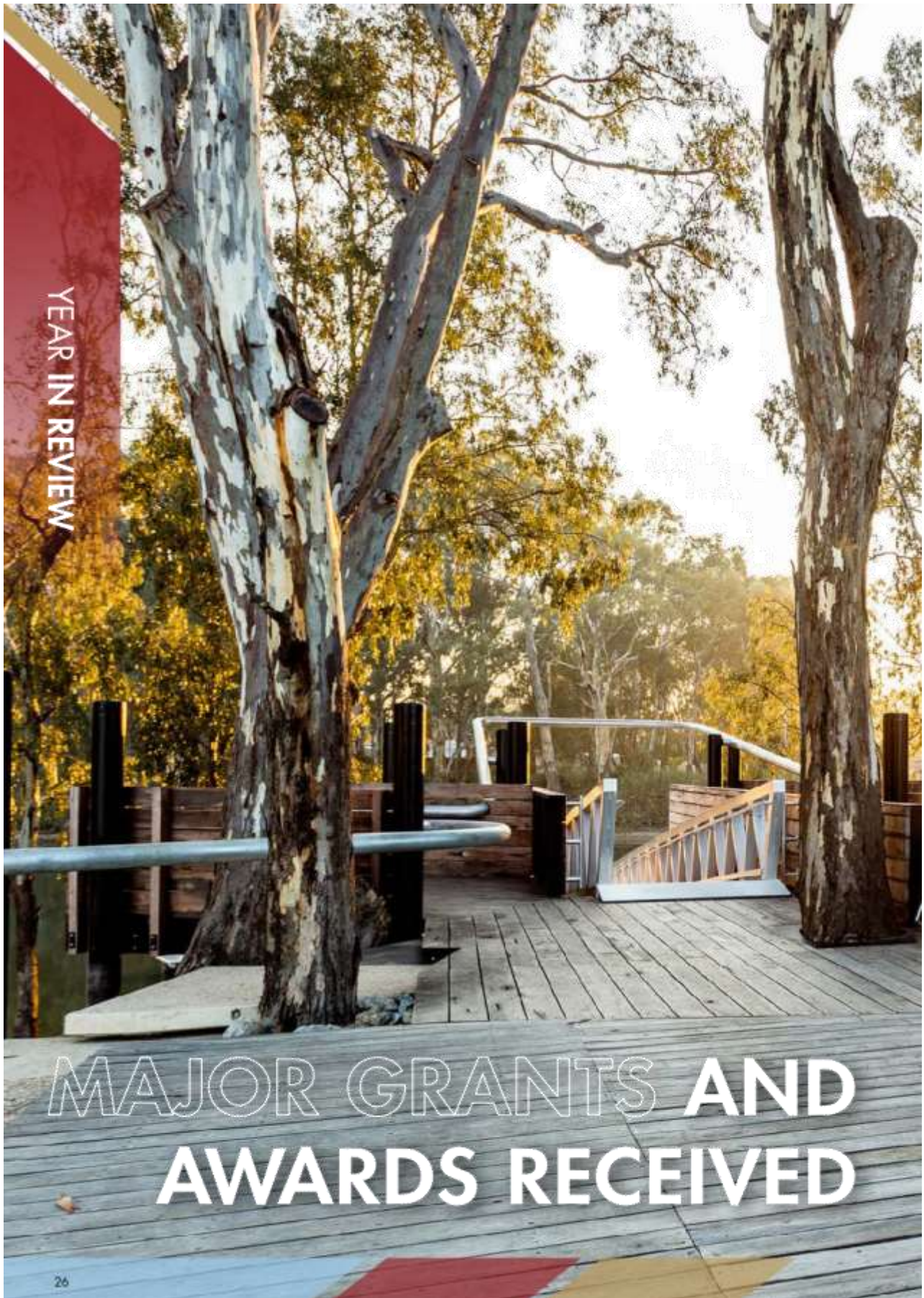
Completed in April 2019, the project involved replacing the town's former pre-school building with a combined education and maternal health facility.

Demolition of the former pre-school, opened in 1943, occurred in late 2018, with pre-school sessions held at Cohuna whilst the works were being undertaken.

The new building was pre-fabricated off-site, with sections delivered to the King Albert Avenue precinct in March 2019. Internal works were completed in time for the start of Term 2 classes.

The completed project provides the Leitchville community with a building that meets current standards and will provide services for many years to come.





YEAR IN REVIEW

MAJOR GRANTS AND AWARDS RECEIVED

26

YEAR IN REVIEW

MAJOR GRANTS RECEIVED

PROGRAM/PROJECT	AMOUNT
Federal Government Regional Growth Fund (waterfront projects at Cohuna, Kangaroo Lake and Koondrook)	\$669,232
Federal Government Bridges Renewal Program (Appin South Bridge replacement)	\$599,500
Regional Roads Victoria Fixing Country Roads Program (Quambatook-Boort Road Bridge replacement)	\$423,333
Regional Roads Victoria Fixing Country Roads Program (Appin South Bridge replacement)	\$393,000
Emergency Management Victoria Natural Disaster Resilience Grant Scheme (Quambatook township flood mitigation)	\$266,000
Emergency Management Victoria Natural Disaster Resilience Grant Scheme (Koondrook Township Flood Study)	\$100,000

AWARD RECOGNITION

- 2018 Premiers' Sustainability Awards Premier's Regional Recognition Award winner, recognising Council's support of large scale solar projects
- LGPro's 2019 Award for Excellence for Sustainability Initiative, recognising Council's sustainability practices
- Silver Award in the 2019 Australasian Reporting Awards for the 2017 Annual Report
- High Commendation in 2019 National Awards for Local Government's Prevention and Community Safety Award for ReSpark the Park project, Kerang
- High Commendation in LGPro's 2019 Award for Excellence for Community Asset and Infrastructure - \$2 million and Under for the Victoria Square, Kerang project
- High Commendation in LGPro's 2019 Award for Excellence for Innovative Management Initiative for Gannawarra Shared Services
- The Victoria Square, Kerang project won the 2018 Australian Institute of Landscape Architecture's Urban Design award
- The Victoria Square, Kerang project won a 2018 Victorian Landscape Architecture Award, claiming the Excellence in the Urban Design category
- The Koondrook Wharf won the Urban Planning/ Landscape Architecture title in the 2019 Chicago Athenaeum/European Design for Architecture Art and Urban Design Studies Awards





YEAR IN REVIEW

COUNCIL-SUPPORTED EVENTS

JULY

- *Dinosaur Time Machine* performance
- Gannawarra Library Service school holiday program events
- PS4 Virtual Reality Gaming
- NDIS information session
- *Larrakins, Debs & Ugly Teenagers: Australians Growing Up 1950-2000* book launch
- Gateway to Gannawarra volunteers familiarisation bus tour

AUGUST

- Gateway Volunteers Customer Service Workshops
- Noel Braun author talks
- Homelessness Week morning tea
- *The Bottle Collector* performance
- Rohan Cleave author talk
- NDIS Service Provider workshop
- Children's Book Week parades
- Swing Man performance and workshop
- Gannawarra Shire Children's Centre Farmer Week celebrations

SEPTEMBER

- *Hell Ship* performance
- Body Confident Children & Teens workshop
- Walk to School Month Golden Shoe Trophy launch
- *The Judge* screening
- Gannawarra Library Service school holiday program events
- McCann Crescent Park opening

OCTOBER

- School holiday program events
- *3 Speed Crunch Box* performance
- Mental Health Week walk
- Gannawarra Shire Children's Centre Footy Colours Week celebrations
- GRIP Leadership Program visits
- Walk to School Month program
- Seniors Expo
- Seniors High Tea
- *Wonder* movie night
- Leitchville Community Garden opening

NOVEMBER

- Walk to School awards
- Skate Park workshop and competition
- Beyond the Battle launch
- *Tek Tek Ensemble* performance
- Victoria Against Violence 16 Days of Activism
- Volunteers' Annual Function

DECEMBER

- International Day for People with Disability
- Free Community Mulch Day
- Gannawarra Goes Orange
- Christmas Social Meals

JANUARY

- School holiday program events
- *A Midsummer Night's Dream* performance
- Australia Day community celebrations
- *The Morning Rush* radio broadcast
- Disability and Carer's Expo (right)
- Keys to Success Disability Program
- Live Light Painting workshop

FEBRUARY

- Quambatook Silo Cinema's screening of *The Merger*
- Mayoral Listening Posts
- Seniors' Social Media workshops
- Welcome to Country video filming

MARCH

- Mayoral Listening Posts
- International Women's Day breakfast
- Harmony Day Story Time
- Seniors' Social Media workshops
- Business Planning Essentials Workshop
- This Girl Can Week events
- Ride2School Day

APRIL

- *Splash Test Dummies* performance and workshops
- Gannawarra Library Service school holiday program events



YEAR IN REVIEW

MAY

- *Rhythm and Voice* concert
- Transition Book launch
- GRIP Leadership Conference
- Quambatook Recreation Reserve clubroom opening
- *7 Ways to Grow Your Business* workshop
- National Simultaneous Storytime celebrations
- Reconciliation walk and celebration
- Cancer Survivor Group launch
- *Swansong* performance
- This Girl Can wrap-up event

JUNE

- Gannawarra Shire Children's Centre Pyjama Week celebrations
- *Fussy Eating, Sensory Processing and Fine Motor Skills* workshops

ONGOING

- Arts Salon
- Cancer Support Group
- Carer's Support Group
- Elders Group
- Senior Citizen Clubs birthday luncheons (below)
- Seniors Advisory Group
- Social Meals





OUR COUNCIL

GANNAWARRA SHIRE COUNCIL IS DIVIDED INTO FOUR WARDS



AVOCA

including Lake Charm, Lalbert, Benjeroop, Mystic Park and Quambatook

MURRAY

including Koondrook, Myall and Murrabit

PACHELL

including Kerang, Mead and Macorna

YARRAN

including Cohuna, Leitchville and Horfield



CR LORRAINE LEARMONTH - MAYOR

First elected October 2012 (Yarran Ward)

Lorraine's focus is on the health and wellbeing of our Shire, including childcare and upgrade of pools. Lorraine is an advocate for further tourism development of the natural assets of our Shire, including Gunbower Island, the rivers and our lakes.


Lorraine continues to investigate ways our communities can further reduce kerbside waste entering our landfill, including industrial and agricultural.

Lorraine is keen to see further developments in our successful arts and culture sector.

Lorraine's vision is to empower our communities to reach their full potential, and advocate for a better deal for rural communities. Lorraine is always available to listen to our communities concerns.



OUR COUNCIL



CR CHARLIE GILLINGHAM
- DEPUTY MAYOR

First elected October 2016
(Avoca Ward)

Charlie has lived in the area for over 50 years and operates a family farm at Lake Charm.

Charlie has an interest in the local environment, irrigation, social and sporting groups. He is a current Board member of Northern District Community Health and North Central Catchment Management Authority.

The area that we live in is very dynamic and has huge potential for innovative agricultural pursuits, further tourism opportunities, new industry and substantial residential development around our lakes and waterways.

Charlie believes that with a common sense approach we can achieve all of these goals and continue to make the Gannawarra Shire a fantastic place for all.




CR MARK ARIANS

First elected October 2012
(Patchell Ward)

Mark is a Health and Safety Advisor with Goulburn-Murray Water, who previously served as a police officer in Cohuna.

Having lived and worked in rural locations throughout Victoria, Mark recognises the Shire's attributes and is keen to assist the area reach its full potential.

Mark is passionate about our environment, tourism and economic development and regards the maintenance of our environmental assets as key to the future of the region.

In his time in local government, Mark has identified a need for small rural shires to develop new ways to increase revenue without increasing rates or reducing services.

"We can no longer expect rate payers to accept increased rates in small rurals."




CR JODIE BASILE

First elected October 2016
(Patchell Ward)

Jodie is currently working in Conveyancing and studying her Conveyancing degree whilst residing in Kerang with her family. Jodie has lived in the Kerang community for the past 30 years and is actively involved in the community and helps out at the Kerang Football Netball Club.

Jodie has a background in business, health administration, real estate and local government.

Jodie is dedicated and passionate about the Gannawarra community and seeing the community grow into the future with stability.

Over Jodie's four-year term she is focusing on listening to the community whilst promoting our lakes, waterways and natural assets and looking for tourism opportunities within the Gannawarra Shire.



OUR COUNCIL



CR BRIAN GIBSON

First elected October 2012
(Patchell Ward)

Brian is a former police officer residing in Kerang with his family.

Supporting the community is a passion for Brian, as well as his family and sport.

During his four-year term, Brian's focus is on ensuring that members of the Gannawarra community are heard, and developing community interaction into decision making for specific projects. Brian is also focusing on growth within the tourism industry.



CR STEVEN TASKER

First elected October 2016
(Murray Ward)

Steve has lived in Koondrook for over 35 years, has operated his mechanical workshop in Koondrook for 18 years, taught at Kerang Technical High School for four years along with volunteering for the State Emergency Service (SES). Steve has a passion for the environment and enjoys camping and fishing.

During his term, Steve is focusing on improving access to services for the elderly and access to recreation in parks for those in wheelchairs. Steve is also focusing on tourism growth.



CR SONIA WRIGHT

First elected October 2016
(Yarran Ward)

Sonia returned to Cohuna in 1990 to raise her family with honest country values and secure the same upbringing that she was afforded growing up here. Sonia has owned and operated a range of business ventures, including beauty therapy, furniture retail, dairy farming and veterinary clinics.

Sonia's desire is to see our region prosper and to ensure that the opportunities that her parents and herself were afforded, are then present and expanded for the next generation.

Sonia wants business opportunities created and thriving tourism, which will bring with it a lively culture in the community.



OUR COUNCIL



Tom joined Gannawarra Shire Council in the role of Director: Corporate Services in March 2016, taking up the position of CEO in December 2017.

Prior to his employment with Council, Tom was a consultant with the CT Management Group, undertaking local government assignments with the Shire of Buloke, Latrobe City Council and King Island Council.

Tom was employed with the Greater Shepparton City Council for 11 years – six years of that time as Director Business and Finance.

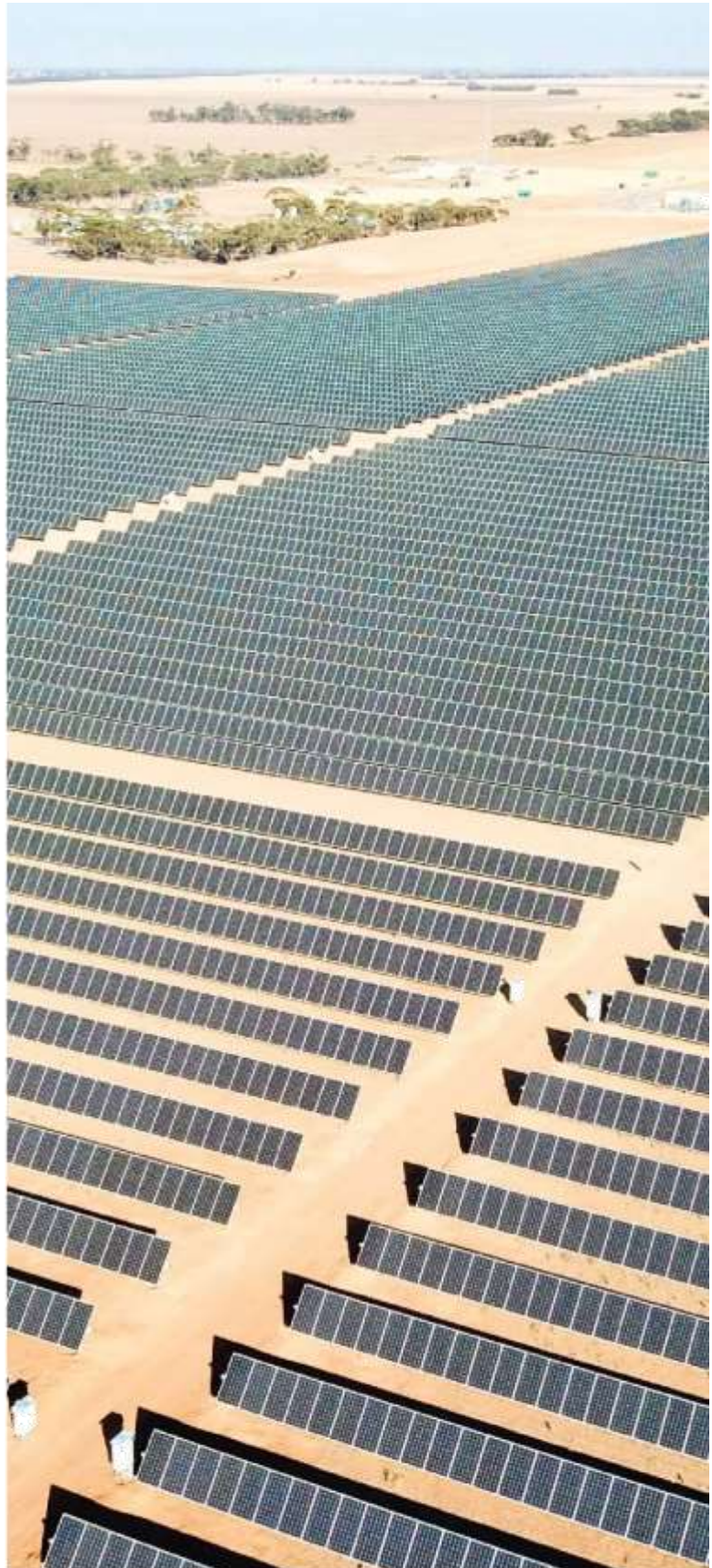
He has also worked in the private sector with four years as CEO of Metzke+Allen Chartered Accountants, based in Shepparton.

His career in Northern Victoria is extensive given he also worked with Goulburn-Murray Water for 11 years, along with seven years with Goulburn Valley Water.

Tom has a Bachelor of Business (Accounting) degree and is a Certified Practising Accountant (CPA).

He has served on the Board of Northern District Community Health, is a Fellow of CPA Australia and also a Fellow of the Goulburn Murray Community Leadership Program Inc.

Areas of responsibility:
Council Planning and Performance;
Councillor Support; Economic Development and Tourism.



OUR COUNCIL

EXECUTIVE LEADERSHIP TEAM



PHIL HIGGINS
Director Corporate Services

Phil joined Gannawarra Shire Council as Director Corporate Services in November 2018.

Prior to his employment with Council, Phil worked at the Murray River Council where he held a variety of positions, including Director Corporate Services.

Phil's earlier local government experience includes four years at Campaspe Shire Council as the General Manager Corporate, six years at Leeton Shire Council as the Director Corporate Services and time at the Gattton and Jerilderie Shire Councils as Manager Finance and Administration.

Phil's extensive experience is supported with a Bachelor of Business Local Government; Masters of Business Administration, majoring in Finance; and a Graduate Certificate in Business Excellence.

Areas of responsibility:
Finance and Budget; Audit; Rating and Valuation; Information Communication Technology; Governance and Risk; Human Resource Management; Records Management; Customer Service; Emergency Management.

NOTE: Director Corporate Services, Richard Morrison finished his tenure with Council in August 2018.



GEOFF ROLLINSON
Director Infrastructure and Development

Geoff's earliest qualifications and experience are in agriculture.

He gained extensive experience and knowledge in Local Government when working with both the former Borough and Shire of Kerang and then the Gannawarra Shire upon amalgamation in 1995.

He has a Diploma of Civil Engineering and held the positions of Works Engineer and Manager of Operational Services with Gannawarra Shire from 1995 until he started in his current role in 2011.

Areas of responsibility:
Major Projects; Operational Services; Engineering; Waste Management; Landfill and Transfer Stations; Local Laws; Flood and Fire Management; Building; Planning; Aquatic Facilities; Recreation.



STACY WILLIAMS
Director Community Wellbeing

Stacy joined Gannawarra Shire Council as its Director Community Wellbeing in November 2017.

Prior to her employment with Council, Stacy gained 12 years of Local Government experience thanks to a range of roles in management and coordination of community services at Campaspe Shire Council, including the role of Community Care Manager and Business Integration Manager.

Stacy holds a Bachelor of Social Work, Graduate Certificate in Business and has undertaken the 2019 LGPro Executive Leadership Program.

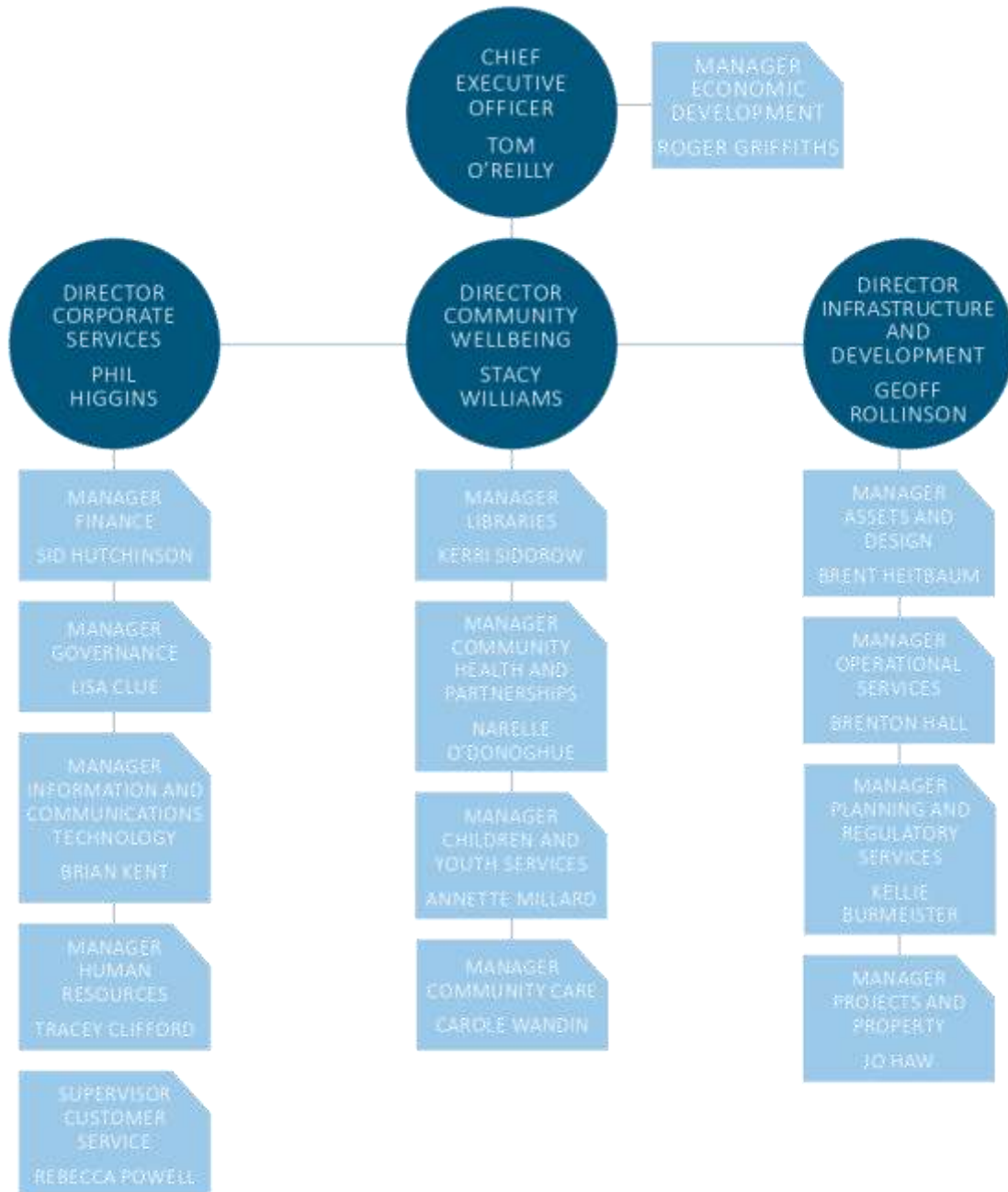
Areas of responsibility:
Community Care Services; Maternal Child Health; Community Health; Children and Family Services; Immunisation; Community Transport; Libraries; Arts and Culture; Recreation and Aquatic Services; Environmental Health; Community Engagement and Communications.



OUR PEOPLE

ORGANISATIONAL STRUCTURE

Council has three directorates reporting to the Chief Executive Officer. These directorates are Corporate Services; Community Wellbeing; and Infrastructure and Development. Each of these directorates is made up of individual units, each led by a senior officer. The Chief Executive Officer is directly accountable to the Mayor and Councillors, who are elected by Gannawarra Shire ratepayers.



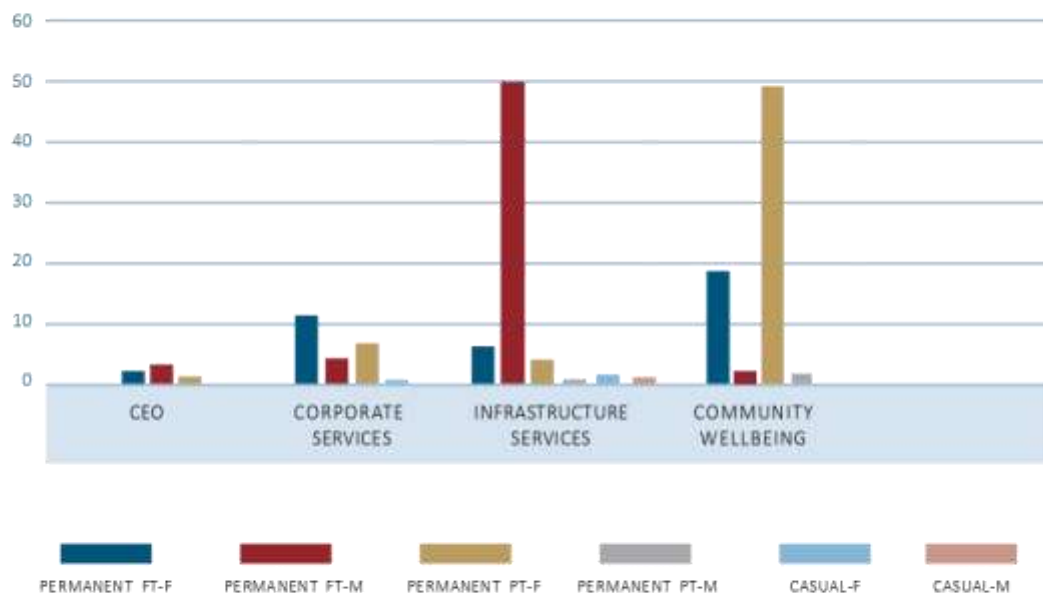
OUR PEOPLE

OUR WORKPLACE

Below is a summary of full time equivalent Council staff by organisation structure, employment type and gender

COUNCIL STAFF

EMPLOYMENT TYPE / GENDER	CEO	CORPORATE SERVICES	INFRASTRUCTURE SERVICES	COMMUNITY WELLBEING
	FTE	FTE	FTE	FTE
Permanent FT- F	2.00	11.00	6.00	18.00
Permanent FT- M	3.00	4.00	50.00	2.00
Permanent PT- F	1.00	6.48	3.88	49.38
Permanent PT- M	0.00	0.00	0.64	1.52
Casual- F	0.00	0.43	1.45	0.08
Casual- M	0.00	0.00	1.03	0.00
Total	6.00	21.91	63.00	70.98

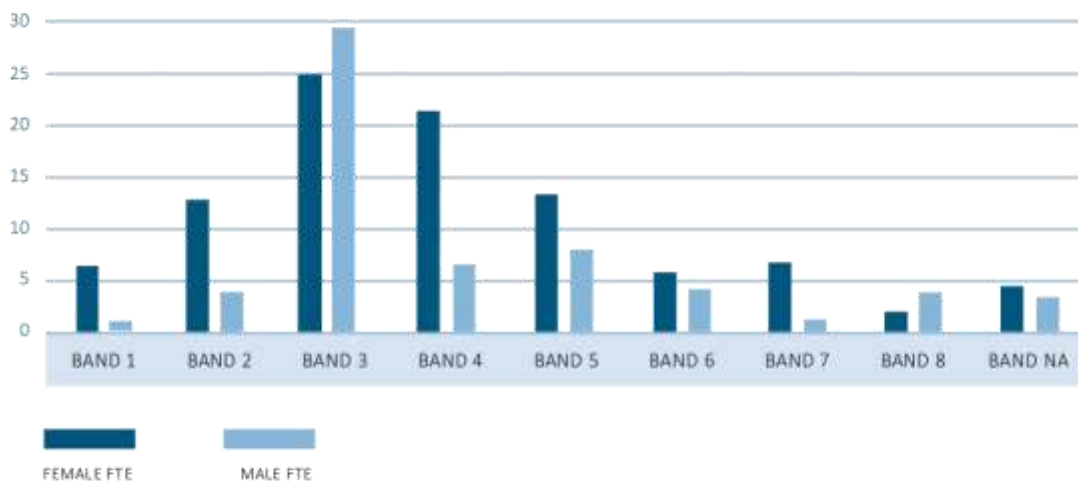


OUR PEOPLE

Below is a summary of full-time equivalent Council staff by employment classification and gender

COUNCIL STAFF

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL EFT
BAND 1	6.69	0.95	7.64
BAND 2	13.09	4.00	17.09
BAND 3	24.93	29.52	54.45
BAND 4	21.93	6.78	28.71
BAND 5	13.74	8.21	21.95
BAND 6	5.84	4.22	10.06
BAND 7	6.84	1.00	7.84
BAND 8	2.00	4.00	6.00
BAND NA	4.64	3.51	8.15
TOTAL	99.70	62.19	161.89



OUR PEOPLE

ENTERPRISE BARGAINING AGREEMENT

In December 2018, an Enterprise Bargaining Committee comprising management representatives, workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for Council employees. The new Enterprise Agreement was successfully negotiated and is now awaiting approval by Fair Work Australia. This Agreement will set conditions of employment for Council employees for the next three years.

PROFESSIONAL DEVELOPMENT

Council’s workforce plays a vital role in ensuring that Council meets current and future business needs. Council is committed to continually developing and improving the skills and capacity of its staff by providing access to a range of professional development opportunities. This year there was a focus on leadership development with a number of training sessions and workshops attended. Staff also continued to attend a range of training, conference and forum opportunities to ensure currency in their field of expertise.

Council supports pathways for local students by providing work experience and traineeships. This year Council again offered a number of traineeships in the areas of Finance, Childcare and Parks and Gardens. Council’s work experience programs allow students from across the municipality to experience working in a variety of Council departments. This allows young people to see the many career opportunities available in local government and also increase awareness of Council’s operations.

ONLINE TRAINING

This year saw the roll-out of Council’s new on-line training platform. This has been a collaborative project with a number of councils and facilitated by LGPro.

Staff have had the opportunity to complete training on Fraud and Corruption, Workplace Bullying and Harassment, Child Safe and Equal Employment Opportunity.

In addition, a new on-line Induction module was introduced for new staff.

EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

Council is committed to the principles of equal employment opportunity and will ensure that all workplace employment matters reflect this.

Supported by a number of policies, new staff inductions and targeted training, Council ensures that the work environment is respectful and free from discrimination, harassment and bullying.



OUR WORKPLACE

HEALTH AND SAFETY



Health and safety within our workforce is our number one priority. We know that a safe and healthy workplace contributes to making Gannawarra a workplace of choice; a workplace where our people have a strong connection and involvement, where our staff enjoy coming to work each day.

A safety culture that supports an incident and injury-free workplace for all employees, volunteers, contractors and visitors is what we aim for.

Council's Occupational Health and Safety Committee changed membership in September 2018 and continues to work to make the organisation a safe and healthy place for all staff. Health and safety representatives attended training in November 2018, with existing members undergoing refresher training and new members initial training.

Accident and incident reporting is a standing agenda item at management team meetings with data regularly reported to Council's Audit Committee in accordance with Council's risk framework.

A bi-monthly staff survey was conducted through the year. The survey seeks feedback from staff around expectations, recognition, communication, team satisfaction, future of the organisation, workplace safety, and resources and tools available.

Council has continued its proactive approach to encourage Council staff to protect themselves and others from influenza. Council provides free vaccination against influenza to its workforce on an annual basis with 53.10 per cent of staff, including casual employees, taking the opportunity to be immunised against influenza in 2018/19.

Council continues its commitment to becoming recognised under the Healthy Together Victoria Achievement Program for workplaces. This is a statewide health promotion program that encourages best practice in workplaces around Mental Health and Wellbeing, Healthy Eating, Physical Activity, Smoking and Alcohol.

The following staff programs have been conducted in support of the Healthy Together Victoria Achievement Program in the 2018/19 year:

- The continuation of provisions for healthy snacks at the Kerang Office
- Participation in the Workplace 10,000 Step Challenge in September 2018
- Participation in Gannawarra Goes Orange Day in November 2018 to raise awareness about family violence
- Participation in the Victoria Against Violence 16 Days of Activism campaign in December 2018 across all worksites
- Gannawarra Library Service hosted an International Women's Day Breakfast in March 2019
- The 'Gannawarra Healthy Mates' workplace team participated in the Premier's Active April Challenge in April 2019





OUR PERFORMANCE

OUR PERFORMANCE

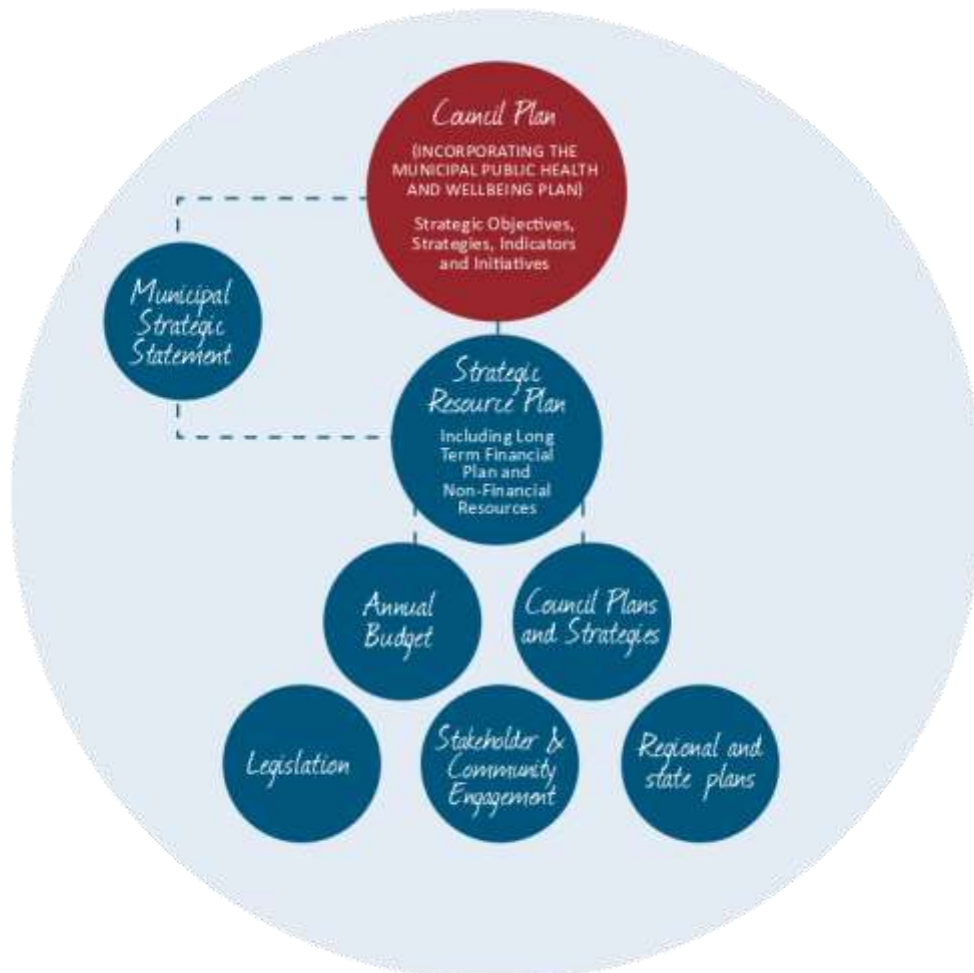
PLANNING AND ACCOUNTABILITY FRAMEWORK

The Planning and Accountability Framework is found in part 6 of the *Local Government Act 1989*. The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan within the six months after each general election or by 30 June, whichever is later;
- A Strategic Resource Plan for a period of at least four years and include this in the Council Plan;
- A budget for each financial year; and
- An Annual Report in respect of each financial year.

The following diagram shows the relationships between the key planning and reporting documents that make up the planning and accountability framework for local government. It also shows that there are opportunities for community and stakeholder input and feedback at each stage of the planning and reporting cycle.

GANNAWARRA SHIRE COUNCIL CORPORATE PLANNING AND REPORTING FRAMEWORK





COUNCIL PLAN

The *Gannawarra Shire Council Plan 2017-2021* includes five priorities, which comprise the main focus areas for Council. Each priority has a commitment, a series of strategic objectives, strategies for achieving these for the four-year period, strategic indicators for monitoring achievement of the strategic objectives and a strategic resource plan.

The following are the five priorities as detailed in the Council Plan:

Connectivity
 – *Our communities will be well-connected*

Economic Diversity, Growth and Prosperity
 – *Facilitate a growing and prosperous economy*

Sustainable Natural and Built Environment
 – *To initiate, develop and manage sustainable natural and built environments*

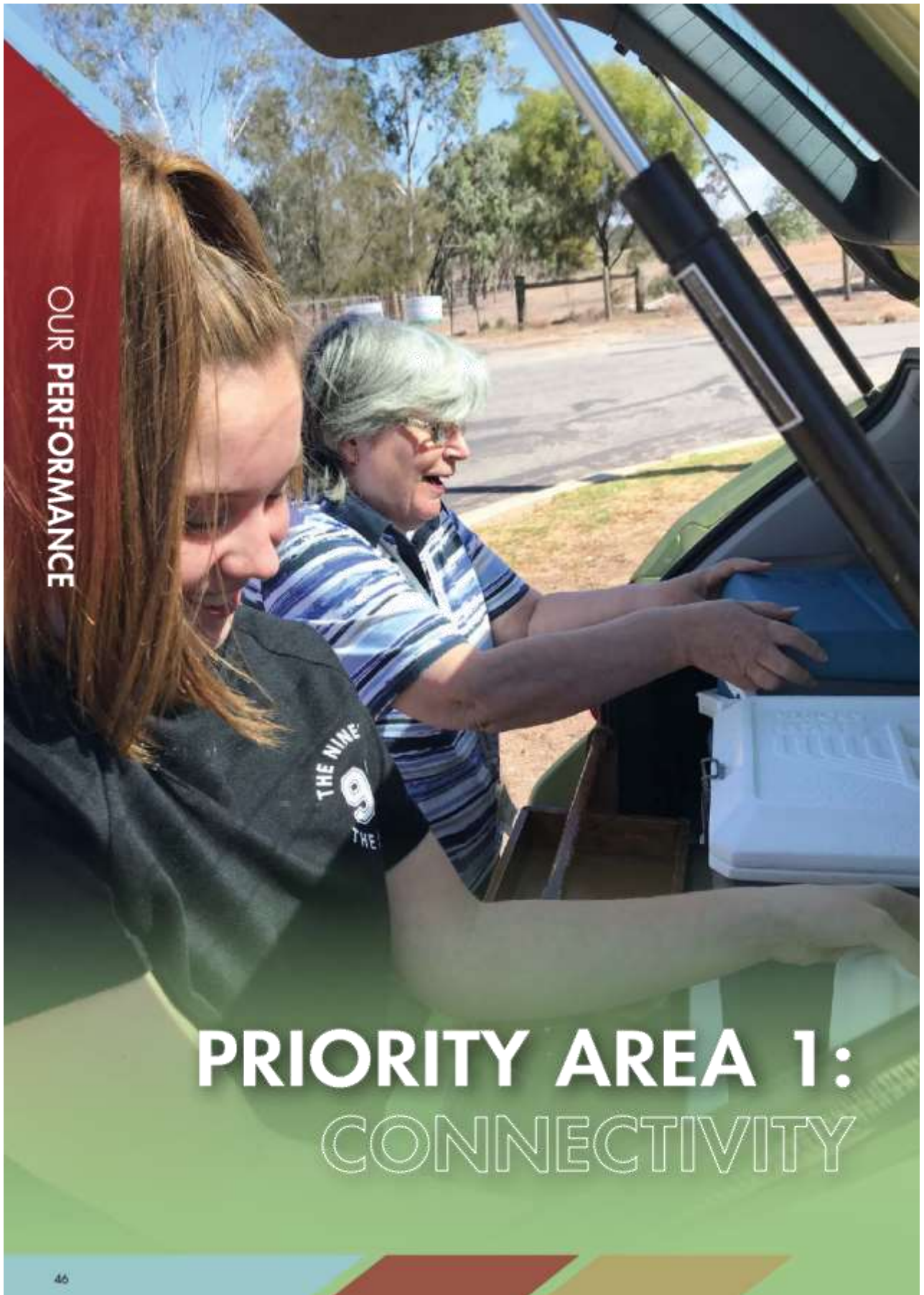
Good Governance and a Healthy Organisation
 – *To be leaders in our community supported by a performance focused organisation that embraces innovation*

Strong Healthy Communities
 – *Our community will be healthy, creative, inclusive and safe*

PERFORMANCE

Council’s performance for the 2018/19 year has been reported against each priority area to demonstrate how Council is performing in achieving the objectives outlined in the *Gannawarra Shire Council Plan 2017-2021*. Performance has been measured as follows:

- Results achieved in relation to the strategic indicators in the Council Plan;
- Progress in relation to the major initiatives identified in the budget;
- Services funded in the budget and the persons or sections of the community who are providing those services; and
- Results against the prescribed service performance indicators and measures (Local Government Reporting Framework).



OUR PERFORMANCE

PRIORITY AREA 1: CONNECTIVITY

**Our Commitment:
Our communities will be
well connected**

STRATEGIC OBJECTIVES

- Encourage connections within and between communities
- Improve access to community and tourism information
- Support volunteer participation to meet the needs of the community
- Encourage and build community events
- Advocate for improved digital connectivity on behalf of our community
- Improving transport connectivity within and between our communities and to the broader region

HIGHLIGHTS

- Gannawarra Tourism and Events Brochure developed in partnership with the community February 2019
- Arts and Culture Brochure developed in partnership with the community February 2019
- Combined Progress Association/ Development Committee meetings held in November 2018, February 2019 and May 2019 to encourage collaboration between communities
- Seniors Advisory Group, Kerang Elders Group and Arts Gatherings held throughout the year
- Volunteers' Annual Function held November 2018
- Mayoral Listening Posts held February and March 2019
- Progress Association/Development Committee and community planning meetings attended by Councillors and staff
- Website users in 2018/19 increased by 24 per cent compared to previous financial year
- Council planned and delivered 275 individual events during the 2018/19 financial year

- There has been a positive increase in the number of households with internet access, 69.70 per cent of residents surveyed during the 2016 Census indicated they had home internet access
- Council successfully received training through the Commonwealth Home Support Program to enable client transport intra-shire, helping to reduce social isolation
- The Gannawarra Non-Emergency Transport Service (GNETS) remains well utilised for transport to medical appointments
- Advocacy efforts resulted in significant upgrade works at the Kerang Train Station
- The Mallee Transport Forum steering group, which Council is a member of, continues to work towards improving transport options across the broader region, including Gannawarra
- Continued advocacy for an increase in rail services to and from the region undertaken as part of the Central Murray Regional Transport Forum
- 476 metres of new footpaths and 817 metres of new walking tracks constructed
- Parent committees continue to meet at kindergartens and long day care, providing valuable support, fundraising and service feedback

SERVICES TO OUR COMMUNITY

Advocacy

Council is committed to sustainably developing its community by building a strong economy, a vibrant tourism sector, ensuring the provision of high quality services and facilities and developing stronger connections to the wider community through digital and physical infrastructure. To achieve our vision we need to advocate on behalf of our community to key decision makers. Working in partnership with the Victorian and Federal Government, as well as community groups and other agencies,

is critically important for Council to successfully deliver improved outcomes to its community. Funding and support from government and agencies allows Council to progress its key projects and continue to deliver high-quality services.

Communication and Community Engagement

Effectively managing information flow between Council, the community and other relevant stakeholders is a focus of Council's communication and community engagement team. This team also plays a crucial role in informing the community of Council's projects, programs and decisions.

Events

Council facilitates a large number of events, both large and small, to encourage connectedness and connectivity within and between communities. Events include school holiday program activities, citizenship ceremonies, weekly reading clubs and social meals.

Volunteer Coordination

Volunteers are an essential part of supporting our community to thrive, stay connected and learn new skills. In Gannawarra we are grateful to have a strong commitment to volunteering, which is reflected in the large number of community members who volunteer.

Council currently offers five volunteer programs including Meals on Wheels, Gannawarra Non-Emergency Transport Service (GNETS), L2P Learner Driver Program, Gateway to Gannawarra Visitor Centre and Books on Wheels.

Community Care Services currently manages a volunteer register consisting of over 300 volunteers across all programs. A number of volunteers offer their time over multiple programs with Council.

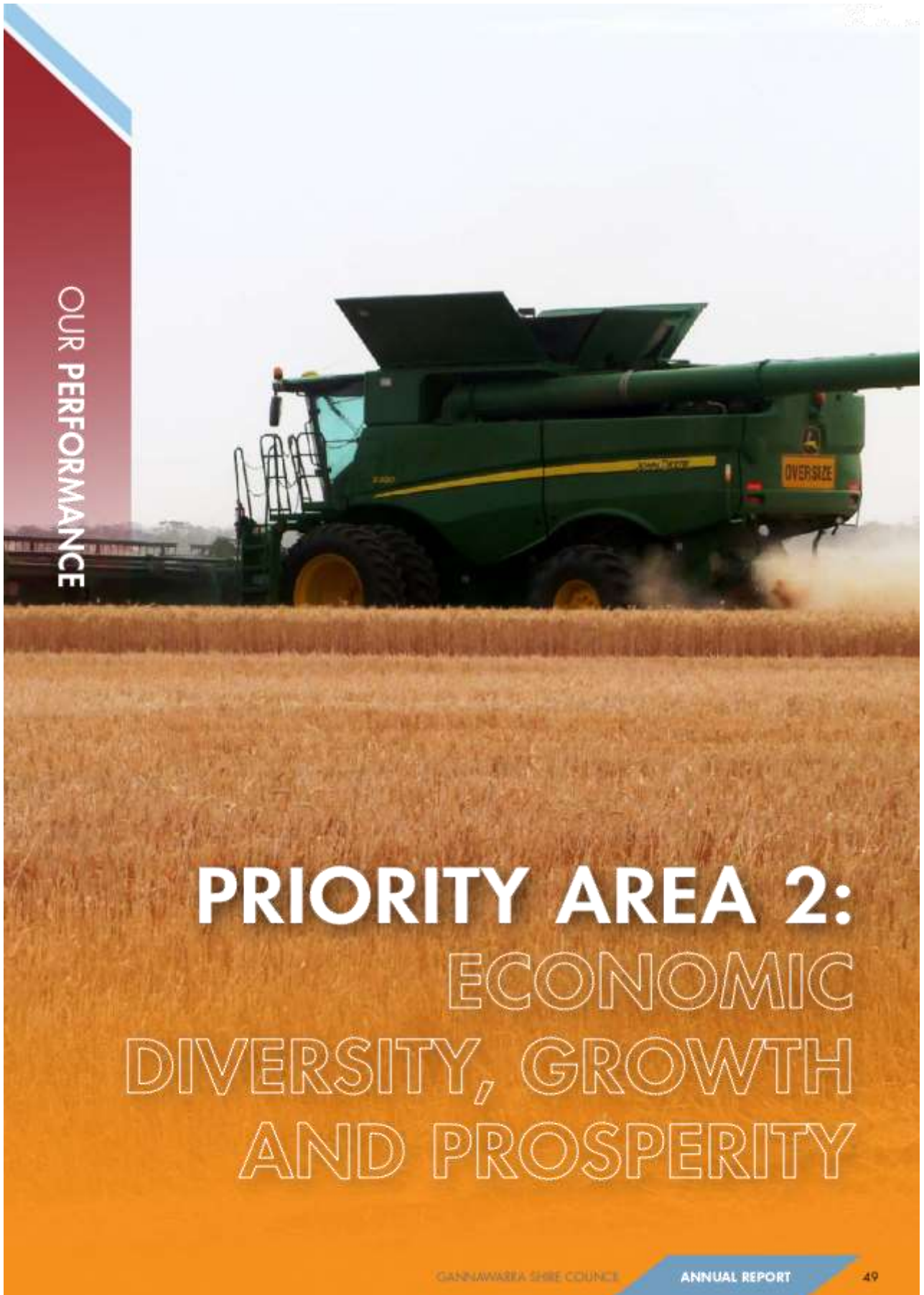
Council receives funding from the Commonwealth Government for volunteer coordination to manage volunteer recruitment, retention, support, training and education.

OUR PERFORMANCE

PRIORITY AREA 1: CONNECTIVITY

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Consultation and engagement					
Satisfaction with community consultation and engagement	60.00	60.00	54.00	55.00	A one point increase in satisfaction with community consultation and engagement was highlighted in the 2019 Community Satisfaction Survey.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement					





OUR PERFORMANCE

PRIORITY AREA 2: ECONOMIC DIVERSITY, GROWTH AND PROSPERITY

**Our Commitment:
Facilitate a growing and
prosperous economy**

STRATEGIC OBJECTIVES

- Facilitate growth and diversity opportunities within the Shire
- Utilise the environs of the rivers, lakes and forests for development opportunities
- Encourage accommodation options suited to a variety of target markets
- Create business opportunities to increase Council's revenue
- Support and advocate for sustainable and renewable energy industries within the Shire
- Support the local tourism industry to provide high quality visitor experiences
- Maximise the natural environment to deliver high quality visitor and community experiences

HIGHLIGHTS

- Gannawarra Agribusiness Investment Plan developed and in use
- Number of ABNs registered to addresses within the Gannawarra increased by 143 compared to previous financial year
- Business workshop attendance figures increased by 220 per cent compared to previous financial year
- Waterfront Masterplans developed for the Kerang Lakes, the Murray River at Koondrook and Gunbower Creek at Cohuna
- Council worked with the Murray River Group of Councils and the Australian Energy Market Operator (AEMO) on network capacity issues
- Council successfully advocated for legislation changes to include solar farms under *Electricity Industry Act 2000* Payment in Lieu of Rates (PiLoR)
- Continued facilitation of large scale renewable energy projects
- Battery storage facility at Gannawarra Solar Farm, located west of Kerang, commissioned November 2018
- A new paddle event – the Black Swan Paddling Race – held in Gunbower Creek, upstream of Cohuna in March 2019
- The Koondrook Wharf won the Urban Planning/Landscape Architecture title in the 2019 Chicago Athenaeum/European Design for Architecture Art and Urban Design Studies Awards

**SERVICES TO OUR
COMMUNITY**

Economic Development

To influence appropriate investment and business development in line with Council goals and facilitate an environment conducive for business, investment and economic growth.

Strategic Future Planning

To identify future projects which are likely to improve the liveability and sustainability of the community.

Tourism

To create high quality visitor experience and promote further growth within the local tourism industry.

Community Facilities Management

To provide safe, clean, attractive and accessible recreational facilities which facilitate a range of social, recreational and leisure activities.

Building

To administer and enforce building legislation to ensure that buildings meet relevant building and safety standards for owners, occupiers and the general public.

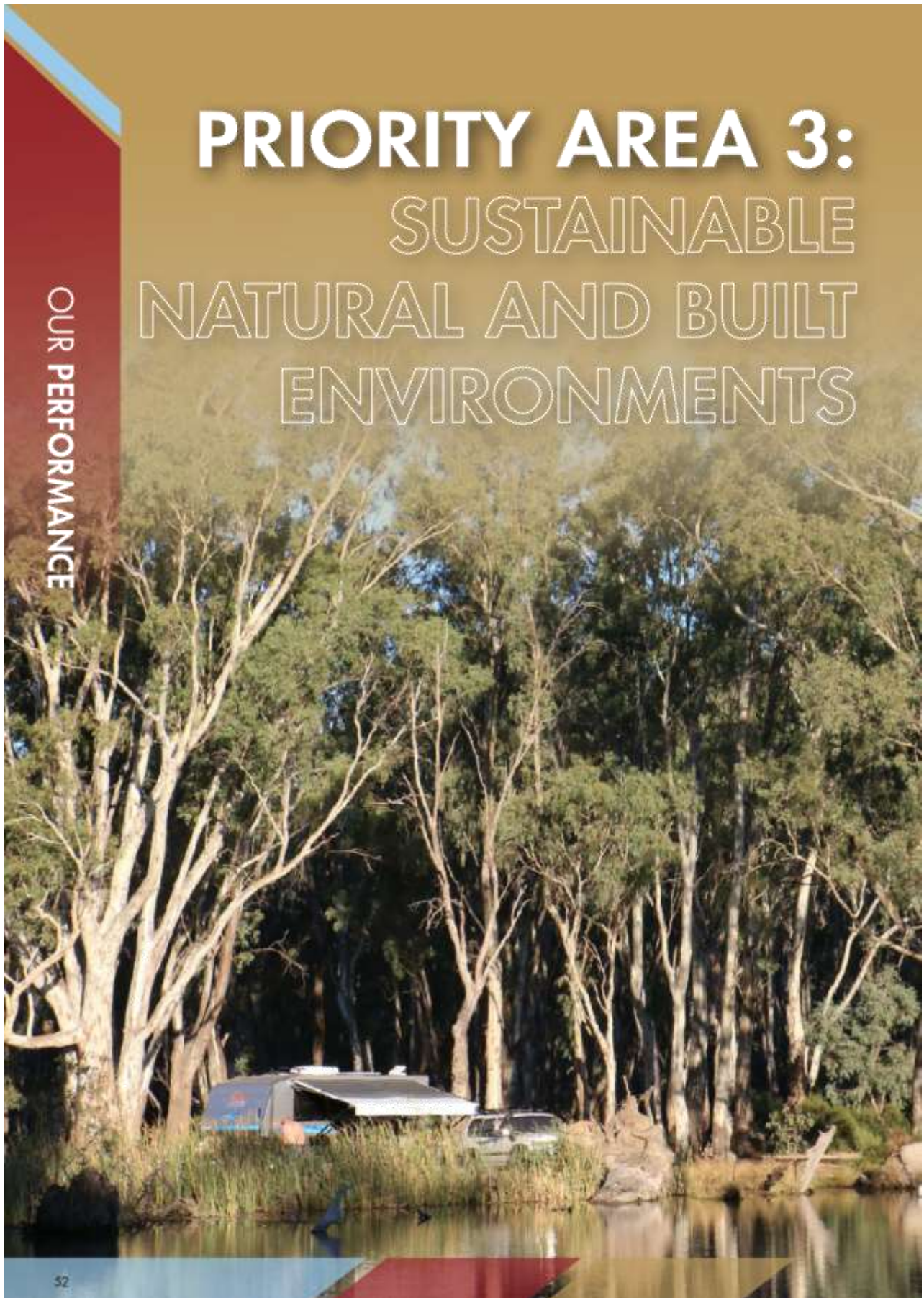
Planning

To provide the strategic framework for appropriate land use planning, urban design and development to achieve high quality outcomes for the community through the implementation of the Gannawarra Planning Scheme.

OUR PERFORMANCE

PRIORITY AREA 2: ECONOMIC DIVERSITY, GROWTH AND PROSPERITY

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i>	42.00	41.00	49.00	35.00	The time take to decide planning applications has reduced significantly due to a more proactive relationship with referral authorities.
The median number of days between receipt of a planning application and a decision on the application					
Service standard					
<i>Planning applications decided within required time frames</i>	93.98%	86.05%	86.42%	83.22%	A slight decrease in applications decided within the required timeframe is attributed to the higher number of objections received during the 2018/19 year.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] x100					
Service cost					
<i>Cost of statutory planning service</i>	\$1,995.78	\$1,975.01	\$1,904.51	\$2,028.48	An increase in the cost of statutory planning service is due to the increased cost of legal representation required on planning matters.
Direct cost of the statutory planning service / Number of planning applications received					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	100.00%	100.00%	0.00%	No appeals were held by VCAT during the last financial year.
NOTE: [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					



OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

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OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

Our Commitment:
To initiate, develop and manage sustainable natural and built environments

STRATEGIC OBJECTIVES

- Encourage an environmentally sustainable community
- Continue to develop sustainable waste management practice
- Promote, conserve and celebrate our community's rich and diverse heritage and culture
- Implement Council's Capital Works Program
- Upgrade infrastructure to improve access to key commercial markets
- Improve gateway entrances and township presentations across the Shire
- Managing facilities and assets now and into the future

HIGHLIGHTS

- Installation of solar panels on seven Council-owned buildings
- Trees planted along Market Street, Cohuna and Westblade Avenue, Kerang
- Solar Savers program completed, which gave the community an opportunity to opt in to installing solar panels on homes for a reduced rate
- 42.5 per cent of kerbside collection diverted from landfill
- 91 per cent of Council's Capital Works Program for 2018/19 completed
- New Shire boundary signage installed at strategically-designated municipal entrances
- *Beyond the Battle* film completed, premiering as part of Remembrance Day commemorations November 2018
- Commenced a review of Asset Management Plans for all asset classes
- Continued support of the Kerang Elders Group
- Development of the Welcome to Country video in partnership with Murray District Aboriginal Service and Kerang Elders Group

SERVICES TO OUR COMMUNITY

Local Laws

To create a healthy and safe environment for residents and visitors to our municipality.

Environmental Sustainability

Council oversees a number of environmental sustainability services including waste management, landfill rehabilitation, weeds and rabbits program and resource efficiencies.

Operations

To provide, maintain and develop Council assets and infrastructure for the ongoing benefit and enjoyment of users.

Engineering

To provide, maintain and coordinate Council's infrastructure and ensure that public roads and related infrastructure are maintained to a high standard.

OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Roads					
Satisfaction of use					
<i>Time taken to decide planning applications</i>	12.77	16.26	11.90	20.73	
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition					
<i>Sealed local roads maintained to condition standards</i>	94.53%	94.98%	91.94%	99.23%	There has been an increased focus in maintaining our local sealed roads to provide a better, safer network for the community.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					
<i>Cost of sealed local road reconstruction</i>	\$28.90	\$31.76	\$35.00	\$40.65	An increase in the cost of road reconstruction is attributed to increase costs in materials, fuel and labour reflecting project location.
Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed					
Service Cost					
<i>Cost of sealed local road resealing</i>	\$4.29	\$3.66	\$4.51	\$4.93	There was a slightly higher proportion of asphalt treatment works in the 2018/19 year, which attracted a higher unit rate.
Direct cost of sealed local road resealing / Square metres of sealed local roads resealed					

OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Satisfaction					
<i>Satisfaction with sealed local roads</i>	54.00	51.00	46.00	50.00	There has been an increased focus in maintaining our local sealed network which has contributed to an increase in community satisfaction.
Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads					
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i>	1.61	2.41	2.00	1.79	Council continues to respond promptly to all animal management requests with most requests responded to within 1 business day.
Number of days between receipt and first response action for all animal management requests / Number of animal management requests					
Service standard					
<i>Animals reclaimed</i>	55.78%	81.20%	73.00%	80.00%	The number of animals reclaimed has increased. Council has introduced the utilisation of social media as a means of assisting to find the owners of lost pets.
[Number of animals reclaimed / Number of animals collected] x100					
Service cost					
<i>Cost of animal management service</i>	\$35.75	\$35.26	\$38.10	\$41.40	A small increase in the cost of the animal management service is due to engaging an additional part time staff member to assist in education campaigns and compliance.
Direct cost of the animal management service / Number of registered animals					

OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

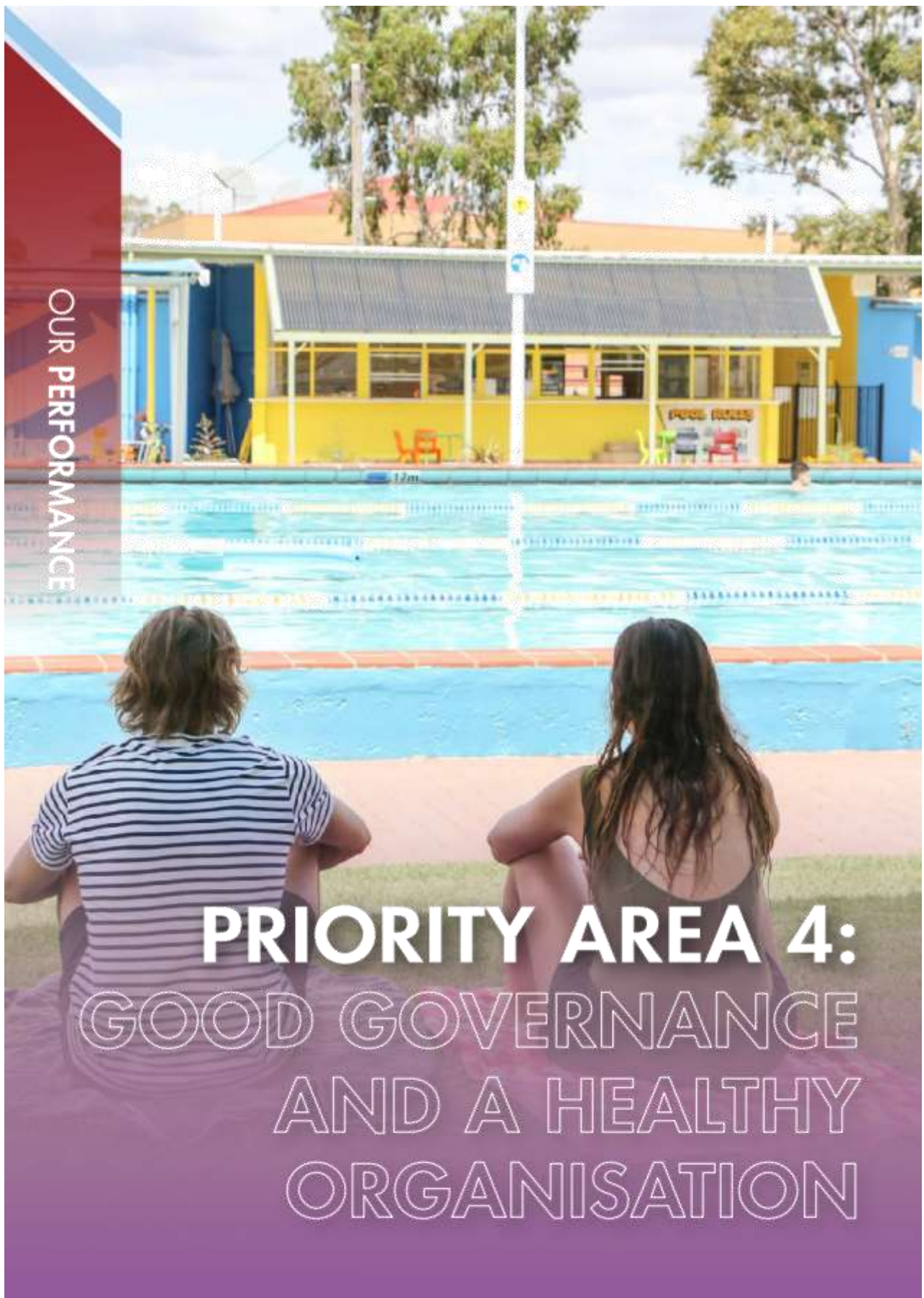
SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Health and safety					
<i>Animal management prosecutions</i>	7.00	0.00	0.00	2.00	There were two successful prosecutions in the 2018/19 involving dog attacks.
Number of successful animal management prosecutions					
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i>	35.31	31.65	29.25	37.50	An increase in kerbside bin collection requests is attributed to a higher number of stolen and damaged bins across the Shire.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000					
Service standard					
<i>Kerbside collection bins missed</i>	1.02	0.78	1.25	1.64	An increase of 11 missed bins, totalling 61 has been recorded in 2018/19. Council is working with its waste contractor in order to decrease this number.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000					
Service cost					
<i>Cost of kerbside garbage bin collection service</i>	\$52.38	\$53.97	\$54.17	\$55.50	The cost of the kerbside garbage bin collection service has remained steady with a small increase recorded. This is due to the annual contract price adjustment.
Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins					

OUR PERFORMANCE

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS

Service/Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Service cost					
<i>Cost of kerbside recyclables collection service</i>	\$35.61	\$39.69	\$36.84	\$37.75	The cost of the kerbside recyclables collection service has remained steady with a small increase recorded. This is due to the annual contract price adjustment.
Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	43.70%	44.21%	41.48%	42.16%	An increase in kerbside green waste collection has contributed to the 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					



OUR PERFORMANCE

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

OUR PERFORMANCE

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

Our Commitment:
To be leaders in our community supported by a performance focused organisation that embraces innovation

STRATEGIC OBJECTIVES

- Advocate in the best interests of our community and region
- Inspire leadership within our communities
- Pursue initiatives to achieve long term financial sustainability in line with best practice
- Our community is consulted on issues that will affect them
- Improve the community's ability to self-access information on Council's services and programs
- Council is a great place to work
- Identify innovative opportunities that create improvements

HIGHLIGHTS

- Continued implementation of the *Gannawarra Shire Council Plan 2017-2021*, which includes the statutory *Municipal Public Health and Wellbeing Plan*
- *Gannawarra Shire Advocacy Strategy 2018-2021* adopted December 2018
- Regular Council representation at Gannawarra Local Agency Meeting (GLAM), Southern Mallee Primary Care Partnership, Loddon Mallee Regional Local Government Directors, Municipal Association Victoria Aged Care Strategy Group, Mallee Early Years Compact, Mallee Children and Youth Area Partnerships, Mallee Family Violence Executive and Gannawarra Early Years Network meetings
- Council sponsored more than 50 primary school children from across the Shire to attend the GRIP Leadership Conference in Bendigo in May 2019
- CommBank Foundation Funding supported Live Light Painting workshops, held across two days in January 2019
- Continued increase in traffic through Council's website, with 75,000 sessions - 78.5 per cent being new visitors
- Council received recognition in the mental health, physical activity and smoking priority areas of the Healthy Together Victoria Achievement Program for workplaces
- Council is partnering with Buloke Shire Council and Swan Hill Rural City Council on the Mallee Flexible Transport Project and regional Maternal and Child Health Pilot Project
- Council successfully partnered with seven municipalities across north-western Victoria and southwestern New South Wales to source funding from the Federal Government's Regional Growth Fund
- Council funded \$85,774 to 23 groups through the 2018/19 Community Grants Program
- 92.5 per cent of annual staff reviews completed
- Establishment of the Gannawarra Community Resilience Committee to support communities effected by ongoing dry seasonal conditions
- Review of Council's Heat Health Plan, Arbovirus Management Plan and Pandemic Plan
- Commencement of Asset Management Plan review for all asset classes

OUR PERFORMANCE

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

SERVICES TO OUR COMMUNITY

Customer Service

Council's frontline customer service is the first point of customer contact for our residents, stakeholders and general community. Council's customer service handle a variety of queries on a daily basis, including general customer enquiries, revenue collection and receipting, facility hire, office supply orders and postal collection and dispatch. It is an expectation of the community that our customer service staff have excellent knowledge and service skills.

Finance

Council's finance team provides in-house professional, technical and expert financial services that result in promoting financial sustainability and compliance with all regulatory standards and requirements.

Governance

Governance is the process of leading the organisation in good governance practices through establishing and maintaining standards of conduct and administration. This includes supporting Council's participatory democracy function through facilitation of open and transparent decision making. Informing Council and management of their roles and responsibilities in order to deliver the best possible outcomes for the community is a primary governance function.

Human Resources

Human Resources (HR) acts as a business partner to all areas of Council by providing services that enable the organisation to achieve its business objectives through its staff. HR services ensure that there is the right number of staff, with the right skills and the right values and behaviours to enable business objectives to be met. As part of this, HR ensures that all relevant employment laws are adhered to and that risks associated with the employment relationship are controlled. HR plays an equal role in ensuring that the business is able to achieve its objectives through its staff and that staff are treated fairly and in accordance with workplace law and Council policies.

Municipal Emergency Management

Council's role in municipal emergency management is to ensure compliance with statutory Local Government emergency management obligations. This includes ensuring that appropriate plans, processes and arrangements are in place to assist Council in supporting emergency response activities and to fulfil its emergency relief and recovery obligations.

ICT Management

ICT Management provides the technological platform and resources that enables staff to perform their duties and provide efficient services to the shire.

Strategic Asset Management

Strategic Asset Management ensures that Council has the infrastructure in place to meet the needs of all other services delivered by Council as well as have oversight of the Capital Works Program.

Records Management

The management of records during their 'life cycle' includes creation, maintenance, control, storage, retrieval, dissemination and disposition. The documenting of information contained in Council records is required to enable efficient retrieval of information and the compilation of an accurate and permanent account of Council events and transactions.

Grants

As a small rural municipality Council is dependent on grant income. Seeking opportunities for grant funding for both Council and the community is a priority as is working in partnership with the community to implement goals listed in the community profiles contained within the Council Plan.

OUR PERFORMANCE

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Governance					
Transparency					
<i>Council decisions made at meetings closed to the public</i>	9.26%	9.16%	4.95%	4.08%	The number of matters considered at meetings closed to the public has reduced by one, from 5 to 4. This reflects a high level of transparency and accountability in the decision-making process.
<p>[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</p>					
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i>	60.00	60.00	54.00	55.00	A one point increase in satisfaction with community consultation and engagement was highlighted in the 2019 Community Satisfaction Survey.
<p>Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement</p>					
Attendance					
<i>Councillor attendance at council meetings</i>	94.29%	86.73%	94.05%	96.43%	Councillors attended 96.43% of ordinary and special meetings of Council in the 2018/19 year. Attendance figures reflect periods of illness and personal leave.
<p>The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) x (Number of Councillors elected at the last Council general election) x100</p>					

OUR PERFORMANCE

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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Service cost					
<i>Cost of governance</i>	\$41,837.50	\$40,182.39	\$40,037.69	\$42,703.93	A slight increase in the cost of governance can be attributed to increased expenditure on Councillor support and training as well as an increase in allowances.

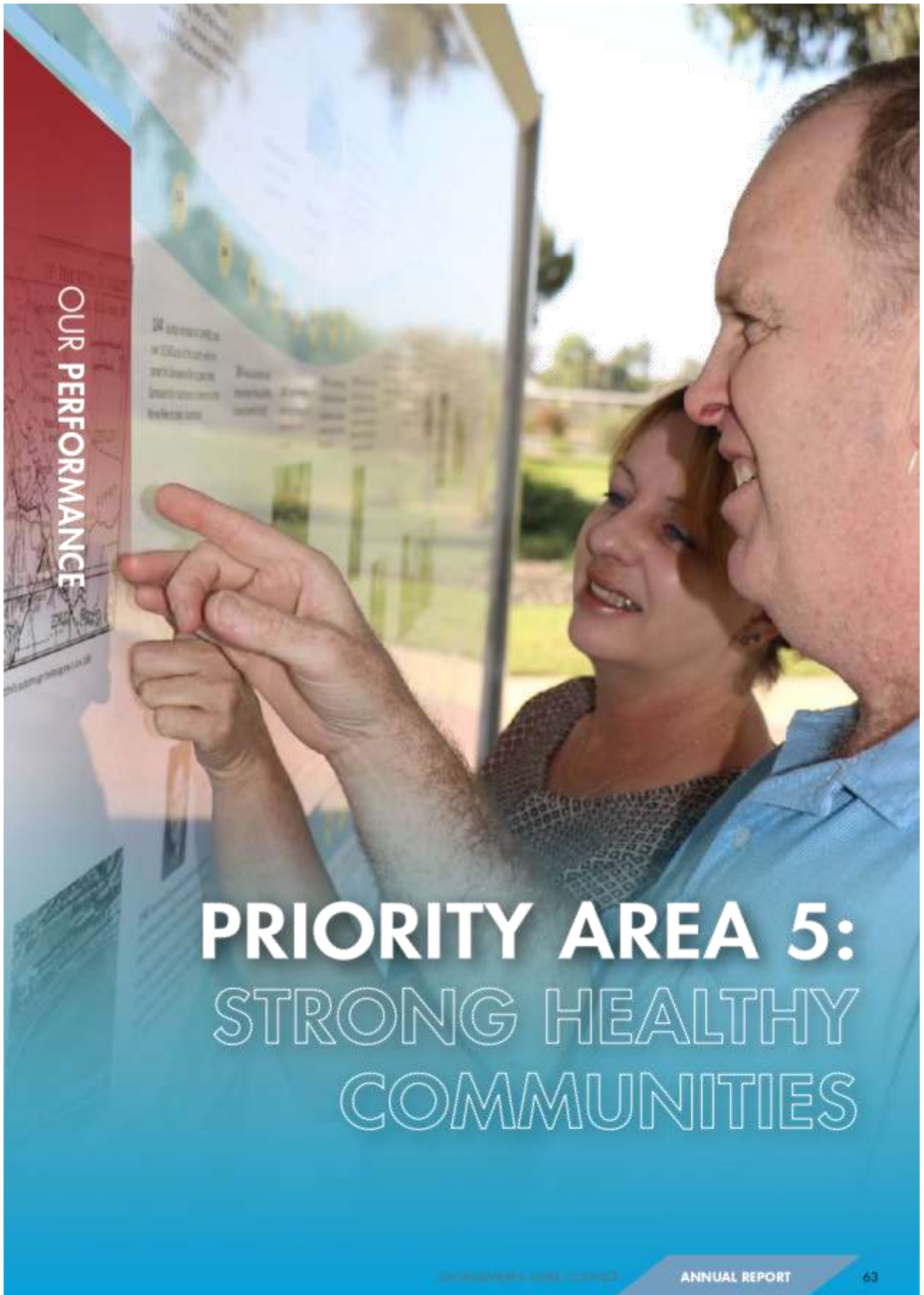
Direct cost of the governance service / Number of Councillors elected at the last Council general election

Satisfaction					
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<i>Satisfaction with Council decisions</i>	59.00	60.00	54.00	52.00	A two point reduction in satisfaction with Council decisions was recorded in the 2019 Community Satisfaction Survey. A community engagement health check was conducted in February 2019 with a range of recommendations noted for consideration. In addition, a review of Council's Communication and Engagement Strategy is now underway which will provide strategies to better communicate its decisions and decision making framework to the community.
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Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community





OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

**Our commitment:
Our community will be
healthy, creative, inclusive
and safe**

STRATEGIC OBJECTIVES

- Ensure quality and accessible services that meet the needs of our community
- Provide a range of opportunities that promote active and healthy lifestyles and social connectedness
- Foster a community that values life-long learning and creativity
- Ensure our communities are welcoming, inclusive and safe for all

HIGHLIGHTS

- Seniors Advisory Group, Kerang Elders, and Arts Gathering meetings held at regular intervals throughout the year to promote a partnership approach
- Accredited National Disability Insurance Scheme provider status achieved prior to 1 January 2019 rollout of service
- Quambatook Football Netball Clubroom renovations completed
- Construction of female friendly change-rooms at Macorna and Kerang underway

- *Gannawarra Shire Council Social Inclusion Strategy 2019-2023* adopted December 2018
- *Gannawarra Shire Council Sport and Recreation Strategy 2019-2029* adopted May 2019
- Gannawarra Giving Account established by Gannawarra Community Resilience Committee to provide community funds raised for farming families who are in need of support
- Promotion of drought support services through the development of a monthly *Gannawarra Cares* newsletter
- Continued promotion of the *5 Ways to Wellbeing*, including distribution of Gannawarra Cares teabag cards and *5 Ways to Wellbeing* merchandise
- Council coordination of the VicHealth Walk to School program for the sixth year in a row, with 100 per cent of schools located in the Gannawarra participating
- Coordination of the development of a third *School Transition in Gannawarra* booklet to provide information to parents on transition from kinder to prep and grade 6 to year 7
- Continued focus on Early Years Literacy through participation in the 1000 Books Before School, National Simultaneous Storytime and Summer Reading programs
- Children’s Week activities held in Kerang and Cohuna
- Continued promotion of the Studiosity online homework support program
- Seven theatre productions held, organised in partnership between Council and a range of community partners
- Five workshops were held that coincided with theatre productions organised in partnership between Council and a range of community partners
- The McCann Crescent Park, Kerang - *ReSpark the Park* project was highly commended at the National Awards for Local Government in the Prevention and Community Safety category
- Council hosted a Reconciliation Week walk and community celebration in Kerang
- Stage 1 of the Quambatook flood protection levee constructed
- *Domestic Animal Management Plan* reviewed June 2019

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICES TO OUR COMMUNITY

Health Promotion

Council seeks to protect, improve and promote public health and wellbeing by creating an environment which supports the health of members of the local community and strengthens the capacity of the community and individuals to achieve better health.

The majority of health promotion activities are undertaken in partnership with the Gannawarra Local Agency Meeting (GLAM), including Council, Northern District Community Health, Cohuna District Hospital, Kerang District Health, Victoria Police, Mallee District Aboriginal Service, Mallee Family Care and supported by the Southern Mallee Primary Care Partnership.

Children and Family Services

There are a range of services, programs and activities within the Gannawarra Shire Children's Services that provide support to families with the growth and development of their children. This includes kindergarten programs, long day care, family day care, maternal and child health, supported playgroup and toy library. The education and care services are licensed by the Department of Education and Training and are registered with the Australian Children's Education and Care Quality Authority.

Environmental Health

Under the *Public Health and Wellbeing Act 2008*, the function of Council is to seek to protect, improve and promote public health and wellbeing by creating an environment which supports the health of members of the local community and strengthens the capacity of the community and individuals to achieve better health. Environmental Health Officers are appointed under the Act to fulfil this function.

The health protection role includes environmental health, infectious disease prevention and control, immunisation, food safety, septic tanks, environment protection and emergency response. A range of legislation is administered and enforced by Environmental Health Officers to protect health and wellbeing.

Partnerships

Community Wellbeing has developed strategic partnerships with the community, service providers and funders so that we are able to deliver on the following strategic plans:

- *Gannawarra Shire Council Plan 2017-2021 which incorporates the Municipal Public Health and Wellbeing Plan 2017-2021*
- *Children and Youth Strategy 2016-2020*
- *Positive Ageing Strategy 2016-2020*
- *Early Years Plan 2015-2018*
- *Creative Arts and Activation Plan 2016-2020*

Arts and Culture

Council coordinates arts and culture events across the Shire. An exhibition space at the Sir John Gorton Library provides public display of local and touring exhibitions. Funding opportunities are also sought for arts and culture events and programs. Council partners with community groups to deliver strategic arts and culture performances across the Shire.

Community Care Services

Council has provided services to support older people and people with a disability since 1985. Community Care Services aim to maintain or increase independence by focusing on each client's capacity. Our services cater for frail older people, people of any age with a disability and their carers. Council has invested in training staff with all staff qualified to provide support to people wanting to remain living independently at home for as long as possible.

Maternal and Child Health

The Maternal and Child Health service is a free universal primary care service for families with children from birth to school age. The universal service is provided under a Memorandum of Understanding with the Municipal Association of Victoria and the Department of Education and Early Childhood Development.

Nurses offer support to all families and can refer families and children on to specialist assistance. They are also key front line primary health staff dealing with vulnerable children and families experiencing concerns such as family violence, drug and alcohol addiction, gambling, mental health and disability.

Libraries

The library service aims to support information, recreation and lifelong learning for residents and visitors of all ages. The library service is part of the SWIFT Consortia, a cooperative network of public library services who share the one integrated library management system (ILMS) a bibliographic database, enabling the cost effective implementation of innovative technologies and the efficient sharing of resources to the benefit of library patrons.

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities					
Satisfaction					
<i>User satisfaction with aquatic facilities (optional)</i>	0.00	0.00	0.00	0.00	
[User satisfaction with how council has performed on provision of aquatic facilities]					
Service standard					
<i>Health inspections of aquatic facilities</i>	1.00	1.00	1.00	1.33	Each pool receives at least one inspection per year. An additional inspection was undertaken at one of Council's facilities in 2019.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Health and Safety					
<i>Reportable safety incidents at aquatic facilities</i>	0.00	0.00	0.00	0.00	No reportable safety incidents for the 2018/19 year.
[Number of WorkSafe reportable aquatic facility safety incidents]					
Service cost					
<i>Cost of indoor aquatic facilities</i>	\$16.50	\$10.41	\$8.46	\$5.71	A decrease in operational costs is attributed to higher utilisation of the facility.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]					
Service Cost					
<i>Cost of outdoor aquatic facilities</i>	\$15.20	\$13.31	\$12.41	\$4.81	In 2018/19 Council implemented a new people counter recording system which has provided accurate patronage attendance data. 2018/19 results highlight a substantial increase in attendance and a decrease in operational costs.
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]					

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Utilisation					
<i>Utilisation of aquatic facilities</i>	2.72	2.58	2.52	4.61	In 2018/19 Council implemented a new learn to swim program for young children which resulted in a significant increase in the utilisation of Council's indoor aquatic facility. Council also recorded a significant increase in outdoor aquatic facilities due to the implementation of a new people counter recording system.
[Number of visits to aquatic facilities / Municipal population]					
Home and Community Care (HACC)					
Timeliness					
<i>Time taken to commence the HACC service</i>	10.00	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service					
Service standard					
<i>Compliance with Community Care Common Standards</i>	88.89%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100					
Service cost					
<i>Cost of domestic care service</i>	\$65.81	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Cost of the domestic care service / Hours of domestic care service provided					

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Service cost					
<i>Cost of personal care service</i>	\$38.67	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Cost of the personal care service / Hours of personal care service provided					
Service cost					
<i>Cost of respite care service</i>	53.81	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Cost of the respite care service / Hours of respite care service provided					
Participation					
<i>Participation in HACC service</i>	54.50%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] x100					
Participation					
<i>Participation in HACC service by CALD people</i>	15.73%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100					

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS					
Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Libraries					
Utilisation					
<i>Library collection usage</i>	1.75	1.86	1.99	2.01	Usage rates continue to improve with the ongoing implementation of Council's Collection Development Guidelines.
Number of library collection item loans / Number of library collection items					
Resource standard					
<i>Standard of library collection</i>	39.16%	37.50%	35.83%	41.85%	New Collection Development Guidelines have been implemented to ensure that the standard of the collection continues to improve.
[Number of library collection items purchased in the last five years / Number of library collection items] x100					
Service cost					
<i>Cost of library service</i>	\$6.62	\$6.20	\$6.80	\$7.64	Increased expenditure on ebooks and eAudiobooks due to a rise in their popularity has made a significant impact on the direct cost of the library service.
Direct cost of the library service / Number of visits					
Participation					
<i>Active library members</i>	19.45%	20.01%	18.44%	16.75%	Whilst Council has experienced a reduction in active members, the Gannawarra Library Service is engaging with the community through programs including 1000 Books Before School and Kindergarten visits to encourage reading and library membership.
[Number of active library members / Municipal population] x100					

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in first MCH home visit</i>	101.80%	98.92%	109.00%	97.25%	Whilst results show a decrease in participation in the first Maternal and Child Health visit, Council transitioned to a new record system for Maternal and Child Health in December 2018. The service provider advised that difficulties in transitioning to this system affected the reporting of participation data in a number of local government areas. Council continues to actively engage with families to participate in the Maternal and Child Health Service.
[Number of first MCH home visits / Number of birth notifications received] x100					
Service standard					
<i>Infant enrolments in the MCH service</i>	93.69%	93.55%	100.00%	97.25%	Council's Maternal and Child Health Service Council transitioned to a new record system for MCH in December 2018. The service provider advised that difficulties in transitioning to this system affected the reporting of participation data in a number of local government areas. Reaching all children has been a concentrated focus, resulting in a high number of infant enrolments.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost					
<i>Cost of the MCH service</i>	\$70.17	\$62.03	\$62.04	\$65.05	Council maintained a full Maternal and Child Health workforce in 2018/19 which has attributed to a slight increase in the cost of the service.
Cost of the MCH service / Hours worked by MCH nurses					

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Participation					
<i>Participation in the MCH service</i>	79.19%	77.40%	77.49%	70.95%	Council's Maternal and Child Health Service has a concentrated focus in reaching all children across the Shire. Whilst results show a decrease in participation, In December 2018 Council transitioned to a new record system for Maternal and Child Health. The service provider advised that difficulties in transitioning to this system affected the reporting of participation data in a number of local government areas.

[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100

Participation					
<i>Participation in the MCH service by Aboriginal children</i>	69.49%	55.56%	54.39%	61.90%	A concerted effort has been made to engage Aboriginal families which has resulted in an increase in participation.

[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

Food Safety

Timeliness					
<i>Time taken to action food complaints</i>	1.00	1.00	1.33	1.00	7 complaints were received in 2018. Council engages proactively with complainants to address complaints in a timely manner. All complaints were actioned on the same or following day.

[Number of days between receipt and first response action for all food complaints / Number of food complaints]

OUR PERFORMANCE

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Service standard					
<i>Food safety assessments</i>	88.73%	72.88%	97.40%	100.00%	Food safety assessments have been undertaken for all registered premises across the reporting periods.
<p>[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</p>					
Service cost					
<i>Cost of food safety service</i>	\$280.80	\$226.58	\$401.69	\$305.08	There was a decrease in the cost of the food safety service in 2018 due to reduced resourcing for part of the year.
<p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	100.00%	100.00%	0.00%	0.00%	There were no critical or major non-compliance outcome notifications for the 2018 year.
<p>[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</p>					



GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

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

Council has a number of roles including:

- Taking into account the diverse needs of the local community in decision-making
- Providing leadership by establishing strategic objectives and monitoring achievements

- 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 to Council.

Council's formal decision-making processes are conducted through Council meetings. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with the Act and a range of other acts and regulations.

GOVERNANCE

GOVERNANCE, MANAGEMENT AND OTHER INFORMATION

MEETINGS OF COUNCIL

Council conducts open public meetings on the third Wednesday of each month, except for June, when the monthly meeting is held on the fourth Wednesday of the month. Members

of the community are welcome to attend these meetings and observe from the gallery. Council meetings also provide the opportunity for community members to submit questions to Council or make a submission.

For the 2018/19 year, Council held 11 Ordinary Council Meetings and one Special Council Meeting.

ORDINARY COUNCIL MEETING DATES												
COUNCILLOR	18/07/18	15/08/18	19/09/18	17/10/18	21/11/18	19/12/18	20/02/19	20/03/19	17/04/19	15/05/19	26/06/19	TOTAL
Cr Mark Ariens	✓	A	LOA	✓	✓	✓	✓	✓	✓	✓	✓	9/11
Cr Jodie Basile	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Brian Gibson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Charlie Gillingham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Lorraine Learmonth	✓	✓	✓	✓	✓	✓	✓	✓	✓	A	✓	10/11
Cr Steve Tasker	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Sonia Wright	✓	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	10/11

LOA – Leave of Absence A – Apology

SPECIAL MEETING		
Councillor	12/11/18	TOTAL
Cr Mark Ariens	✓	1/1
Cr Jodie Basile	✓	1/1
Cr Brian Gibson	✓	1/1
Cr Charlie Gillingham	✓	1/1
Cr Lorraine Learmonth	✓	1/1
Cr Steve Tasker	✓	1/1
Cr Sonia Wright	✓	1/1

GOVERNANCE

COUNCILLOR PORTFOLIOS

Councillor portfolios as set at November 2018

COUNCILLOR	PORTFOLIO	COMMITTEE
Cr Mark Arians		Murray Mallee Local Learning and Employment Network (MMLLEN) (until April 2019)
Cr Jodie Basile	Early Years	Municipal Association Victoria (MAV) (until November 2018)
Cr Brian Gibson		Municipal Emergency Management Planning Committee Audit Committee (until November 2018) Murray River Group of Councils – as Mayor (until November 2018) Loddon Campaspe Councils – as Mayor (until November 2018) Central Victorian Greenhouse Alliance (CVGA) (from April 2019)
Cr Charlie Gillingham		Audit Committee Municipal Association Victoria (MAV) (from November 2018)
Cr Lorraine Learmonth	Arts and Culture, Elders, Seniors	Loddon Mallee Waste and Resource Recovery Group (LMWRRG) Campaspe Cohuna Local Learning and Employment Network (CCLLEN) (until April 2019) MAV Arts and Culture Committee MAV Environment Committee Seniors Advisory Committee Elders Group Murray River Group of Councils – as Mayor (from November 2018) Loddon Campaspe Councils – as Mayor (from November 2018)
Cr Steven Tasker		Municipal Fire Management Planning Committee
Cr Sonia Wright	Youth	Central Victorian Greenhouse Alliance (CVGA) (until April 2019) Audit Committee (from November 2018)

GOVERNANCE

CODE OF CONDUCT

The Act requires a Council to review its Councillor Code of Conduct within the period of four months after a general election. On 5 February 2017, at a Special Meeting called solely for this purpose, Council reviewed and approved Policy No. 078 – Code of Conduct and Values for Elected Members which is designed to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter;
- Attract the highest level of confidence from Council’s stakeholders; and
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines:

- Other conduct definitions under the Act, such as those relating to the misuse of position, improper direction, breach of confidentiality and conflict of interest;
- Roles and relationships; and
- Dispute resolution procedures.

The Code of Conduct documents Gannawarra Shire Councillors commitment to working together in the best interests of the people within the municipality and to discharging their responsibilities to the best of their skill and judgement.

The Code of Conduct was further reviewed and endorsed by Council on 18 July 2018.

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 must also 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 standing agenda item for all Council meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflicts of interest. During 2018/19, eight conflicts of interest were declared at a Council meeting.

COUNCILLOR ALLOWANCES

In recognition of their roles and functions, Mayors and Councillors are entitled to receive an allowance. The Victorian Government sets upper and lower limits for all allowances paid to Mayors and Councillors. For the purpose of these allowance limits, councils are divided into three categories based on the income and population of each council. Gannawarra Shire Council is classified as a Category 1 Council.

Section 74(1) of the Act requires councils to review and determine the level of Mayoral and Councillor allowances within six months after a general election or by the next 30 June, whichever is later. The allowance level determined remains in effect until the time of the next election.

At its November 2016 Ordinary Meeting, Council resolved to fix the councillor allowance at \$19,350 per annum and an amount equivalent to the superannuation guarantee of 9.5 per cent of the relevant allowance; and the mayoral allowance at \$57,812 per annum and an amount equivalent to the superannuation guarantee of 9.5 per cent of the relevant allowance.

Under Section 73B of the Act, Mayoral and Councillor allowance rates are reviewed annually by the Minister for Local Government. In 2018 the Minister determined that allowances be increased by an adjustment factor of 2.0 per cent from 1 December 2018.

The Mayor and Councillors have the option to be provided with internet access, a mobile telephone and a tablet device. All Councillors have access to a computer, printer and fax machine at Council’s offices. The Mayor is also provided with a vehicle.

GOVERNANCE

COUNCILLOR EXPENSES

In accordance with Section 75 of the Act, council is required to reimburse a councillor for expenses incurred whilst performing his or her duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors. The policy provides guidance for the payment of reimbursements of expenses and the provision of resources, facilities and other support to the Mayor and Councillors to enable them to discharge their duties. Council also publishes in its Annual Report the details of the expenses, including reimbursement of expenses for each Councillor. Council endorsed reviewed Policy No. 092 – Councillor Allowances and Support on 21 December 2016.

The details of the expenses including reimbursement of expenses for each councillor paid by Council for the 2018/19 year are set out as below:

SCHEDULE OF COUNCILLOR EXPENSES - 2018/19

	Cr	Cr	Cr	Cr	Cr	Cr	Cr	TOTAL
	Mark Arians	Jodie Basile	Brian Gibson	Charles Gillingham	Lorraine Learmonth	Steve Tasker	Sonia Wright	
1. Conferences & Training Expenses	-	\$1,786	\$2,256	-	\$5,415	-	\$121	\$9,578
2. Travel Expenses	\$75	\$463	\$75	\$2,268	\$336	\$1,221	\$1,325	\$5,765
3. Car Mileage Expenses	-	-	\$7,823	-	\$14,596	-	-	\$22,419
4. IT & Communication Expenses	\$293	\$307	\$325	\$250	\$302	\$300	\$300	\$2,077
5. Childcare Expenses	-	-	-	-	-	-	-	-
TOTAL Expenses	\$368	\$2,556	\$10,479	\$2,518	\$20,648	\$1,521	\$1,747	\$39,838

1. Conferences & Training Expenses

This category covers registration fees & all other costs (eg accomodation, meals) associated with attendance by Councillors at local conferences, training, functions and seminars. These are normally held by Local Government related organisations, professional bodies and institutions, education institutions and private sector providers on areas and events which impact the roles of Councillors and the Shire in general. This category also includes memberships and subscriptions to bodies and organisations whose activities are relevant to the role of Councillors.

2. Travel Expenses

This category covers costs associated with assisting Councillors in meeting the transport costs incurred in attending meetings, functions and other commitments within and outside the municipality. This comprises use of a taxi, reimbursement for use of private vehicle while conducting Council business, car parking fees, the provision of car parking permits etc as described in the Councillor Expenses Policy. This category also comprises costs associated with accommodation and incidentals when travelling on Council business.

3. Car Mileage Expenses

This category covers car mileage expenses for the use of Council vehicles by Councillors whenever travelling to conduct Council business.

4. IT & Communication Expenses

This category covers mobile telephone use associated with ensuring that Councillors are accessible and are able to communicate with constituents, stakeholders, other Councillors, Council Officers and family members while conducting Council business.

5. Childcare Expenses

The Council will reimburse the cost of necessary carer expenses incurred by Councillors in the course of carrying out their duties, at functions of which partners are invited. This covers childcare and other forms of care needed to support immediate family members.

GOVERNANCE

AUDIT COMMITTEE

The Audit Committee's role is to oversee and monitor the effectiveness of Council in carrying out its responsibilities for accountable financial management, good corporate governance, maintaining an effective system of internal control and risk management and fostering an ethical environment.

Council's five member Audit Committee consists of three independent members, Deanne Van der Drift, John Campbell and Bradley Tarr; and two Councillor representatives being Cr Brian Gibson (until November 2018), Cr Charlie Gillingham and Cr Sonia Wright (from November 2018). Independent members are appointed for a three-year term. The Chair must be an independent member and is elected by the committee.

The Audit Committee meets at least quarterly, four meetings were held during 2018/19. The Victorian Auditor-General's Office (VAGO) audit service provider and Council's appointed Internal Auditors, along with the Chief Executive Officer, Director Corporate Services, Manager Finance and Manager Governance are invited to attend all Audit Committee meetings. Other management representatives attend as required to present reports.

Recommendations from each Audit Committee meeting are subsequently reported to, and considered by Council.

INTERNAL AUDIT

Council's internal audit function provides independent and objective assurance to the Audit Committee that appropriate processes and controls are in place across Council.

Under direction of the Audit Committee, internal audit reviews are conducted across the organisation by the appointed internal auditors, AFS & Associates Pty Ltd of Bendigo. A risk based three-year Strategic Internal Audit Plan (SIAP) is revised annually to ensure the audit resources remain focused on the appropriate areas. The review process considers Council's risk framework; the Council Plan; the impact of any changes on operations, systems or the business environment; prior audit coverage and outcomes and management input. The SIAP is reviewed and approved by the Audit Committee annually.

The Internal Auditors attend each Audit Committee meeting to report on the status of the SIAP, provide an update on the implementation of audit recommendations and present findings of completed reviews.

The following SIAP reviews were presented to the Audit Committee during 2018/19:

- Records Management
- Long Term Financial Planning and Sustainability
- Information Systems Security
- Past Issues – Follow Up Reviews

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2018/19 year, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the VAGO appointed audit service provider, Johnsons MME.

RISK MANAGEMENT

Council officers continue to encourage and provide support for proactive and embedded risk management throughout the organisation. During 2018/19 Council's Audit Committee received three Risk Management Reports, in accordance with Council's Risk Management framework (Council Opportunity and Risk Evaluator – CORE).

Council's Business Continuity Plan was activated on two occasions during 2018/19 and regular reviews and test exercises were undertaken on both the Plan and department sub-plans.

GOVERNANCE

GOVERNANCE AND MANAGEMENT CHECKLIST

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES/NO	DATE IF YES (SINGLE ITEM/ DATE)	DATES IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
GC1. Community Engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES	22/06/2016		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC2. Community Engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	22/06/2016		
GC3. Strategic Resource Plan (plan under Section 126 of the Act outlining the financial and non-financial resources required for at least the next four financial years)	Plan adopted in accordance with Section 126 of the Act	YES	26/06/2019		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC4. Annual Budget (plan under Section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with Section 130 of the Act	YES	26/06/2019		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC5. Asset Management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation	YES		Buildings AMP- 20/08/2008 Roads AMP- 18/02/2015 Bridges AMP- 18/03/2016 Footpaths AMP- 16/07/2014 Drainage AMP- 18/05/2011 Recreation AMP- 18/05/2011 Levee Banks AMP- 18/03/2015	http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC6. Rating Strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES	19/03/2014		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications

GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES/NO	DATE IF YES (SINGLE ITEM/ DATE)	DATES IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
GC7 Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	17/10/2018		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC8 Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	15/03/2017		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC9 Municipal Emergency Management Plan (plan under Section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with Section 20 of the Emergency Management Act 1986	YES	17/05/2017		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC10 Procurement policy (policy under Section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with Section 186A of the Local Government Act	YES	15/05/2019		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC11 Business Continuity Plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	YES	10/10/2018		
GC12 Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES	4/09/2016		
GC13 Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	28/08/2018		

GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES/NO	DATE IF YES (SINGLE ITEM/ DATE)	DATES IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
GC14 Audit Committee (advisory committee of Council under Section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with Section 139 of the Act	YES	8/09/1999		
GC15 Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	27/11/2014		
GC16 Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in Section 131 of the Act)	Current framework in operation	YES	19/12/2018		
GC17 Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	YES	11/02/2019		
GC18 Financial reporting (quarterly statements to Council under Section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with Section 138(1) of the Act	YES		19/09/2018 21/11/2018 20/02/2019 15/05/2019	

GOVERNANCE

GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES/NO	DATE IF YES (SINGLE ITEM/ DATE)	DATES IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
GC19 Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES		19/09/2018 19/12/2018 17/04/2019	
GC20 Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in Section 131 of the Act)	Reports prepared and presented	YES		19/09/2018 06/03/2019	
GC21 Annual Report (Annual Report under Sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with Section 134 of the Act	YES	17/10/2018		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC22 Councillor Code of Conduct (Code under Section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with Section 76C of the Act	YES	18/07/2018		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications
GC23 Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with Section 98(6) of the Act	YES	18/08/2018		
GC24 Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with Section 91(1) of the Act	YES	19/10/2018		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications

STATUTORY INFORMATION

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

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with regulation 12 of the *Local Government (General) Regulations 2015* the following are prescribed documents that are available for public inspection or copies of the documents can be obtained for the purposes of Section 222 of the Act at 47 Victoria Street, Kerang:

- A document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by any Councillor or member of council staff in the previous 12 months.
- Agendas for, and minutes of Ordinary and Special Meetings held in the previous 12 months which are kept under Section 93 of the Act, other than those agendas and minutes relating to part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- The minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months, other than those minutes relating to a part of a meeting which was closed to members of the public under Section 89 of the Act and are confidential information within the meaning of Section 77(2) of the Act.
- A register of delegations kept under Sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act.
- A document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
- A register maintained under Section 224(1A) of the Act of authorised officers appointed under that section.
- A list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

BEST VALUE

Council is committed to the principles of the Business Excellence Framework which is an integrated leadership and management system that describes the elements essential to sustainable organisational excellence. The objective of Business Excellence is to use quality management principles and tools in business management with the goal of improving performance based on customer focus, stakeholder value and process management. Council has integrated these principles into its everyday organisational environment. Council adopted the *Gannawarra Shire Council Plan 2017-2021* to define the goals of the organisation over a four-year period as required by the Local Government Act.

The *Gannawarra Shire Council Plan 2017-2021* contains five Key Priority Areas:

- Connectivity
- Economic Diversity, Growth and Prosperity
- Sustainable Natural and Built Environments
- Good Governance and a Healthy Organisation
- Strong Healthy Communities

Each Priority Area contains outcomes, objectives and success indicators. Council progressively monitors the provision of best practice service against success indicators using reports provided by the Executive Leadership Team. Shortfalls against these indicators can then be seen as areas for improvement.

To further reflect Council's commitment to Best Value, Council has commenced the design and planning of a Service Planning Program which is to be rolled out to the whole organisation. This program provides additional review and improvement mechanisms to ensure that Council's services achieve best practice standards in regards to service performance.

GOVERNANCE

CARER'S RECOGNITION

In accordance with the *Carers Recognition Act 2012*, Council is required to report annually on its care measurement obligations under Section 11 of that Act. Council has taken all practicable measures to comply with its responsibilities outlined in the *Carers Recognition Act 2012*. Council has promoted the principles of that Act to people in care relationships who receive Council services, to people in care relationships, and to the wider community by:

- Facilitating a monthly Carer's Group
- Distributing information through Council services and community newsletters
- Working in partnership with other organisations and community groups

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and has provided the following additional activities and resources to recognise the care relationship:

- Recognising National Carer's Week
- Providing respite services to carers

CONTRACTS

During the year Council did not enter into any contracts valued at \$150,000 (including GST) or more for services or goods, or \$200,000 (including GST) or more for works without engaging in a competitive process.

DISABILITY ACTION PLAN

In accordance with Section 38 of the *Disability Act 2006*, Council is required to report on the implementation of its Disability Action Plan in the Annual Report.

During the 2018/19, following a review of the previous Disability Action Plan, Council developed the *Social Inclusion Strategy 2019-2023*, which was adopted by Council in February 2019.

The *Social Inclusion Strategy* is Council's commitment to reducing barriers for groups most at risk of being excluded from the community. This includes those with disability, who are culturally or linguistically diverse, who are Indigenous, who identify as LGBTIQ, young people, older people and community members facing socioeconomic disadvantage.

The strategy was developed with input from the community, service providers and Council staff. It incorporates an implementation plan with actions to be completed across the life of the strategy.

DOMESTIC ANIMAL MANAGEMENT PLAN

In accordance with the *Domestic Animals Act 1994*, Council is required to prepare and implement a Domestic Animal Management Plan (DAM Plan) every four years, and evaluate its implementation in the Annual Report.

Highlights during the 2018/19 period include:

- Reviewing Council's performance against the *Domestic Animal Management Plan for 2018-2022*
- Working with local veterinary clinics to encourage responsible pet ownership
- Installing an additional six cat cages at the Kerang Pound
- Purchasing additional cat traps
- Continued rehousing of surrendered domestic animals the community could no longer care for

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 Ministerial Directions were received by Council during 2018/19.

FREEDOM OF INFORMATION

The *Freedom of Information Act 1982* provides individuals and organisations with a general right of access to information held by the Gannawarra Shire Council. It also provides a right of appeal to the Victorian Information Commissioner to review decisions to refuse access to information.

Requests for access to information under the *Freedom of Information Act 1982* should be lodged on the FOI application form and sent to the Freedom of Information Officer, Gannawarra Shire Council, PO Box 287, Kerang VIC 3579.

Two valid Freedom of Information requests were received during 2018/19.

GOVERNANCE

PROTECTED DISCLOSURE PROCEDURES

In accordance with Section 69 of the *Protected Disclosure Act 2012*, a Council must include in its Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosure complaints investigated during the financial year.

The *Protected Disclosure Act 2012* 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. Procedures on how to make a disclosure are publicly available on Council’s website in the policy document section, Policy No. 107.

During 2018/19 no disclosures were notified to Council officers appointed to receive disclosures, or to the Independent Broad-based Anti-corruption Commission (IBAC).

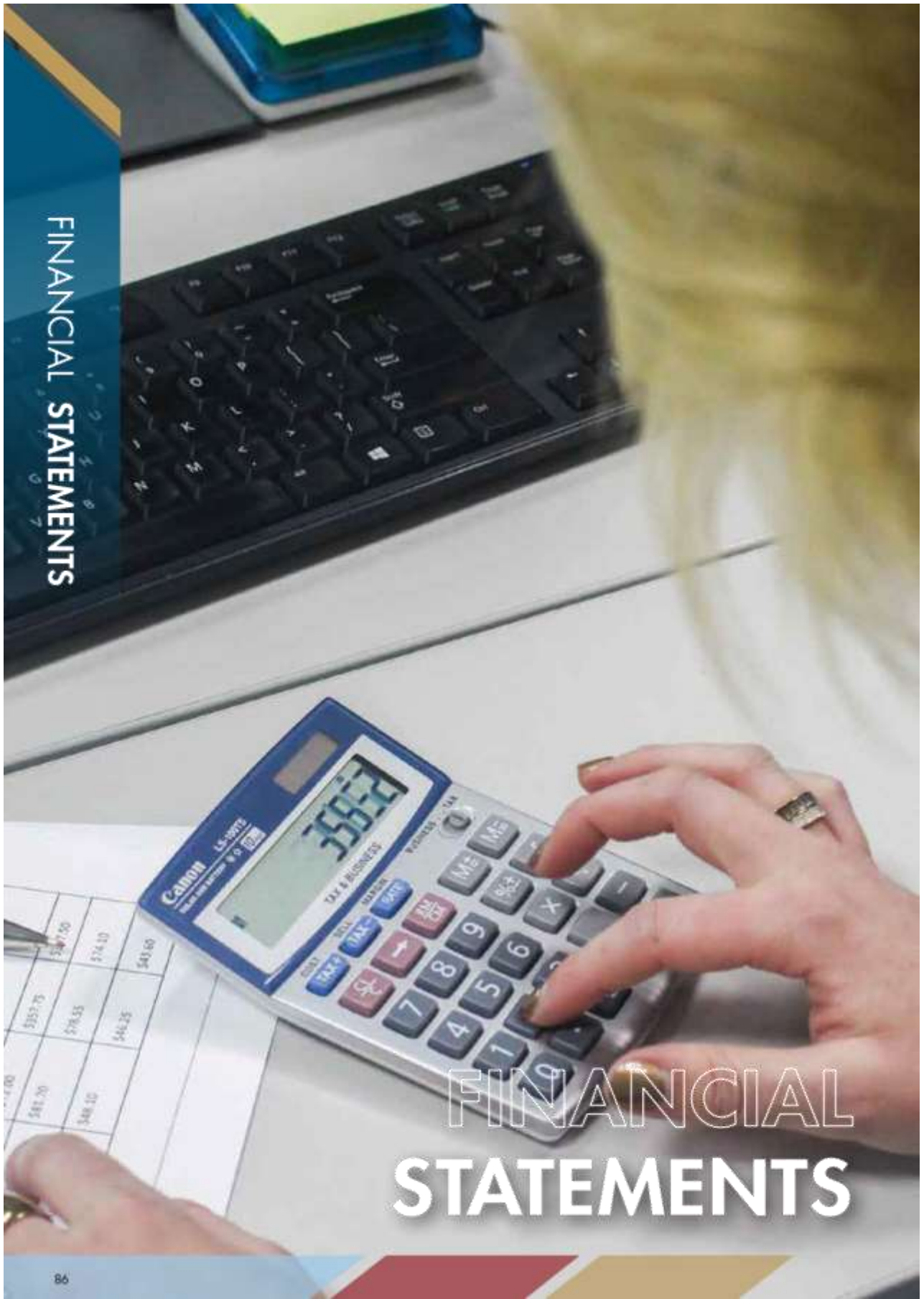
ROAD MANAGEMENT ACT MINISTERIAL DIRECTION

In accordance with Section 22 of the *Road Management Act 2004*, a Council must publish a copy or summary of any Ministerial direction in its Annual Report. No Ministerial Directions were received by Council during 2018/19.

INFRASTRUCTURE AND DEVELOPMENT CONTRIBUTIONS

In accordance with Section 46GM and 46QD of the *Planning and Environment Act 1987*, a Council that is a collecting or development agency must prepare and give a report to the Minister for Planning on infrastructure and development contributions including levies and works in kind. The report must be published in a Council’s Annual Report. No infrastructure and development contributions were received by Council in 2018/19.





FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

Annual Financial Report
for the year ended 30 June 2019

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Overview

- (i) These financial statements are General Purpose Financial Statements and cover the consolidated operations for Gannawarra Shire Council.
- (ii) All figures presented in these financial statements are presented in Australian Currency.

FINANCIAL STATEMENTS**Annual Financial Report**

for the year ended 30 June 2019

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.

*Sid Hutchinson, Dip Acc***Principal Accounting Officer**

Date : 18/09/2019

Kerang

In our opinion the accompanying financial statements present fairly the financial transactions of Gannawarra Shire Council for the year ended 30 June 2019 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.

*Councillor Lorraine Learmonth***Councillor**

Date : 18/09/2019

*Kerang**Councillor Charlie Gillingham***Councillor**

Date : 18/09/2019

*Kerang**Stacy Williams***Acting Chief Executive Officer**

Date : 18/09/2019

Kerang

FINANCIAL STATEMENTS

Annual Financial Report
for the year ended 30 June 2019

Victorian Auditor-General's Office Report

Insert VAGO Report here

FINANCIAL STATEMENTS

Annual Financial Report
for the year ended 30 June 2019

Victorian Auditor-General's Office Report

Insert VAGO Report here



FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Understanding Council's Financial Report

Introduction

Each year, individual Local Governments across Victoria are required to present a set of audited financial statements to their Council & Community.

What you will find in the Report

The financial report sets out the financial performance, financial position & cash flows of Council for the financial year ended 30 June 2019.

The format of the financial report is standard across all Victorian Councils and complies with both the accounting & reporting requirements of Australian Accounting Standards and requirements as set down by Local Government Victoria.

About the Certification of the Financial Statements

The financial statements must be certified by senior staff and Councillors as "presenting fairly" the Council's financial results for the year as well as Council's financial position, and are required to be adopted by Council - ensuring both responsibility for & ownership of the financial statements.

About the Primary Financial Statements

The financial statements incorporate 5 "primary" financial statements:

1. Comprehensive Income Statement

Summarises Council's financial performance for the year, listing all income & expenses.

Includes Other Comprehensive Income which primarily records changes in the fair values of Council's Property, Infrastructure, Plant & Equipment.

2. Balance Sheet

A 30 June snapshot of Council's financial position indicating its Assets, Liabilities & "Net Wealth".

3. Statement of Changes in Equity

The overall change for the year (in dollars) of Council's "Net Wealth".

4. Statement of Cash Flows

Indicates where Council's cash came from and where it was spent.

5. Statement of Capital Works

This statement details all amounts expended by Council on capital works.

About the Notes to the Financial Report

The Notes to the financial statements provide greater detail and additional information on the 5 primary financial statements.

About the Auditor's Reports

Council's financial statements are required to be audited by external accountants (that generally specialise in Local Government).

The Auditor provides an audit reports which gives an opinion on whether the financial statements present fairly the Council's financial performance & position.

Who uses the Financial Report?

The Financial Report is a publicly available document and is used by (but not limited to) Councillors, Residents and Ratepayers, Employees, Suppliers, Contractors, Customers, Local Government Victoria, State and Federal Governments, and Financiers including Banks and other Financial Institutions.

The financial statements must be presented at a Council meeting no later than 1 month after submitting the annual report to the Minister.

FINANCIAL STATEMENTS

Comprehensive Income Statement

for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Income			
Rates & Charges	3.1	12,751	12,334
Statutory Fees & Fines	3.2	368	409
User Fees	3.3	1,560	2,766
Grants - Operating	3.4	8,844	8,289
Grants - Capital	3.4	2,944	2,717
Contributions - Monetary	3.5	216	163
Contributions - Non Monetary	3.5	8	-
Net Gain/(Loss) on Disposal of IPP&E	3.6	265	68
Fair Value Adjustments for Investment Property	6.3	-	381
Other Income	3.7	2,808	2,102
Total Income		29,764	29,229
Expenses			
Employee Costs	4.1	12,152	11,395
Materials & Services	4.2	8,466	7,546
Depreciation	4.3	5,874	5,583
Bad & Doubtful Debts	4.4	16	51
Borrowing Costs	4.5	40	47
Other Expenses	4.6	299	351
Total Expenses		26,847	24,953
Surplus for the Year		2,917	4,276
Other Comprehensive Income:			
Items that will not be reclassified to Surplus or Deficit in future periods			
Net Asset Revaluation Increment/(Decrement)	6.2	(141)	3,756
Total Items which will not be reclassified subsequently to the Operating Result		(141)	3,756
Total Other Comprehensive Income for the year		(141)	3,756
Total Comprehensive Result		2,776	8,033

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

FINANCIAL STATEMENTS

Balance Sheet

as at 30 June 2019

\$ '000	Notes	2019	2018
ASSETS			
Current Assets			
Cash & Cash Equivalents	5.1	7,633	10,261
Trade & Other Receivables	5.1	3,286	1,908
Other Financial Assets	5.1	4,188	1,602
Inventories	5.2	1,128	436
Other Assets	5.2	227	206
Total Current Assets		16,462	14,413
Non-Current Assets			
Property, Infrastructure, Plant & Equipment	6.2	198,317	196,203
Investment Property	6.3	1,152	1,152
Total Non-Current Assets		199,469	197,355
TOTAL ASSETS		215,931	211,768
LIABILITIES			
Current Liabilities			
Trade & Other Payables	5.3	2,618	1,343
Trust Funds & Deposits	5.3	486	409
Provisions	5.5	2,842	2,655
Interest-Bearing Loans & Borrowings	5.4	108	101
Total Current Liabilities		6,054	4,508
Non-Current Liabilities			
Provisions	5.5	1,052	1,118
Interest-Bearing Loans & Borrowings	5.4	456	564
Total Non-Current Liabilities		1,508	1,682
TOTAL LIABILITIES		7,562	6,190
Net Assets		208,369	205,578
EQUITY			
Accumulated Surplus		88,100	85,168
Reserves	9.1	120,269	120,410
Total Equity		208,369	205,578

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

FINANCIAL STATEMENTS

Statement of Changes in Equity
for the year ended 30 June 2019

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve
2019				
Opening Balance (as per Last Year's Audited Accounts)		205,578	85,168	120,410
a. Correction of Prior Period Errors		15	15	-
Revised Opening Balance (as at 1/7/18)		<u>205,593</u>	<u>85,183</u>	<u>120,410</u>
b. Net Operating Result for the Year		2,917	2,917	-
c. Other Comprehensive Income				
- Net Asset Revaluation (Decrement)		(141)	-	(141)
Other Comprehensive Income		(141)	-	(141)
Total Comprehensive Income (b&c)		<u>2,776</u>	<u>2,917</u>	<u>(141)</u>
Equity - Balance at end of the reporting period		<u>208,369</u>	<u>88,100</u>	<u>120,269</u>

\$ '000	Notes	Total	Accumulated Surplus	Revaluation Reserve
2018				
Opening Balance (as per Last Year's Audited Accounts)		193,746	76,321	117,425
a. Changes in Accounting Policies (prior year effects)		3,800	3,800	-
Revised Opening Balance (as at 1/7/17)		<u>197,546</u>	<u>80,121</u>	<u>117,425</u>
b. Net Operating Result for the Year		4,276	4,276	-
c. Other Comprehensive Income				
- Net Asset Revaluation Increment		3,756	-	3,756
Other Comprehensive Income		3,756	-	3,756
Total Comprehensive Income (b&c)		<u>8,032</u>	<u>4,276</u>	<u>3,756</u>
d. Transfers from Revaluation Reserve		-	771	(771)
Equity - Balance at end of the reporting period		<u>205,578</u>	<u>85,168</u>	<u>120,410</u>

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



FINANCIAL STATEMENTS

Statement of Cash Flows
for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Cash Flows from Operating Activities			
Rates & Charges		12,137	11,930
Statutory Fees & Fines		368	409
User Fees		1,560	3,419
Grants - Operating		8,844	8,289
Grants - Capital		2,944	2,717
Contributions - Monetary		216	163
Interest Received		208	161
Trust Funds & Deposits Taken		77	987
Other Receipts		1,835	1,667
Net GST Refund/Payment		-	635
Employee Costs		(10,633)	(11,085)
Materials & Services		(7,863)	(7,583)
Trust Funds & Deposits Repaid		-	(965)
Other Payments		(1,738)	(351)
Net Cash provided by/(used in) Operating Activities	9.2	<u>7,955</u>	<u>10,393</u>
Cash Flows from Investing Activities			
Payments for Property, Infrastructure, Plant & Equipment	6.2	(8,478)	(7,022)
Proceeds from Sale of Property, Infrastructure, Plant & Equipment	3.6	622	323
Payments for Investments		(2,586)	(145)
Proceeds from Sale of Investments		-	1,646
Net Cash provided by/(used in) Investing Activities		<u>(10,442)</u>	<u>(5,198)</u>
Cash Flows from Financing Activities			
Finance Costs		(40)	(47)
Repayment of Borrowings		(101)	(95)
Net Cash provided by/(used in) Financing Activities		<u>(141)</u>	<u>(142)</u>
Net Increase (Decrease) in Cash & Cash Equivalents		<u>(2,628)</u>	<u>5,054</u>
Cash & Cash Equivalents at the beginning of the financial year		10,261	5,207
Cash & Cash Equivalents at the end of the financial year		<u>7,633</u>	<u>10,261</u>
Financing Arrangements	5.6	664	765
Restrictions on Cash Assets	5.1	486	409

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

FINANCIAL STATEMENTS

Statement of Capital Works
for the year ended 30 June 2019

\$ '000	Notes	2019	2018
Property			
Land Improvements		8	154
Total Land		8	154
Buildings			
Building Improvements		784	-
Work in Progress		78	123
Total Buildings		13	5
Total Property		883	282
Plant & Equipment			
Plant, Machinery & Equipment		1,160	1,355
Fixtures, Fittings & Furniture		-	6
Computers & Telecommunications		143	596
Library Books		90	87
Work in Progress		-	4
Total Plant & Equipment		1,393	2,048
Infrastructure			
Roads		2,937	2,542
Bridges		632	-
Footpaths & Cycleways		181	119
Drainage		83	43
Recreational, Leisure & Community Facilities		728	732
Kerb and Channel		114	119
Waste Management		590	97
Parks, Open Space & Streetscapes		-	1,598
Other Infrastructure		107	79
Work in Progress		925	331
Total Infrastructure		6,297	5,660
Total Capital Works Expenditure		8,573	7,990
Represented by:			
New Asset Expenditure		1,903	764
Asset Renewal Expenditure		5,822	5,158
Asset Expansion/Upgrade Expenditure		848	2,068
Total Capital Works Expenditure		8,573	7,990



FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Overview

Introduction

The Gannawarra 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 47 Victoria Street, Kerang.

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 (AAS), 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:

- (i) the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- (ii) the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2.)
- (iii) the determination of employee provisions (refer to Note 5.5.)
- (iv) the determination of landfill provisions (refer to Note 5.5.)
- (v) the fair value of investment properties (refer to Note 6.3)
- (vi) other areas requiring judgements

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


 FINANCIAL STATEMENTS

 Notes to the Financial Report
 for the year ended 30 June 2019

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FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

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 10 percent or \$50k. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 27 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

\$ '000	Variance %	Ref	Budget 2019	Actual 2019	Variance 2019
1.1. Income & Expenditure					
Income					
Rates & Charges	1.27%	1	12,591	12,751	160
Statutory Fees & Fines	9.20%		337	368	31
User Fees	-52.03%	2	3,252	1,560	(1,692)
Grants - Operating	26.34%	3	7,000	8,844	1,844
Grants - Capital	-12.17%	4	3,352	2,944	(408)
Contributions - Monetary	517.14%	5	35	216	181
Contributions - Non Monetary	100.00%		-	8	8
Net Gain/(Loss) on Disposal of IPP&E	-13.96%		308	265	(43)
Other Income	149.16%	6	1,127	2,808	1,681
Total Income	6.29%		28,002	29,764	1,762
Expenses					
Employee Costs	5.09%		11,563	12,152	589
Materials & Services	-12.14%	8	9,636	8,466	(1,170)
Bad & Doubtful Debts	100.00%		-	16	16
Depreciation & Amortisation	3.74%		5,662	5,874	212
Borrowing Costs	-4.76%		42	40	(2)
Other Expenses	-2.29%		306	299	(7)
Total Expenses	-1.33%		27,209	26,847	(362)
Surplus for the Year	267.84%		793	2,917	2,124

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 1. Performance against budget (continued)

\$ '000

1.1. **Income & Expenditure** (continued)

(i) **Explanation of Material Variations**

Variance Ref	Item	Explanation
1.	Rates and charges	Changes include any adjustments made as a result of supplementary valuations undertaken since the adoption of the rates.
2.	User fees	A shift in the method of payment of user fees and subsidies for long day care and family day care to reimbursements (other income) of \$252k. Private works were budgeted with the expectation that stage 2 and 3 of an existing solar farm would commence, as works did not proceed forecasted income was reduced by \$1m.
3.	Grants - operating	Reduction due to a change in the method of payment of grants for long day care and family day care to reimbursements (other income) of \$680k. Grant funding not available to undertake works at Koondrook preschool and long day care \$499k.
4.	Grants - capital	Advance payment by Victorian Grants Commission of \$2.981m. Funding for Koondrook Nature Based Tourism Hub (\$725k) and the waterfront projects at Cohuna, Koondrook and Kangaroo Lake not yet received. Additional funding received for Main Street Links to Punt Road in Koondrook \$635k.
5.	Contributions - monetary	Contribution from State Revenue Office for prior year revaluation.
6.	Other income	Additional reimbursements received due to the change in payment arrangements for long day care and family day care \$932k. Increase in reimbursements for community care brokerage \$300k.
7.	Materials and services	Reduction in private work costs as solar farm did not proceed with stages 2 and 3 \$565k and as funding was not available for the Koondrook preschool and long day care centre works did not proceed \$499k.



FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 1. Performance against budget (continued)

\$ '000	Variance %	Ref	Budget 2019	Actual 2019	Variance 2019
1.2. Capital Works					
Property					
Land Improvements	-73.33%	1	30	8	(22)
Total Land	-73.33%		30	8	(22)
Buildings	-7.44%	2	847	784	(63)
Building Improvements	-33.90%	3	118	78	(40)
Work in Progress	100.00%	4	-	13	13
Total Buildings	-9.33%		965	875	(90)
Total Property	-11.26%		995	883	(112)
Plant & Equipment					
Plant, Machinery & Equipment	0.96%		1,149	1,160	11
Computers & Telecommunications	-35.00%	5	220	143	(77)
Library Books	4.65%		86	90	4
Total Plant & Equipment	-4.26%		1,455	1,393	(62)
Infrastructure					
Roads	24.77%	6	2,354	2,937	583
Bridges	-32.98%	7	943	632	(311)
Footpaths & Cycleways	-2.16%		185	181	(4)
Drainage	-89.37%	8	781	83	(698)
Recreational, Leisure & Community Facilities	-77.76%	9	3,273	728	(2,545)
Kerb and Channel	-24.00%	10	150	114	(36)
Waste Management	32.58%	11	445	590	145
Parks, Open Space & Streetscapes	-100.00%	12	200	-	(200)
Other Infrastructure	-62.46%	13	285	107	(178)
Work in Progress	100.00%	14	-	925	925
Total Infrastructure	-26.92%		8,616	6,297	(2,319)
Total Capital Works Expenditure	-22.53%		11,066	8,573	(2,493)
Represented By:					
New Asset Expenditure	-33.90%		2,879	1,903	(976)
Asset Renewal Expenditure	-18.02%		7,102	5,822	(1,280)
Asset Expansion Expenditure	100.00%		-	667	667
Asset Upgrade Expenditure	-83.32%		1,085	181	(904)
Total Capital Works Expenditure	-22.53%		11,066	8,573	(2,493)

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 1. Performance against budget (continued)

\$ '000

1.2. Capital Works (continued)

(i) Explanation of Material Variations

Variance Ref	Item	Explanation
1.	Land improvements	Funding not received for Cohuna RSL Memorial park so project was adjusted to keep within Council's budgeted contribution.
2.	Buildings	Cohuna hall acoustics project under budget by \$36k, additional costs associated with Cohuna Apex Park toilets \$10K and Leitchville Preschool \$9k. Savings achieved with energy saving initiatives on Council buildings \$46k.
3.	Building improvements	Quambatook Senior Citizens Centre building project did not proceed following structural engineering report \$50k.
4.	WIP Property	Southern levee acquisition project not yet completed.
5.	Computers & telecommunications	Project delayed subject to the preparation of a strategic improvement and replacement program.
6.	Roads	Funding received to undertake Main Street Links to Punt Road in Koondrook project \$761k.
7.	Bridges	Construction cost for Sampsons Bridge was under budget \$300k.
8.	Drainage	Quambatook township flood mitigation project not completed (part WIP part carried forward) \$491k. Richardson Street drainage project not completed \$120k.
9.	Recreational, leisure and community facilities	Kangaroo Lake, Cohuna and Koondrook waterfront projects not yet commenced \$1.150m, Koondrook Nature Based Tourism Hub project not yet completed \$800k. Cohuna- Koondrook forest trail not proceeding at this stage due to lack of funding \$300k.
10.	Kerb and channel	Project completed for 2018/2019 showing savings of \$36k.
11.	Waste management	Funding received to construct E-waste sheds at Cohuna and Kerang transfer stations at a cost of \$69k, project costs to cap the old Kerang landfill site were under budget by \$160k allowing for the completion of landfill cell no. 3 at Denyer's pit \$242k.
12.	Parks, open spaces and streetscapes	Additional works undertaken at Scoresby Street precinct and Apex Park Cohuna.
13.	Other infrastructure	Project design works (\$210k) treated as works in progress.
14.	Works in progress	Southern levee acquisition \$13k, Quambatook bridge \$16k, Quambatook township flood mitigation \$281k, Richardson Street drainage \$36k, Cohuna aquatic design \$42k, Koondrook Nature Based Tourism Hub \$433k and project design \$117k.

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 2.1(a). Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Connectivity

To achieve our objective of Connectivity we will continue to encourage connections within and between communities, improve access to community and tourism information, support volunteer participation to meet the needs of the community, encourage and build community events, advocate for improved digital connectivity on behalf of our community and advocate for improved transport connectivity within and between our communities and the broader region. Programs undertaken to achieve the strategic activity include: community engagement, events, transport connections and volunteer co-ordination.

Economic Diversity, Growth and Prosperity

To achieve our objective of Economic Diversity, Growth and Prosperity, we will continue to facilitate growth and diversity opportunities within the Shire, utilise the environs of the rivers, lakes and forests for development opportunities, encourage accommodation options suited to a variety of target markets, create business opportunities to increase Council's revenue, support and advocate for sustainable and renewable energy industries within the Shire, support the local tourism industry and maximise the natural environment to deliver high quality visitor and community experiences. Programs undertaken to achieve the strategic activity include: economic development, planning and building and tourism.

Sustainable Natural and Built Environment

To achieve our objective of a Sustainable Natural and Built Environment, we will encourage an environmentally sustainable community, continue to develop sustainable waste management practices, promote, conserve and celebrate our community's rich and diverse heritage and culture, implement Council's capital works program, upgrade infrastructure to improve access to key commercial markets, improve gateway entrances and township presentations across the Shire and manage facilities now and into the future. Programs undertaken to achieve the strategic activity include: bridges, community facilities, drainage, environment protection, fire prevention, footpath, kerb and channel, pest control, roads and waste management.

Good Governance and a Healthy Organisation

To achieve our objective of Good Governance and a Healthy Organisation, we will advocate in the best interests of our community and region, inspire leadership within our communities, pursue initiatives to achieve long term financial sustainability in line with best practice, ensure our community is consulted on issues that will affect them, improve the community's ability to self-access information on Council's services and programs, foster Council as being a great place to work and identify innovative opportunities that create improvements. Programs undertaken to achieve the strategic activity include: council, executive, governance, information technology, local laws and youth.

Strong Healthy Communities

To achieve our objective of Strong Healthy Communities, Council will ensure quality and accessible services that meet the needs of our community, provide a wide range of sport and recreation opportunities that promote active and healthy lifestyles and social connectedness, foster a community that values life-long learning and creativity and ensure our communities are welcoming, inclusive and safe for all. Programs undertaken to achieve the strategic activity include: business undertakings, children services, community care, swimming areas, recreation areas and library.

Rates and charges

To achieve a fair and equitable distribution of rates across all rating categories.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

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

Fuctions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2.1(a).				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2019	2019	2019	2019	2019
Connectivity	123	606	(483)	79	2,591
Economic Diversity, Growth and Prosperity	660	1,532	(872)	1	4,531
Sustainable Natural and Built Environment	5,547	9,864	(4,317)	4,658	166,024
Good Governance and a Healthy Organisation	4,928	6,110	(1,182)	4,254	22,086
Strong Healthy Communities	5,755	8,735	(2,980)	2,795	20,699
Rates and charges	12,751	-	12,751	-	-
Total functions and activities	29,764	26,847	2,917	11,787	215,931

Fuctions/activities	Income, expenses and assets have been directly attributed to the following functions/activities. Details of these functions/activities are provided in Note 2.1(a).				
	Income	Expenses	Surplus/ (Deficit)	Grants included in income	Total assets
	2018	2018	2018	2018	2018
Connectivity	160	694	(534)	72	2,388
Economic Diversity, Growth and Prosperity	826	1,228	(402)	4	4,211
Sustainable Natural and Built Environment	6,612	9,483	(2,871)	4,615	162,985
Good Governance and a Healthy Organisation	3,904	5,906	(2,002)	3,467	21,081
Strong Healthy Communities	5,391	7,642	(2,251)	2,848	21,103
Rates and charges	12,334	-	12,334	-	-
Total functions and activities	29,227	24,953	4,274	11,006	211,768

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 3. Funding for the delivery of our services

\$ '000	2019	2018
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3.1. Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its value at which the unencumbered land might be expected to realise in an open market at the time of the valuation.

The valuation base used to calculate general rates for 2018/19 was \$1,671 million (2017/18: \$1,547 million).

	2018-2019 cents in the dollar	2017-2018 cents in the dollar		
General Rates	0.6468	0.6482		
Commercial/Industrial	0.6644	0.6834		
Farm Irrigation District	0.5750	0.6417		
Farm Dryland	0.4650	0.5290		
Cultural and Recreation	0.3234	0.3241		
General Rates			10,048	9,790
Municipal Charge			633	630
Waste Management Charge			1,850	1,783
Supplementary Rates & Rate Adjustments			-	3
Revenue in Lieu of Rates			130	-
Interest on Rates and Charges			90	128
Total Rates & Charges			12,751	12,334

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied in the rating year commencing 1 July 2018.

A further general revaluation of land for rating purposes within the municipal district was undertaken as at 1 January 2019, and the valuation will be 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.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2019	2018
3.2. Statutory Fees & Fines			
Animal Control		129	117
Health and Preventative Services		1	15
Town Planning and Building Control		237	268
Other		1	9
Total Statutory Fees & Fines		368	409

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 Services Fees		273	293
Child Care/Children's Programs		539	683
External Works		221	1,199
Hall Hire		15	16
Health and Preventative Services		67	62
Library, Arts and Culture		20	28
Office Services		22	30
Recreation		132	153
Tourism		10	14
Waste and Environment		219	257
Other Fees & Charges		42	32
Total User Fees		1,560	2,766

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2019	2018
3.4. Funding from other levels of government			
Grants were received in respect of the following:			
<i>Summary of grants</i>			
Commonwealth Funded Grants		8,064	8,666
State Funded Grants		3,724	2,340
Total		11,788	11,006
(a) Operating Grants			
Recurrent - Commonwealth Government			
Financial Assistance Grants - Unallocated		3,780	3,419
Financial Assistance Grants - Local Roads		2,049	1,981
Children and Families		243	78
Senior Citizens		799	838
Recurrent - State Government			
Libraries		134	128
Children and Families		1,051	894
Heritage and Culture		27	39
Preventative Services		98	26
Community Services		124	98
Regional Infrastructure		85	350
Senior Citizens		386	382
School Crossings		30	20
Other		38	36
Total Recurrent Operating Grants		8,844	8,289
Non-recurrent - Commonwealth Government			
Nil			
Non-recurrent - State Government			
Nil			
Total Operating Grants		8,844	8,289
(b) Capital Grants			
Recurrent - Commonwealth Government			
Roads to Recovery		848	2,222
Recurrent - State Government			
Library		6	6
Total Recurrent Capital Grants		854	2,228

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2019	2018
3.4. Funding from other levels of government (continued)			
(b) Capital Grants (continued)			
Non-recurrent - Commonwealth Government			
Roads		145	-
Bridges		200	-
Non-recurrent - State Government			
Buildings		394	-
Recreation		6	266
Regional Infrastructure		-	223
Office Equipment		50	-
Roads		687	-
Bridges		342	-
Drainage		183	-
Waste Management		69	-
Other		14	-
Total Non-Recurrent Capital Grants		2,090	489
Total Capital Grants		2,944	2,717
Conditions on Grants			
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:			
		598	565
Net Increase/(Decrease) in Restricted Assets Resulting from Grant Revenues for the Year:			
		(598)	(565)
(c) Unspent Grants received on Condition that they be spent in a Specific Manner:			
Balance at start of year		598	565
Received during the financial year and remained unspent at balance date		371	598
Received in prior years and spent during the financial year		(598)	(565)
Balance at Year End		371	598

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2019	2018
3.5. Contributions			
Monetary Contributions			
Monetary		213	163
Donations		3	-
Total Monetary Contributions		216	163
Non-Monetary Contributions			
Non-Monetary		8	-
Total Non-Monetary Contributions		8	-
Total Contributions		224	163
<i>Contributions of non monetary assets were received in relation to the following asset classes.</i>			
Office Equipment		8	-
Total Non-Monetary Contributions		8	-

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

3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Land and Buildings			
Proceeds of Sale		248	130
Write Down Value of Assets Disposed		(164)	-
Total Net Gain/(Loss) on Disposal of Land and Buildings		84	130
Plant and Equipment			
Proceeds of Sale		374	193
Write Down Value of Assets Disposed		(193)	(255)
Total Net Gain/(Loss) on Disposal of Plant and Equipment		181	(62)
Total Net Gain/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		265	68

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

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 3. Funding for the delivery of our services (continued)

\$ '000	Notes	2019	2018
3.7. Other income			
Interest		208	161
Investment Property Rental		299	241
Reimbursements - Welfare and Children Services		1,900	1,241
Reimbursements - Garbage Collection and Recycling		258	296
Reimbursements - Other		137	163
Other		6	-
Total Other Income		2,808	2,102

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.

Note 4. The cost of delivering services

4.1. (a). Employee costs			
Wages & Salaries		8,768	7,992
Work Cover		188	155
Superannuation		1,004	931
Fringe Benefits Tax		95	91
Annual Leave and Long Service Leave		1,004	1,278
Other Leave		990	863
Salaries Capitalised		(117)	(74)
Other		220	159
Total Employee Costs		12,152	11,395

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2019	2018
4.1. (b). Superannuation			
Council made contributions to the following funds:			
Defined Benefit Fund			
Employer Contributions to Local Authorities Superannuation Fund (Vision Super)		54	53
		<u>54</u>	<u>53</u>
Accumulation Funds			
Employer Contributions to Local Authorities Superannuation Fund (Vision Super)		612	643
Employer Contributions - Other Funds		338	235
		<u>950</u>	<u>878</u>
Employer Contributions Payable at Reporting Date		49	-
		<u>49</u>	<u>-</u>
Total Superannuation Costs		<u>1,004</u>	<u>931</u>

Refer to Note 9.3. for further information relating to Council's superannuation obligations.

Council account for its obligations under the defined benefit fund as if it was a defined contribution plan. The reason for this is that the fund manager, Vision Super, is unable to provide accurate information to each employer in a timely manner.

4.2. Materials and services

Operational Materials	2,041	1,937
Operational Services	3,497	3,021
Contract Payments	486	304
Building Maintenance	100	31
General Maintenance	18	-
Utilities	448	505
Office Administration	317	630
Information Technology	330	275
Insurance	338	288
Consultants	230	265
Contributions	436	252
Bank Charges	32	37
Other	193	-
Total Materials & Services	<u>8,466</u>	<u>7,546</u>

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2019	2018
4.3. Depreciation			
Property			
Land Improvements		97	111
Buildings - Non Specialised		455	455
Building Improvements		43	38
Total Depreciation - Property		595	604
Plant & Equipment			
Plant Machinery & Equipment		875	792
Fixtures Fittings & Furniture		2	2
Computers & Telecomms		231	190
Library Books		60	55
Total Depreciation - Plant & Equipment		1,168	1,039
Infrastructure			
Roads		2,631	2,499
Bridges		234	247
Footways & Cycleways		134	125
Drainage		242	235
Recreation, Parks and Open Spaces		367	316
Waste Management		36	35
Aerodromes		76	76
Kerb and Channel		220	219
Other Infrastructure		171	168
Total Depreciation - Infrastructure		4,111	3,920
Total Depreciation		5,874	5,563

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 4. The cost of delivering services (continued)

\$ '000	Notes	2019	2018
4.4. Bad and doubtful debts			
Rates Debtors		7	27
Children Services		-	2
Fire Hazard		6	11
Local Laws		-	10
Aged and Disabled Services		-	1
Other		3	-
Total Bad & Doubtful Debts		16	51
Movement in provisions for doubtful debts			
Balance at the beginning of the year		230	214
New Provisions recognised during the year		13	47
Amounts already provided for and written off as uncollectible		-	(31)
Balance at end of year		243	230

Provision for doubtful debt is recognised based on an expected credit loss model.

This model considers both historic and forward looking information in determining the level of impairment.

4.5. Borrowing costs

Interest - Borrowings		40	47
Total Borrowing Costs		40	47

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.

4.6. Other expenses

Auditors' Remuneration - VAGO - Audit of the Financial Statements, Performance Statement & Grant Acquitals		53	52
Auditors' Remuneration - Internal		35	24
Councillors' Allowances		201	181
Valuations		10	94
Total Other Expenses		299	351

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position

\$ '000	Notes	2019	2018
5.1. Financial assets			
(a) Cash and cash equivalents			
Cash on Hand		2	2
Cash at Bank		761	619
Term Deposits		6,870	9,640
Total Current Cash & Cash Equivalents		7,633	10,261
(b) Other financial assets			
Term Deposits		4,188	1,602
Total Other Financial Assets		4,188	1,602
External Restrictions			
Councils cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:			
Trust Funds & Deposits	5.3	486	409
Total Restricted Funds		486	409
Total Unrestricted Cash & Cash Equivalents		7,147	9,852
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		2,535	2,352
Grant Monies Received but not yet Expended		371	598
Total Funds Subject to Intended Allocations		2,906	2,950

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

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
5.1. Financial assets (continued)			
(c) Trade and other receivables			
<i>Statutory Receivables</i>			
Rates Debtors		2,092	1,478
Special Rate Assessment		-	70
Infringement Debtors		47	29
Net GST Receivable		229	131
<i>Non-Statutory Receivables</i>			
Other Debtors		1,161	430
Provisions for Doubtful Debts			
Provision for Doubtful Debts - Rates		(161)	(154)
Provision for Doubtful Debts - Infringements		(28)	(22)
Provision for Doubtful Debts - Other Debtors		(54)	(54)
Total Trade & Other Receivables		3,286	1,908

Short term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long term receivables are carried at amortised cost using the effective interest rate method.

a) Ageing of Receivables

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

Current (not yet due)	968	284
Past due by up to 30 days	152	-
Past due between 30 and 60 days	-	73
Past due between 61 and 90 days	-	18
Past due by more than 90 days	41	55
Total Trade & Other Receivables	1,161	430

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
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5.1. Financial assets (continued)

(c) Trade and other receivables (continued)

b) Ageing of Individually Impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$41k (2018: \$54k) were impaired. The amount of the provision raised against these debtors was \$41k (2018: \$54k). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

Past due by more than 1 year	41	54
Total Trade & Other Receivables	41	54

5.2. Non-financial assets

(a) Inventories

Inventories Held for Distribution	1,128	436
Total Inventories	1,128	436

Inventories held for distribution represent gravel stockpiles and are measured at chargeout rates based on gravel extraction, processing and cartage rates.

(b) Other assets

Prepayments	194	152
Accrued Income	33	54
Total Other Assets	227	206

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
5.3. Payables			
(a) Trade and other payables			
Trade Payables		2,141	909
Accrued Expenses		477	414
Other		-	20
Total Trade & Other Payables		2,618	1,343
(b) Trust funds and deposits			
Refundable Deposits		34	65
Fire Services Levy		298	204
Retention Amounts		137	50
Other Refundable Deposits		17	90
Total Trust Funds & Deposits		486	409

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

Purpose and Nature of Items

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

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

Retention Amounts - Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
5.4. Interest-bearing liabilities			
Current			
Borrowings - Secured		108	101
		<u>108</u>	<u>101</u>
Non-Current			
Borrowings - Secured		456	564
		<u>456</u>	<u>564</u>
Total Interest-Bearing Loans & Borrowings		<u>564</u>	<u>665</u>

Borrowings are secured by rates.

a) The Maturity Profile for Council's Borrowings is:

Not later than one year	108	101
Later than one year and not later than five years	403	409
Later than five years	<u>53</u>	<u>155</u>
	<u>564</u>	<u>665</u>

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.

\$ '000	Employee Provisions	Landfill Restoration	Other	Total
5.5. Provisions				
2019				
Balance at the Beginning of the Financial Year	2,873	900	1	3,774
Additional provisions	963	-	2	965
Amounts Used	<u>(845)</u>	<u>-</u>	<u>-</u>	<u>(845)</u>
Balance at the End of the Financial Year	<u>2,991</u>	<u>900</u>	<u>3</u>	<u>3,894</u>
2018				
Balance at the Beginning of the Financial Year	2,869	900	-	3,769
Additional provisions	1,282	-	1	1,283
Amounts Used	<u>(1,278)</u>	<u>-</u>	<u>-</u>	<u>(1,278)</u>
Balance at the End of the Financial Year	<u>2,873</u>	<u>900</u>	<u>1</u>	<u>3,774</u>

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
5.5. Provisions (continued)			
(a) Employee Provisions			
Current Provisions Expected to be wholly Settled within 12 Months			
Annual Leave		781	840
Long Service Leave		458	417
		1,239	1,257
Current Provisions Expected to be wholly Settled after 12 Months			
Annual Leave		226	147
Long Service Leave		1,374	1,251
		1,600	1,398
Total Current Employee Provisions		2,839	2,655
Non-Current			
Long Service Leave		152	218
Total Non-Current Employee Provisions		152	218
Aggregate Carrying Amount of Employee Provisions:			
Current		2,839	2,655
Non-Current		152	218
Total Aggregate Carrying Amount of Employee Provisions		2,991	2,873

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

Wages and salaries and annual leave

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

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

Long service leave

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

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
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5.5. Provisions (continued)

Key assumptions:

- discount rate		1.46%	1.91%
- inflation rate		1.40%	3.88%

(b) Land Fill Restoration

Non-Current		900	900
		<u>900</u>	<u>900</u>

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

Key assumptions:

- discount rate		1.38%	1.91%
- inflation rate		1.40%	3.88%

(c) Other Provisions

Time in Lieu - Current		3	1
		<u>3</u>	<u>1</u>

5.6. Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2019.

Credit Card Facilities		100	100
Loans		564	665
Total Facilities		<u>664</u>	<u>765</u>
Used Facilities		<u>575</u>	<u>665</u>
Total Used Facilities		<u>575</u>	<u>665</u>
Unused Facilities		<u>89</u>	<u>100</u>

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Not later than 1 year	Later than 1 year & not later than 2 years	Later than 2 years & not later than 5 years	Later than 5 years	Total
5.7. Commitments					
2019					
Operating					
Recycling	232	235	27	-	494
Garbage collection	293	297	34	-	624
Street Bins	18	18	2	-	38
Interest on Loans	35	27	44	-	106
Total	578	577	107	-	1,262
Capital					
Recreation & community	937	-	-	-	937
Total	937	-	-	-	937
2018					
Operating					
Recycling	193	198	226	-	617
Garbage collection	286	294	335	-	915
Street Bins	18	18	20	-	56
Interest on Loans	42	35	62	10	149
Office Equipment	8	-	-	-	8
Total	547	545	643	10	1,745
Capital					
Property	591	-	-	-	591
Infrastructure	1,761	-	-	-	1,761
Total	2,352	-	-	-	2,352

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 5. Our financial position (continued)

\$ '000	Notes	2019	2018
5.7. Commitments (continued)			
(a) Operating Lease Commitments			
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):			
Not later than one year		-	8
		-	8

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

Note 6. Assets we manage

6.1. Non current assets classified as held for sale

Cost of Acquisition	-	666
Reclassified as Land	-	(666)
Total Non Current Assets Classified as Held for Resale	-	-

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.

Land acquired and developed to provide industrial estate blocks for sale have, in the past, been recorded as non current assets classified as held for sale. The sale of any industrial land is subject to market forces. As the sale of the land cannot be guaranteed to take place within the next twelve (12) month period the value of this land is no longer recorded in the current assets, this land is now included as part of the property, infrastructure, plant and equipment value shown in non-current assets.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

6.2. Property, Infrastructure, Plant & Equipment

	At Fair Value 30 June 2018	Additions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2019
Summary of property, infrastructure, plant and equipment							
\$ '000							
Property	25,609	870	1,356	(595)	(164)	(791)	26,285
Plant and equipment	5,786	1,365	-	(1,168)	(194)	39	5,856
Infrastructure	164,468	5,372	(1,497)	(4,111)	-	752	164,984
Work in progress	340	938	-	-	-	(87)	1,191
Total	196,203	8,555	(141)	(5,874)	(358)	(87)	198,316

	Opening WIP	Additions	Transfers	Closing WIP
Summary of Work in Progress				
\$ '000				
Property	5	13	(3)	15
Plant and equipment	4	-	(4)	-
Infrastructure	331	925	(80)	1,176
Total	340	938	(87)	1,191

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

6.2. Property, Infrastructure, Plant & Equipment (continued)

Property	Land - Specialised	Land - Non Specialised	Land Improvements - Specialised	Land Improvements - Non Specialised	Land Under Roads	Total Land & Land Improvements	Buildings - Non Specialised	Building Improvements	Total Buildings	Work in Progress	Total Property
\$'000											
At Fair Value 1 July 2018	3,307	1,431	5,045	18	3,800	14,201	24,870	928	25,798	5	40,004
Accumulated Depreciation at 1 July 2018	-	-	(731)	-	-	(731)	(13,493)	(170)	(13,663)	-	(14,390)
Carrying Value - 1 July 2018	3,307	1,431	4,314	18	3,800	13,470	11,377	758	12,128	5	25,614
Movements in Fair Value											
Additions	-	-	6	-	-	6	704	70	682	13	680
Revaluation	(276)	85	54	(2)	-	(139)	1,037	(393)	1,264	-	1,125
Disposal	(104)	-	-	-	-	(104)	-	-	-	-	(104)
Transfers	-	-	(816)	-	-	(816)	-	-	-	(3)	(821)
Total Movements in Fair Value	(460)	85	(756)	(2)	-	(1,113)	2,441	(319)	2,126	10	1,023
Movements in Accumulated Depreciation											
Depreciation and Amortisation	-	-	(97)	-	-	(97)	(455)	(43)	(488)	-	(595)
Revaluation	-	-	(170)	-	-	(170)	376	24	401	-	231
Transfers	-	-	27	-	-	27	-	-	-	-	27
Total Movements in Accumulated Depreciation	-	-	(240)	-	-	(240)	(79)	(19)	(97)	-	(307)
At Fair Value 30 June 2019	2,808	1,516	4,069	16	3,800	13,009	27,311	613	27,924	15	41,028
Accumulated Depreciation at 30 June 2019	-	-	(971)	-	-	(971)	(13,962)	(195)	(13,757)	-	(14,728)
Carrying Value - 30 June 2019	2,808	1,516	3,098	16	3,800	12,038	13,768	418	14,187	15	26,300

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

6.2. Property, Infrastructure, Plant & Equipment (continued)

Plant & Equipment	Plant Machinery & Equipment	Fadures Fittings & Furniture	Computers & Telecomms	Library Books	Work In Progress	Total Plant & Equipment
\$ '000						
At Fair Value 1 July 2018	9,530	110	2,492	1,296	4	13,432
Accumulated Depreciation at 1 July 2018	(5,140)	(101)	(1,704)	(697)	-	(7,642)
Carrying Value - 1 July 2018	4,390	9	788	599	4	5,790
Movements in Fair Value						
Additions	1,152	-	143	90	-	1,385
Contributions	8	-	-	-	-	8
Disposal	(1,259)	-	(650)	-	-	(1,949)
Transfers	43	-	-	-	(4)	39
Total Movements in Fair Value	(96)	-	(507)	90	(4)	(517)
Movements in Accumulated Depreciation						
Depreciation and Amortisation	(875)	(2)	(231)	(60)	-	(1,168)
Accumulated Depreciation of Disposals	1,114	-	641	-	-	1,755
Transfers	(4)	-	-	-	-	(4)
Total Movements in Accumulated Depreciation	235	(2)	410	(60)	-	583
At Fair Value 30 June 2019	9,436	110	1,985	1,386	-	12,917
Accumulated Depreciation at 30 June 2019	(4,907)	(103)	(1,294)	(757)	-	(7,061)
Carrying Value - 30 June 2019	4,529	7	691	629	-	5,856

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

6.2. Property, Infrastructure, Plant & Equipment (continued)

Substructure	Roofs	Bridges	Footpaths and Cyclways	Drainage	Recreation Parks & Open Spaces	Waste Management	Aerodromes	Levees and Channel	Other Infrastructure	Work In Progress	Total Infrastructure
\$ '000											
At Fair Value 1 July 2018	170,448	23,082	10,190	18,817	22,154	3,234	4,312	17,607	9,639	331	279,742
Accumulated Depreciation at 1 July 2018	(70,198)	(7,849)	(3,130)	(8,883)	(8,593)	(821)	(1,934)	(7,208)	(6,308)	-	(119,841)
Carrying Value - 1 July 2018	100,250	15,233	7,060	9,934	13,561	2,413	2,378	10,400	3,331	331	159,901
Movements in Fair Value											
Additions	2,837	682	181	83	728	590	-	114	107	925	6,207
Revaluation	-	-	-	-	(2,895)	(858)	178	-	4,382	-	1,472
Transfers	144	-	304	327	-	-	-	-	-	(80)	695
Total Movements in Fair Value	3,081	682	485	410	(1,967)	(68)	178	114	4,689	845	8,464
Movements in Accumulated Depreciation											
Depreciation and Amortisation	(2,031)	(234)	(136)	(242)	(367)	(36)	(79)	(220)	(171)	-	(4,111)
Revaluation	-	-	(18)	(7)	184	(10)	101	-	(3,283)	-	(2,889)
Transfers	-	-	(190)	(248)	(173)	(46)	25	(220)	-	-	(7,102)
Total Movements in Accumulated Depreciation	(2,031)	(234)	(154)	(257)	(256)	(92)	(53)	(415)	(3,454)	-	(10,555)
At Fair Value 30 June 2019	173,538	23,684	10,441	10,227	20,283	3,146	4,400	17,211	14,318	1,176	288,203
Accumulated Depreciation at 30 June 2019	(72,888)	(8,683)	(3,389)	(9,132)	(9,789)	(647)	(1,806)	(7,450)	(9,782)	-	(132,642)
Carrying Value - 30 June 2019	100,650	15,001	7,052	11,095	10,494	2,499	2,594	9,761	4,536	1,176	155,561

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

\$ '000

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

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 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.

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.

<i>Asset recognition thresholds and depreciation periods</i>	Depreciation Period years	Threshold Limit \$ '000
Land and Land Improvements		
Land	Not depreciated	2,000
Land Improvements	40 - 50	5,000
Buildings		
Buildings	50	5,000
Building and Leasehold Improvements	50	5,000
Plant and Equipment		
Plant, Machinery and Equipment	2 - 25	2,000
Fixtures, Fittings and Furniture	2 - 10	2,000
Computers and Telecommunications	2 - 10	2,000
Library Books	15 - 20	1,000
Infrastructure		
Roads	15 - 25	10,000
Roads - Kerb, Channel and Minor Culverts	80	5,000
Bridges	100	5,000
Footpaths and Cycleways	20 - 40	5,000
Drainage	80	10,000
Aerodromes	40 - 90	5,000
Recreational, Leisure and Community Facilities	40 - 90	5,000
Waste Management	40 - 90	5,000
Parks, Open Space and Streetscapes	40 - 90	5,000

FINANCIAL STATEMENTS

Gannawarra Shire Council

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

 \$ '000

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

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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

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

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

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

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

Repairs and maintenance

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.

Valuation of Land and Buildings

Valuation of land and buildings were undertaken by a qualified independent valuer LG Valuation Services Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

FINANCIAL STATEMENTS

Gannawarra Shire Council

Notes to the Financial Report
for the year ended 30 June 2019

Note 6. Assets we manage (continued)

\$ '000

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

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

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of valuation	Level 1	Level 2	Level 3
Land	30/06/19	-	1,516	2,868
Land Improvements	30/06/19	-	16	3,918
Land Under Roads	30/01/18	-	-	3,800
Buildings	30/06/19	-	-	13,749
Building Improvements	30/06/19	-	-	418
Total		-	1,532	24,753

Valuation of Infrastructure

Valuation of infrastructure assets has been determined in accordance with an independent valuation undertaken by LG Valuation Services Pty Ltd. for land and buildings including those held within infrastructure categories and other infrastructure by Council staff using confirm software.

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

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

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Date of valuation	Level 1	Level 2	Level 3
Roads	30/06/18	-	-	100,703
Bridges	30/06/18	-	-	15,601
Footpaths & Cycleways	30/06/16	-	-	7,352
Drainage	30/06/16	-	-	10,115
Recreational, Leisure & Community Facilities	30/06/19	-	-	11,483
Waste Management	30/06/19	-	-	2,319
Aerodromes	30/06/19	-	-	2,591
Kerb and Channel	30/06/16	-	-	10,295
Other Infrastructure	30/06/19	-	-	4,526
Total		-	-	164,985

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 6. Assets we manage (continued)

\$ '000

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

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 20% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Current land values range between \$10 and \$413 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 is calculated on a square metre basis and ranges from \$196 to \$4,320 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 50 years to 100 years. 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 and vary from 15 years to 100 years. 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.

Land Under Roads

Land under roads 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.

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 6. Assets we manage (continued)

\$ '000	2019	2018
6.2. Property, infrastructure, plant and equipment (continued)		
Reconciliation of Specialised Land		
Land	1,516	1,431
Land Improvements	16	18
Land under Roads	3,800	3,800
Total Specialised Land	5,332	5,249

6.3. Investment property

Balance at Beginning of Financial Year	1,152	-
Additions	-	771
Fair Value Adjustments	-	381
Balance at End of Financial Year	1,152	1,152

Investment property is held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the comprehensive income statement in the period that they arise.

Valuation of investment property

Valuation of investment property has been determined in accordance with an independent valuation by LG Valuation Services Pty Ltd. who has recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property as at 1 July 2017.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 7. People and relationships

\$ '000	2019	2018
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7.1. Council and key management remuneration

(a) Related Parties

Parent entity

Gannawarra Shire Council is the parent entity.

Subsidiaries and Associates

Mystic Park Cemetery Trust has not been consolidated into the accounts of the parent entity as the level of transactions are immaterial.

(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 Gibson (Mayor 2016/2018) Councillor Mark Arians Councillor Lorraine Learmonth (Mayor 2018/2019) Councillor Charlie Gillingham Councillor Sonia Wright Councillor Steven Tasker Councillor Jodie Basile Chief Executive Officer Director - Corporate Services (1/7/2018 - 8/8/2018) Director - Corporate Services (19/11/2018 - 30/6/2019) Director - Community Wellbeing Director - Infrastructure and Development Manager - Governance (9/8/2018 -18/11/2018)		
Total Number of Councillors		7 7	
Total of Chief Executive Officer and other Key Management Personnel		6 8	
Total Number of Key Management Personnel		<u>13</u> <u>15</u>	

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 7. People and relationships (continued)

\$ '000	2019	2018
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7.1. Council and key management remuneration (continued)

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

Short-term benefits	913	867
Long-term benefits	13	56
Total	926	923

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

	No.	No.
\$20,000 - \$29,999	6	7
\$40,000 - \$49,999	3	2
\$60,000 - \$69,999	-	2
\$100,000 - \$109,999	1	1
\$130,000 - \$139,999	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$220,000 - \$229,999	1	-
	13	15

(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 \$148,000

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

Income Range:	No.	No.
\$130,000 - \$139,999	1	-
\$100,000 - \$119,999	-	1
	1	1

Total Remuneration for the reporting year for Senior Officers included above amounted to*:	\$ '000	\$ '000
	132	115

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 7. People and relationships (continued)

\$ '000

7.2. Related party disclosure

(a) Transactions with Related Parties

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

Nil

(b) Outstanding Balances with Related Parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Nil

(c) Loans to/from Related Parties

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

Nil

(d) Commitments to/from Related Parties

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

Nil



FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 8. Managing uncertainties

\$ '000

8.1. Contingent assets and liabilities

Operating Lease Receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:	2019 \$ '000	2018 \$ '000
Not later than one year	196	285
Later than one year & not later than five years	214	389
Later than five years	108	106
	<u>518</u>	<u>780</u>

Contingent Liabilities

Superannuation

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.

Future superannuation contributions

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$55k.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.1. Contingent assets and liabilities (continued)

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

Bank Guarantees

The following bank guarantee is held by Council for contract works being undertaken:

	Start Date	Amount \$ '000
Primal Surfacing Pty Ltd CP 278 - Sealed Road Surfacing 1516	10/03/2016	21

Insurance claims

Council is unaware of any major insurance claims that could have a material impact on future operations.

Legal matters

Council is unaware of any major legal matters that could have a material impact on future operations.

Building cladding

Council is unaware of any potential contingents that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

Liability Mutual Insurance (where applicable)

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.



FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.1. Contingent assets and liabilities (continued)

(a) Guarantees for Loans to Other Entities

The amount disclosed for financial guarantee in this note is the amount determined by the Environment Protection Authority to cover the Council's landfill rehabilitation requirements.

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.

Guarantees

The following Bank Guarantee is held by State of Victoria - Environment Protection Authority on behalf of Council:

	Start Date	Amount \$ '000
Kerang Landfill Financial Assurance	11/04/2013	247

8.2. Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

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

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income. At 30 June 2019 grants totalling \$371k remained unspent. The amount unspent is in respect to 8 individual projects. Future timing of the recognition of grants will address any issues in relation to unspent grants.

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

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.2. Change in accounting standards (continued)

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). As Council has not entered into any lease agreements for 2019/2020 or future years there will be no transition adjustment required.

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

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 *Contributions* and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

8.3. Financial instruments

(a) Objectives & 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 Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.3. Financial instruments (continued)

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.

Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure 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 rates.

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

- diversification of investment product;
- monitoring of return on investment; and
- 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 Council to make a financial loss. Council has exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council has a policy for establishing credit limits for the entities Council deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in Council's 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.

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.3. Financial instruments (continued)

(c) Credit Risk (continued)

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

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.

(d) Liquidity Risk

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

To help reduce these risks Council:

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

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

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

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.

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.3. Financial instruments (continued)

(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 - 2%.

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

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

Fair Value Hierarchy

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

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

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

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

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 8. Managing uncertainties (continued)

\$ '000

8.4. Fair value measurement (continued)

Fair Value Hierarchy (continued)

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, 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 of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal 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

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

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 9. Other matters

\$ '000	Balance at Beginning of Reporting Period	Increment (Decrement)	Transfers to Accumulated Surplus	Balance at End of Reporting Period
9.1. Reserves				
(a) Asset Revaluation Reserves				
2019				
Property				
Land & Land Improvements	997	(307)	-	690
Buildings	4,015	1,663	-	5,678
	<u>5,012</u>	<u>1,356</u>	<u>-</u>	<u>6,368</u>
Infrastructure				
Roads	90,320	-	-	90,320
Bridges	6,659	-	-	6,659
Footpaths & Cycleways	3,448	-	-	3,448
Drainage	4,610	-	-	4,610
Recreation, Parks and Open Spaces	3,628	(2,435)	-	1,193
Waste Management	739	(668)	-	71
Aerodromes	696	279	-	975
Other Infrastructure	1,565	1,329	-	2,894
Kerb and Channel	3,733	-	-	3,733
	<u>115,398</u>	<u>(1,496)</u>	<u>-</u>	<u>113,902</u>
Total Asset Revaluation Reserves	<u>120,410</u>	<u>(141)</u>	<u>-</u>	<u>120,269</u>
2018				
Property				
Land & Land Improvements	1,232	-	(235)	997
Buildings	4,551	-	(536)	4,015
	<u>5,783</u>	<u>-</u>	<u>(771)</u>	<u>5,012</u>
Infrastructure				
Roads	86,996	3,324	-	90,320
Bridges	6,227	432	-	6,659
Footpaths & Cycleways	3,448	-	-	3,448
Drainage	4,610	-	-	4,610
Recreation, Parks and Open Spaces	3,628	-	-	3,628
Waste Management	739	-	-	739
Aerodromes	696	-	-	696
Other Infrastructure	1,565	-	-	1,565
Kerb and Channel	3,733	-	-	3,733
	<u>111,642</u>	<u>3,756</u>	<u>-</u>	<u>115,398</u>
Total Asset Revaluation Reserves	<u>117,425</u>	<u>3,756</u>	<u>(771)</u>	<u>120,410</u>

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

A reallocation of the land and building asset revaluation reserves has been made to reflect prior year asset revaluation movements in respect to recreation, parks and open spaces, waste management, aerodromes and other infrastructure. For comparison purposes the reallocation has been reflected in 2018 with subsequent movements shown in 2019.

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019

Note 9. Other matters (continued)

\$ '000	Notes	2019	2018
9.2. Reconciliation of cash flows from operating activities to surplus			
Surplus for the Year		2,917	4,276
Depreciation/Amortisation		5,874	5,563
Profit/(Loss) on Disposal of Property, Infrastructure, Plant & Equipment		(265)	(109)
Fair Value Adjustments for Investment Property		-	(381)
Contributions - Non-monetary Assets		(8)	-
Borrowing Costs		40	47
(Increase)/Decrease in Assets not Previously Recognised		15	-
Change in Assets & Liabilities:			
(Increase)/Decrease in Trade & Other Receivables		(1,378)	124
(Increase)/Decrease in Inventories		(692)	218
(Increase)/Decrease in Prepayments		(42)	-
Increase/(Decrease) in Accrued Income		21	-
Increase/(Decrease) in Other Assets		-	(41)
Increase/(Decrease) in Trade & Other Payables		1,275	669
Increase/(Decrease) in Provisions		121	4
(Decrease)/Increase in Other Liabilities		77	23
Net Cash Provided by/(used in) Operating Activities		7,965	10,393

Reconciliations of Cash & Cash Equivalents

Cash & Cash Equivalents	16	7,633	10,261
Less Bank Overdraft	29	-	-
		7,633	10,261

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 Operating Statement when they are made or due.

Accumulation

The Fund's accumulation categories 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 2019, this was 9.5% as required under Superannuation Guarantee legislation).

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 9. Other matters (continued)

\$ '000

9.3. Superannuation (continued)

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. 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. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

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

Funding Arrangements

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

As at 30 June 2018, 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 106.0%. 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 2019 was 107.1%

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

FINANCIAL STATEMENTS

Notes to the Financial Report

for the year ended 30 June 2019

Note 9. Other matters (continued)

\$ '000

9.3. Superannuation (continued)

Employer Contributions

Regular Contributions

On the basis of the results of the 2019 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018). This rate will increase in line with any increases in the SG contribution rate. In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding Calls

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

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

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

The 2018 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 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

A VBI surplus of \$131.9m 2018 (\$69.8m 2017)

A total service liability surplus of \$218.3m 2018 (\$193.5m 2017)

A discounted accrued benefits surplus of \$249.1m 2018 (\$228.8m 2017)

FINANCIAL STATEMENTS

Notes to the Financial Report
for the year ended 30 June 2019**Note 9. Other matters** (continued)

\$ '000

9.3. Superannuation (continued)

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 2018. Council was notified of the 30 June 2019 VBI during August 2019.

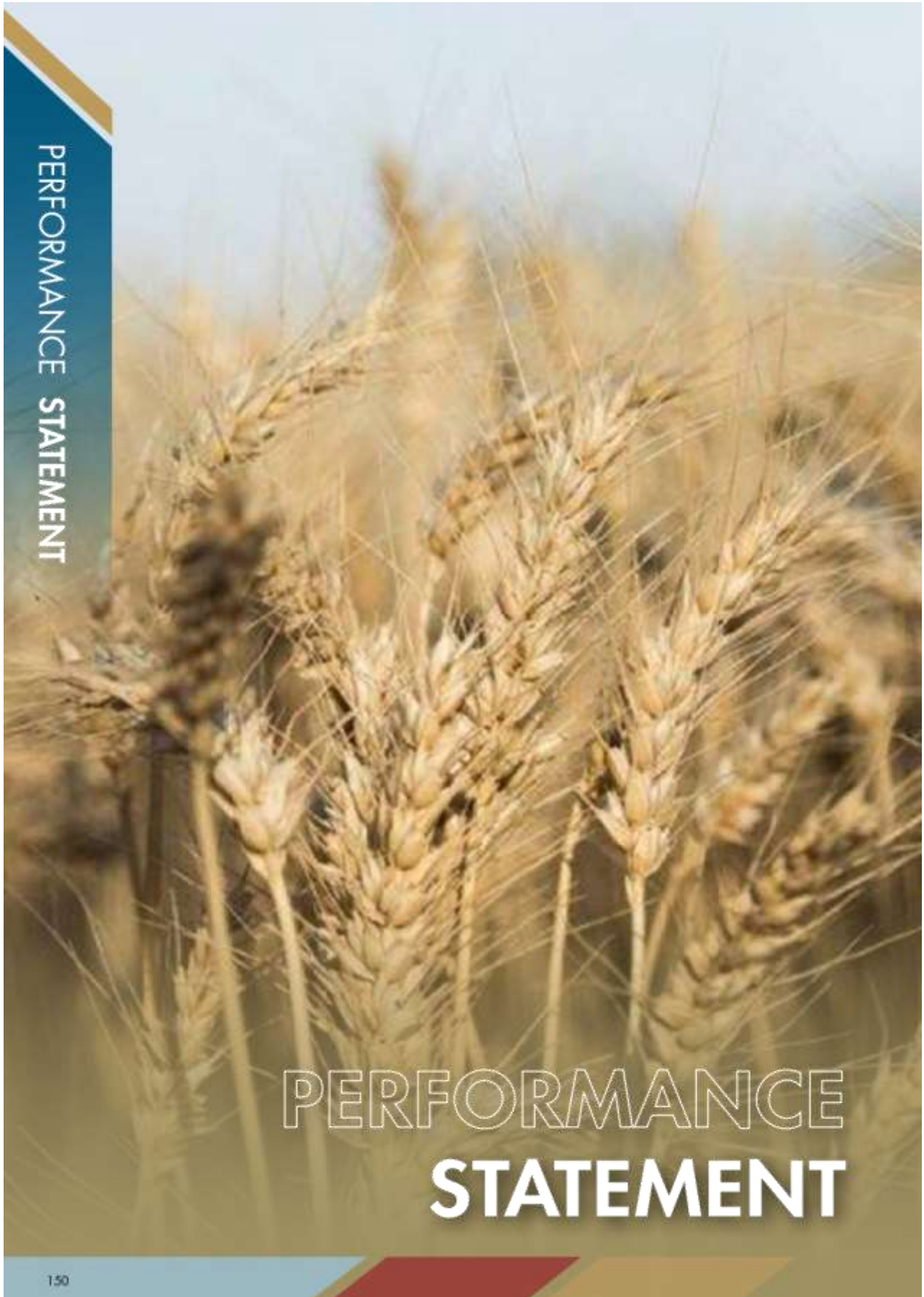
2018 interim actuarial investigation

An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in October 2019.

FINANCIAL STATEMENTS



FINANCIAL STATEMENTS



PERFORMANCE STATEMENT

GANNAWARRA SHIRE COUNCIL PERFORMANCE STATEMENT 2019 FOR THE YEAR ENDED 30 JUNE 2019

DESCRIPTION OF MUNICIPALITY

The Gannawarra is a region loaded with natural features- our rivers, lakes, swamps, marshes and wetlands, all surrounded by majestic forests.

These special natural places of interest in the Gannawarra are all within a three-hour drive from Melbourne and around one hour from the neighbouring centres of Swan Hill, Echuca and Bendigo.

Our Mediterranean climate has seen us take advantage of the sun for renewable energy activity – in fact the Gannawarra is home to the largest integrated solar and battery storage facility in Australia!

Our primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert, Macorna and Mystic Park, making up a population of 10,549, covering 3,736 square kilometres.

Gannawarra is a place of strong community pride where our communities inspire each other to make the Gannawarra a great place to live, visit and do business.

SUSTAINABLE CAPACITY INDICATORS

For the year ended 30 June 2019

Indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Population					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,419.00	\$2,551.94	\$2,362.30	\$2,573.34	This result is attributed to increased costs in the Children's Services and Community Care areas.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$17,780.92	\$17,916.84	\$17,299.35	\$17,654.12	This result is attributed to an increase in the value of Council's property, plant and equipment.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	4.41	4.38	4.65	4.64	Council road lengths and population have remained stable.
Own-source revenue					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,544.07	\$1,664.35	\$1,709.80	\$1,711.77	Own source revenue per head of population has remained stable.
Recurrent grants					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$764.05	\$1,207.84	\$983.53	\$919.50	An increase in the Financial Assistance Grant has bolstered this ratio.
Disadvantage					
<i>Relative socio-economic disadvantage</i> Index of Relative Socio-Economic Disadvantage by decile	3.00	3.00	3.00	3.00	There has been no change in Council's Relative Socio-Economic Disadvantage.

PERFORMANCE STATEMENT

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 above

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

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

“population” means the resident population estimated by council

“own-source revenue” means 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 for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

“unrestricted cash” means all cash and cash equivalents other than restricted cash.

PERFORMANCE STATEMENT

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Aquatic facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	2.72	2.58	2.52	4.61	In 2018/19 Council implemented a new Learn to Swim program for young children which resulted in a significant increase in the utilisation of Council's indoor aquatic facility. Council also recorded a significant increase in outdoor aquatic facilities due to the implementation of a new attendance recording system.
Animal management					
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	7.00	0.00	0.00	2.00	There were two successful prosecutions in 2018/19 involving dog attacks.
Food safety					
Health and safety					
<i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100.00%	100.00%	0.00%	0.00%	There were no critical or major non-compliance outcome notifications for the 2018 year.

PERFORMANCE STATEMENT

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
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Governance

Satisfaction

<p><i>Satisfaction with Council decisions</i></p> <p>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	59.00	60.00	54.00	52.00	A two-point reduction in satisfaction with Council decisions was recorded in the 2019 Community Satisfaction Survey. A community engagement health check was conducted in February 2019 with a range of recommendations noted for consideration. In addition, a review of Council's Communication and Engagement Strategy is now underway which will provide strategies to better communicate its decisions and decision making framework to the community.
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Home and Community Care

Participation

<p><i>Participation in HACC service</i></p> <p>[Number of people that received a HACC service / Municipal target population for HACC services] x100</p>	54.50%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
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Participation

<p><i>Participation in HACC service by CALD people</i></p> <p>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</p>	15.73%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
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Libraries

Participation

<p><i>Active library members</i></p> <p>[Number of active library members / Municipal population] x100</p>	19.45%	20.01%	18.44%	16.75%	Whilst Council has experienced a reduction in active members, the Gannawarra Library Service is engaging with the community through programs including 1000 Books Before School and Kindergarten visits to encourage reading and library membership.
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PERFORMANCE STATEMENT

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Maternal and Child Health					
Participation					
<p><i>Participation in the MCH service</i></p> <p>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</p>	79.19%	77.40%	77.49%	70.95%	Council's Maternal and Child Health Service has a concentrated focus in reaching all children across the Shire. Whilst results show a decrease in participation, in December 2018 Council transitioned to a new record system for Maternal and Child Health. The service provider advised that difficulties in transitioning to this system affected the reporting of participation data in a number of local government areas.
<p><i>Participation in the MCH service by Aboriginal children</i></p> <p>[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</p>	69.49%	55.56%	54.39%	61.90%	A concerted effort has been made to engage Aboriginal families which has resulted in an increase in participation.
Roads					
Satisfaction					
<p><i>Satisfaction with sealed local roads</i></p> <p>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</p>	54.00	51.00	46.00	50.00	There has been an increased focus in maintaining our local sealed network which has contributed to an increase in community satisfaction.
Statutory Planning					
Decision making					
<p><i>Council planning decisions upheld at VCAT</i></p> <p>[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</p>	0.00%	100.00%	100.00%	0.00%	No appeals were held by VCAT during the last financial year.

PERFORMANCE STATEMENT

SERVICE PERFORMANCE INDICATORS

For the year ended 30 June 2019

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Waste Collection					
Waste diversion					
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	43.70%	44.21%	41.48%	42.16%	An increase in kerbside green waste collection has contributed to the kerbside collection waste diverted from landfill.

DEFINITIONS

“Aboriginal child” means a child who is an Aboriginal person
 “Aboriginal person” has the same meaning as in the *Aboriginal Heritage Act 2006*
 “active library member” means a member of a library who has borrowed a book from the library
 “annual report” means an annual report prepared by a council under Sections 131, 132 and 133 of the Act
 “CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
 “class 1 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under Section 19C of that Act
 “class 2 food premises” means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under Section 19C of that Act
 “Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
 “critical non-compliance outcome notification” means a notification received by council under Section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health
 “food premises” has the same meaning as in the *Food Act 1984*
 “HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

“HACC service” means home help, personal care or community respite provided under the HACC program
 “local road” means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*
 “major non-compliance outcome notification” means a notification received by a council under Section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
 “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
 “population” means the resident population estimated by Council
 “target population” has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth
 “WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2019

Dimension/ indicator/measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Efficiency									
Revenue level									
Average residential rate per residential property assessment	\$1,203.49	\$1,228.84	\$1,158.40	\$1,272.31	\$1,307.92	\$1,318.91	\$1,345.18	\$1,372.09	Increases expected to be in line with ESC rate capping.
[Residential rate revenue / Number of residential property assessments]									
Expenditure level									
Expenses per property assessment	\$3,621.39	\$3,771.59	\$3,564.71	\$3,877.29	\$3,994.86	\$4,075.14	\$4,141.43	\$4,224.29	The number of assessments is anticipated to remain fairly constant while most costs are moving in line with market forces. The minimal increase per assessment is within acceptable levels.
[Total expenses / Number of property assessments]									
Workforce turnover									
Resignations and terminations compared to average staff	19.81%	7.90%	3.98%	13.65%	10.00%	10.00%	10.00%	10.00%	Resignations have increased by over 50% this year from 17 to 26. There have been no specific trends or drivers identified. Figures reported in 2017/18 were incorrect due to a system error. There were 17 resignations and terminations in 2017/18.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100									

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS
For the year ended 30 June 2019

Dimension/ indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Liquidity									
Working capital									
Current assets compared to current liabilities [Current assets / Current liabilities] x100	236.11%	310.48%	319.72%	272.15%	291.39%	290.27%	289.60%	291.77%	Position sound and aided by the increase in cash due to the early payment of the Financial Assistance Grant. There is an increase in Trade Creditors mainly due to two contract payments totalling \$926k for works carried out prior to 30 June however not paid until July.
Unrestricted cash									
Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	137.38%	193.20%	153.11%	70.05%	189.94%	187.94%	186.65%	190.56%	Extra funds shown in Other Financial Assets has reduced cash and other cash equivalents, lowering this ratio. As trust funds and deposits are excluded in unrestricted cash for performance reporting, a variance may exist between forecast budget and forecast performance reporting.
Obligations									
Asset renewal									
Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	114.53%	125.57%	92.72%	99.11%	110.35%	99.92%	87.95%	86.96%	Asset expenditure in the current year was mainly renewal 68% and new 22%. The extra in the new criteria is due to particular grant funding obtained.

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS

For the year ended 30 June 2019

Dimension/ indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [(Interest bearing loans and borrowings / Rate revenue] x100	8.06%	6.35%	5.39%	4.42%	3.48%	2.56%	1.84%	1.11%	Council has a low level of debt and did not borrow in the 2018/19 year. Therefore the debt is reducing and rates income is increasing in line with the rate cap.
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i> [(Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	3.54%	1.87%	1.15%	1.11%	1.08%	1.08%	0.81%	0.78%	Council has a low level of debt and did not borrow in the 2018/19 year. Therefore the debt repayment schedule is reducing and rates income is increasing in line with the rate cap.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	12.24%	10.77%	9.31%	8.35%	9.02%	8.44%	7.91%	7.37%	Council has a low level of debt and there was a small decrease in long term provisions, which meant this ratio is reduced. An incremental increase in provisions is forecast in future years.

PERFORMANCE STATEMENT

FINANCIAL PERFORMANCE INDICATORS
For the year ended 30 June 2019

Dimension/ indicator / measure	Results					Forecasts			Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit)	-2.92%	12.56%	13.18%	2.96%	2.94%	4.37%	4.89%	5.07%	The underlying surplus for the current year and the adjusted underlying revenue was assisted by the early payment of the Financial Assistance Grant. In future years a full year of this grant is forecast, which means this ratio is constant and cash is bolstered by the early payment.
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100									
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue	49.12%	41.30%	42.92%	46.09%	45.43%	44.47%	44.60%	44.74%	Rates compared to adjusted underlying revenue remains constant due to rate capping.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.77%	0.77%	0.80%	0.76%	0.76%	0.75%	0.74%	0.74%	Rates compared to property values remains constant due to rate capping.
[Rate revenue / Capital improved value of rateable properties in the municipality] x100									

PERFORMANCE STATEMENT

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 above

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

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

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

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

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

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

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

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

"population" means the resident population estimated by Council

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

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

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

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

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

BASIS OF PREPARATION

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

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

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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan on 26 June 2019 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 be obtained by contacting council.

PERFORMANCE STATEMENT

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*.

Sid Hutchinson, DipAcc

Principal Accounting Officer

Dated: *(Date)*

In our opinion, the accompanying performance statement of the *(council name)* for the year ended 30 June 2019 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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 Lorraine Learmonth

Councillor

Dated: *18 September 2019*

Cr Charlie Gillingham

Councillor

Dated: *18 September 2019*

Tom O'Reilly

Chief Executive Officer

Dated: *18 September 2019*

PERFORMANCE STATEMENT

PERFORMANCE STATEMENT



GLOSSARY

GLOSSARY

ADVOCACY - Lobbying for the needs of the community through reasoned argument to the relevant authorities.

ASSET - A physical component of a facility that has a value, enables a service to be provided and has an economic life greater than 12 months. Roads, halls and footpaths are assets.

ASSET MANAGEMENT - The processes by which Council collects and maintains a comprehensive database of asset conditions and uses this information to prioritise works funding and maintain existing assets at desired condition levels.

BUSINESS EXCELLENCE FRAMEWORK - A framework or foundation used to create an environment for continuous improvement that leads to sustainable organisational success.

CAPITAL WORKS - Work undertaken to either renew, upgrade, or construct assets owned by the Gannawarra community. Renewal capital works extend the functional use of an existing asset by complete or part refurbishment or replacement. These works are usually carried out on an asset which is deteriorating to an unacceptable service level. Upgrade capital works intentionally improve the level of service provided by an existing asset, due to performance requirements having increased beyond current capacity.

CODES OF CONDUCT - Statements of how the Councillors and/or staff will interact and work with colleagues and the community.

COMMUNITY PLAN - Plan developed by a community that outlines the community's priorities.

COMMUNITY SATISFACTION SURVEY - An independent annual survey of community satisfaction, jointly sponsored by the Department of Environment, Land, Water and Planning (DELWP) and local governments.

CONTINUOUS IMPROVEMENT - Process of ensuring that review and improvement practises are built into operational activities.

COUNCIL PLAN 2017-2021 - Plan written to guide Council's activities for a four-year period. Details the strategic directions and objectives for the municipality, and underpins all the decision making processes, policies and procedures of Council.

DEPRECIATION AND AMORTISATION - An expense which recognises the value of a fixed asset as it is used up over time.

EMPLOYEE BENEFITS - Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax, Work Cover and redundancy payments.

EQUITY - Residual interest in the assets of Council after the deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.

EXPENSE - An outgoing payment made by Council.

GOVERNANCE - How Council operates as a decision making body, its relationship with the administration, and the ways that Council engages with its community in this process.

INFRASTRUCTURE - Physical assets required to enable the community to be connected and operational. This includes roads, drains, footpaths and public open spaces as well as public facilities and buildings.

LIABILITIES - Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.

REVENUE - The amount of money that Council actually receives from its activities, mainly from rates, grants and services provided to customers and ratepayers.

RISK MANAGEMENT - Discipline for developing appropriate procedures to reduce the possibility of adverse effects from future events.

ROAD MANAGEMENT PLAN/ROAD ASSET MANAGEMENT PLAN - Plan developed to establish a management system for the public road functions that are the responsibility of the Council. The management system is based on policy and operational objectives and at the same time recognises resource limitations in undertaking the necessary levels of service and performance standards outlined in the plan.

WARDS - The geographical area of Gannawarra Shire is broken into four electoral divisions named wards. Each ward has elected representatives.

ABBREVIATIONS & ACRONYMS

ABBREVIATIONS & ACRONYMS

AAS	Australian Accounting Standard	MAV	Municipal Association of Victoria
CALD	Culturally and linguistically diverse	MCH	Maternal and Child Health
CBD	Central Business District	MDAS	Mallee District Aboriginal Services
CEO	Chief Executive Officer	MRGC	Murray River Group of Councils
CHSP	Commonwealth Home Support Program	NAIDOC	National Aboriginal and Islander Day Observance Committee
CPI	Consumer Price Index	NBN	National Broadband Network
CR	Councillor	NCCMA	North Central Catchment Management Authority
DHHS	Department of Health and Human Services	NDCH	Northern District Community Health
EFT	Equivalent Full Time	NDIS	National Disability Insurance Scheme
EPA	Environmental Protection Agency	OHS	Occupational Health and Safety
ESC	Essential Services Commission	VAGO	Victorian Auditor-General's Office
FTE	Full-time equivalent		
GLAM	Gannawarra Local Agency Meeting		
GNETS	Gannawarra Non-Emergency Transport Service		
HACC	Home and Community Care		
KM	Kilometres		
LGPRF	Local Government Performance Reporting Framework		
LGPRO	Local Government Professionals		
LGV	Local Government Victoria		



ZANJAWARRA SHIRE COUNCIL

ANNUAL REPORT 2018/19



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