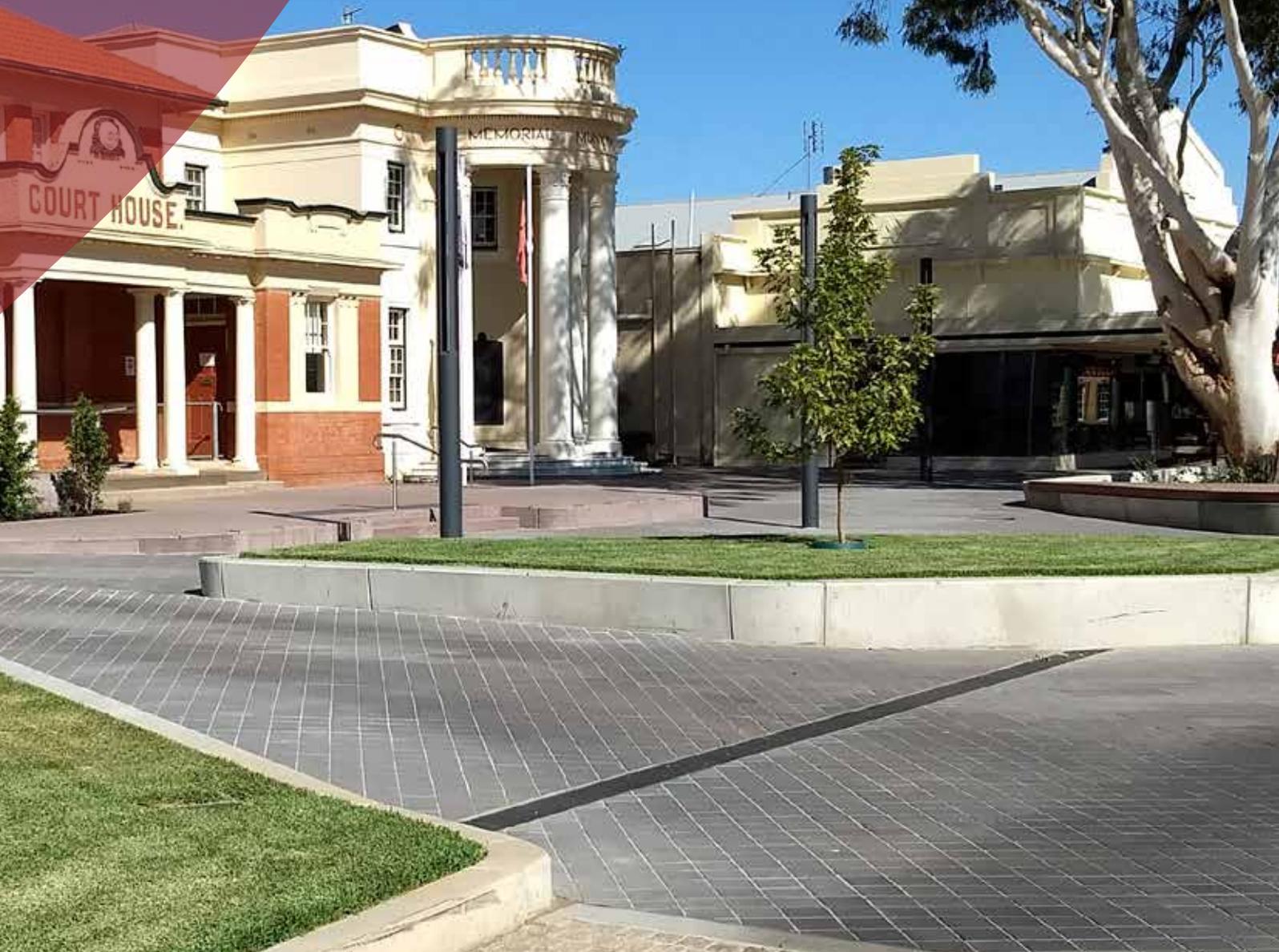




GANNAWARRA
Shire Council



ANNUAL REPORT 2018

KERANG | COHUNA | KOONDROOK | LAKES DISTRICT | MURRABIT & DISTRICT |
LEITCHVILLE | LALBERT | QUAMBATOOK | MACORNA | TRAGOWEL



ABOUT COUNCIL **4**

VISION, MISSION, VALUES 5

ABOUT GANNAWARRA 6

GANNAWARRA QUICK STATS 7

YEAR IN REVIEW **9**

OUR CHALLENGES AND OPPORTUNITIES 14

MAYOR'S MESSAGE 16

CEO MESSAGE 18

COMMUNITY SATISFACTION 20

FINANCE MESSAGE 22

DESCRIPTION OF OPERATIONS 24

MAJOR GRANTS RECEIVED 26

EVENTS THAT COUNCIL DELIVERED/
PARTNERED WITH THE COMMUNITY ON 28

OUR COUNCIL 30

OUR WORKPLACE 36

**REPORT OF OPERATIONS
– OUR PERFORMANCE** **43**

PRIORITY AREA 1: CONNECTIVITY 46

PRIORITY AREA 2: ECONOMIC DIVERSITY,
GROWTH AND PROSPERITY 49PRIORITY AREA 3: SUSTAINABLE NATURAL
AND BUILT ENVIRONMENTS 52PRIORITY AREA 4: GOOD GOVERNANCE
AND A HEALTHY ORGANISATION 58PRIORITY AREA 5: STRONG HEALTHY
COMMUNITIES 63

GOVERNANCE **73**GOVERNANCE AND
MANAGEMENT CHECKLIST 79

STATUTORY INFORMATION 84

FINANCIAL STATEMENTS **87**

FINANCIAL STATEMENTS 87

PERFORMANCE STATEMENT 133

GLOSSARY **149**

**ABBREVIATIONS AND
ACRONYMS** **150**

WELCOME TO GANNAWARRA SHIRE COUNCIL'S ANNUAL REPORT 2017/18

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 2017/18 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.

Gannawarra Shire Council acknowledges the traditional custodians of the land and pays its respect to Elders past and present.

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.



ABOUT GANNAWARRA

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

Our water and sensational climate attracts visitors and locals out to play. Popular water sports such as skiing, swimming, canoeing and sailing are a major draw-card. It is also a perfect destination for more leisurely nature based activities; camping, fishing, bush walking or just relaxing on the riverbank.

With 57 lakes, swamps and marshes, our region forms one of Australia’s largest and most important wetlands. The significance of our wetlands is internationally recognised through their listing under the Ramsar Convention – the only organisation in the world dedicated to the protection of wetland biodiversity. We are also home to Gunbower Island, the largest inland island in Australia.

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 Australia’s largest integrated solar farm and battery storage facility. Although agriculture remains a significant and diverse industry, we are proud that solar is playing a major role in diversifying our economic base.

Gannawarra is also a place of strong community pride where our communities motivate and inspire each other to make ‘The Gannawarra’ a great place to live, visit and do business. Our People, our Place and our Pride ensure that Gannawarra continues as a fantastic place to be!



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
- INNOVATIVE
- PROUD
- SUPPORTIVE
- CREATIVE

OUR POPULATION



*(Censusdata.abs.gov.au, 2016)

49.8% MALE

50.2% FEMALE

MEDIAN AGE 49

AREA: 3,736 SQ KILOMETRES



GANNAWARRA QUICK STATS 2017/18



TOURISM

- **8949** visitors to Gannawarra visitor centres
- **20%** of visitors to the Gateway to Gannawarra Visitor Centre were from interstate
- **1.5%** were international travellers
- **7,287** visits to the Gannawarra tourism website by 5,754 users
- **15,242** website pages were viewed
- Approximately **1245** volunteer hours provided at the Gateway Visitor Centre



CUSTOMER SERVICE

- **26,022** incoming calls
- **8** second average to answer telephone
- **235** Live chats



L2P PROGRAM

- **7** Learner Driver's obtained their P Plates
- **606** hours of driving was logged by Learner drivers
- **427** volunteer hours contributed by 16 volunteer drivers



IMMUNISATION

- **97.47%** of children under 63 months (5.25 years) living in the Gannawarra Shire were fully immunised compared to the state average of 92.03% and Australian average of 92.70%
- **2208** vaccinations were administered to 1652 people through Council's immunisation program
- **48** immunisation sessions held
- **780** flu shots administered as part of the 2018 influenza program
- **32** workplaces participated in the 2018 workplace influenza program



MATERNAL CHILD HEALTH

- **108** babies born
- **34** families experienced the birth of their first baby
- **954** Key Ages and Stages consultations completed
- **124** referrals made for additional support with the top four reasons for referral being Hips, Oral Health, Maternal Health and Wellbeing and Family Violence



WALK TO SCHOOL PROGRAM

- All **10** local primary schools involved
- **96.1%** of primary school students participated
- Students walked **17,202** times during the month long program
- Equivalent walking distance was **12,351kms**



SOCIAL MEDIA

- Gannawarra Shire Council main page**
 - 1 July 2017: 1,951 likes
 - 30 June 2018: 2,378 likes
- Gannawarra Library Services**
 - 316 likes
- Gannawarra Healthy Lifestyles**
 - 298 likes
- myWarra**
 - 566 likes
- Gannawarra Children's Centre**
 - 452 likes
- Arts in Gannawarra**
 - 47 members
- Gannawarra Twitter**
 - 764 followers
- Gannawarra Instagram @visit_kck**
 - 241 followers



ROADS

- **37.7kms** of roads re-sheeting
- **3.4kms** of sealed road rehabilitation
- **10.2kms** of shoulder re-sheeting
- **170m** of footpath replacement
- **1.2kms** of kerb and channel replacement
- **867kms** of roads graded
- **842kms** of roadsides slashed
- **219** signs replaced
- **200,000sqm** of sealed roads, resealing



CHILDREN'S SERVICES

- **1,881** hours of Long Day Care a week
- **1,425** hours of 4 year old kindergarten a week
- **1,570.5** hours of Family Day Care a week



COMMUNITY GRANTS

- **\$73,051** provided to 21 groups through the Community Grants Program



LIBRARY

- **3531** computer bookings
- **4591** inter library loans from other libraries
- **8199** loans to other libraries
- **461** new members
- **76,741** books and DVDs were loaned from our library collection.
- **3049** new titles added
- **1080** tourism enquiries answered
- **223** programs attended by 3718 people
- Borrowing of e-audio and e-book resources has increase 59 per cent from the previous year, increased from **1245 to 1979** and a 24% increase in Wi-Fi usage.



MYWARRA WEBSITE

- **1120** users
- **6170** page views
- **1594** sessions



COMMUNITY CARE

- **756** clients serviced
- **12,250** hours of domestic care
- **11,759** meals on wheels delivered
- **5,138** social meals provided
- **1,556** hours of property maintenance
- **1,265** hours of transport to medical appointments (GNETS)



LOCAL LAWS

- **175** animals re-housed, 50 dogs and 125 cats
- **104** wildcats seized
- **223** Notices to Comply issued



SWIMMING POOLS

- **14,520** visits to Kerang Outdoor Pool
- **103.71** average patrons per day Kerang Pool
- **7,881** visits to Cohuna Outdoor Pool
- **57.1** average patrons per day Cohuna Pool
- **4953** visits to Kerang Exercise Pool



YEAR IN REVIEW

COHUNA

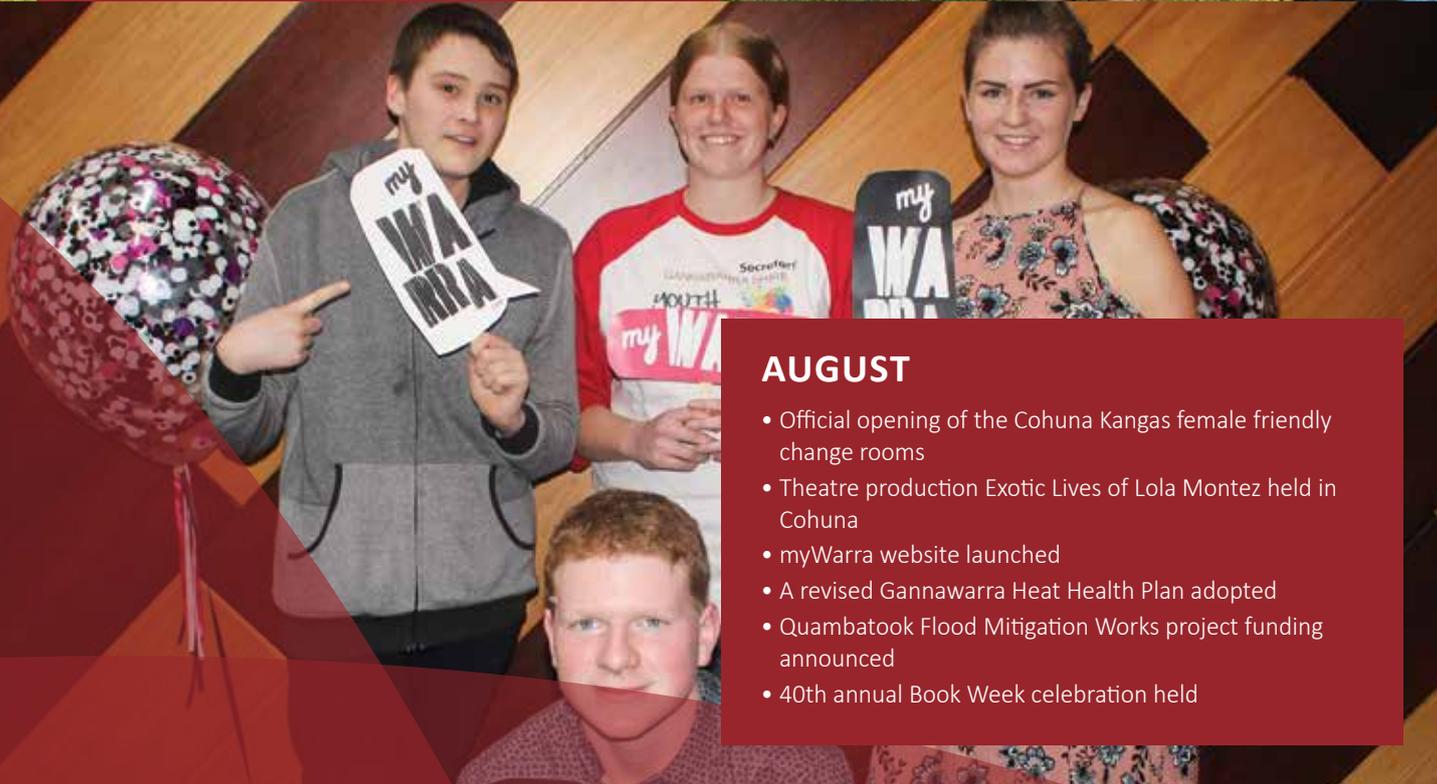


On the Gunbower Creek



JULY

- Triple J 'Keys to Cohuna' Challenge
- Screening of film "Call Me Dad" to develop local strategies for preventing family violence
- Council sponsors a Youth Parliament team
- Five new citizens welcomed at a citizenship ceremony
- First Arts, Culture and Tourism Event brochure launched
- Social meal program extended to small communities across the shire
- First Arts Salon hosted in partnership with Regional Arts Victoria to discuss creative opportunities for Gannawarra



AUGUST

- Official opening of the Cohuna Kangas female friendly change rooms
- Theatre production Exotic Lives of Lola Montez held in Cohuna
- myWarra website launched
- A revised Gannawarra Heat Health Plan adopted
- Quambatook Flood Mitigation Works project funding announced
- 40th annual Book Week celebration held

SEPTEMBER

- Get Active in Gannawarra – Walk your way to wellbeing in spring commenced
- Theatre production Glorious! held at Leitchville as part of Volunteers Week
- Drop, Park, Walk Active Travel routes to school developed with three local primary schools, including Stop, Look, Listen, Think pedestrian safety messages
- Council staff participate in the 10,000 Step Challenge

OCTOBER

- Gannawarra VicHealth Walk to School program coordinated across all 10 primary schools
- Seniors Festival activities held across the shire

- Children's Week activities included storytime, facepainting and Odd Sock Circus performance
- 1,000 Books Before School program launched to encourage early literacy

NOVEMBER

- Outdoor Swimming Pools open across the shire
- Author Annie White takes storytime at the Kerang Library
- Beyond the Battle – Part One screening as part of Remembrance Day at Cohuna
- New Arbovirus Plan adopted
- Gannawarra Goes Orange day held to raise awareness of gender equality and the prevention of family violence and included a collective reading of the White Ribbon Oath at Cohuna

DECEMBER

- International Day for People with a Disability held in Kerang
- A four day Youth Arts Festival facilitated
- Roby Manuel plaque unveiled at Kerang Aerodrome to celebrate his life and service to Australian aviation
- Pool Fest and movie night held at the Kerang Swimming Pool to welcome the start of summer
- Summer Reading program commenced
- New Mayoral Chains unveiled

JANUARY

- Australia Day community celebrations held across the shire
- Jodie Hay of Cohuna announced as Citizen of the Year and Maddison Makeham as Young Citizen of the Year as part of the Gannawarra Australia Day Awards
- Council outdoor pools at Kerang and Cohuna participate in the VicHealth's Healthy Fridges program to encourage people to make healthier choices in buying water instead of sugar-based drinks
- The Morning Rush live radio broadcast hosted from the Koondrook Wharf



FEBRUARY

- Shakespeare's Twelfth Night theatre production held at the Koondrook Wharf
- Queen's Baton Relay with community celebrations held at Murrabit and Kerang
- Author Darry Fraser presents an Authors Talk at the Kerang Library
- Social meals extended to Kerang and Cohuna
- Leitchville Pre-School achieves recognition in the Sun Protection and Healthy Eating/Oral Health priority areas of the statewide Achievement Program



MARCH

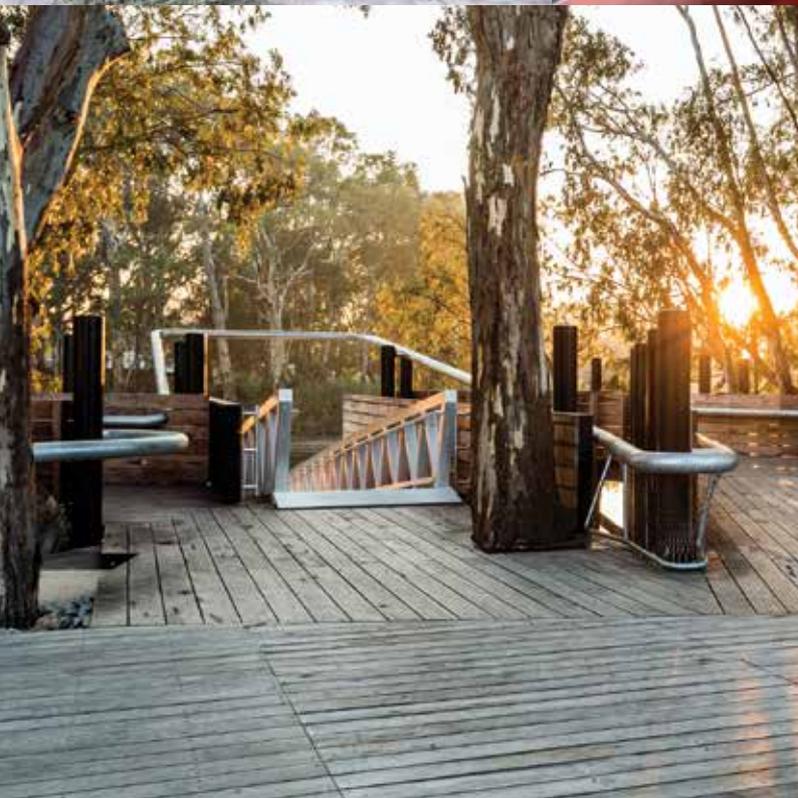
- The theatre production HART plays at Kerang
- New Leitchville Library officially opened
- Revitalised Kerang CBD official opening followed by Kerang Carnival
- Council's Pre-schools recognised by VicHealth and Cancer Council Victoria for long-term efforts to support the SunSmart program
- New local paddling guide 'Kayak/Canoe Kerang-Cohuna-Koondrook' launched
- Kerang announced as the location for new integrated storage facility for solar power plant

APRIL

- Keys to Cohuna Challenge launched
- Repair works to the Kerang Memorial Clock get underway, 85 years after the clock was erected
- All My Love theatre production at Murrabit including a camp oven stew dinner, bush music and bush poetry
- Council sponsors five community members to attend Showcase Victoria to select the shows for the 2019 and 2020 Gannawarra performance calendar

MAY

- Author Roland Perry OAM visits Kerang
- Third annual Rhythm and Voice program held in Kerang
- National Disability Insurance Scheme sessions commenced
- Little Library at the Kerang Train Station launched to foster a love of books and reading
- Council sponsors year 6 students to attend the GRIP Leadership Conference
- Second rendition of the Transition booklet launched as part of Education Week
- Volunteers Week celebrated
- Theatre production Lovely Lady Lump showed at Lake Charm to raise awareness about breast cancer
- Council leads National Simultaneous Storytime across the shire
- Reconciliation Week event held in Kerang with a community walk and celebration
- Kerang plays host to the Mallee Regional Assembly



JUNE

- Six glamping tents purchased for the Koondrook Nature Based Tourism Hub
- Commenced trialling the Toddler Development Instrument
- Local Barapa Barapa Elder Esther Kirby awarded an OAM in the 2018 Queen's Birthday Honours
- Victoria's largest solar farm commissioned on the outskirts of Kerang
- Council was announced as the winner of the Arts Animates National Award for Local Government. The award acknowledges Council's innovative approach to delivering a performing arts program in partnership with the community
- The Koondrook Wharf wins three separate categories of the 2018 Victorian Architecture Awards: Small Project, Urban Design and Regional categories



OUR CHALLENGES AND OPPORTUNITIES

CHALLENGES

In recent years, Council has spoken out on a broad range of issues important to Gannawarra communities and the wider region; issues unique to small rural communities such as declining and ageing populations, transport limitations, poorer health outcomes, rate capping, support for agriculture and funding for important infrastructure projects.

Council has considered issues where it can have the greatest influence, in particular where we can partner with other councils or organisations across the region to gain greater benefit.

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 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.



OPPORTUNITIES

Gannawarra boasts highly valuable agricultural and environmental assets and strong and resilient communities. We are close and well connected to major regional growth areas like Bendigo and Echuca. Our communities are resourceful and creative and have proven able to adapt well to changing circumstances. Our warm climate, fertile agricultural land and affordable property options also make Gannawarra an attractive choice for business and residents alike.

- Murray River and waterways
- Redgum forests
- Agriculture
- Affordable housing
- Safe and liveable environments
- Partnerships for growth
- Renewable energy

MAYOR'S MESSAGE

This Annual Report details Gannawarra Shire Council's achievements against the 2017-2021 Council Plan 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.
- Fostering community cohesion and encouraging active participation in civic life.

HIGHLIGHTS

I take this opportunity to acknowledge former Chief Executive Officer, Eric Braslis for excellent leadership to Council and staff throughout his time as Chief Executive Officer. Taking up a position with the Golden Plains Shire Council in November 2017, Eric's vision for a prosperous and vibrant Gannawarra were instrumental in the planning and delivery of the capital works projects delivered throughout the 2017/18 year.

2017/18 saw the completion of the Kerang CBD revitalisation project; a major achievement that has transformed this public space into a vibrant community hub. Other major capital works projects completed were the irrigation upgrade to Bendigo Road, Kerang, the installation of bulk solar on seven Council owned buildings and the completion of a lighting upgrade at the Cohuna Recreation Reserve.

Gannawarra also became home to Australia's largest integrated solar farm and battery storage facility during the 2017/18 year with the commissioning of the Gannawarra Solar Farm. Located west of Kerang the Edify Energy/Wirsol project hosts a 60 megawatt solar farm along with a 25 megawatt Tesla Battery storage system. The project is supported by both the Victorian Government and the Australian Renewable Energy Agency and is capable of generating power for 25,000 homes.

The large scale solar farm is a first for the Gannawarra and Victoria and is one of seven large scale solar projects proposed for the Gannawarra Shire. With our abundant solar resources, a high-capacity terminal station, and access to the transmission network, the Gannawarra Shire is the ideal location for solar generation. This is another positive step forward in diversifying the Gannawarra economy.

Also during the year, consultation to develop Waterfront Masterplans for Cohuna, Koondrook and the Kerang Lakes got underway and Council is positive that this will lead to exciting future development around our natural assets.

The 2017/18 year was topped off with Council announced as the winner of the Arts Animates category of the National Award for Local Government. The award acknowledges Council's innovative approach to delivering a performing arts program in partnership with the community.

Council's major capital works project for the previous financial year, the Koondrook Wharf, was also announced as the winner of three separate categories of the 2018 Victorian Architecture Awards: Small Project, Urban Design and Regional categories. Having the wharf recognised at state level is a remarkable achievement and an acknowledgement to the architect as well as Council staff and community members who worked together on the design. The wharf has also been shortlisted for a world architecture award and will be up against other international projects when the awards are announced in Amsterdam later in 2018.

ADVOCACY AND ENGAGEMENT

The Council Plan 2017-2021 has a vision to build on the strengths of people, place and pride to inspire a positive future together. Twelve months on, Council remains committed to this vision.

Council continues to advocate strongly on five key priority areas:

- 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 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.



THANK YOU

I would like to thank my fellow Councillors for their commitment and ongoing efforts on behalf of residents.

As we further our work on implementing the Council Plan, Council will continue to strive towards improving outcomes for our community across our shared priority areas. Most importantly, we will continue to listen to our community so that our decision making supports the community's vision, hopes and goals.

I have no doubt our path is leading to a brighter, more sustainable future for Gannawarra. I also thank businesses, members of community groups and Council officers for their contribution to improving the liveability and amenity of our shire. 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 to be!

CR BRIAN GIBSON
MAYOR



CEO MESSAGE

On behalf of Gannawarra Shire Council it is a great pleasure to present Council's Annual Report for the year 2017/18. This is my first Annual Report as Chief Executive Officer of the Gannawarra Shire. I am proud of this organisation and its achievements. I am also proud to be part of the Gannawarra Shire community and assist in the delivery of the 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.
- Providing timely advice to Council.
- Carrying out Council's responsibilities as a deemed employer with respect to councillors, as deemed workers, which arise under or with respect to the Accident Compensation Act 1985 or the Accident Compensation (WorkCover Insurance) Act 1993.



HIGHLIGHTS

In providing the highlights in this annual report, I acknowledge former Chief Executive Officer, Eric Braslis, who took another Chief Executive Officer position at the Golden Plains Shire in November 2017. Eric left a great legacy and the results of his work shine through in the capital works projects completed during the year.

During my time as Chief Executive Officer, rather than refer to our shire or our region, I have deliberately started referring to 'The Gannawarra'. We have wonderful communities, a vast array of events and a natural wonderland of forests, rivers, lakes and waterways. When people talk about 'The Barossa', 'The Yarra Valley' or 'The Mornington Peninsula' people get it – no explanation required. Imagine a future when we refer to 'The Gannawarra' and people get it. Our Gannawarra has so much to offer which we should promote and celebrate at every opportunity.

A significant highlight during the 2017/18 year was the hosting of the Commonwealth Games Queen's Baton Relay in February and the completion of the Kerang CDB upgrade in March. It had been well over thirty years since the last major upgrade in Victoria Street so the official opening was an occasion worth celebrating. We also saw the start of the operation of Victoria's first large scale solar farm right here in 'The Gannawarra'. This first stage is some 170,000 solar panels and it is a sight to behold.

This investment is massive and reflects a major boost of investor confidence in 'The Gannawarra'. The addition of battery storage made this the largest Integrated Solar Battery farm in the world. This augers well for 'the Gannawarra' in terms of future investment in renewable energy. What a wonderful story solar has turned out to be for 'the Gannawarra'.

As Chief Executive Officer, I sit on the Mallee Regional Partnerships Board and represent the Gannawarra region. The Mallee Regional Partnership actively delivers key recommendations straight into the heart of government. The spotlight shone brightly on 'The Gannawarra' in May when we hosted the 2018 Mallee Regional Partnership Assembly at the Kerang Memorial Hall. The theme of the event was, 'Showcasing the Gannawarra' and several Ministers, politicians, high level state government staff, along with media people attended. The 200 or so visitors were incredibly impressed with the wonderfully imposing redgum plank branded 'The Gannawarra' and even more impressed with the entry displays in the hall. It was simply brilliant!

Along with nine other National Award winners we were invited to Parliament House in June for a special award presentation – what a proud moment it was for 'the Gannawarra'. It just goes to show what small councils, such as ours, can achieve if they 'share their story'. Of the 562 Local Government Areas (LGAs) in Australia, Gannawarra Shire Council was one of only 10 to win a National Award for Local Government by winning the Arts Animate – Excellence in Building Vibrant and Resilient Communities award. Simply amazing!

Council's major capital works project for the previous financial year, the Koondrook Wharf was nominated for three Victorian Architecture Awards and incredibly won all three! The wharf is now one of the five shortlisted projects in the World Architectural Festival awards, competing against Norway, China, Spain and India; another amazing result.

ORGANISATIONAL PERFORMANCE

At the end of June 2018, Council's financial position remains sound with more than \$211.77 million of community assets under Council's stewardship.

Operating expenditure for 2017/18 was tightly controlled and Council achieved a surplus of \$4.28 million. Council's Strategic Resource Plan projects that surpluses will continue to be achieved over the next 4 years, providing a sustainable level of funding for the reburishment, replacement and creation of new community assets at an average of \$8.94 million per annum.

The 2018/19 Budget predicts an underlying surplus. This is incredibly good news, in that it reflects we can at least maintain our current service levels. Most importantly, it gives us the hope and confidence of a financially sustainable future, a future that looks increasingly positive.

THANK YOU

My commitment during my time as Chief Executive Officer is to treat everyone with goodwill, respect and trust. Within the organisation we are establishing a team culture where everyone feels valued, is able to contribute and loves working for the Gannawarra Shire. By working together as a team and supporting each other we will be able to achieve great things for our communities.

Thanks to Council, staff and the community, there are a lot of good things happening in 'the Gannawarra'. What 'The Gannawarra' will be into the future, will be a reflection of the ideas and thought processes that build on the strengths of our shire and continue to make 'the Gannawarra' a great place to live.

TOM O'REILLY
CHIEF EXECUTIVE OFFICER

COMMUNITY SATISFACTION

2018 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 the ways to provide improved or more efficient service delivery.

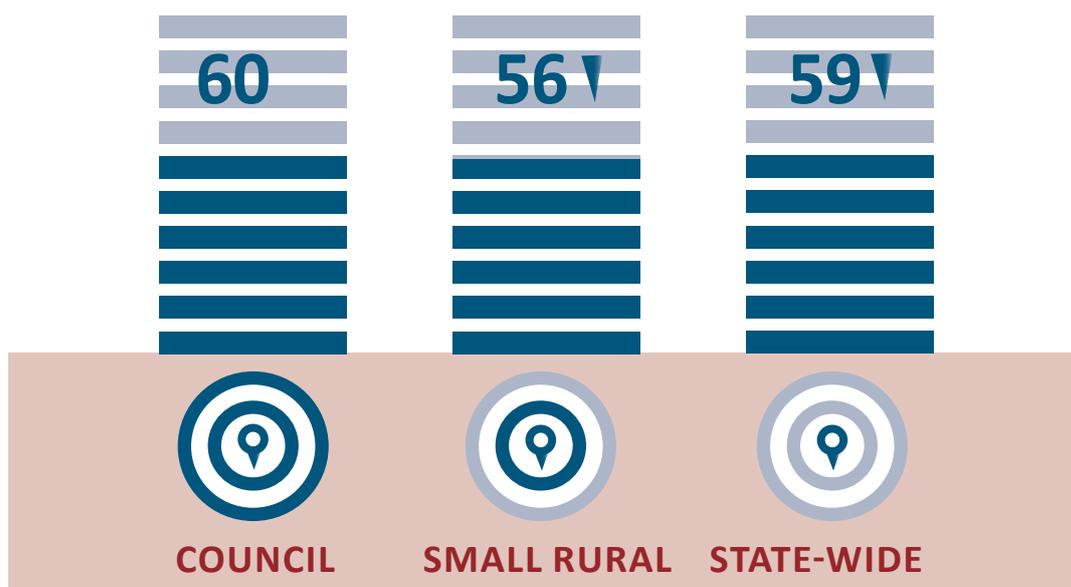
Although lower than the 2017 results, the Gannawarra Shire Council's overall performance still rated statistically significantly higher than the average rating for councils in the Small Rural group and rated similarly to the State-wide council average across five core performance measures:

- overall performance
- community consultation
- customer service
- advocacy
- overall Council direction

Two core performance measures – Sealed Local Roads and Customer Service are lower than the average rating for councils in the Small Rural group and the State-wide council average and Council will focus on improvements in these areas over the coming twelve months.



PERFORMANCE MEASURES	GANNAWARRA 2018	GANNAWARRA 2017	SMALL RURAL 2018	STATE-WIDE 2018	HIGHEST SCORE	LOWEST SCORE
OVERALL PERFORMANCE	60	64	56	59	Aged 18-34 years	Aged 35-49 years
COMMUNITY CONSULTATION (Community consultation and engagement)	54	60	54	55	Yarran Ward	Avoca Ward
ADVOCACY (Lobbying on behalf of the community)	54	58	53	54	Yarran Ward	Aged 35-49 years
MAKING COMMUNITY DECISIONS (Decisions made in the interest of the community)	54	60	52	54	Murray Ward	Aged 35-49 years
SEALED LOCAL ROADS (Condition of sealed local roads)	46	51	49	53	Aged 65+ years	Aged 35-49 years
CUSTOMER SERVICE	67	72	69	70	Aged 65+ years	Aged 35-49 years
OVERALL COUNCIL DIRECTION	52	57	50	52	Aged 18-34 years	Aged 35-49 years



OVERALL COUNCIL PERFORMANCE

RESULTS SHOWN ARE INDEX SCORES OUT OF 100

FINANCE MESSAGE

TOTAL REVENUE	\$29.23 million
TOTAL EXPENDITURE	\$24.95 million
SURPLUS	\$4.28 million
TOTAL ASSETS	\$211.77 million
TOTAL LIABILITIES	\$6.19 million
EQUITY	\$205.58 million
NET CASH FROM OPERATION ACTIVITIES	\$10.39 million
DEBT COMMITMENT RATIO	1.15%

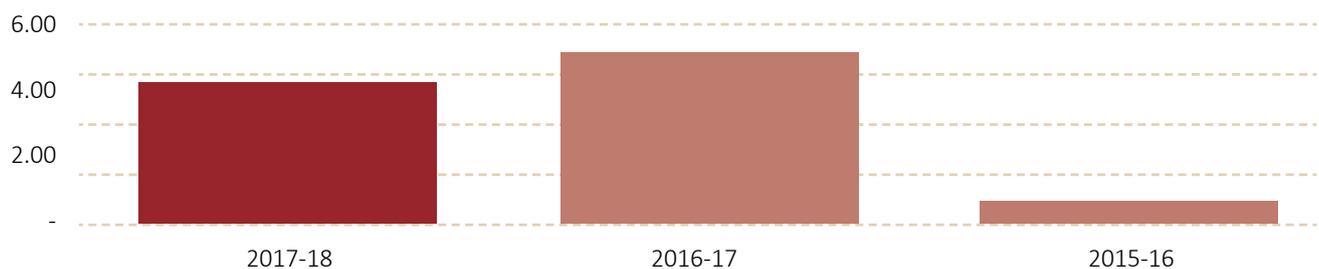
OPERATING POSITION

Council has achieved a surplus of \$4.28 million in 2017/18. This surplus is an increase on the budgeted surplus of \$0.48 million. This is mainly due to Council receiving a \$2.74 million payment in June 2018 being part payment of the 2018/19 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 \$7.99 million on renewing, expanding and upgrading existing infrastructure in the 2017/18 financial year. This included \$2.54 million on roads; \$1.10 million on the reconstruction of the Kerang CBD streetscape; other projects included footpaths, kerbs and drainage works of 0.24 million, various recreation & leisure projects totalling 0.90 million and park & streetscape projects totalling 0.45 million across the municipality.

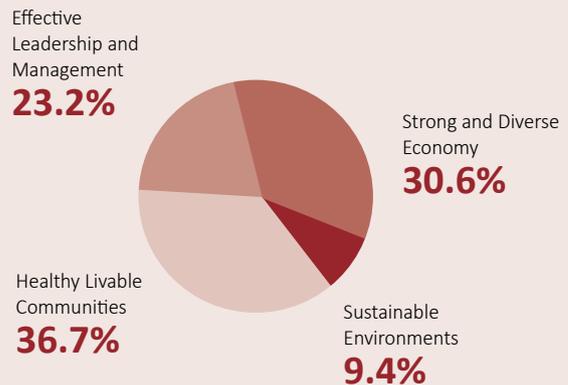
SURPLUS



COUNCIL EXPENDITURE

There are a variety of community services that Council operates alongside their capital work projects. In the 2017/18 financial year, total council expenditure was \$24.95 million with 30.6% being spent on building a strong and diverse economy through developing and maintaining our roads, bridges and buildings. Essential waste management services are a big part of Council's priority in creating sustainable living environments for the Gannawarra community. \$1.75 million was utilised in collection of kerbside and public bin waste in addition to the management of the local landfill. 36.7% of Council's expenditure was dedicated to deliver vital services and resources in line with Council's commitment to producing healthy liveable communities. \$2.04 million was devoted to people in need within our community care sector. \$2.72 million expended on children's services such as kindergarten, long day care and family day care.

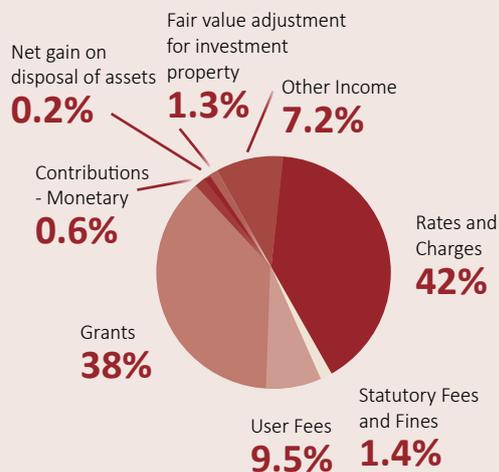
EXPENDITURE



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



DESCRIPTION OF OPERATIONS

MAJOR CAPITAL WORKS

Kerang CBD Upgrade \$1,158,000 with Regional Development Victoria grant \$500,000

This project encompassed the comprehensive renewal of the streetscape in the core of the Kerang CBD. The renewal of the streetscape has enhanced the appearance and functionality of the Kerang CBD precinct.

Redevelopment works have increased the visibility of a number of businesses providing for greater exposure and promotional opportunities. Additionally, activation of the space in front of the historic civic buildings, incorporating the Post Office, Court House and Municipal Offices, has provided an area for promotion of various services and invoked community pride.

Pedestrian safety has been enhanced through the redesign of the crossing area and removal of obstructing infrastructure and vegetation. The addition of bespoke seating with shade umbrellas and a raised pavement with rumble entries has defined the area as pedestrian friendly leading to increased driver awareness and encouraging retail activity.

Bendigo Road Irrigation upgrade \$105,000 fully Council funded

This section of the median was historically watered manually by residents who live in the adjacent

houses. Hoses and sprinklers were supplied by Council and the water supplied from the Lower Murray Water main.

The irrigation system in the median between Leng Street and Wellington Street was upgraded several years ago to replace the bayonet style sprinklers with pop-up sprinklers. This section is a continuation to automate irrigation systems in public spaces and improve the appearance of the southern town entrance by extending the existing irrigation infrastructure along the Bendigo Road/Murray Valley Highway median to encompass the section from Leng Street to the southern side of Airport Road.

Bulk Solar installation \$120,000 fully Council funded

Central Victoria Greenhouse Alliance oversaw a project investigating a bulk solar panel purchase for seven local government areas. Each council had a report generated indicating upfront costs for installation, along with generated savings (both dollars and Greenhouse gases), and a payback (return on investment).

In Stage 1, Council installed Solar panels to five large energy using buildings to reduce running costs for the next 30 years. Stage 2 involved the installation to the Kerang main office building and the Gannawarra Children's Centre.

Cohuna Recreation Reserve Lighting Upgrade \$306,350 (Sport and Recreation Victoria grant \$100,000, community contribution \$75,000, Council contribution \$131,350)

The project improves lighting facilities to meet current Australian Standards for competition at the main football oval and netball court at the Cohuna Recreation Reserve. The upgrades benefit a range of community groups, such as the Cohuna Agricultural Show, cricket clubs and Cohuna Equestrian Club, as well as the Cohuna Kangas Football Netball Club.

The project included upgrading the main football oval lights and poles to 150 lux and the netball court lighting and poles to 200 lux to meet current Australian Standards for competition. The project used Metal Halide light fittings for the football oval, which provides the most cost efficient option for the club.

Elements of universal design have been achieved to ensure that, regardless of the individual user, the facility and the experience are accessible to as many people as possible.

The project also provides female change facilities for the netballers and provides amenities that encourage sports participation and the retention of players and spectators alike. The lighting development has complemented the club's strategic endeavours to bring the facilities up to required standards.



COHUNA LIGHTING UPGRADE



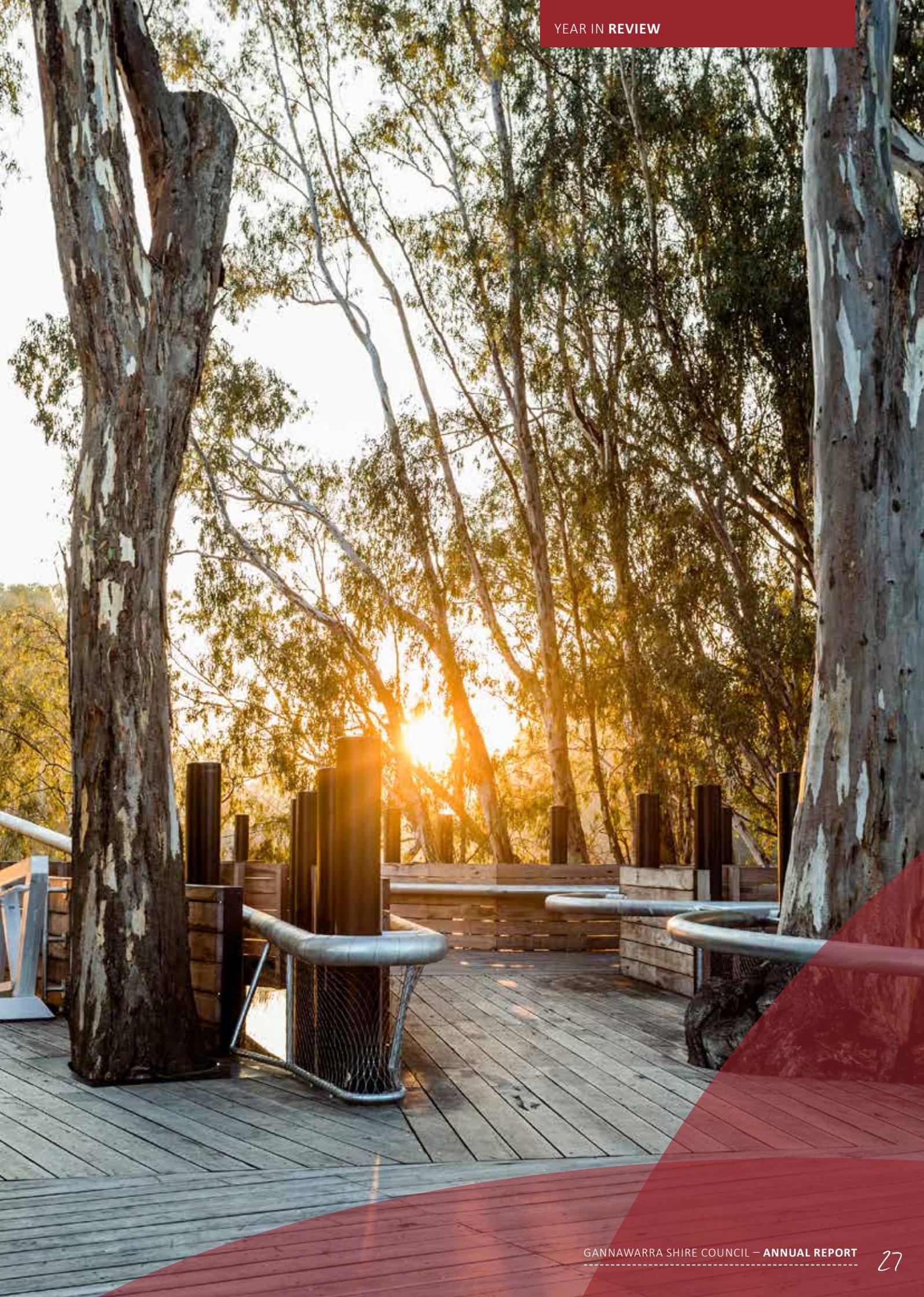
MAJOR GRANTS RECEIVED AND AWARD RECOGNITION IN 2017/18

PROGRAM/PROJECT	AMOUNT
Library Resources	\$6,000
Quambatook township flood mitigations	\$200,000
Roads – Gravel Re-sheeting Program (R2R recurring Grant)	\$910,000
Roads – Sealed Roads Rehab. Program (R2R recurring Grant)	\$1,000,000
Leitchville Preschool Upgrade	\$8,000
Local Roads to Market (Lake Charm-McFarlane Rd)	\$83,000
Fire Access Roads Subsidy Scheme Grant	\$15,000
Cohuna Recreation Reserve female facilities (WIP)	\$7,200
Kerang CBD streetscape (WIP)	\$100,000
Public Libraries Funding Program 2017-18	\$128,328

AWARD RECOGNITION 2017/18

- Bronze award in the 2018 Australasian Reporting Awards
- Winner of the Arts Animates National Award for Local Government. The award acknowledges Council's innovative approach to delivering a performing arts program in partnership with the community
- The Koondrook Wharf won three separate categories of the 2018 Victorian Architecture Awards: Small Project, Urban Design and Regional categories
- Koondrook Wharf shortlisted in the 2018 World Architecture Festival Awards





EVENTS THAT COUNCIL DELIVERED /PARTNERED WITH THE COMMUNITY ON

JULY

- Call Me Dad film screening
- Women's health night
- Keys to Cohuna
- Arts Salon
- Social meals
- School holiday program
- New parent groups

AUGUST

- myWarra launch
- Social meals
- National Meals on Wheels Day
- The Exotic Lives of Lola Montez production
- Story Island exhibition for Book Week with 400 children attending

SEPTEMBER

- Social meals
- Walk to School launches
- L2P car maintenance workshop
- Glorious! production
- School holiday program

OCTOBER

- Seniors Festival
- School holiday program
- Children's Week
- Social meals
- Seniors Expo
- Get to Know Your Backyard campaign
- Walk to School program
- Exposing Edith production

NOVEMBER

- Social meals
- Walk to School awards
- Beyond the Battle preview
- Art Salon
- Gannawarra Goes Orange

DECEMBER

- Social meals
- International Day for People with Disability
- Roby Manual unveiling
- Celebrate Playgroups
- Youth Arts Festival
- Volunteer's annual function

JANUARY

- Learn to Swim program
- School holiday program
- Australia Day community celebrations
- Artist talk
- Gannawarra Solar Farm event
- The Morning Rush radio broadcast

FEBRUARY

- Twelfth Night production
- Social meals
- New parent groups
- Art talk
- Author talk
- Queen's Baton Relay

MARCH

- Leitchville Library opening
- Social meals
- HART production
- Kerang CBD opening and Kerang Carnival
- Harmony Day

APRIL

- School holiday program
- Social meals
- Keys to Cohuna launch
- All My Love production
- Baby Yoga storytime

MAY

- Rhythm and Voice concert
- High Road to Reading program with author Roland Perry
- Transition Book launch
- NDIS sessions
- Social meals
- Traders session with Ailsa Page
- GRIP Leadership Conference
- Mallee Regional Assembly
- Lovely Lady Lump production
- Reconciliation walk and celebration
- Art Salon

JUNE

- ABC Live broadcast Kerang
- Social meals



**MAY
GRIP LEADERSHIP
CONFERENCE**



**NOVEMBER
WALK TO SCHOOL
AWARDS**

**DECEMBER
YOUTH ARTS
FESTIVAL**



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

PATCHELL

including Kerang, Mead and Macorna

YARRAN

including Cohuna, Leitchville and Horfield



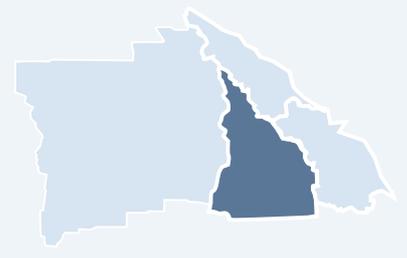
CR BRIAN GIBSON - MAYOR

First elected October 2012
(Patchell Ward)

Brian is a 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 will focus on ensuring that members of the Gannawarra community are heard and develop community interaction into decision making for specific projects. Brian will also focus on growth within the tourism industry.





**CR LORRAINE
LEARMONTH -
DEPUTY MAYOR**

First elected October 2012
(Yarran Ward)

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

Lorraine will continue to investigate ways our communities can further reduce kerbside waste entering our land fill, 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 will always be available to listen to our communities concerns.



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 store, dairy farm 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. Sonia is buzzing with ideas and enthusiasm to start to make positive change.



**CR CHARLIE
GILLINGHAM**

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 local environmental, health, irrigation, social and sporting groups. The area that we live in is very dynamic and has huge potential for innovative agricultural pursuits, further tourism opportunities, new industry and greater residential development around our lakes and waterways.

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



OUR COUNCIL



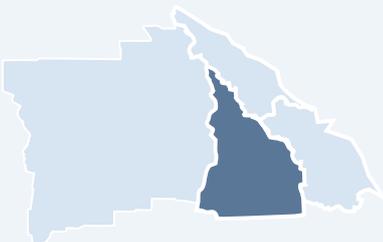
CR JODIE BASILE

First elected October 2016
(Patchell Ward)

Jodie is a medical receptionist working and residing in Kerang with her family. Jodie has lived in the Kerang community for the past 30 years and is actively involved on school boards and in 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 will focus on listening to the community whilst promoting our lakes, waterways and natural assets, looking for tourism opportunities and advocating to improve rail services and transport options within the Gannawarra Shire.



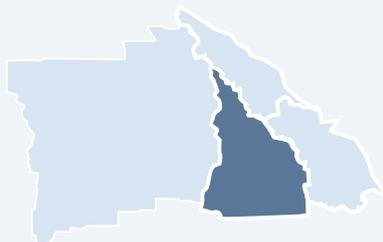
CR MARK ARIANS

First elected October 2012
(Patchell Ward)

Mark is a project officer 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.



CR STEVEN TASKER

First elected October 2016
(Murray Ward)

Steven has lived in Koondrook for over 30 years and has a background in mechanics and teaching along with volunteering for the State Emergency Service (SES). Steven has a passion for the environment and enjoys camping and fishing.

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





EXECUTIVE LEADERSHIP TEAM



TOM O'REILLY

Chief Executive Officer

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 Gannawarra Tom was an Associate 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 eleven years – 6 years of that time as Director Business and Finance. He has also worked in the private sector with 4 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 7 years with Goulburn Valley Water.

Areas of responsibility:

Human Resources, Council Planning and Performance, Councillor Support, Economic Development and Tourism.



RICHARD MORRISON

Director Corporate Services

Richard commenced as our new Director Corporate Services in February 2018. Richard comes to us with a wealth of corporate services related skills and experience. Richard holds a Master of Business Administration and for the last seven years held a managerial role, and on occasion Acting Director roles, with the City of Greater Bendigo. Richard has been in the local government sector for over ten years having also been the Manager Information Systems with the Mildura Rural City Council. Prior to joining local government Richard held positions of Branch Manager with the Bendigo Bank as well as prior positions with BHP Billiton, Myers-Holum International and the National Australia Bank.

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.



STACY WILLIAMS

Director Community Wellbeing

Stacy joined Council as Director Community Wellbeing in November 2017. Over the past 12 years Stacy has held a range of roles for Campaspe Shire Council in management and coordination of community services including holding the role of Community Care Manager, Community Programs Coordinator and more recently Business Integration Manager.

Areas of responsibility:

Community Care Services, Maternal Child Health, Community Health, Children and Youth Services, Immunisation, Community Transport, Libraries, Arts, Culture, Community Sustainability, Environmental Health, Community Engagement and Communications, Aquatic Facilities, Sport and Recreation.



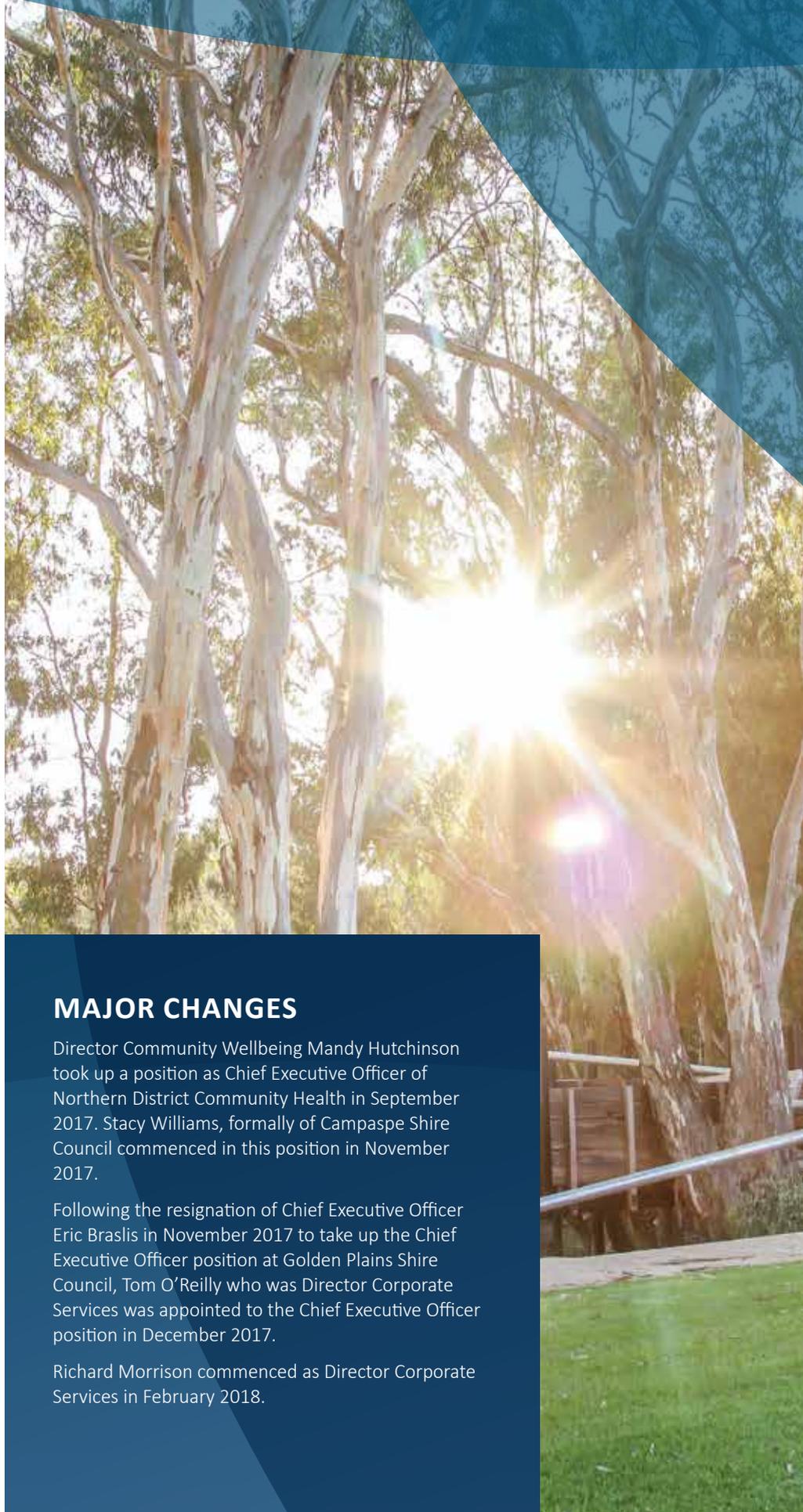
GEOFF ROLLINSON

Director Infrastructure and Development

Geoff's earliest qualifications and experience are in agriculture. He gained extensive experience in Local Government and local knowledge when working with both the former Borough and Shire of Kerang and then the Gannawarra Shire upon amalgamation in 1995. Geoff 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.



MAJOR CHANGES

Director Community Wellbeing Mandy Hutchinson took up a position as Chief Executive Officer of Northern District Community Health in September 2017. Stacy Williams, formally of Campaspe Shire Council commenced in this position in November 2017.

Following the resignation of Chief Executive Officer Eric Braslis in November 2017 to take up the Chief Executive Officer position at Golden Plains Shire Council, Tom O'Reilly who was Director Corporate Services was appointed to the Chief Executive Officer position in December 2017.

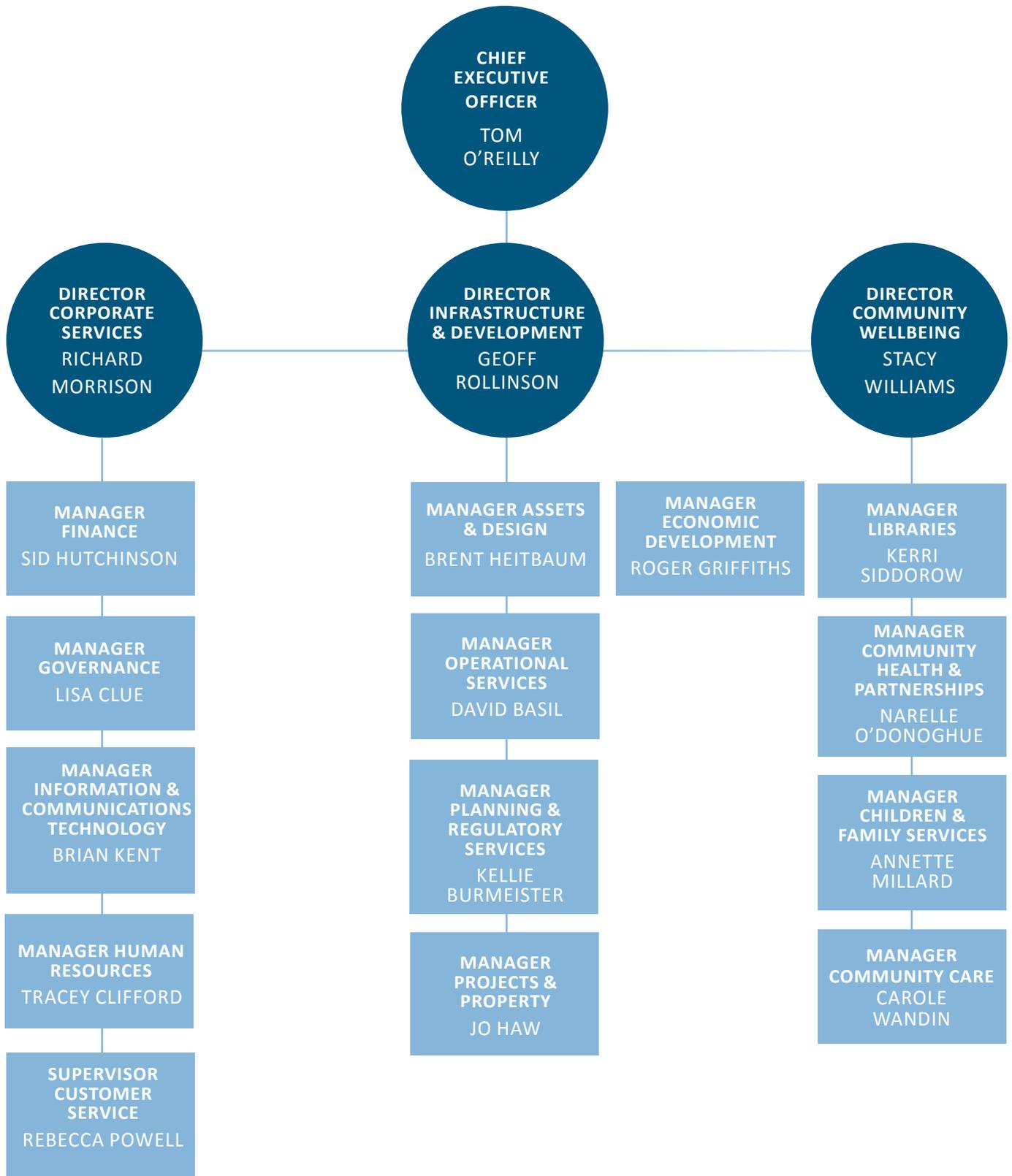
Richard Morrison commenced as Director Corporate Services in February 2018.

A photograph of two women in an office environment. The woman on the left, with blonde hair, is wearing a grey and black striped short-sleeved top and is leaning over a desk, pointing at a document. The woman on the right, with brown hair in a ponytail, is wearing a pink top with black polka dots and is looking down at the same document. The background is a plain, light-colored wall. The overall scene conveys a professional and collaborative atmosphere.

OUR WORKPLACE

ORGANISATIONAL STRUCTURE

Council has three directorates reporting to the Chief Executive Officer. The departments are; Community Wellbeing, Corporate Services 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.



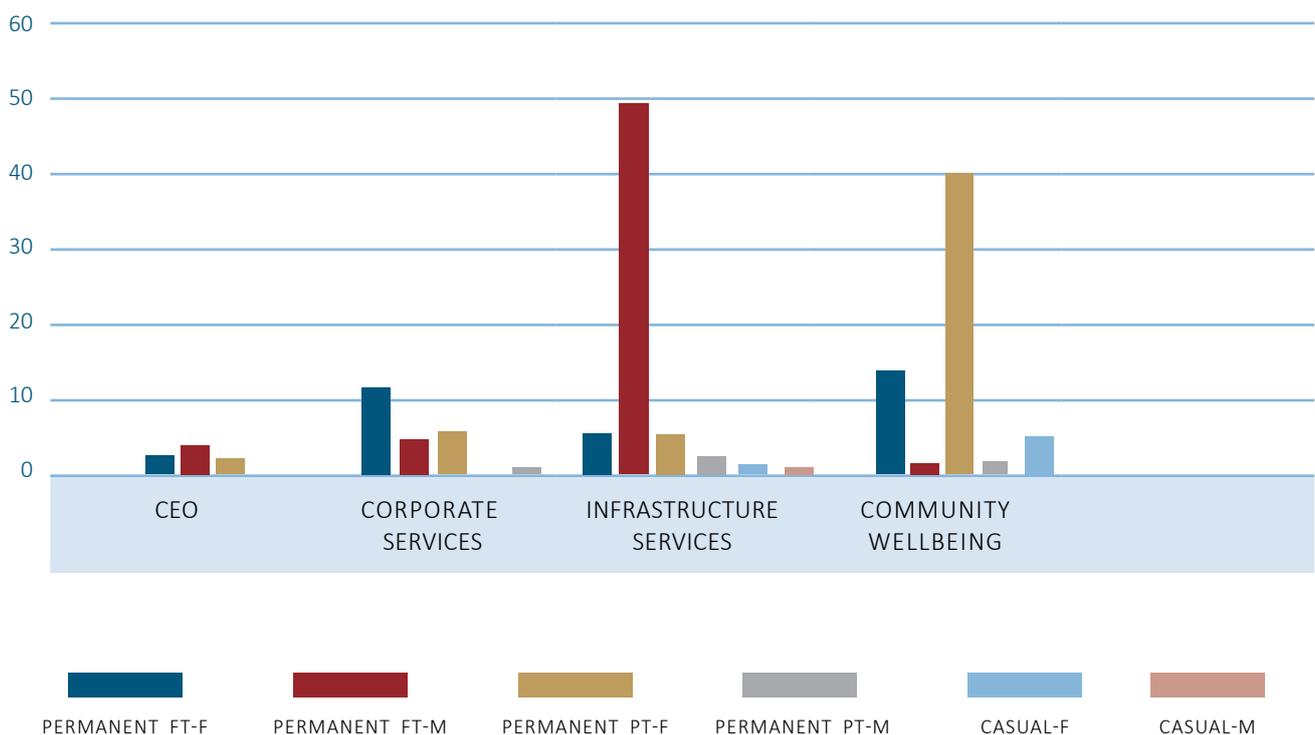


OUR WORKPLACE

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

COUNCIL STAFF

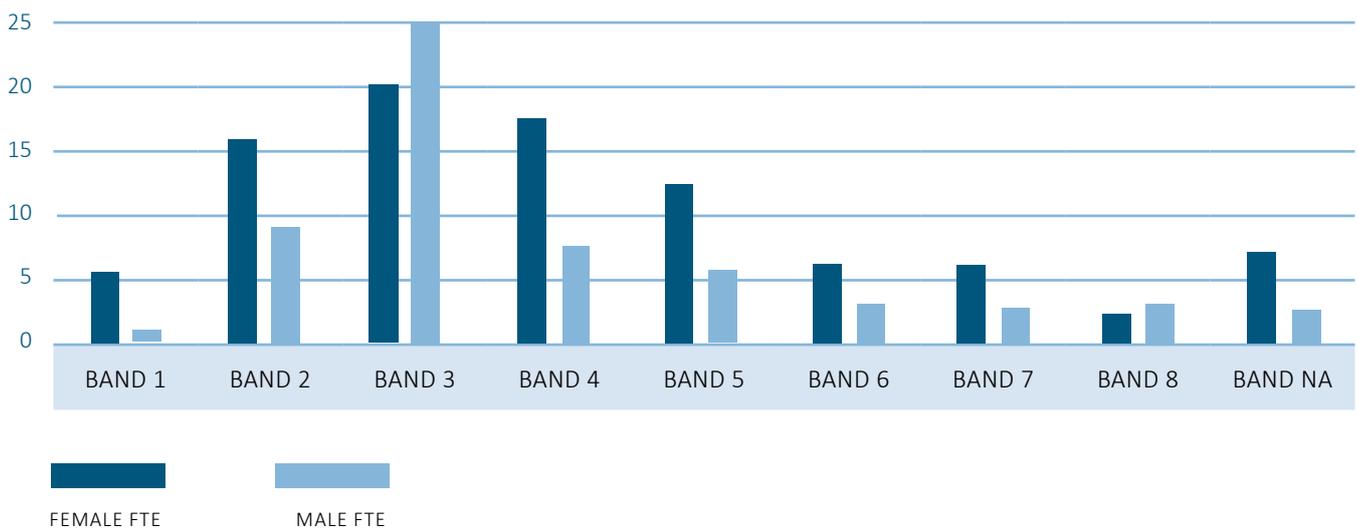
EMPLOYMENT TYPE/ GENDER	CEO FTE	CORPORATE SERVICES FTE	INFRASTRUCTURE SERVICES FTE	COMMUNITY WELLBEING FTE
PERMANENT FT – F	2	4	5	16
PERMANENT FT – M	3	12	49	1
PERMANENT PT – F	2	4.76	4.91	40.09
PERMANENT PT – M	0	0	1.42	1.22
CASUAL – F	0	0.73	1.11	5.46
CASUAL – M	0	0	0.51	0
TOTAL	7.00	21.49	61.95	63.77



A summary of the number of full time equivalent staff categorised by employment classification and gender is provided below.

COUNCIL STAFF

EMPLOYMENT CLASSIFICATION	FEMALE FTE	MALE FTE	TOTAL EFT
BAND 1	5.59	1	6.59
BAND 2	16.03	9	25.03
BAND 3	20.06	25	45.06
BAND 4	17.6	7.42	25.02
BAND 5	12.66	5.51	18.17
BAND 6	5.79	3.22	9.01
BAND 7	6.84	3	9.84
BAND 8	2	3	5
BAND NA	7.49	3	10.49
TOTAL	86.61	59.64	154.21



ENTERPRISE BARGAINING AGREEMENT

In December 2015, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegates and union industrial officers was established to negotiate a new Enterprise Agreement for Council employees. Following a protracted negotiation process, a new Enterprise Agreement was successfully negotiated and approved by Fair Work Australia, with an operative date of 6 February 2017 for a period until 1 March 2019.

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 computer training allowing staff to gain new knowledge and improved skills with both existing software programs and new Council systems. 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, Administration, 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.

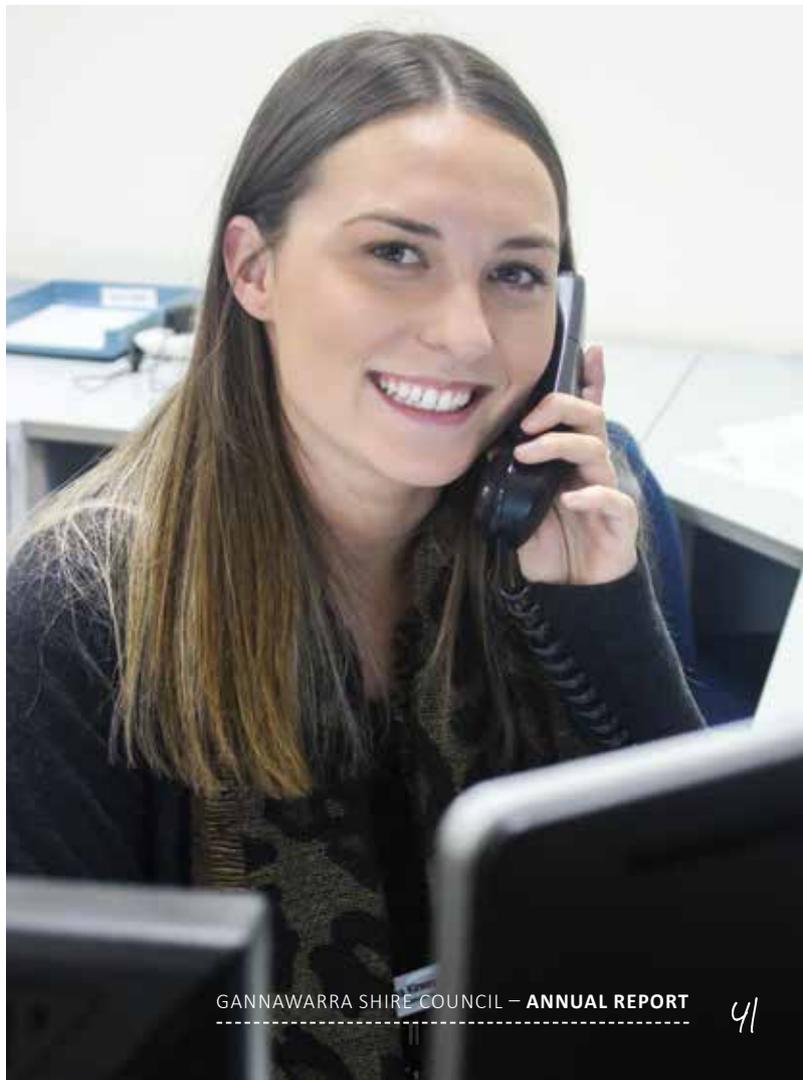
EQUAL EMPLOYMENT OPPORTUNITY PROGRAM

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.

PREVENTING VIOLENCE AGAINST WOMEN

Council is committed to addressing violence against women through our local partnership group Gannawarra Local Agency Meeting (GLAM). This includes staff participating in the Southern Mallee Primary Care Partnership's Family Violence Prevention Working Group and the delivery of training to support frontline service staff including Maternal and Child Health Nurses, Community Care Workers and Children Services staff. Council promotes a culture of non-violence, respect and gender equity across the organisation. Council's Enterprise Bargaining Agreement includes support for employees impacted by family violence. A gender equity audit of the workplace is due to be completed in 2018. At a community level, Council supported a screening of Call Me Dad in July 2017, renewed and relaunched the Dunny Door campaign, participated in the Gannawarra Goes Orange Day in November 2017 which included the Mayor taking the White Ribbon Oath. In addition Council was part of phase one of the National Stop it at the Start campaign.



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 underwent a review during 2017/18 and continued to work to make the organisation a safe and healthy place for all staff. Health and safety representatives attended refresher training in August 2017 and staff attended a Train the Trainer course on Workplace Ergonomics in March 2018.

Accident and incident reporting is a standard 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 implemented during 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 45.6% of staff, including casual employees, taking the opportunity to be immunised against influenza in 2017/18.

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.

Council has received recognition under the program as well as being awarded under the priority area Mental Health and Wellbeing in 2015. Recognition in a further two priority areas was achieved in June 2018, Smoking and Physical Activity.

The following staff programs have been conducted in support of the Healthy Together Victoria Achievement Program in the 2017/18 year:

- Healthy Snacks continued at Kerang Office
- Staff sponsored to attend Mental Health First Aid training

- Get Up Offa That Thing! promotion to increase awareness that excessive sitting time is not good for health and wellbeing or productivity.
- Lunchtime Get Ready to Spring into Spring! sessions held twice a week over 5 week period in the Kerang Office. Sessions were facilitated by staff and included: functional strength training, walk your way to wellbeing, stretching routines, walk the block, bollywood dancing, laughter yoga, building core strength and posture
- Workplace 10,000 Step Challenge September 2017
- Participation in Gannawarra Goes Orange Day to raise awareness about family violence November 2017
- A health and wellbeing survey of staff undertaken December 2017
- Victoria against Violence 16 Days of Activism campaign across all worksites December 2017
- Be Bold for Change theme for International Women's Day across all worksites March 2018
- Workplace Team 'Gannawarra Healthy Mates' participated in the Premier's Active Challenge April 2018
- Staff participated in the LGBTI Equality Roadshow in Cohuna June 2018



REPORT OF OPERATIONS – OUR PERFORMANCE



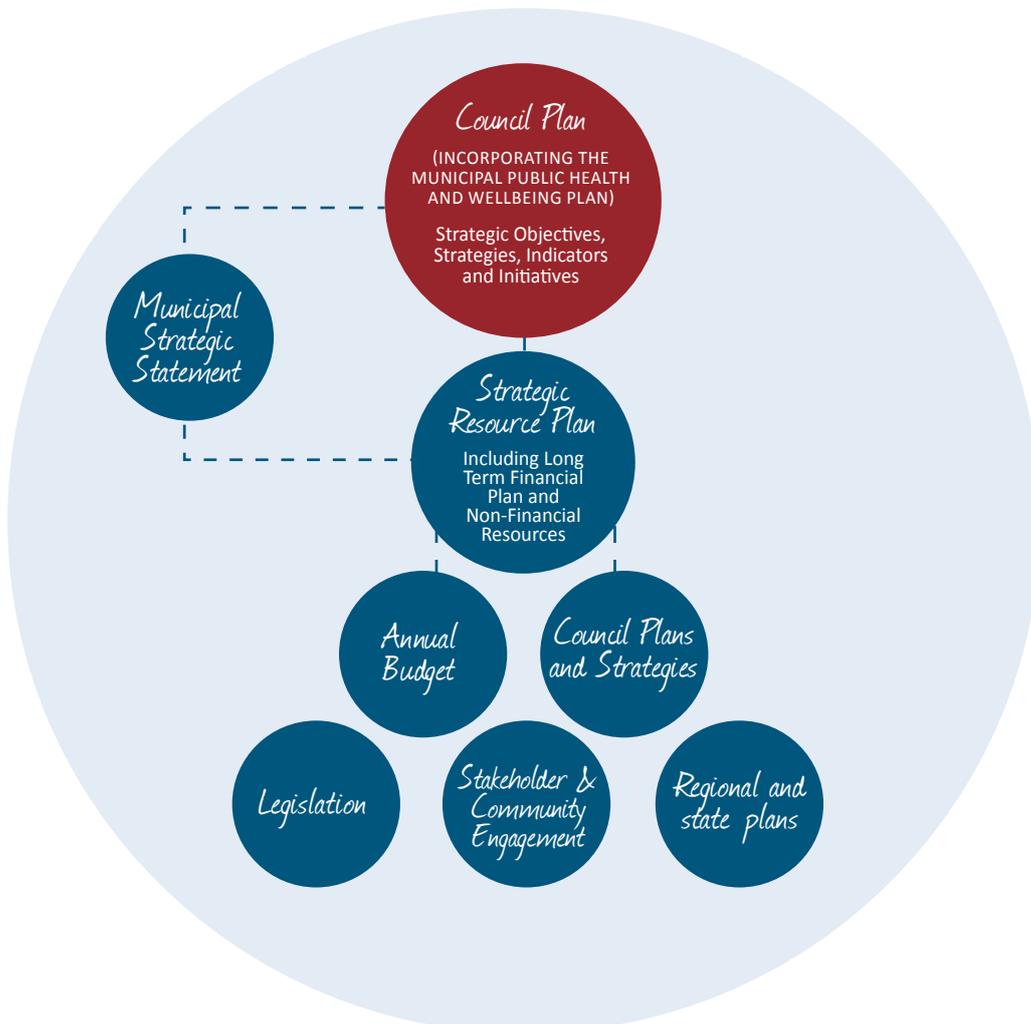
PLANNING AND ACCOUNTABILITY FRAMEWORK

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
- 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

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

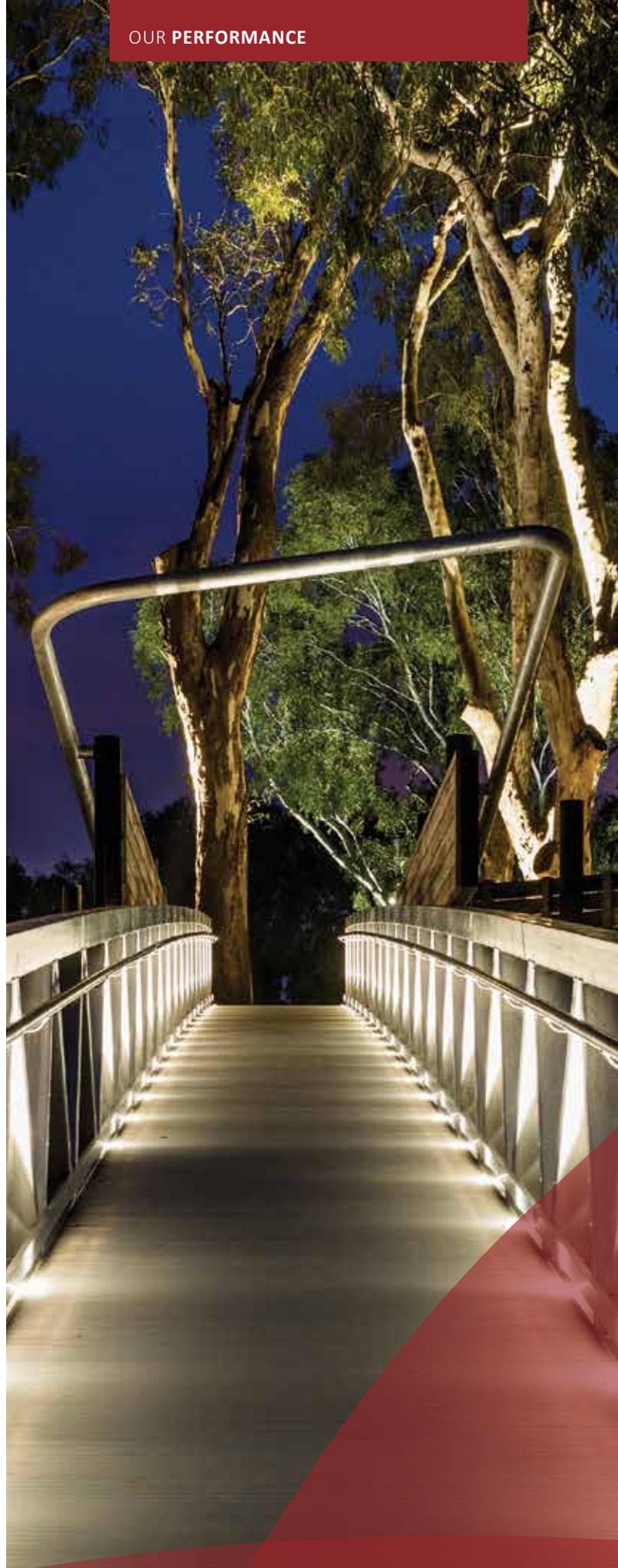
Strong Healthy Communities

– Our community will be healthy, creative, inclusive and safe

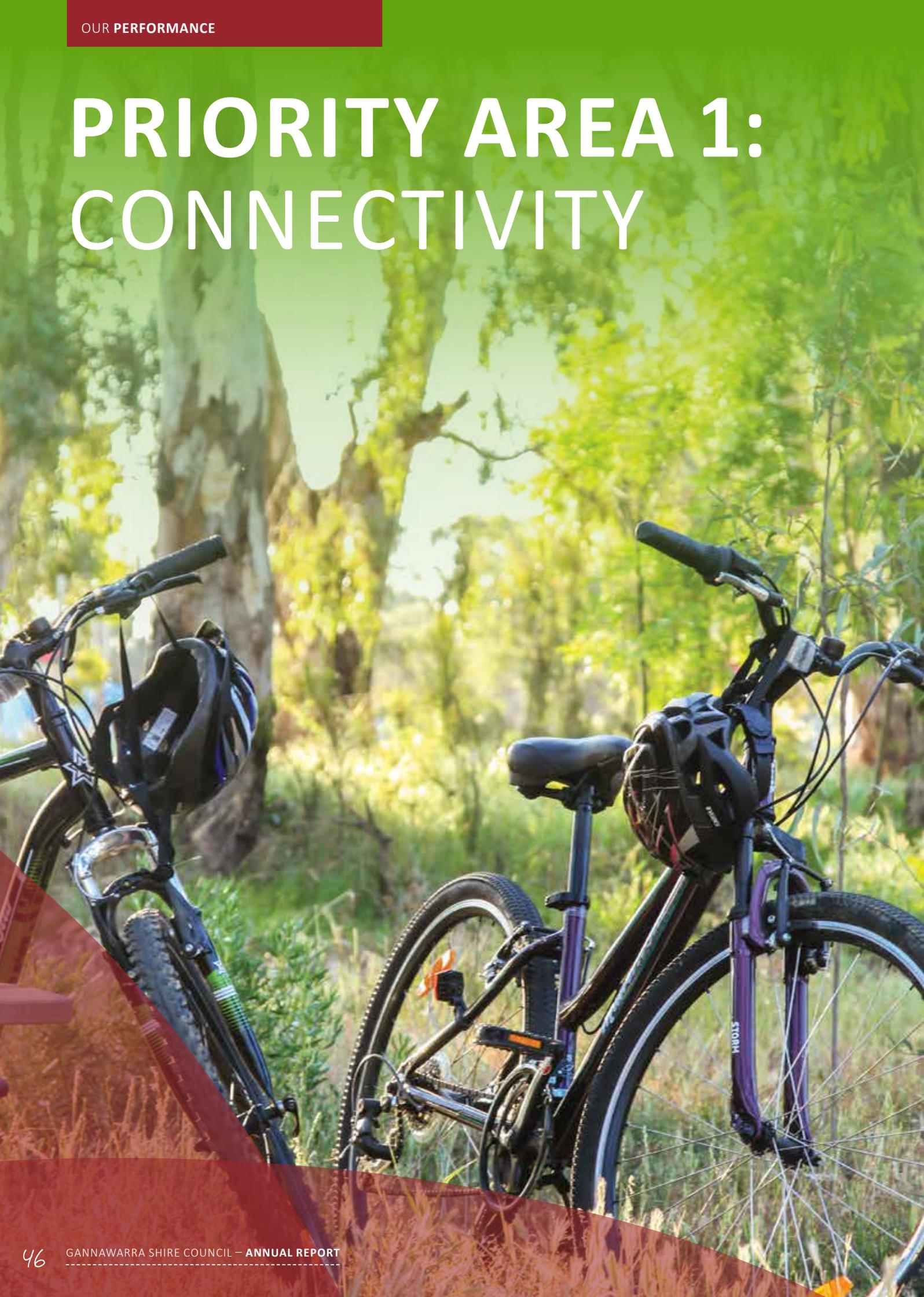
PERFORMANCE

Council's performance for the 2017/18 year has been reported against each priority area to demonstrate how Council is performing in achieving the 2017–2021 Council Plan. 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
- Results against the prescribed service performance indicators and measures (Local Government Reporting Framework)



PRIORITY AREA 1: CONNECTIVITY



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 August 2017 and February 2018
- myWarra website launched August 2017 as part of a VicHealth Bright Futures project
- Volunteer's Week event held with all volunteers registered with Council offered free tickets to the theatre production Glorious! at Leitchville
- Combined Progress meeting held November 2017 to encourage collaboration between communities
- Volunteer's annual function held December 2017
- Queens Baton Relay community celebration at Murrabit and Kerang February 2018
- Early Years Board, Seniors Advisory Group, Kerang Elders Group, Arts

Gatherings held throughout the year.

- Progress and community planning meetings attending by Councillors and staff
- 281 individual events planned and delivered by Council during the 2017/18 year
- Options investigated to capture economic value of local events
- Smartphone friendly technology investigated and implemented on websites and visitor guides
- There has been a positive increase in the number of households with internet access with 69.70 per cent having home internet access at the 2016 census
- Advocacy for increase in rail services to and from the region has been undertaken as part of the Central Murray Regional Transport Forum
- 6kms of walkways, including footpaths and tracks and trails, completed during the 2017/18 year
- Development of an Information Communication Technology (ICT) strategy commenced

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.

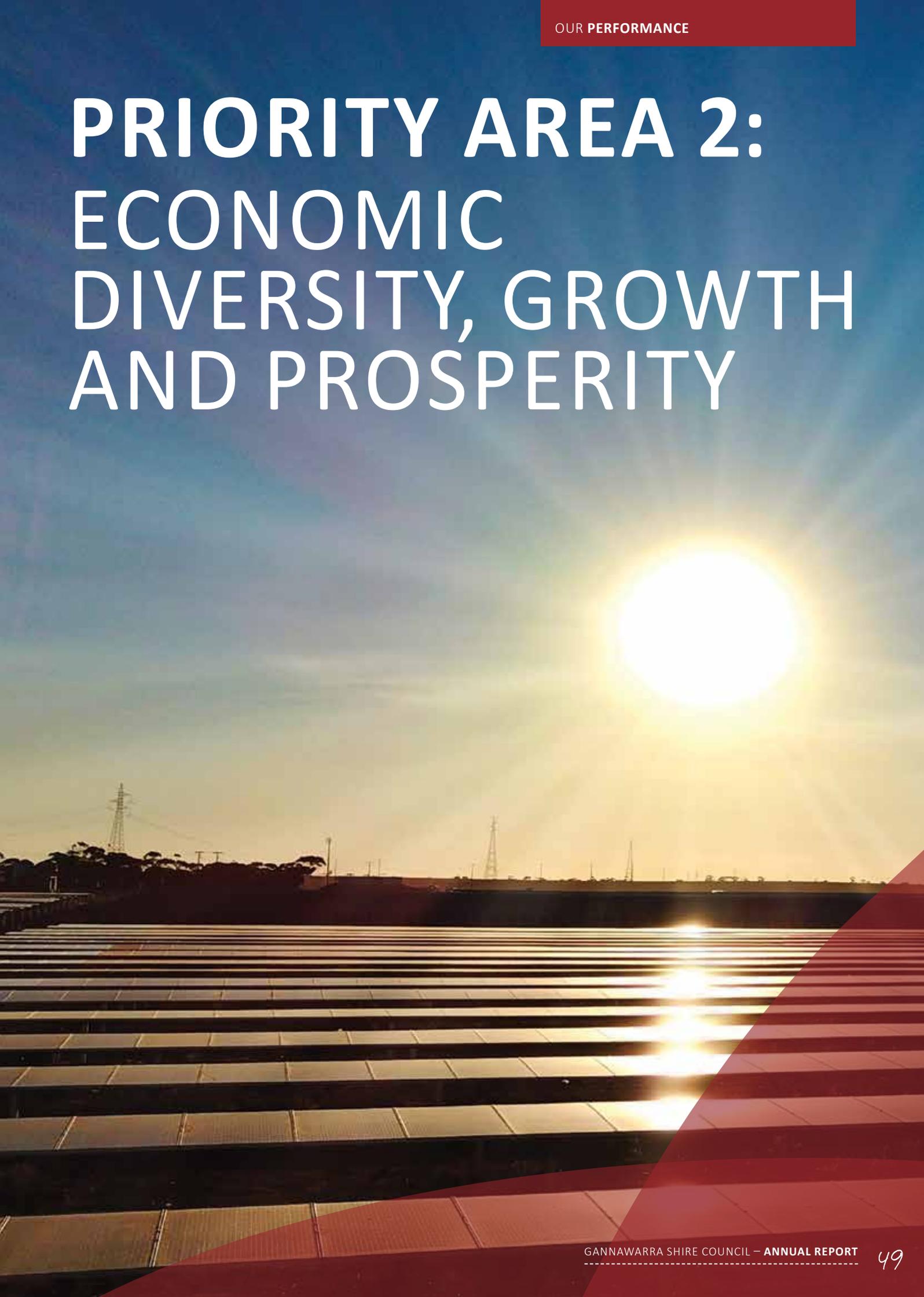
PRIORITY AREA 1: CONNECTIVITY

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i>	65.00	60.00	60.00	54.00	The timing of the Community Satisfaction Survey may have contributed to the lower result with negative feedback from the community relating to the Kerang CBD upgrade project.

Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement

PRIORITY AREA 2: ECONOMIC DIVERSITY, GROWTH AND PROSPERITY



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

- Battery storage facility at Edify solar farm commenced construction April 2018
- Edify Energy / WIRSOL solar farm commissioned June 2018 as the first large scale solar farm in Victoria
- Planning permits issued for 7 large scale solar projects with a total generation capacity of 650MW
- Interest in an additional 2000MW of generation capacity
- Working with North West region Councils and Australian Energy Market Operator (AEMO) on network capacity issues

- Trial crops of blackseed planted west of Kerang with larger scale plantings proposed in 2019
- Cotton crops are becoming more widespread in the Lake Charm area giving more scope to better utilise land and water resources
- New agricultural projects undertaken around the Kerang Lakes including organic grains, organic tomatoes and stonefruit orchards.
- A shedded dairy project featuring robotic milking is underway at Macorna
- The No Bull dairy processing project commenced in Cohuna
- Commenced development of Waterfront Masterplans for Cohuna, Kerang Lakes and Koondrook
- Review of Gannawarra Planning Scheme underway
- Six glamping tents ordered in preparation for the commencement of the Koondrook Nature Based Tourism Hub
- The Koondrook Wharf wins three separate categories of the 2018 Victorian Architecture Awards: Small Project, Urban Design and Regional categories
- Jetty installed at Gorton Point, Kangaroo Lake
- New powerboat racing events held at Lake Charm
- Commencement of Stage 9 of Tate Drive Industrial Estate Kerang
- Partnered with Regional Development Victoria to assist business start ups

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 experiences and to 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

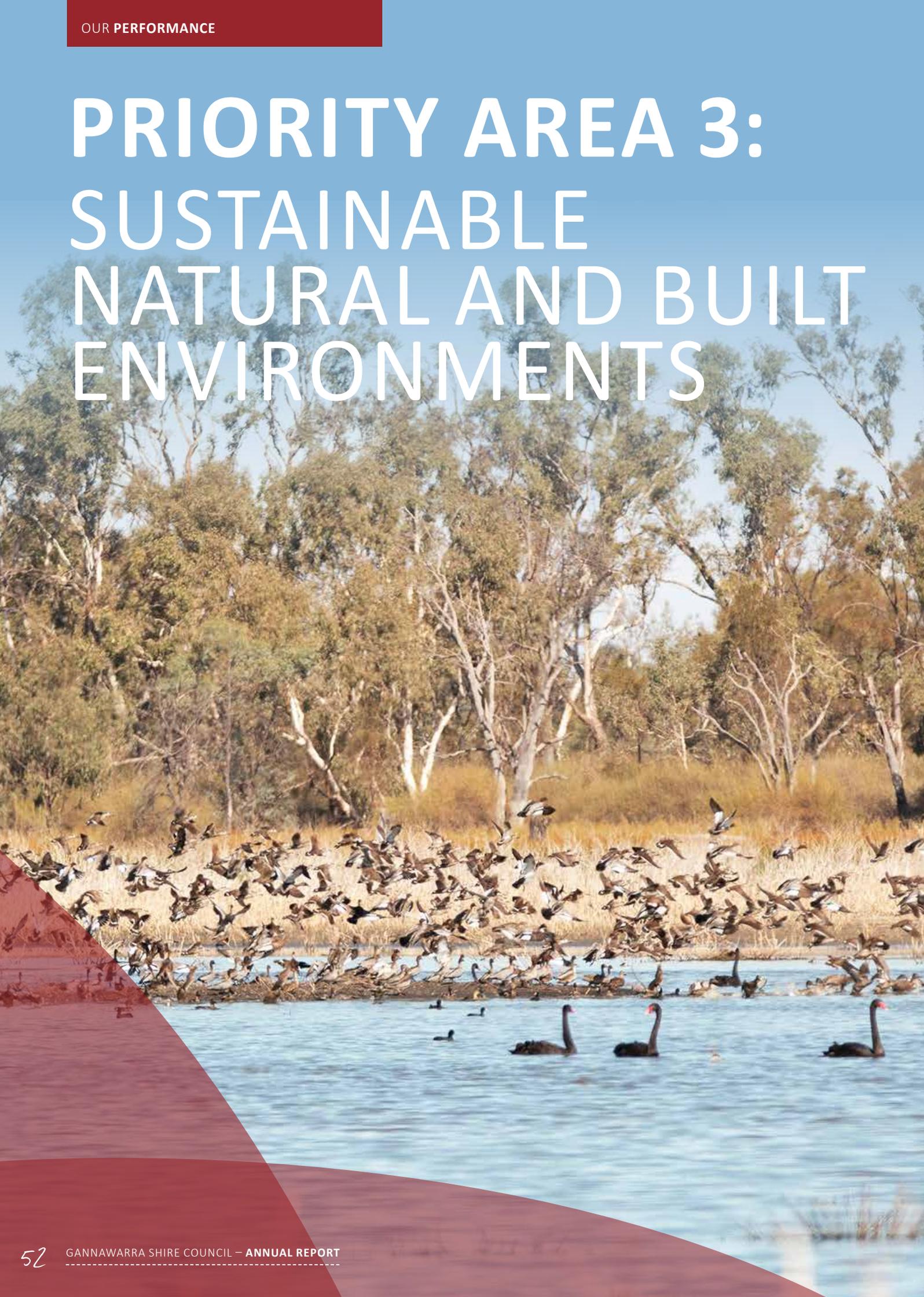
To provide the strategic framework for appropriate land use planning, urban design and development to achieve high quality outcomes for the community through the implementation of the Gannawarra Planning Scheme.

PRIORITY AREA 2: ECONOMIC DIVERSITY, GROWTH AND PROSPERITY

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Statutory Planning					
Timeliness					
Time taken to decide planning applications	42.00	42.00	41.00	49.00	An increase in the number of complex planning applications has contributed to an increase in the time taken to decide planning applications.
[The median number of days between receipt of a planning application and a decision on the application]					
Service standard					
Planning applications decided within required time frames	85.00%	93.98%	86.05%	86.42%	Planning applications decided within required timeframe continues to remain steady.
[(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					
Cost of statutory planning service	\$1,585.68	\$1,995.78	\$1,975.01	\$1,904.51	The cost of the statutory planning service has remained steady with a small decrease recorded attributed to a temporary reduction in resources.
[Direct cost of the statutory planning service / Number of planning applications received]					
Decision making					
Council planning decisions upheld at VCAT	33.00%	0.00%	100.00%	100.00%	One matter decided by VCAT resulted in Gannawarra Shire Council's decision being upheld with a variation.
[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					

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS



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

- 438 trees planted across the Gannawarra Shire
- Solar Saver program supported
- Solar panels installed on four Council buildings in Kerang
- 44% of kerbside collection diverted from landfill
- 87% of the Capital Works Program completed
- Lighting installed for town entry signs for Kerang and Cohuna
- Revitalised Kerang CBD project completed
- Development of Koondrook Nature Based Tourism Hub commenced
- Beyond the Battle film development continued

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

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Roads					
Satisfaction of use					
Sealed local road requests	19.84	12.77	16.26	11.90	The number of customer requests relating to sealed local roads has decreased from 82 in 2016/17 to 62 in 2017/18, reflecting Council's ongoing effort on renewal of sealed roads.
[Number of sealed local road requests / Kilometres of sealed local roads] x100					
Condition					
Sealed local roads maintained to condition standards	97.00%	94.53%	94.98%	91.94%	The condition of Council's road network has remained relatively stable due to continued maintenance and asset renewal.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100					
Service cost					
Cost of sealed local road reconstruction	\$25.03	\$28.90	\$31.76	\$35.00	Transport of material and location of construction from Council's Quarry has contributed to an increase in the cost of local road reconstruction.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
Service cost					
Cost of sealed local road resealing	\$5.45	\$4.29	\$3.66	\$4.51	The cost of road resealing varies year on year due to the complexity of the road, proximity of materials and CPI increase.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Satisfaction					
Satisfaction with sealed local roads	58.00	54.00	51.00	46.00	Results for community satisfaction with sealed local roads has seen a decrease of five points. This result is significantly different to Council's understanding of the sealed local road network, gained through customer requests and Council's inspection program. Council is aware that many residents find it difficult to ascertain a council maintained road compared to roads maintained by other authorities.

[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]

Animal Management

Timeliness

Time taken to action animal management requests	0.00	1.61	2.41	2.00	There has been a decrease in the time taken to action animal management requests due to a reduction in wandering animals and an increase in surrendered animals. All animal management requests were responded to within the required timeframe bound by Council's Customer Service Charter.
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[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]

Service standard

Animals reclaimed	30.00%	55.78%	81.20%	73.00%	With Council's rehousing program being used by the community, a larger number of dogs and cats are being rehoused voluntarily. This has changed the focus from unwanted wandering animals to rehousing.
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[Number of animals reclaimed / Number of animals collected] x100

PRIORITY AREA 3:

SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Service cost					
Cost of animal management service	\$43.04	\$35.75	\$35.26	\$38.10	An increase in the number of animals surrendered to council for rehoming has attributed to the small increase in the cost of the animal management service.

[Direct cost of the animal management service / Number of registered animals]

Health and safety

Animal management prosecutions	25.00	7.00	0.00	0.00	There were no animal management prosecutions in the 2017/18 year. This is attributed to greater compliance by animal owners through community education.
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[Number of successful animal management prosecutions]

Waste Collection

Satisfaction

Kerbside bin collection requests	16.98	35.31	31.65	29.25	Results relating to kerbside bin collection requests show a reduction of 11 requests for replacement or repairs.
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[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000

Service standard

Kerbside collection bins missed	1.08	1.02	0.78	1.25	Council received and acted on 50 requests relating to missed services in the 2017/18 reporting period, an increase of 19 from 2016/17.
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[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000

PRIORITY AREA 3: SUSTAINABLE NATURAL AND BUILT ENVIRONMENTS

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Service cost					
Cost of kerbside garbage bin collection service	\$51.61	\$52.38	\$53.97	\$54.17	The cost of the kerbside garbage collection has remained steady.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost					
Cost of kerbside recyclables collection service	\$35.07	\$35.61	\$39.69	\$36.84	A decrease in the cost of the kerbside recyclables collection is due to an increase in tenements.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion					
Kerbside collection waste diverted from landfill	33.00%	43.70%	44.21%	41.48%	Kerbside collection diversion rate has slightly decreased in 2017/18 however Council continues to focus on initiatives to reduce the level of waste that goes to the landfill.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100					

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION



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

- Implementation of the new Council Plan commenced which includes the statutory Municipal Public Health and Wellbeing Plan
- Review of Advocacy Strategy commenced
- Council sponsored a staff member to participate in the Loddon Murray Community Leadership Program
- More than 50 Year 6 students from across the Shire were sponsored by Council to attend the GRIP Leadership Conference in Bendigo May 2018
- Council sponsored a Youth Parliament Team 2017
- CommBank Foundation funding received to build skills and capacity of young people around the performing arts
- Partnered with Regional Development Victoria to commence development of a Pipeline of Projects document to improve opportunities to achieve funding for strategic projects
- Proactive involvement in the Loddon Mallee Regional Procurement Excellence Network
- Partnered with Local Government Victoria on a Reformed Operating Procurement Project
- Increase in traffic through Council's website with 68,030 sessions and 48.74 per cent being from new visitors to the website
- Self-access of information reviewed as part of the development of a new Information, Communication, Technology (ICT) strategy
- Average staff satisfaction score was 4.2 for 2017/18 (based on a scale of 1 to 5)
- 86 per cent of staff annual reviews completed in the 2017/18 year

- Recognition achieved in the mental health, physical activity and smoking priority areas of the Healthy Together Victoria Achievement Program for Workplaces
- A new Employee Recognition Policy was adopted in August 2017
- Shared service agreement entered into with Buloke Shire for GIS and Confirm Asset Management Implementation services
- New Community Grant Program Guidelines adopted by Council November 2017
- Two workshops held to build capacity of community to submit grant applications
- Council funds 21 local projects through the 2017/18 Community Grants Program totalling \$73,051

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 services, 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.

PRIORITY AREA 4:

GOOD GOVERNANCE AND A HEALTHY ORGANISATION

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.

IT Management

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

Strategic Asset Management

To ensure that Council has the infrastructure in place to meet the needs to 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.

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Governance					
Transparency					
Council decisions made at meetings closed to the public	7.00%	9.26%	9.16%	4.95%	A decrease in Council decisions made at meetings closed to the public is attributed to a change in the process of decisions made relating to contractual matters. The majority of decisions relating to contractual matters are now made at meetings open to the public.
<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>					
Attendance					
Councillor attendance at council meetings	96.00%	94.29%	86.73%	94.05%	Councillors attended 94.05% of ordinary and special meetings of Council in the 2017/18 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) × (Number of Councillors elected at the last Council general election)] x100</p>					

PRIORITY AREA 4: GOOD GOVERNANCE AND A HEALTHY ORGANISATION

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Service cost					
Cost of governance	\$36,615.37	\$41,837.50	\$40,182.39	\$40,037.69	The cost of governance per councillor has remained consistent.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
Satisfaction					
Satisfaction with Council decisions	64.00	59.00	60.00	54.00	A reduction in community satisfaction with council decisions could be attributed to public reaction to two controversial matters, being the Kerang CBD upgrade project and the proposed changes to Council's Rural Rating Strategy.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES



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, Early Years Board and Arts Gathering meetings held at regular intervals throughout the year to promote a partnership approach
- Quambatook Football Netball Clubroom renovations supported and Cohuna Recreation Reserve lighting upgrades completed
- Female Friendly facilities completed at Cohuna. Funding applications for female friendly change-rooms at Macorna and Kerang successful
- Development of a Recreation Facilities Strategy underway with a focus on structured, active and passive recreation
- Promotion of the 5 Ways to Wellbeing including Gannawarra Cares teabag cards and 5 Ways to Wellbeing magnets distributed

- Council coordination of the VicHealth Walk to School program for the fifth year in a row
- Health Promotion Charters reviewed for all early year services
- New drinking water fountains installed in Victoria Street Kerang and Cohuna Swimming Pool precinct
- Coordination of the development of a second Gannawarra Transitions booklet to provide information to parents on transition from kinder to prep and grade 6 to year 7
- Advocacy has continued for universal access to 15 hours of pre-school
- Focus on early years literacy continued including 1000 Books Before School program, National Simultaneous Storytime coordination and Summer Reading Program
- Little Library at the Kerang Train Station launched to foster a love of books and reading
- Children's Week activities held in Kerang and Cohuna
- Studiosity online homework support program available via library services October 2017
- Youth services were transitioned to Northern District Community Health during the year under a Memorandum of Understanding
- I-Mac computer installed at Kerang Library July 2017
- Eight theatre productions delivered across the Gannawarra Shire
- Council won the Arts Animates National Award for Local Government for its innovative approach to delivering a performing arts program in partnership with the community
- Team Around the Child pilot program with Buloke and Swan Hill councils completed September 2017
- Child Safe Standards implemented
- Information sessions held on the National Disability Insurance Scheme
- Council staff participated in the LGBTIQ Roadshow
- Reconciliation Week event held in Kerang with a community walk and celebration
- Revised Heat Health Plan adopted August 2017
- New Arbovirus Plan adopted November 2017
- Reviewed Domestic Animal Management Plan adopted March 2018
- Revised Influenza Pandemic Plan adopted June 2018
- Council and Red Cross participated in a Council facilitated exercise to test processes, arrangements and documents required for activation and set up of an Emergency Relief Centre

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 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, and toy library. The 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:

- Council Plan which incorporates the Municipal 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

Council has provided services to support older people and people with a disability since 1985. Community Care Services aims 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 critical support to all families and 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 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 and communities.

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Aquatic Facilities					
Satisfaction					
User satisfaction with aquatic facilities (optional)	0.00	0.00	0.00	0.00	
[User satisfaction with how council has performed on provision of aquatic facilities]					
Service standard					
Health inspections of aquatic facilities	1.33	1.00	1.00	1.00	There were routine health inspections carried out at each facility during the 2017/18 year.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Health and Safety					
Reportable safety incidents at aquatic facilities	^0^	0.00	0.00	0.00	There were no reportable safety incidents at Gannawarra Shire Council operated aquatic facilities within the 2017/18 reporting period.
[Number of WorkSafe reportable aquatic facility safety incidents]					
Service cost					
Cost of indoor aquatic facilities	\$16.87	\$16.50	\$10.41	\$8.46	A decrease in the cost of Council's indoor aquatic facility is due to a rise in attendance.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]					
Service cost					
Cost of outdoor aquatic facilities	\$17.40	\$15.20	\$13.31	\$12.41	A decrease in the cost of Council's outdoor aquatic facility is due to a rise in attendance and a reduction in contractor payments.
Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Utilisation					
Utilisation of aquatic facilities	2.16	2.72	2.58	2.52	Whilst visitation to Council's aquatic facilities increased, a drop in this indicator can be attributed to an increase in population.
[Number of visits to aquatic facilities / Municipal population]					
Food Safety					
Timeliness					
Time taken to action food complaints	0.00	1.00	1.00	1.33	All food complaints were actioned by Council on the same or following day.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
Food safety assessments	82.00%	88.73%	72.88%	97.40%	An increase in food safety assessments is related to a temporary increase in resources.
[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					
Service cost					
Cost of food safety service	\$406.99	\$280.80	\$226.58	\$401.69	An increase in the cost of the food safety service is related to a temporary increase in resources through the employment of an additional EHO.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Health and safety					
Critical and major non-compliance outcome notifications	100.00%	100.00%	100.00%	0.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. There were no critical or major non-compliance outcomes notifications for the 2017 year.

[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

Home and Community Care (HACC)

Timeliness

Time taken to commence the HACC service	0.00	10.00	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
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[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]

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Service standard					
Compliance with Community Care Common Standards	89.00%	88.89%	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					
Cost of domestic care service	\$0.00	\$65.81	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]					
Service cost					
Cost of personal care service	\$0.00	\$38.67	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					
Cost of respite care service	0.00	53.81	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]					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Participation					
Participation in HACC service	51.00%	54.50%	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					
Participation in HACC service by CALD people	17.00%	15.73%	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					
Libraries					
Utilisation					
Library collection usage	1.68	1.75	1.86	1.99	Investment in new resources together with the withdrawal of older, non-used items is improving turnover, however low use of e-resources impacts on this figure.
[Number of library collection item loans / Number of library collection items]					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Resource standard					
Standard of library collection	34.00%	39.16%	37.50%	35.83%	Gannawarra Shire Council will continue to step up withdrawal of older stock to increase the standard of the Library collection.
[Number of library collection items purchased in the last 5 years / Number of library collection items] x100					
Service cost					
Cost of library service	\$5.98	\$6.62	\$6.20	\$6.80	An increase in the Library Service cost is due partly to purchasing a higher percentage of shelf ready titles.
[Direct cost of the library service / Number of visits]					
Participation					
Active library members	13.00%	19.45%	20.01%	18.44%	A decrease in active library members is in part due to lower participation in the Summer Reading Club Program.
[Number of active library members / Municipal population] x100					
Maternal and Child Health (MCH)					
Satisfaction					
Participation in first MCH home visit	100.00%	101.80%	98.92%	109.00%	In a small number of cases, home visits have been conducted within the shire due to new mothers staying with families that reside in Gannawarra for support.
[Number of first MCH home visits / Number of birth notifications received] x100					

PRIORITY AREA 5: STRONG HEALTHY COMMUNITIES

SERVICE PERFORMANCE INDICATORS

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations and Comments
Service standard					
Infant enrolments in the MCH service	100.00%	93.69%	93.55%	100.00%	Reaching all children has been a concentrated focus resulting in 100% infant enrolments in the MCH service.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100					
Service cost					
Cost of the MCH service	\$0.00	\$70.17	\$62.03	\$62.04	The cost of the MCH service has remained steady.
[Cost of the MCH service / Hours worked by MCH nurses]					
Participation					
Participation in the MCH service	73.00%	79.19%	77.40%	77.49%	Gannawarra Shire Council Maternal and Child Health Service has increased EFT and a concerted effort is being made to follow up with children who have not attended appointments.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100					
Participation					
Participation in the MCH service by Aboriginal children	59.00%	69.49%	55.56%	54.39%	A decrease in the participation of the Maternal and Child Health Service by Aboriginal Children is attributed to an alternative service available through the Mallee District Aboriginal Service.
[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					



GOVERNANCE

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, MANAGEMENT AND OTHER INFORMATION

MEETINGS OF COUNCIL

Council conducts open public meetings on the third Wednesday of each 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, make a submission or speak to an item.

For the 2017/18 year, Council held 11 Ordinary Council Meetings and one Special Council Meeting.

ORDINARY MEETINGS												
COUNCILLOR	19/07/17	16/8/17	20/9/17	24/10/17	15/11/16	20/12/17	21/2/18	21/3/18	18/4/18	16/5/18	27/6/18	TOTAL
Cr Mark Arians	✓	✓	✓	✓	✓	✓	A	✓	✓	✓	✓	10/11
Cr Jodie Basile	✓	A	A	✓	✓	✓	✓	✓	✓	✓	A	8/11
Cr Brian Gibson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Charlie Gillingham	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Lorraine Learmonth	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Steven Tasker	LOA	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	11/11
Cr Sonia Wright	LOA	✓	✓	✓	✓	A	✓	✓	✓	✓	✓	10/11

LOA – Leave of Absence

A- Apology

SPECIAL MEETINGS

8/11/17

Cr Mark Arians	✓	1/1
Cr Jodie Basile	✓	1/1
Cr Brian Gibson	✓	1/1
Cr Charlie Gillingham	✓	1/1
Cr Lorraine Learmonth	✓	1/1
Cr Steven Tasker	✓	1/1
Cr Sonia Wright	✓	1/1

COUNCILLOR PORTFOLIOS

Councillor portfolios as set at November 2017.

COUNCILLOR	PORTFOLIO	COMMITTEE
Cr Brian Gibson		Municipal Emergency Management Planning Committee Audit Committee Murray River Group of Councils – as Mayor Loddon Campaspe Councils – as Mayor
Cr Mark Arians		Murray Mallee Local Learning and Employment Network (MMLLEN)
Cr Jodie Basile	Early Years	Municipal Association Victoria (MAV) Audit Committee (until November 2017) MAV Transport and Infrastructure Committee Early Years Board (until Feb 2018)
Cr Charlie Gillingham		Audit Committee (from November 2017)
Cr Lorraine Learmonth	Arts and Culture, Elders, Seniors	Loddon Mallee Waste and Resource Recovery Group (LMWRRG) Campaspe Cohuna Local Learning and Employment Network (CCLLEN) MAV Arts and Culture Committee MAV Environment Committee Seniors Advisory Committee Elders Group
Cr Sonia Wright	Youth	Central Victorian Greenhouse Alliance (CVGA)
Cr Steven Tasker		Municipal Fire Management Planning Committee

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
- 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
- Dispute resolution procedures

The Code of Conduct documents Gannawarra Shire Councillor's 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.

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 standard 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 2017/18, six 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 must be reviewed annually by the Minister for Local Government. At its December 2017 Ordinary Meeting, following notification from the Minister, Council resolved to acknowledge the 2.0 per cent Mayoral and Councillor allowance adjustment factor from 1 December 2017.

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.

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 2017/18 year are set out as below:

SCHEDULE OF COUNCILLOR EXPENSES – 2017-18								
	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	571	1,899	5,244	571	698	571	571	10,126
2. Travel Expenses	-	-	-	2,013	689	1,353	2,492	6,547
3. Car Mileage Expenses	-	-	17,885	-	1,809	-	-	19,694
4. IT & Communication Expenses	275	300	275	275	304	275	275	1,979
5. Childcare Expenses	-	-	-	-	-	-	-	-
TOTAL Expenses	846	2,199	23,405	2,859	3,500	2,199	3,339	38,347

1. Conferences & Training Expenses

This category covers registration fees & all other costs (eg accommodation, 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.

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 three independent members, Deanne Van der Drift, John Campbell and Alan Darbyshire (Alan Darbyshire retired from the Committee in March 2018); and two councillor representatives being Councillor Brian Gibson and Councillor Jodie Basile (until November 2017) and Councillor Charlie Gillingham (from November 2017). 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 2017/18. 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 2017/18:

- Human Resource Management
- Service Level Planning
- Past Issues – Follow Up Review
- Payroll

EXTERNAL AUDIT

Council is externally audited by the Victorian Auditor-General's Office (VAGO). For the 2017/18 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 2017/18 Council's Audit Committee received three Risk Management Reports, in accordance with Council's Risk Management framework (Council Opportunity and Risk Evaluator – CORE).

A review and a test exercise were also undertaken on Council's Business Continuity Plan and department sub-plans during 2017/18.

GOVERNANCE AND MANAGEMENT CHECKLIST

	GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE 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 4 financial years)	Plan adopted in accordance with section 126 of the Act	YES	27/06/2018		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	27/06/2018		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	

	GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
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
GC7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	22/06/2016		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	27/06/2018		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications http://www.gannawarra.vic.gov.au/Council/Council-Meetings/Minutes-and-Agendas
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	10/10/2016		

	GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
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	7/09/2016		
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	1/07/2015		

	GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
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	12/02/2018		
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		20/09/2017 15/11/2017 21/02/2018 16/05/2018	
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		20/12/2017 18/04/2018	
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		20/09/2017 07/03/2018	
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	24/10/2017		http://www.gannawarra.vic.gov.au/Council/Documents-and-Publications

	GOVERNANCE AND MANAGEMENT ITEM	REQUIRED	YES or NO	DATE IF YES (SINGLE ITEM/DATE)	DATE IF YES (MULTIPLE ITEMS/DATES)	REASON(S) IF ANSWER IS NO COMMENTARY OR LINK TO DOC IF ANSWER IS YES
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	15/02/2017		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	17/05/2017		
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	20/04/2011		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 councillor or any member of council staff in the previous 12 months
- 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 of 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 its Council Plan 2017–2021 to define the goals of the organisation over a four year period as required by the Local Government Act. The Council Plan 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. Our integrated planning framework is essential to the best use of limited resources.

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.

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 ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for staff working in Community Care services
- Council induction and training programs for staff working in front-line positions with the general community
- Induction and training programs for volunteers working directly with the community

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 or more for services of \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 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 year Council delivered a successful International Day of People with a Disability event in Kerang.

Council's Disability Action Plan is due for review and a Social Inclusion Strategy will be developed during the 2018/19 year. The Council Plan contains a priority action to develop a plan to make playgrounds across the shire all-abilities accessible. This will be included in the consultation for the new Social Inclusion Plan.

DOMESTIC ANIMALS 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 2017/18 period include:

- Development and implementation of a new Domestic Animal Management Plan for 2018-2022
- Redevelopment of the cat pound facility
- Working with RSPCA and Zoo Victoria to develop and start implementing Safe Cat, Safe Wildlife program
- Seeking out suitable organisations and putting in place 84Y agreements to further expand our rehoming possibilities
- Rehoming 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 such Ministerial Directions were received by Council during the financial year.

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 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.

Three valid Freedom of Information requests were received during 2017/18.

PROTECTED DISCLOSURE PROCEDURES

In accordance with Section 69 of the Protected Disclosure Act 2012 a Council must include in their Annual Report information about how to access the procedures established by the Council under Part 9 of that Act. 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 the 2017/18 year 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 such Ministerial Directions were received by Council during the financial year.

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.

FINANCIAL STATEMENTS

\$372.00	\$357.75	\$37.50	\$74.10	\$43.60
\$81.70	\$78.55		\$46.25	
\$48.10				

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT TABLE OF CONTENTS

FINANCIAL REPORT

CERTIFICATION OF THE FINANCIAL STATEMENTS	89
VICTORIAN AUDITOR-GENERAL'S OFFICE REPORT	90
FINANCIAL STATEMENTS	92
Comprehensive Income Statement	92
Balance Sheet	93
Statement of Changes in Equity	94
Statement of Cash Flows	95
Statement of Capital Works	96
OVERVIEW	97
NOTES TO FINANCIAL STATEMENTS	98
Note 1	
Performance against budget	98
1.1. Income and expenditure	98
1.2. Capital works	100
Note 2	
Funding for the delivery of our services	103
2.1. Rates and charges	103
2.2. Statutory fees and fines	103
2.3. User fees	103
2.4. Funding from other levels of government	104
2.5. Contributions	105
2.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	105
2.7. Other income	105
Note 3	
The cost of delivering services	105
3.1. Employee costs	105
3.2. Materials and services	106
3.3. Depreciation	106
3.4. Bad and doubtful debts	106
3.5. Borrowing costs	107
3.6. Other expenses	107
Note 4	
Our financial position	107
4.1. Financial assets	107
4.2. Non-financial assets	109
4.3. Payables	109
4.4. Interest bearing liabilities	110
4.5. Provisions	110
4.6. Financing arrangements	112
4.7. Commitments	113
Note 5	
Assets we manage	114
5.1. Non current assets classified as held for sale	114
5.2. Property infrastructure plant and equipment	115
5.3. Investment property	121
Note 6	
People and relationships	122
6.1. Council and key management remuneration	122
6.2. Related party disclosure	123
Note 7	
Managing uncertainties	124
7.1. Contingent assets and liabilities	124
7.2. Change in accounting standards	125
7.3. Financial instruments	126
7.4. Fair value measurement	127
7.5. Events occurring after balance date	129
Note 8	
Other matters	129
8.1 Reserves	129
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	130
8.3 Superannuation	130
8.4 Adjustments directly to equity	132

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Certification of the Financial Statements

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



Sid Hutchinson, Dip Acc
Principal Accounting Officer

Date : 19 September, 2018
Kerang

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

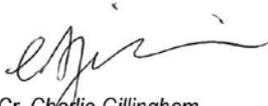
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

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



Cr. Brian Gibson
Councillor

Date : 19 September, 2018
Kerang



Cr. Charlie Gillingham
Councillor

Date : 19 September, 2018
Kerang



Geoff Rollinson
Acting Chief Executive Officer

Date : 19 September, 2018
Kerang

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT



Independent Auditor's Report

To the Councillors of Gannawarra Shire Council

Opinion	<p>I have audited the financial report of Gannawarra Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2018 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2018 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Auditor's responsibilities for the audit of the financial report

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

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

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

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

MELBOURNE
20 September 2018



Tim Loughnan

as delegate for the Auditor-General of Victoria

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Income			
Rates and charges	2.1	12,334	11,988
Statutory fees and fines	2.2	409	459
User fees	2.3	2,766	1,881
Grants - operating	2.4	8,289	10,504
Grants - capital	2.4	2,717	3,954
Contributions - monetary	2.5	163	203
Net gain on disposal of property, infrastructure, plant and equipment	2.6	68	23
Fair value adjustments for investment property		381	-
Other income	2.7	2,102	2,201
Total income		29,229	31,213
Expenses			
Employee costs	3.1	(11,395)	(11,558)
Materials and services	3.2	(7,546)	(8,046)
Depreciation	3.3	(5,563)	(5,311)
Bad and doubtful debts	3.4	(51)	(61)
Borrowing costs	3.5	(47)	(55)
Other expenses	3.6	(351)	(348)
Total expenses		(24,953)	(25,378)
Surplus for the year		4,276	5,835
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment	8.1	3,756	-
Total comprehensive result		8,033	5,835

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
Assets			
Current assets			
Cash and cash equivalents	4.1	10,261	5,207
Trade and other receivables	4.1	1,908	2,031
Other financial assets	4.1	1,602	3,103
Inventories	4.2	436	654
Non-current assets classified as held for sale	5.1	-	666
Other assets	4.2	206	165
Total current assets		14,413	11,826
Non-current assets			
Property, infrastructure, plant and equipment	5.2	196,203	187,511
Investment property	5.3	1,152	-
Total non-current assets		197,355	187,511
Total assets		211,768	199,337
Liabilities			
Current liabilities			
Trade and other payables	4.3	1,343	675
Trust funds and deposits	4.3	409	386
Provisions	4.5	2,655	2,653
Interest-bearing liabilities	4.4	101	95
Total current liabilities		4,508	3,809
Non-current liabilities			
Provisions	4.5	1,118	1,116
Interest-bearing liabilities	4.4	564	666
Total non-current liabilities		1,682	1,782
Total liabilities		6,190	5,591
Net assets		205,578	193,746
Equity			
Accumulated surplus		85,168	76,321
Reserves	8.1	120,410	117,425
Total Equity		205,578	193,746

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

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

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
2018				
Balance at beginning of the financial year		193,746	76,321	117,425
Adjustment on change in accounting policy				
- Land under roads	8.4	3,800	3,800	-
Transfers from revaluation reserve		-	771	(771)
Surplus for the year		4,276	4,276	-
Net asset revaluation increment		3,756	-	3,756
Balance at end of the financial year		205,578	85,168	120,410

	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
2017			
Balance at beginning of the financial year	187,911	70,486	117,425
Surplus for the year	5,835	5,835	-
Balance at end of the financial year	193,746	76,321	117,425

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Statement of Cash Flows For the Year Ended 30 June 2018

	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
Note		
Cash flows from operating activities		
Rates and charges	11,930	11,806
Statutory fees and fines	409	461
User fees	3,419	1,468
Grants - operating	8,289	10,504
Grants - capital	2,717	3,955
Contributions - monetary	163	203
Interest received	161	107
Trust funds and deposits taken	987	965
Other receipts	1,667	1,506
Net GST refund	635	216
Employee costs	(11,085)	(11,558)
Materials and services	(7,583)	(8,046)
Trust funds and deposits repaid	(965)	(717)
Other payments	(351)	(348)
Net cash provided by/(used in) operating activities	8.2 <u>10,393</u>	<u>10,522</u>
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	5.2 (7,022)	(8,829)
Proceeds from sale of property, infrastructure, plant and equipment	323	794
Payments for investments	(145)	(192)
Proceeds from sale of investments	1,646	-
Net cash provided by/(used in) investing activities	<u>(5,198)</u>	<u>(8,227)</u>
Cash flows from financing activities		
Finance costs	(47)	(55)
Repayment of borrowings	(95)	(169)
Net cash provided by/(used in) financing activities	<u>(142)</u>	<u>(224)</u>
Net increase (decrease) in cash and cash equivalents	5,054	2,071
Cash and cash equivalents at the beginning of the financial year	5,207	3,136
Cash and cash equivalents at the end of the financial year	<u>10,261</u>	<u>5,207</u>
Financing arrangements	4.6	
Restrictions on cash assets	4.1	

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

Statement of Capital Works For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
Property			
Land improvements		154	802
Total land		<u>154</u>	<u>802</u>
Buildings		-	15
Building improvements		123	202
Work in progress		5	-
Total buildings		<u>128</u>	<u>217</u>
Total property		<u>282</u>	<u>1,019</u>
Plant and equipment			
Plant, machinery and equipment		1,355	830
Fixtures, fittings and furniture		6	4
Computers and telecommunications		596	158
Library books		87	97
Works in progress		4	282
Total plant and equipment		<u>2,048</u>	<u>1,371</u>
Infrastructure			
Roads		2,542	2,201
Bridges		-	1,696
Footpaths and cycleways		119	94
Drainage		43	-
Recreational, leisure and community facilities		732	860
Kerb and channel		119	75
Waste management		97	347
Parks, open space and streetscapes		1,598	17
Aerodromes		-	16
Other infrastructure		79	361
Works in progress		331	547
Total infrastructure		<u>5,660</u>	<u>6,214</u>
Total capital works expenditure		<u>7,990</u>	<u>8,604</u>
Represented by:			
New asset expenditure		764	673
Asset renewal expenditure		5,158	6,669
Asset expansion/upgrade expenditure		2,068	1,262
Total capital works expenditure		<u>7,990</u>	<u>8,604</u>

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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 the 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:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.2)
- the determination of employee provisions (refer to Note 4.5)
- the determination of landfill provisions (refer to Note 4.5)
- the fair value of investment properties (refer Note 5.3)

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.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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. 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 28 June 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Income				
Rates and charges	12,183	12,334	151	
Statutory fees and fines	399	409	10	
User fees	3,296	2,766	(530)	1
Grants - operating	6,744	8,289	1,545	2
Grants - capital	3,294	2,717	(577)	3
Contributions - monetary	453	163	(290)	4
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	246	68	(178)	5
Fair value adjustments for investment property	-	381	381	6
Other income	419	2,102	1,683	7
Total income	27,034	29,229	2,195	
Expenses				
Employee costs	11,229	11,395	(166)	
Materials and services	8,535	7,546	989	8
Bad and doubtful debts	-	51	(51)	9
Depreciation	5,598	5,563	35	
Borrowing costs	47	47	-	
Other expenses	1,143	351	792	10
Total expenses	26,552	24,953	1,599	
Surplus for the year	482	4,276	3,794	

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	Additional income in respect to chargeable private works being undertaken during the year. Works included gravel and gravel carting at Edify Energy's solar farm and works on pedestrian crossing on the highway at Atkinson Park in total approximately \$500k. These works were not anticipated at the time the budget was prepared. Reimbursement income of \$1.7m was budgeted for in user fees but received as other income (Refer note 7 below)
2	Grants - operating	The budget was based on receiving a full year's Financial Assistance Grant payment. On 20 June 2018 the VGC advanced 50% of the 2018/19 payments totalling \$2.738 million. The advanced payment had the effect of increasing the amount of revenue received by Council during the current year.
3	Grants - capital	Capital grants are dependent on the capital projects undertaken each year. An amount of \$500k was allowed for community sport and recreation programs. An amount of \$257k had been received for approved projects.
4	Contributions - monetary	An amount of \$250k was allowed as a contribution from community groups in support of grant dependant community sport and recreation projects. Funding was not made available for all projects removing the requirement of a local contribution.
5	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	The sale of four Industrial Land blocks were included in the budget with only one selling during the financial year.
6	Fair value adjustments for investment property	Adjustment in respect to the accounting treatment of investment properties previously treated as part of Council's property plant and equipment.
7	Other income	Reimbursement income \$1.7m has been included in other income but budgeted in user fees and charges. Refer Note 1 above.
8	Materials and services	An amount of \$1m had been allowed for community projects dependant on grant and local contribution monies. Only one project was successful, Kerang Basketball Association, where approximately \$90k had been expended.
9	Bad and doubtful debts	No budget allocation is made for bad and doubtful debts as it is assumed all accounts will be paid or a payment arrangement entered into.
10	Other expenses	Contractor payments 304k, consultant fees 265k and general insurance 288k included in materials and services actuals.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Note

1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
Property				
Land improvements	321	154	(167)	1
Work in progress	-	5	5	2
Total Land	321	159	(162)	
Building improvements	375	123	(252)	3
Total Buildings	375	123	(252)	
Total Property	696	282	(414)	
Plant and Equipment				
Plant, machinery and equipment	1,625	1,355	(270)	4
Fixtures, fittings and furniture	-	6	6	5
Computers and telecommunications	320	306	(14)	
Library books	93	87	(6)	
Works in progress	-	294	294	6
Total Plant and Equipment	2,038	2,048	10	
Infrastructure				
Roads	3,193	2,542	(651)	7
Footpaths and cycleways	177	119	(58)	8
Drainage	590	43	(547)	9
Recreational, leisure and community facilities	1,611	732	(879)	10
Kerb and channel	150	119	(31)	11
Waste management	312	97	(215)	12
Parks, open space and streetscapes	642	1,598	956	13
Other infrastructure	425	79	(346)	14
Works in progress	-	331	331	15
Total Infrastructure	7,100	5,660	(1,440)	
Total Capital Works Expenditure	9,834	7,990	(1,844)	
Represented by:				
New asset expenditure	2,292	764	(1,528)	
Asset renewal expenditure	5,960	5,158	(802)	
Asset expansion expenditure	1,582	2,068	486	
Total Capital Works Expenditure	9,834	7,990	(1,844)	

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	Bendigo Road irrigation returned savings of \$19K. An amount of \$50k has been deferred until the 2018/2019 financial year. Costs associated with the acquisition of land for the southern township levee in Kerang have yet to be incurred. Costs to date \$5k compared to \$80k in budget.
2	Land	Costs associated with the acquisition of land for the southern township levee in Kerang have yet to be incurred. Costs to date \$5k compared to \$80k.
3	Building improvements	Leitchville preschool upgrade has been held over to the 2018/2019 financial year (\$195k). The installation of bulk solar panels was completed at a cost of \$92k compared to budget of \$120k a saving of \$28k. Patchell plaza roof, heating, ventilation and airconditioning completed at a cost of \$31k compared to budget of \$60k a saving of \$29k.
4	Plant, machinery and equipment	An amount of \$300k was allowed as a carried over project for the purchase of a truck expected to be delivered in July 2017. The truck at a value of \$191k was received in June 2017 and therefore included in the 2016/2017 capital works schedule.
5	Fixtures, fittings and furniture	Replacement of Mayoral chains
6	Works in progress	Works carried forward from financial system upgrade.
7	Roads	Of the \$1.9m allowed for R2R expenditure \$1.5m had been expended with the balance to be spent in the 2018/2019 financial year.
8	Footpaths and cycleways	\$50k was expended on the footpath replacement program compared to \$100k in the budget.
9	Drainage	An amount of \$500k had been allowed for the Quambatook township flood mitigation project, this project has been carried over into the 2018/2019 year.
10	Recreational, leisure and community facilities	\$800k for the Koondrook Nature Based Hub has been carried forward as a project for 2018/2019.
11	Kerb and channel	Kerb and channel program not completed due to lack of resources.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

12	Waste management	Capping of Old Kerang Landfill \$70k under budget and works to complete cell 3 at Denyer's landfill under budget by \$65k.
13	Parks, open space and streetscapes	An amount of \$350k had been allowed for the completion of the Kerang CBD upgrade (a 2016/2017 project) with the late start of the project \$1.01m was expended in 2017/2018.
14	Other infrastructure	Works on Koondrook Caravan Park \$350k have been carried forward to 2018/2019.
15	Works in progress	Various capital works still in progress at 30 June 2018 including Quambatook township flood mitigation \$17k, Cell 3 Denyers pit \$46k, Koondrook stormwater drainage \$17k, McCann Crescent playground \$12k, Koondrook Nature Based Tourism Hub \$160k, Apex Park Cohuna toilets \$8K and Lakes and waterways master plan \$62k.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Note 2 Funding for the delivery of our services	2018	2017
2.1 Rates and charges	\$'000	\$'000

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 2017/18 was \$1,547,350,100 (2016/17 \$1,525,278,180).

General Rates	9,790	9,548
Municipal charge	630	628
Waste management charge	1,783	1,701
Supplementary rates and rate adjustments	3	37
Interest on rates and charges	128	74
Total rates and charges	12,334	11,988

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2016, and the valuation was first applied in the rating year commencing 1 July 2016.

A further general revaluation of land for rating purposes within the municipal district was undertaken as at 1 January 2018, and the valuation will be first applied in the rating year commencing 1 July 2018.

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

2.2 Statutory fees and fines

Animal control	117	131
Health and preventative services	15	50
Library fees	-	1
Office services	-	8
Recreation	-	78
Town planning and building control	268	164
Other fees and charges	9	27
Total statutory fees and fines	409	459

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

2.3 User fees

Aged service fees	293	284
Child care/children's program fees	683	646
External works	1,199	355
Hall hire	16	17
Health and preventative services	62	2
Library, arts and culture	28	5
Office services	30	19
Recreation	153	57
Tourism	14	23
Waste and Environment	257	450
Other fees and charges	32	23
Total user fees	2,766	1,881

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

2.4 Funding from other levels of government	2018	2017
Grants were received in respect of the following :	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	8,666	10,402
State funded grants	2,340	4,057
Total grants received	11,006	14,459
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants - unallocated	3,419	4,807
Financial Assistance Grants - local roads	1,981	2,881
Children and Families	78	105
Senior citizens	838	783
	6,316	8,576
Recurrent - State Government		
Children and Families	894	928
Heritage and Culture	39	40
Preventative Services	26	66
Community Services	98	60
Regional Infrastructure	350	55
Senior Citizens	382	389
School Crossings	20	14
Other	36	52
	1,845	1,604
Total recurrent operating grants	8,161	10,180
Non-recurrent - Commonwealth Government		
Senior citizens	-	15
Children and Families	-	25
Library	128	144
Preventative Services	-	104
Heritage and Culture	-	21
Waste Management	-	15
Total non-recurrent operating grants	128	324
Total operating grants	8,289	10,504
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	2,222	1,827
Recurrent - State Government		
Library	6	6
Total recurrent capital grants	2,228	1,833
Non-recurrent - Commonwealth Government		
Non-recurrent - State Government		
Recreation	266	763
Regional Infrastructure	223	1,359
Total non-recurrent capital grants	489	2,122
Total capital grants	2,717	3,955

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	565	520
Received during the financial year and remained unspent at balance date	598	538
Received in prior years and spent during the financial year	(565)	(493)
Balance at year end	<u>598</u>	<u>565</u>

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

2.5 Contributions

Monetary	163	203
Total contributions	<u>163</u>	<u>203</u>

Contributions by community groups to assist in the funding of community projects are treated as monetary contributions. Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

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

Proceeds of sale	323	521
Written down value of assets disposed	(255)	(498)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>68</u>	<u>23</u>

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

2.7 Other income

Interest	161	107
Property rental	241	258
<i>Reimbursements</i>		
Welfare and Children Services	1,241	1,173
Garbage collection and recycling	296	244
Flood recovery	-	192
Other	163	227
Total other income	<u>2,102</u>	<u>2,201</u>

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 3 The cost of delivering services

3.1 Employee costs

Wages and salaries	7,992	8,321
Annual leave and long service leave	1,278	1,218
Other leave	863	784
Superannuation	931	969
Workcover	155	152
Fringe benefits tax	91	99
Salaries capitalised	(74)	(151)
Other	159	166
Total employee costs	<u>11,395</u>	<u>11,558</u>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	53	58
	<u>53</u>	<u>58</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	643	684
Employer contributions - other funds	235	227
	<u>878</u>	<u>911</u>

Refer to note 8.3 for further information relating to Council's superannuation obligations.

3.2 Materials and services

Operational Materials	1,937	2,004
Operational Services	3,021	3,231
Contract payments	304	277
Building maintenance	31	7
Utilities	505	636
Office administration	630	866
Information technology	275	331
Bank charges	37	35
Insurance	288	335
Consultants	265	131
Contributions	252	193
Total materials and services	<u>7,546</u>	<u>8,046</u>

3.3 Depreciation

Property	604	550
Plant and equipment	1,039	964
Infrastructure	3,920	3,797
Total depreciation and amortisation	<u>5,563</u>	<u>5,311</u>

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

3.4 Bad and doubtful debts

Rates	27	33
Children Services	2	2
Fire Hazard	11	13
Local Laws	10	13
Aged & Disabled services	1	-
	<u>51</u>	<u>61</u>

Movement in provisions for doubtful debts

Balance at the beginning of the year	214	163
New Provisions recognised during the year	47	51
Amounts already provided for and written off as uncollectible	(31)	-
Balance at end of year	<u>230</u>	<u>214</u>

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
3.5 Borrowing costs		
Interest - Borrowings	47	55
Total borrowing costs	47	55

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

3.6 Other expenses

Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	52	45
Auditors' remuneration - Internal	24	39
Councillors' allowances	181	193
Valuations	94	71
Total other expenses	351	348

Note 4 Our financial position

4.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	2	2
Cash at bank	619	414
Term deposits	9,640	4,791
Total cash and cash equivalents	10,261	5,207

(b) Other financial assets

Term deposits - current	1,602	3,103
Total other financial assets	1,602	3,103
Total financial assets	11,863	8,310

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

- Trust funds and deposits (Note 4.3)	409	386
Total restricted funds	409	386
Total unrestricted cash and cash equivalents	9,852	4,821

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	2,352	710
- Grant monies received but not yet expended	598	565
Total funds subject to intended allocations	2,950	1,275

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.

Other financial assets includes amounts set aside by Council resolution for a specific purpose and include the following:

Long Service Leave	1,895	1,531
LMPA - Preschool	44	44
Plant & Equipment	394	325
Land & Building	334	203
Major Projects	1,000	1,000
	3,667	3,103

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018 \$'000	2017 \$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	1,478	1,116
Provision for doubtful debts - rates	(154)	(127)
Special rate assessment	70	-
Infringement debtors	29	53
Provision for doubtful debts - infringements	(22)	(44)
Net GST receivable	131	216
Other debtors	430	860
Provision for doubtful debts - other debtors	(54)	(43)
Total trade and other receivables	<u>1,908</u>	<u>2,031</u>

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.

(d) Ageing of Receivables

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

Current (not yet due)	284	716
Past due between 30 and 60 days	73	30
Past due between 61 and 90 days	18	-
Past due by more than 90 days	55	114
Total trade & other receivables	<u>430</u>	<u>860</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$425k (2017: \$860k) were impaired. The amount of the provision raised against these debtors was \$54k (2017: \$43k). 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	54	43
Total trade & other receivables	<u>54</u>	<u>43</u>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

4.2 Non-financial assets

	2018	2017
(a) Inventories	\$'000	\$'000

Inventories held for distribution	436	654
Total inventories	436	654

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	152	142
Accrued income	54	23
Total other assets	206	165

4.3 Payables

(a) Trade and other payables

Trade payables	909	-
Accrued expenses	414	675
Other payables	20	-
Total trade and other payables	1,343	675

(b) Trust funds and deposits

Refundable deposits	65	5
Fire services levy	204	131
Retention amounts	50	92
Other refundable deposits	90	158
Total trust funds and deposits	409	386

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.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

4.4 Interest-bearing liabilities	2018	2017
	\$'000	\$'000
Current		
Borrowings - secured	101	95
	<u>101</u>	<u>95</u>
Non-current		
Borrowings - secured	564	666
	<u>564</u>	<u>666</u>
Total	<u>665</u>	<u>761</u>

Borrowings are secured by rates.

(a) The maturity profile for Council's borrowings is:

Not later than one year	101	95
Later than one year and not later than five years	409	415
Later than five years	155	251
	<u>665</u>	<u>761</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.

4.5 Provisions

	Employee	Landfill	Other	Total
	\$ '000	restoration \$ '000	\$ '000	\$ '000
2018				
Balance at beginning of the financial year	2,869	900	-	3,769
Additional provisions	1,282	-	1	1,283
Amounts used	(1,278)	-	-	(1,278)
Balance at the end of the financial year	<u>2,873</u>	<u>900</u>	<u>1</u>	<u>3,774</u>
2017				
Balance at beginning of the financial year	2,631	900	-	3,531
Additional provisions	1,456	-	-	1,456
Amounts used	(1,218)	-	-	(1,218)
Balance at the end of the financial year	<u>2,869</u>	<u>900</u>	<u>-</u>	<u>3,769</u>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled		
Annual leave	840	738
Long service leave	417	422
	1,257	1,160
Current provisions expected to be wholly settled		
Annual leave	147	227
Long service leave	1,251	1,266
	1,398	1,493
Total current employee provisions	2,655	2,653
Non-current		
Long service leave	218	216
Annual leave	-	-
Total non-current employee provisions	218	216
Aggregate carrying amount of employee provisions:		
Current	2,655	2,653
Non-current	218	216
Total aggregate carrying amount of employee	2,873	2,869

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

Wages and salaries and annual leave

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

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

Long service leave

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

Key assumptions:	2018	2017
- discount rate	1.910%	1.610%
- inflation rate	3.875%	3.813%

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000
(b) Landfill restoration		
Current	-	-
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. Future costs have been determined by indexing current contractor and Council costs.

Key assumptions:	2018	2017
- discount rate	1.910%	1.610%
- bond rate	3.571%	3.790%
- inflation rate	3.875%	3.813%

(c) Other provisions

Current - Time in lieu	1	-
	<u>1</u>	<u>-</u>

4.6 Financing arrangements

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

Credit card facilities	100	100
Other facilities	665	761
Total facilities	<u>765</u>	<u>861</u>
Used facilities	665	761
Unused facilities	<u>100</u>	<u>100</u>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

4.7 Commitments

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

2018	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and	years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Recycling	193	198	226	-	617
Garbage collection	286	294	335	-	915
Street Bins	18	18	21	-	56
Interest on Loans	42	35	62	10	149
Office equipment	8	-	-	-	8
Total	547	544	643	10	1,744
Capital					
Property	591	-	-	-	591
Infrastruture	1,761	-	-	-	1,761
Total	2,352	-	-	-	2,352

2017	Not later	Later than 1	Later than 2	Later than 5	Total
	than 1 year	year and	years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Garbage collection	481	991	511	-	1,983
Interest on Loans	48	42	87	24	201
Office equipment	15	8	-	-	23
Total	544	1,041	598	24	2,207
Capital					
Plant and Equipment	350	-	-	-	350
Infrastruture	360	-	-	-	360
Total	710	-	-	-	710

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	\$'000	\$'000

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	15
Later than one year and not later than five years	-	8
	<u>8</u>	<u>23</u>

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 5 Assets we manage

5.1 Non current assets classified as held for sale

Cost of acquisition	666	819
Reclassified as Land	(666)	-
Industrial estate land sold	-	(153)
Total non current assets classified as held for sale	<u>-</u>	<u>666</u>

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.

**GANNAWARRA SHIRE COUNCIL
2017/2018 FINANCIAL REPORT**

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018**

**5.2 Property, infrastructure, plant and equipment
(a) Property**

	Land - specialised \$'000	Land - non specialised \$'000	Land improvements - specialised \$'000	Land improvements - non specialised \$'000	Land Under Roads \$'000	Total Land & Improvements \$'000	Buildings - specialised \$'000	Building improvements \$'000	Total Buildings \$'000	Work In Progress \$'000	Total Property \$'000
At fair value 1 July 2017	3,005	1,431	5,496	18	-	9,950	25,787	805	26,592	-	36,542
Accumulated depreciation at 1 July 2017	-	-	(622)	-	-	(622)	(13,408)	(137)	(13,545)	-	(14,167)
	3,005	1,431	4,874	18	-	9,328	12,379	668	13,047	-	22,375
Movements in fair value											
Additions	-	-	154	-	-	154	-	123	123	5	282
Change in accounting policy (refer Note 8.4)	-	-	-	-	3,800	3,800	-	-	-	-	3,800
Disposal	(129)	-	(5)	-	-	(134)	-	-	-	-	(134)
Transfers*	431	-	-	-	-	431	(917)	-	(917)	-	(486)
	302	-	149	-	3,800	4,251	(917)	123	(794)	5	3,462
Movements in accumulated depreciation											
Depreciation and amortisation	-	-	(111)	-	-	(111)	(456)	(39)	(495)	-	(606)
Accumulated depreciation of disposals	-	-	2	-	-	2	-	-	-	-	2
Transfers	-	-	-	-	-	-	381	-	381	-	381
	-	-	(109)	-	-	(109)	(75)	(39)	(114)	-	(223)
At fair value 30 June 2018	3,307	1,431	5,645	18	3,800	14,201	24,870	928	25,798	5	40,004
Accumulated depreciation at 30 June 2018	-	-	(731)	-	-	(731)	(13,483)	(176)	(13,659)	-	(14,390)
	3,307	1,431	4,914	18	3,800	13,470	11,387	752	12,139	5	25,614

* Transfer of land represents the value of industrial estate land previously disclosed as non-current assets classified as held for sale* and the transfer of land and buildings now identified as investment property.

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures and fittings furniture \$'000	Computers and telecomms \$'000	Library books \$'000	Total Plant and Equipment \$'000	Work In Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2017	8,812	104	1,896	1,209	12,021	290	12,311
Accumulated depreciation at 1 July 2017	(4,864)	(99)	(1,514)	(642)	(7,119)	-	(7,119)
	3,948	5	382	567	4,902	290	5,192
Movements in fair value							
Additions	1,355	6	596	87	2,044	4	2,048
Disposal	(637)	-	-	-	(637)	-	(637)
Transfers	-	-	-	-	-	(290)	(290)
	718	6	596	87	1,407	(286)	1,121
Movements in accumulated depreciation							
Depreciation and amortisation	(792)	(2)	(190)	(55)	(1,039)	-	(1,039)
Accumulated depreciation of disposals	516	-	-	-	516	-	516
	(276)	(2)	(190)	(55)	(523)	-	(523)
At fair value 30 June 2018	9,530	110	2,492	1,296	13,428	4	13,432
Accumulated depreciation at 30 June 2018	(5,140)	(101)	(1,704)	(697)	(7,642)	-	(7,642)
	4,390	9	788	599	5,786	4	5,790

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

5.2 Property, infrastructure, plant and equipment

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Road kerb & channel	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Aerodromes	Other infrastructure	Total Infrastructure	Work in Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'001	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	188,276	24,420	10,037	18,774	17,488	15,618	3,137	4,206	4,312	9,550	275,818	641	276,459
Accumulated depreciation at 1 July 2017	(71,390)	(9,402)	(3,014)	(8,628)	(6,987)	(7,777)	(766)	(503)	(1,848)	(6,200)	(116,515)	-	(116,515)
	96,886	15,018	7,023	10,146	10,501	7,841	2,371	3,703	2,464	3,350	159,303	641	159,944
Movements in fair value													
Additions	2,542	-	119	43	119	732	97	1,598	-	79	5,329	331	5,660
Revaluation	(370)	(1,368)	-	-	-	-	-	-	-	-	(1,738)	-	(1,738)
Transfers	-	-	-	-	-	-	-	-	-	-	-	(641)	(641)
	2,172	(1,368)	119	43	119	732	97	1,598	-	79	3,591	(310)	3,281
Movements in accumulated depreciation													
Depreciation and amortisation	(2,499)	(247)	(125)	(235)	(219)	(257)	(35)	(59)	(76)	(168)	(3,920)	-	(3,920)
Revaluation	3,694	1,800	-	-	-	-	-	-	-	-	5,494	-	5,494
	1,195	1,553	(125)	(235)	(219)	(257)	(35)	(59)	(76)	(168)	1,574	-	1,574
At fair value 30 June 2018	170,448	23,052	10,156	18,817	17,607	16,350	3,234	5,804	4,312	9,629	279,409	331	279,740
Accumulated depreciation at 30 June 2018	(70,195)	(7,849)	(3,139)	(8,863)	(7,206)	(8,034)	(801)	(562)	(1,924)	(6,368)	(114,941)	-	(114,941)
	100,253	15,203	7,017	9,954	10,401	8,316	2,433	5,242	2,388	3,261	164,468	331	164,799

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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.

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

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

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

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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

	Level 1	Level2	Level 3	Date of Valuation
Land	-	1,431	3,307	Jun-14
Land Improvements	-	18	4,914	Jun-14
Land under roads	-	-	3,800	Jan-18
Buildings	-	-	11,387	Jun-14
Building improvements	-	-	752	Jun-14
Total	-	1,449	24,160	

Valuation of infrastructure

Valuation of infrastructure assets has been determined in accordance with a valuation undertaken 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 2018 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	100,253	Jun-18
Bridges	-	-	15,203	Jun-18
Footpaths and cycleways	-	-	7,017	Jun-16
Drainage	-	-	9,954	Jun-16
Road kerb and channel	-	-	10,401	Jun-16
Recreational, leisure and community facilities	-	-	8,316	Jun-14
Waste management	-	-	2,433	Jun-14
Parks, open space and streetscapes	-	-	5,242	Jun-14
Aerodromes	-	-	2,388	Jun-14
Other infrastructure	-	-	3,261	Jun-14
Total	-	-	164,468	

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 25% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$250 to \$1,470 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.

	2018	2017
	\$'000	\$'000
Reconciliation of specialised land		
Land under roads	3,800	-
Total specialised land	<u>3,800</u>	<u>-</u>

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

5.3 Investment property	2018 \$'000	2017 \$'000
Balance at beginning of financial year	-	-
Transfer	1,152	-
Balance at end of financial year	<u>1,152</u>	<u>-</u>

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.

Investment properties are held at the Fair Value valuation determined by Council's independent valuers, LG Valuations, in June 2014. The valuation is based on the current market valuation of the property.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
	No.	No.
Note 6 People and relationships		
6.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Gannawarra Shire Council is the parent entity.		
(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 (October 2012 - Current, Mayor 2016/2017, 2017/2018)		
Councillor Mark Ariens (October 2012 - Current)		
Councillor Lorraine Learmonth (October 2012 - Current, Mayor 2015/16)		
Councillor Charlie Gillingham (October 2016 - Current)		
Councillor Sonia Wright (October 2016 - Current)		
Councillor Steven Tasker (October 2016 - Current)		
Councillor Jodie Basile (October 2016 - Current)		
Total Number of Councillors	7	11
Chief Executive Officer and other Key Management Personnel	8	5
Total Key Management Personnel	15	16
(c) Remuneration of Key Management Personnel	2018	2017
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	867	853
Long-term benefits	56	58
Total	923	911
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
\$1 - \$9,999	-	4
\$10,000 - \$19,999	-	4
\$20,000 - \$29,999	7	1
\$30,000 - \$39,999	-	2
\$40,000 - \$49,999	2	-
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	2	-
\$100,000 - \$109,999	1	-
\$130,000 - \$139,999	1	1
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	1	-
\$230,000 - \$239,999	-	1
	15	16

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel,
a) has management responsibilities and reports directly to the Chief Executive; or
b) whose total annual remuneration exceeds \$145,000

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

	2018	2017
Income Range:	No.	No.
<\$99,999	-	1
\$100,000 - \$119,999	1	1
	<u>1</u>	<u>2</u>
Total Remuneration for the reporting year for Senior Officers included above,	\$ 114,988	\$ 238,198

6.2 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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Note 7 Managing uncertainties

7.1 Contingent assets and liabilities

(a) Contingent assets

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:

	2018	2017
	\$'000	\$'000
Not later than one year	285	273
Later than one year and not later than five years	389	1,144
Later than five years	106	1,557
	780	2,974

Bank Guarantees

The following Bank Guarantees are 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

(b) 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.

Landfill

Council operates a landfill. Council will have to carry out site rehabilitation works in the future. At balance date Council has assessed the financial implications of these works and has identified the amount as a provision for landfill.

(c) Guarantees for loans to other entities

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

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

7.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2018 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

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

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

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

7.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes to 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.

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's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. 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. 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.

GANNAWARRA SHIRE COUNCIL 2017/2018 FINANCIAL REPORT

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

(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:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets 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 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

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

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

(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 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.

7.4 Fair value measurement

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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, 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.

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

7.5 Events occurring after balance date

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

Note 8 Other matters

8.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Transfers to Accumulated Surplus	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
2018				
Property				
Land & land improvements	2,572	-	(235)	2,337
Buildings	9,839	-	(536)	9,303
	12,411		(771)	11,640
Infrastructure				
Roads	86,996	3,324	-	90,320
Bridges	6,227	432	-	6,659
Footpaths and cycleways	3,448	-	-	3,448
Drainage	4,610	-	-	4,610
Kerb and channel	3,733	-	-	3,733
	105,014	3,756	-	108,770
Total asset revaluation reserves	117,425	3,756	(771)	120,410
2017				
Property				
Land & land improvements	2,572	-	-	2,572
Buildings	9,839	-	-	9,839
	12,411	-	-	12,411
Infrastructure				
Roads	86,996	-	-	86,996
Bridges	6,227	-	-	6,227
Footpaths and cycleways	3,448	-	-	3,448
Drainage	4,610	-	-	4,610
Kerb and channel	3,733	-	-	3,733
	105,014	-	-	105,014
Total asset revaluation reserves	117,425	-	-	117,425

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

	2018	2017
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus for the year	4,276	5,835
Depreciation	5,563	5,311
Fair value adjustment for investment properties	(381)	-
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(109)	(23)
<i>Change in assets and liabilities:</i>		
<i>Finance costs</i>	47	-
(Increase)/decrease in trade and other receivables	124	(611)
(Increase)/Decrease in other assets	(41)	180
Increase/(decrease) in trust funds and deposits	23	-
Increase/(decrease) in trade and other payables	669	(368)
(Decrease)/increase in other liabilities	-	-
(Increase)/decrease in inventories	218	(192)
Increase/(Decrease) in provisions	4	238
(Increase)/Decrease in land held for resale		153
Net cash provided by/(used in) operating activities	10,393	10,523

8.3 Superannuation

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

Accumulation

The Fund's accumulation categories, Vision MySuper/Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2018, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

Funding arrangements

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

As at 30 June 2017, a full triennial actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 103.1%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI surplus at 30 June 2018 is 106.2%.

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

Employer contributions

Regular contributions

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

Funding calls

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

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2018

2017 triennial actuarial investigation surplus amounts

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

- A VBI surplus of \$69.8 million
- A total service liability surplus of \$193.5 million.
- A discounted accrued benefits surplus of \$228.8 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2017. Council was notified of the 30 June 2017 VBI during August 2017.

2018 interim actuarial investigation

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

8.4 Adjustments directly to equity

	2018	2017
	\$'000	\$'000
Adjustment arising from the recognition of land under roads.		

Council recognised land under roads in the 2017/2018 financial year. The initial recognition of land under roads is recognised as an adjustment to Council's accumulated surplus for 2017/2018.

Land under roads is valued at fair value using site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.

The effect of Council recognising land under roads is an increase to the opening balance of accumulated surplus of \$3.8 million and an increase to property, infrastructure, plant and equipment of \$3.8 million.

3,800	-
3,800	-

PERFORMANCE STATEMENT



GANNAWARRA SHIRE COUNCIL PERFORMANCE STATEMENT 2018 FOR THE YEAR ENDED 30 JUNE 2018

DESCRIPTION OF MUNICIPALITY

Bordered by the Murray River to the north, Gannawarra Shire is approximately three hours from Melbourne and around one hour from the neighbouring centres of Swan Hill, Echuca and Bendigo. Gannawarra Shire is a diverse landscape of lakes and rivers, red gum forests, irrigated agriculture and dry land farming. The magnificent natural landscapes and Mediterranean-style climate make it ideal for agriculture and outdoor recreation. Gannawarra's primary centres are Kerang, Cohuna and Koondrook. Smaller outlying communities include Leitchville, Quambatook, Murrabit, Lake Charm, Lalbert and Mystic Park.

SUSTAINABLE CAPACITY INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Population					
Expenses per head of municipal population <i>[Total expenses / Municipal population]</i>	\$2,388.66	\$2,419.00	\$2,551.94	\$2,362.30	Level of expenditure reduced due to rate capping.
Infrastructure per head of municipal population <i>[Value of infrastructure / Municipal population]</i>	\$15,941.74	\$17,780.92	\$17,916.84	\$17,299.35	Total capital program not achieved.
Population density per length of road <i>[Municipal population / Kilometres of local roads]</i>	4.46	4.41	4.38	4.65	Council road lengths have remained constant and with an increase in population, there has been an increase in population density.
Own-source revenue					
Own-source revenue per head of municipal population <i>[Own-source revenue / Municipal population]</i>	\$1,495.71	\$1,544.07	\$1,664.35	\$1,709.80	Own source revenue per head of municipal population remains constant.
Recurrent grants					
Recurrent grants per head of municipal population <i>[Recurrent grants / Municipal population]</i>	\$1,113.65	\$764.05	\$1,207.84	\$983.53	The timing of financial assistance grant payments had an adverse effect on this result.
Disadvantage					
Relative Socio-Economic Disadvantage <i>[Index of Relative Socio-Economic Disadvantage by decile]</i>	3.00	3.00	3.00	3.00	

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.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Aquatic Facilities					
Utilisation					
Utilisation of aquatic facilities <i>[Number of visits to aquatic facilities / Municipal population]</i>	2.16	2.72	2.58	2.52	While visitation to Council's aquatic facilities increased, a drop in this indicator can be attributed to an increase in population.
Animal Management					
Health and safety					
Animal management prosecutions <i>[Number of successful animal management prosecutions]</i>	25.00	7.00	0.00	0.00	There were no animal management prosecutions in the 2017/18 year. This is attributed to greater compliance by animal owners through community education.
Food Safety					
Health and safety					
Critical and major non-compliance outcome notifications <i>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</i>	100.00%	100.00%	100.00%	0.00%	From 1 July 2016, 'Critical and major non-compliance outcome notifications' will be reported by calendar year. Previously this indicator was reported by financial year. This has been implemented to better align reporting with the Department of Health and Human Services. This may result in some variances year on year. There were no critical or major non-compliance outcome notifications for the 2017 calendar year.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Governance					
Satisfaction					
Satisfaction with council decisions <i>[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</i>	64.00	59.00	60.00	54.00	A reduction in community satisfaction with council decisions could be attributed to public reaction to two controversial matters, being the Kerang CBD upgrade project and the proposed changes to Council's Rural Rating Strategy.
Home and Community Care (HACC)					
Participation					
Participation in HACC service <i>[Number of people that received a HACC service / Municipal target population for HACC services] x100</i>	51.00%	54.50%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation					
Participation in HACC service by CALD people <i>[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100</i>	17.00%	15.73%	Reporting ceased 1 July 2016	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Libraries					
Participation					
Active library members <i>[Number of active library members / Municipal population] x100</i>	13.00%	19.45%	20.01%	18.44%	A decrease in active library members is in part due to lower participation in the Summer Reading Club Program.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Maternal and Child Health (MCH)					
Participation					
Participation in the MCH service <i>[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100</i>	73.00%	79.19%	77.40%	77.49%	Gannawarra Shire Council Maternal and Child Health Service has increased EFT and a concerted effort is being made to follow up with children who have not attended appointments.
Participation in the MCH service by Aboriginal children <i>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</i>	59.00%	69.49%	55.56%	54.39%	A decrease in the participation of the Maternal and Child Health Service by Aboriginal Children is attributed to an alternative service available through the Mallee District Aboriginal Service.
Roads					
Satisfaction					
Satisfaction with sealed local roads <i>[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]</i>	58.00	54.00	51.00	46.00	Results for community satisfaction with sealed local roads has seen a decrease of five points. This result is significantly different to Council's understanding of the sealed local road network, gained through customer requests and Council's inspection program. Council is aware that many residents find it difficult to ascertain a council maintained road compared to roads maintained by other authorities.

SERVICE PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Service/indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Material Variations
Statutory Planning					
Decision making					
Council planning decisions upheld at VCAT <i>[Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100</i>	33.00%	0.00%	100.00%	100.00%	One matter decided by VCAT resulted in Gannawarra Shire Council's decision being upheld with a variation.
Waste Collection					
Waste diversion					
Kerbside collection waste diverted from landfill <i>[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100</i>	33.00%	43.70%	44.21%	41.48%	Kerbside collection diversion rate has slightly decreased in 2017/18 however Council continues to focus on initiatives to reduce the level of waste that goes to the 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 the 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 the 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 authorized 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 authorized 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.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Dimension/ indicator/measure	Results 2015	Results 2016	Results 2017	Results 2018	Forecasts				Material Variations
					2019	2020	2021	2022	
Efficiency									
Revenue level									
Average residential rate per residential property assessment <i>[Residential rate revenue / Number of residential property assessments]</i>	\$1,080.80	\$1,203.59	\$1,228.84	\$1,158.40	\$1,172.80	\$1,198.60	\$1,225.00	\$1,251.80	There has been a slight shift to farm properties due to revaluation shift.
Expenditure level									
Expenses per property assessment <i>[Total expenses / Number of property assessments]</i>	\$3,461.86	\$3,621.39	\$3,771.59	\$3,564.71	\$3,887.00	\$3,927.00	\$4,026.57	\$4,129.43	Expenses have remained fairly constant.
Workforce turnover									
Resignations and terminations compared to average staff <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i>	6.75%	19.81%	7.90%	3.98%	5.49%	5.49%	5.49%	5.49%	There were 6 less resignations/terminations in the 2017/18 year.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Dimension/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Forecasts				Material Variations
					2019	2020	2021	2022	

Liquidity

Working capital

Current assets compared to current liabilities <i>[Current assets / Current liabilities] x100</i>	299.26%	236.11%	310.48%	319.72%	188.62%	189.36%	184.02%	189.15%	Advance payment of the Financial Assistance Grant made by the Victoria Grants Commission has a material effect on the cash position at the end of the financial year. The advance payment of \$2.6m in June 2018 has pushed the ratio up. Under normal circumstances the cash position stays relatively constant from year to year with the main difference being the shift due to the reduction in interest bearing loans.
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FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Dimension/indicator/ measure	Results	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
Unrestricted cash									
Working capital									
Unrestricted cash compared to current liabilities <i>[Unrestricted cash / Current liabilities] x100</i>	176.14%	137.38%	193.20%	153.11 %	42.78%	44.65%	63.21%	65.68%	Changes in timing of the financial assistance grant payments reflected 1.5 years in 2016/17 and an advance payment in 2017/2018 of \$2.6m. The advance payment also has an effect on the forecast as the cash balance is levelled out over the years in question.
Obligations									
Asset renewal									
Asset renewal compared to depreciation <i>[Asset renewal expense / Asset depreciation] x100</i>	138.50%	114.53%	125.57%	92.72%	125.43%	85.12%	88.50%	77.19%	Expenditure profile changed to better reflect renewal gap.
Loans and borrowings									
Loans and borrowings compared to rates <i>[Interest bearing loans and borrowings / Rate revenue] x100</i>	11.50%	8.06%	6.35%	5.39%	4.49%	3.56%	2.60%	1.89%	Reduction in debt as no new loans have been undertaken.

FINANCIAL PERFORMANCE INDICATORS

FOR THE YEAR ENDED 30 JUNE 2018

Dimension/indicator/ measure	Results 2015	Results 2016	Results 2017	Results 2018	Forecasts				Material Variations
					2019	2020	2021	2022	
Loans and borrowings repayments compared to rates <i>[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100</i>	4.35%	3.54%	1.87%	1.15%	1.14%	1.11%	1.09%	0.82%	Reduction in debt as no new loans have been undertaken.
Indebtedness									
Non-current liabilities compared to own source revenue <i>[Non-current liabilities / Own source revenue] x100</i>	13.46%	12.24%	10.77%	9.31%	10.15%	9.56%	9.14%	8.71%	Shift due to changes in funding arrangements for aged and children services.
Adjusted underlying result									
Adjusted underlying surplus (or deficit) <i>[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100</i>	9.69%	-2.92%	12.56%	13.18%	-6.71%	8.23%	4.33%	3.91%	Reduction in debt as no new loans have been undertaken.
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	40.96%	49.12%	41.30%	42.92%	49.38%	42.88%	44.47%	44.42%	Remaining constant.
Rates effort									
Rates compared to adjusted underlying revenue <i>[Rate revenue / Adjusted underlying revenue] x100</i>	0.75%	0.77%	0.77%	0.80%	0.75%	0.74%	0.73%	0.72%	Remaining constant due to rate capping.

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.

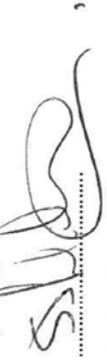
Where applicable the results in the performance statement have been prepared on an accounting basis consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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. Variations between the indicator in the performance statement and the strategic resource plan may occur due to rounding or a difference in the required method of calculation. 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 27 June 2018 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.

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
Date:

In our opinion, the accompanying performance statement of the Gannawarra Shire Council for the year ended 30 June 2018 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.



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Cr Brian Gibson
Councillor
Date: 19 September 2018



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Cr Charlie Gillingham
Councillor
Date: 19 September 2018



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Geoff Rollinson
Acting Chief Executive Officer
Date: 19 September 2018



Independent Auditor's Report

To the Councillors of Gannawarra Shire Council

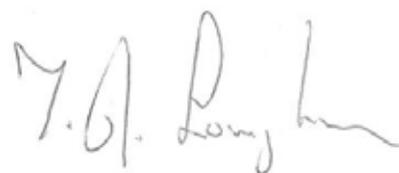
Opinion	<p>I have audited the accompanying performance statement of Gannawarra Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2018 • sustainable capacity indicators for the year ended 30 June 2018 • service performance indicators for the year ended 30 June 2018 • financial performance indicators for the year ended 30 June 2018 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Gannawarra Shire Council in respect of the year ended 30 June 2018 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.</p>

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

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

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

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



MELBOURNE
20 September 2018

Tim Loughnan
as delegate for the Auditor-General of Victoria

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 PLANNING GROUP - Group of community representatives who volunteer to oversee the implementation of the community plan in their community.

COMMUNITY SATISFACTION SURVEY - An independent annual survey of community satisfaction, jointly sponsored by the Department of Planning and Community Development (DPCD) 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 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 AND ACRONYMS

CBD	Central Business District
CEO	Chief Executive Officer
CFA	Country Fire Authority
CO2	Carbon dioxide
CPI	Consumer Price Index
CR	Councillor
DHHS	Department of Health and Human Services
EFT	Equivalent Full Time
EPA	Environmental Protection Agency
GLAM	Gannawarra Local Agency Meeting
GNETS	Gannawarra Non-Emergency Transport Service
HACC	Home and Community Care
KM	Kilometres
MAV	Municipal Association of Victoria
MDAS	Mallee District Aboriginal Services
MRGC	Murray River Group of Councils
NAIDOC	National Aboriginal and Islander Day Observance Committee
NBN	National Broadband Network
NCCMA	North Central Catchment Management Authority
NDCHS	Northern District Community Health Service
OHS	Occupational Health and Safety
RAMSAR	The Ramsar Convention is an international treaty for the conservation and sustainable use of wetlands. It is also known as the Convention on Wetlands. It is named after the city of Ramsar in Iran, where the Convention was signed in 1971.
SES	State Emergency Services
VFF	Victorian Farmers Federation





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