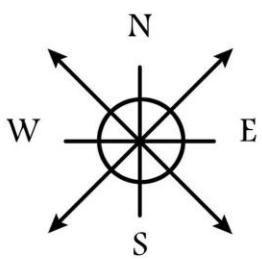


HINDMARSH SHIRE COUNCIL

ANNUAL REPORT
2018/19





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Introduction

Welcome to the 2018/19 Report of Operations

The *Victorian Local Government Act 1989* requires all Councils to present an Annual Report to the Minister for Local Government by 30 September each year.

Council’s Annual Report details the achievements and performance of Hindmarsh Shire Council during the 2018/19 financial year. Council is committed to transparent reporting and accountability to the community and the report of operations provides a transparent record of Council’s operations and performance during the financial year.

Snapshot of our Council

Hindmarsh Shire Council is located in the Wimmera region in Western Victoria, covering an area of 7,527 km².

We are bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Hindmarsh Shire is based in or around the Shire’s four main towns of Dimboola, Jeparit, Nhill and Rainbow.

We are a closely linked community of 5,721 people, with a median age of 50 years.

Hindmarsh Shire is rich in natural beauty like the Wimmera River and Lake Hindmarsh, Pink Lake and Lake Albacutya.

The economy is largely dependent on agriculture (primary and secondary), health services, manufacturing and retail.

58.3% of people work full time, 30.6% of people work part time, 5.1% of people were unemployed and 6.0% of people were away from work according to the 2016 Census.

83.5% of people were born in Australia, with English the only language spoken in 88.0% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 Karen people calling Nhill home.



OUR VISION

A CARING, ACTIVE COMMUNITY ENHANCED BY ITS LIVEABILITY, ENVIRONMENT AND ECONOMY

OUR MISSION

- * TO PROVIDE ACCESSIBLE SERVICES TO ENABLE THE COMMUNITY TO BE HEALTHY, ACTIVE & ENGAGED
- * TO PROVIDE INFRASTRUCTURE ESSENTIAL TO SUPPORT THE COMMUNITY
- * TO PROTECT AND ENHANCE OUR NATURAL ENVIRONMENT
- * TO FOSTER A THRIVING AND DIVERSIFIED LOCAL ECONOMY WHERE ECONOMIC GROWTH IS ENCOURAGED & SUPPORTED
- * TO REALISE THE EXCELLENCE IN OUR PEOPLE, PROCESSES AND SYSTEMS.

VALUES

1. LEADERSHIP AND DIRECTION
2. TRANSPARENCY & ACCOUNTABILITY
3. HONESTY & INTEGRITY
4. TRUST & RESPECT
5. DIVERSITY & EQUALITY
6. JUSTICE & FAIRNESS
7. SUSTAINABILITY
8. ASPIRATION

FACTS & FIGURES

ANIMAL CONTROL

Dogs Registered 1,187
Cats Registered 402

ROADS

Kilometres of sealed roads 577

RATES

Rates Assessments 5,151
Rate Revenue Collected \$8.71m

CUSTOMER SERVICE

Telephone Calls - Nhill 9,660
Over Counter Assistance 10,091

LIBRARY

Number of visitors 23,802

WASTE & RECYCLING

Tonnes of Waste Collected 1,187
Tonnes of Recycling Collected 398

CINEMA

Cinema Patrons 2,321

CARAVAN PARKS

Caravan Park Visitors 13,617

The year in review

Mayor & CEO's Message

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

During the past twelve months we continued to build strong partnerships with our community, businesses, and other stakeholders including the state and federal governments.

Lobbying:

Council lobbied the state government heavily to reinstate funding for rural roads. The introduction of the Fixing Country Roads program has meant Council has commenced upgrading the Nhill Rainbow Road, an important strategic route within our Shire.

Successful lobbying will see the installation of a telephone tower at Yanac, funded through the Mobile Blackspot program. Council will continue to lobby for further telephone towers throughout the Shire with the aim to reduce the areas without mobile phone reception.

Council will continue to advocate for increased funding to support small rural shires both operationally and with capital projects.

Community Consultation:

We have continued to undertake extensive community consultation over the past twelve months.

During March 2019 eight community conversations meetings were held throughout the Shire. The meetings were well attended, and gave our community an update on items contained in our 18/19 budget, priorities for the 19/20 budget, capital works projects undertaken in 18/19 and proposed capital works projects for 19/20.

Interested parties were invited to participate in a review of the Nhill Skate park draft design prior to finalisation. Members of the community took the opportunity to view the proposed plan and provide feedback. As a result of this consultation and constructive comment from several of the youth in attendance, the quarter pipe at the west end of the park was increased in size to allow park users to attain a higher speed in order to tackle the range of elements mid-course.

Each month representatives from Council attend the Dimboola, Jeparit, Nhill and Rainbow Town Committee meetings. Town Committees provide a link between their respective communities and Council.

Consultation and Community meetings were also undertaken to discuss the Rainbow Nhill Road Bridge (Outlet Creek) works and road closure, Nhill Aerodrome Master Plan, Town Planning, Diapur Windfarm, and the Wimmera River Stakeholder Advisory Group.

Grant Funding:

Grants are an important funding source for Council. Grants allow Council to deliver projects big and small to our community.

During 2018/19 Council was successful in receiving a large grant through the State Government's Fixing Country Roads Program to undertake upgrade works to the Nhill Rainbow Road, including funding to widen the Outlet Creek bridge.

Council also received grants to improve user access to our waterways including obtaining a grant for the installation of a fishing pontoon at Nhill Lake, and a grant to install a new boat launching pontoon at Dimboola.

Funding through the Children's Facilities Capital Program Minor Grants Initiative allowed Council to refurbish the bathrooms at the Jeparit and Rainbow Kindergartens. This project provides our kindergarten children with upgraded amenities.

Council were also successful in receiving a grant to erect E-Waste sheds at the Nhill and Dimboola transfer stations. From 1 July 2019 E-Waste cannot be deposited into landfill, the E-Waste sheds will provide a deposit point for recycling of E-Waste products.

Council received funding for disaster support and relief during 2018/19. This funding was combined with funding received by Yarriambiack Shire Council, West Wimmera Shire Council, and Horsham Rural City Council to support the Rural Outreach Program. The Rural Outreach Program is a rural Victorian mental health initiative. Local community-based Rural Outreach Workers are employed with the capacity to respond to the immediate needs of people living in rural and remote communities across the Wimmera Southern Mallee Shires. Other partners to the program include West Wimmera Health Service, Wimmera Primary Care Partnership, Harrow Bush Nursing Centre, Public Health Network Western Victoria, Rural Northwest Health, Edenhope & District Memorial Hospital, and Woomelang District Bush Nursing Centre.

Other grants received during 2018/19 for small projects to assist with improving our liveability, visitor amenities or supporting events include FreeZa activity funding, facilitated playgroup coordination, Walk to School, This Girl Can marketing promotion, Dimboola HPV event, and Nhill Aerodrome Entrance & Heritage Walk.

Council's Community Action Grants and Business Assistance Grants programs were again successful with Council providing funding to enable 32 community groups and businesses within our Shire to undertake projects. These programs continued to support our community during 2018/19 to undertake projects to support and enhance our community.

Events:

Hindmarsh Shire continues to be a great place to live, this is attributable to the many community groups who work tirelessly assisting Council to host events and activities.

Some of the events held during the past twelve months include the Rainbow Desert Enduro and Rainbow Rises 240, Dimboola Human Powered Vehicle (HPV) demonstration event, Nhill Pony express, New residents BBQs, Dimboola swap meet, Dimboola rowing regatta, Dimboola fishing competition, agricultural and pastoral society shows, international day of people with disabilities, Grease 40th Anniversary event, Peter Taylor Barefoot Waterski Memorial Tournament and Night Jump, Nhill Aviation Heritage Centre 10th Anniversary, town committee Christmas events, Nhill Lake February Fiestas, Nhill Park Run, Wimmera Mallee Pioneer Museum vintage rally, Jeparit Easter fishing competition, and Easter Eggstravaganza, markets, funs runs and horse races.

We thank all of the hardworking volunteers involved in delivering a busy schedule of events across our Shire.

Volunteers:

The contribution of our volunteers should not go unrecognised, and we thank the many volunteers that support our operations around the Shire.

We congratulate the Dimboola community volunteers on the success of their Keep Victoria Beautiful 2018 Victoria's Tidiest Town.

Council has 15 Section 86 committees, set up as delegates of Council under the *Local Government Act 1989*. These committees vary from our four town committees, who undertake

an extraordinary amount of work within our towns and perform a valuable role as Council's conduit to our community, through to hall and other facility managers. The contributions that these committees make to our Shire is significant and Council is very grateful for their support.

Business

Hindmarsh Shire was well represented at the Wimmera Development Association 2018 Business Awards with finalists in a number of categories.

We would like to congratulate the following businesses:

Des Lardner Pharmacy, Dimboola – winner Best Retail Business

Paw Po / Nhill Learning Centre, Nhill – winner Best New Business







Community Satisfaction:

Our Community Satisfaction survey results remain consistent with improvements in: overall performance, making community decisions, sealed local roads and overall council direction. Council scores higher than the average of small rural shires in 6 out of 7 key areas.

Performance Measures	Hindmarsh 2015	Hindmarsh 2016	Hindmarsh 2017	Hindmarsh 2018	Hindmarsh 2019	Small Rural Shires 2019
Overall Performance	64	62	63	60	65	58
Community Consultation (community consultation & engagement)	59	60	59	60	60	56
Advocacy (lobbying on behalf of the community)	59	59	60	62	61	55
Making community decisions (Decisions made in the interest of the community)	60	57	58	60	61	55
Sealed Local Roads (Condition of sealed local roads)	47	45	52	48	54	53
Customer Service	71	73	71	72	70	70
Overall Council Direction	61	57	66	51	53	51

Capital Works:

During 2018/19 Council undertook the following capital works:

-  2 shoulder resheets totalling \$86k.
-  13 road sealing projects totalling \$589k.
-  4 footpath projects totalling \$189k.
-  8 sealed road construction projects totalling \$2.426m.
-  5 unsealed road construction projects totalling \$320k.
-  3 kerb and channel projects totalling \$502k.

Council committed a significant portion of the construction program to upgrading the Rainbow-Nhill Rd, widening several kilometres improving the safety and efficiency of the link. Council also completed a tender process during 2018/19 to replace the Outlet Creek Bridge, with works being undertaken in the 2019/20 financial year.

The construction team also commenced the final stage of the Dimboola drainage upgrade works, with the last section on Horsham Rd to be completed early in the 2019/20 financial year.

These works are in addition to the significant amount of maintenance work Council undertakes on its road network and town amenity projects such as work to maintain and improve playgrounds, parks and sporting facilities.

Council is responsible for 3,200 kilometres of local road network. One of the main focuses for Council's capital works program is asset renewal. Council faces significant challenges into the future primarily due to the responsibility for a large local road network.

Council will continue to lobby the State and Federal governments for more appropriate funding in recognition of the size of this challenge and the importance of our road network to our economy.

Summary

Council has a team of staff members who are committed to our community. We look forward to delivering a significant number of projects in 2019/20, continuing to make our community liveable for our residents.

During 2019/20 work will continue on the Nhill Rainbow Road upgrades, commence construction of the Dimboola Library incorporating the Civic Hub, and commence the Wimmera River Discovery Trail incorporating visitor nodes at both Dimboola and Jeparit.

Council will undertake 13 reseal and final seal projects totalling more than \$780,000, and construct Kerb and Channel in Charles Street Jeparit.

Council will continue to advocate for increased funding for small rural shires and our rural roads, and lobby Regional Roads Victoria for a long term solution to trucks turning off and onto the Western Highway at Nhill.



Cr Ron Ismay
Mayor



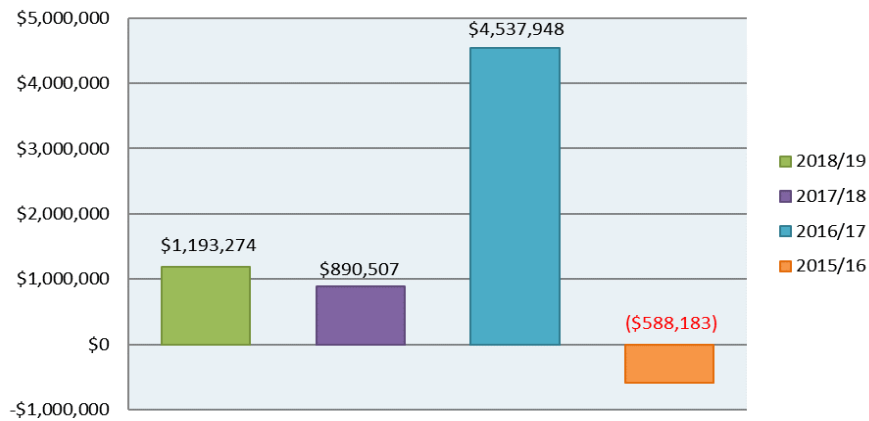
Greg Wood
Chief Executive Officer

Financial Summary

Council’s financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to council’s financial performance is included within the Financial Statements and Performance Statement sections of this report.

Operating Position

Council reported a surplus of \$1.193 million in 2018/19. As per the Comprehensive Income Statement in the Financial Report, the favourable variance is due mainly to the early payment of \$2.42 million from the Financial Assistance grants received in June 2019 for the 2019/20 financial year.

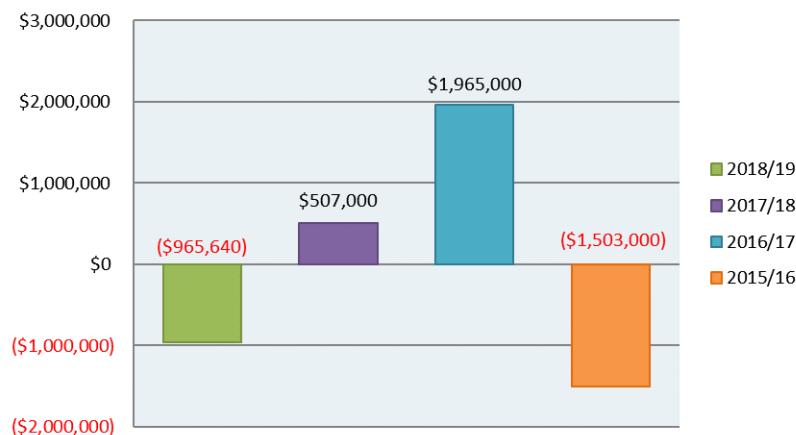


Surplus / (deficit) for the year

Council received additional grants that were not budgeted for. These included grants for a refurbishment of the Jeparit and Rainbow kindergartens, installation of a fishing pontoon at Nhill Lake, installation of a boating pontoon at Dimboola, Nhill Aerodrome Entrance and Heritage Walk, construction of E-Waste sheds at Dimboola and Nhill, Fixing Country Roads Program and Local Roads to Market Program.

Employee costs were under budget due to a number of vacant positions throughout 2018/19, while materials and services were significantly over budget due to payments in relation to flood recovery works.

Council’s adjusted underlying result, that is, the result after removing non-recurrent capital grants, cash capital contributions and non-monetary capital contributions, is a deficit of \$0.965 million.

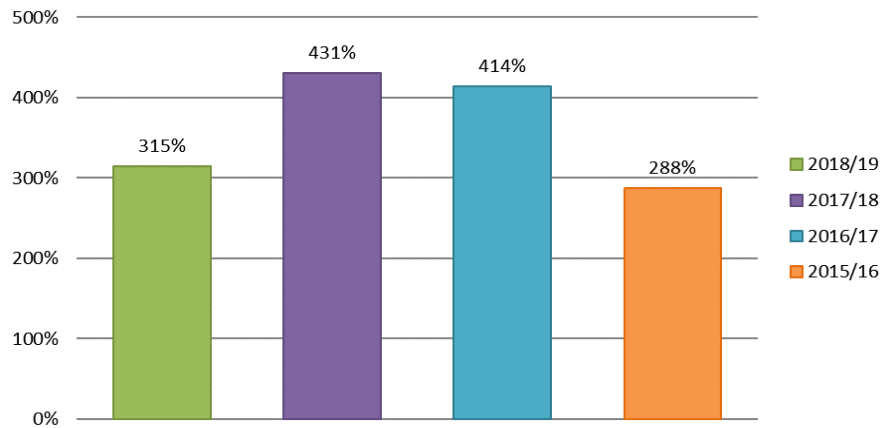


Adjusted Underlying Surplus / (deficit) for the year

Liquidity

Cash increased by \$0.649 million from the previous financial year. Large capital works projects including the Albacutya Bridge and Dimboola Library incorporating Civic Hub were not completed during 2018/19.

The working capital ratio which assesses Council’s ability to meet its current commitments is calculated by measuring Council’s current assets as a percentage of current liabilities. Council’s result of 351% is an indicator of Council’s strong financial position and well within the band of 150% or more for the Victorian Auditor General’s Offices (VAGO) assessment as ‘low risk’.

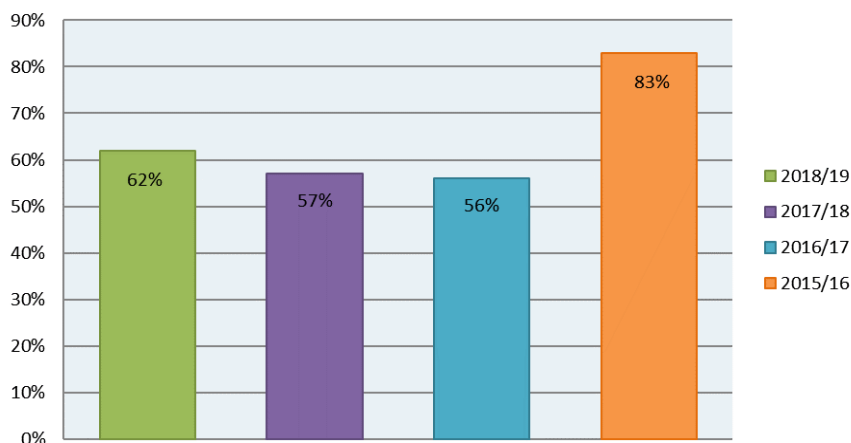


Working capital ratio %

Obligations

Council aims to ensure that it is able to maintain its infrastructure assets at the expected levels, while at the same time continuing to deliver the services needed by its community.

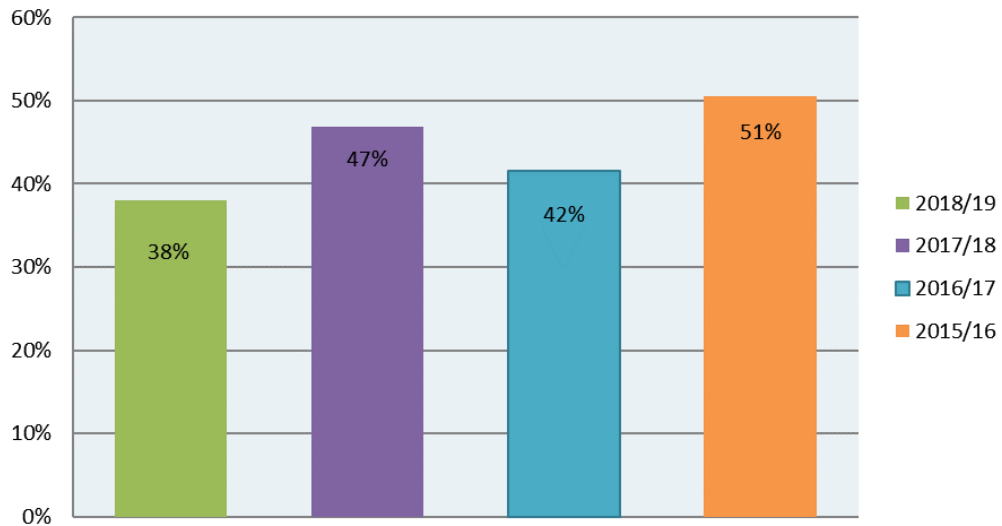
With land, building and infrastructure assets valued at more than \$125 million, it is a challenge to maintain them with an income of just \$25.01 million. Assets deteriorating faster than their maintenance and renewal can be funded creates an ‘infrastructure renewal gap’. To bridge this gap, Council invested \$3.18 million in infrastructure renewal works during the 2018/19 year. Council’s asset renewal ratio which is measured by comparing asset renewal expenditure to depreciation (the reduction in the value of our assets over time, due in particular to wear and tear) was 62%. While this percentage sits within VAGO’s range of medium risk rather than the low risk spectrum, the impact on the lower renewal expenditure remains a concern, therefore future budgets need to focus on renewal expenditure as a priority.



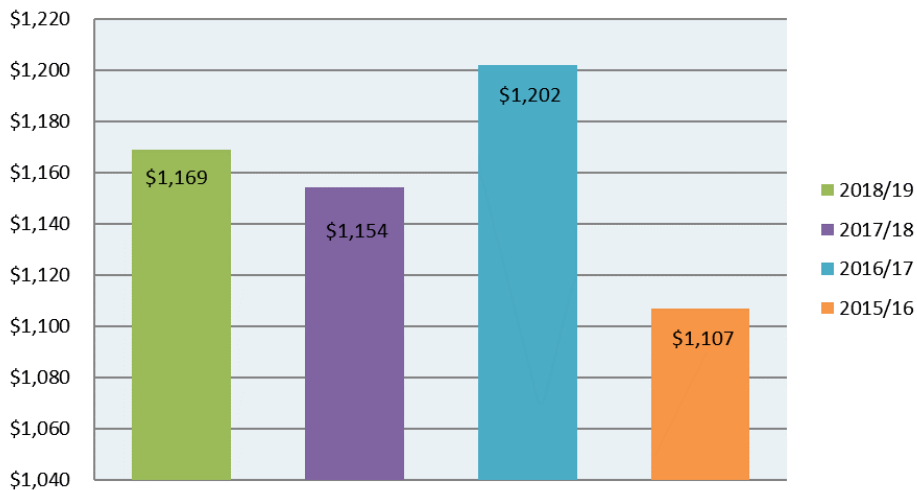
Asset renewal ratio %

Stability and efficiency

Council raises a wide range of revenues including rates, user fees, fines, grants and contributions. Despite this, Council's rates concentration which compares rate revenue to adjusted underlying revenue was 38% for the 2018/19 year which below the expected target band of 40% - 80%. Council continues to advocate for additional grants, and appreciates the State Government's Fixing Country Roads Grant and increase in the Victorian Grants Commission Grant payment. Average residential rates per residential assessment for 2018/19 was \$1,169 which compares favourably to similar small rural councils.



Rates concentration ratio %



Rates per residential assessment

Description of Operations

Hindmarsh Shire Council is responsible for more than 120 services, ranging from services for children to those for older adults, from open space to community buildings, waste management and infrastructure to matters concerning business development, planning for appropriate development and ensuring accountability for Council's budget. This broad range of services and facilities are described in our Council Plan 2017-2021 and the associated budget 2018/19 and reported upon in this document. More information about Council services is contained in the section on Our Performance.

The delivery of services, facilities, support and advocacy to achieve the Strategic Objectives is measured by a set of service performance indicators and measures. Council also has a wide range of responsibilities under Victorian and federal legislation.

Economic or other factors

Council received funding through round one of the state governments *Fixing Country Roads* program which has enabled Council to undertake significant upgrade works to the Nhill Rainbow Road. This funding is only available for new or upgrade projects, and although Council welcomes the funding, to enable Council to match their required contribution it means a reduction in the completion of renewal works.

Council is able to cover the reduction in renewal works in the short term, but long term our renewal gap will increase to a level that is not sustainable.

Council remains debt free, with a capacity to meet short term unforeseen economic challenges due to managing its financial position prudently.

Major Capital Works

During 2018/19 major capital works undertaken included:

Nhill Rainbow Road

Council successfully obtained funding through the State Government Fixing Country Roads program and Local Roads to Market program for the construction and widening of Nhill Rainbow Road. Various sections of this strategic route have been upgraded during 2018/19. Further works will be undertaken during 2019/20 to improve conditions for all users.

Nhill Skate Park

At its meeting on 5 September 2018, Council awarded the tender for the detailed design and construction of the new Nhill Skate Park to Queensland based company Trinity Skate Parks. Construction was completed in May 2019. The new skate park is a popular attraction for residents and those passing through Nhill. An official opening will be held in September 2019.

Council and Sport and Recreation Victoria funded the Nhill skate park, recognising the need for new facilities after extensive consultation with youth in the local community.





Dimboola Sports Stadium Roof Replacement

Work to replace Dimboola Sports Stadium roof was completed in April 2019. New features included the installation of insulation blanket, complete with safety mesh and the introduction of six industrial grade ventilators to improve the ventilation in the stadium on hot days.

Dimboola Drainage Project

Council commenced the final stages of the Dimboola Drainage Project during 2018/19. This included constructing kerb and channel and underground drainage on High St, Ellerman St and Horsham Rd. The project completes the overland flow works reducing the likelihood of flooding during serious rainfall events. Works will be finalised in the 2019/20 financial year

Dimboola Netball Change Rooms

Work on the construction of the new Dimboola Football Netball Club's netball change rooms was undertaken during 2018/19. The change rooms are a modular building that was constructed in Ballarat with local contractors and volunteers constructing the veranda, deck and all-abilities access ramp and connecting services.

The project was funded through Sport and Recreation Victoria's Country Football Netball Program Female Friendly Facilities Fund, Hindmarsh Shire Council and the Dimboola Football Netball Club.

Antwerp Woorak Road





Council received \$150,000 through the Federal Government's Heavy Vehicle and Productivity Program, and \$500,000 through the Local Roads to Market program to upgrade a section of the Antwerp Woorak Road. This key east-west link upgrade is a high priority for Council, with further works scheduled for 2019/20.










Highlights of the Year

July 2018

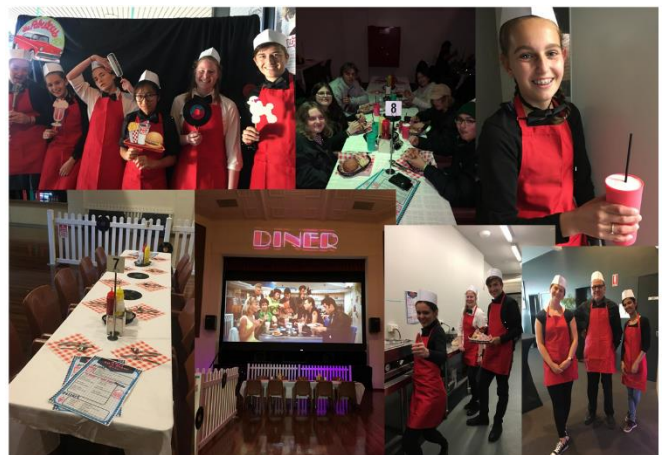
-  Winter School Holiday program throughout the Shire focusing on live music, art and culture with thanks to the Victorian Government's FreeZa funding.
-  Round 1 Business Assistance Grants and Community Action Grants Program for 2018/19 opened.
-  Construction commenced to replace the ageing footpath on the east side of Victoria Street, Dimboola from Lochiel to Wimmera Street.
-  Primary and secondary firebreaks sprayed throughout the Shire in preparation for the upcoming fire season.

August 2018







-  Watoto Signs and Wonders Concert held Nhill Memorial Community Centre
-  Rainbow Desert Enduro from 10-12 August.
-  Dimboola HPV Expo.
-  Provision of Early Years Services in Hindmarsh Shire awarded to Horsham and District Kindergarten Association for the delivery of both kindergarten and childcare programs in Dimboola and Nhill, and kindergarten in Jeparit and Rainbow.
-  Tree Strategy prepared providing preferred species list and technical guidelines.

September 2018







-  Free Green Waste month held for residents.
-  Order of Australia Association – Student Citizenship Awards held at Hindmarsh Shire Council chamber recognising three students from Hindmarsh Shire.
-  Nhill Skate park design and construction tender awarded to Trinity Skate Parks.
-  Hindmarsh Shire Youth Council transformed the Nhill Memorial Community Centre for the screening of "Grease" 40th anniversary special.





October 2018

-  Rainbow Recreation Reserve Master Plan / Rainbow Caravan Park consultation undertaken with key stakeholders, user groups and the community.
-  Understanding Social Enterprise Workshops delivered in Rainbow and Nhill by the Social Enterprise Academy.
-  Walk to School month facilitated throughout Hindmarsh Shire with activities held for participating students.
-  Dimboola Safer Streets Lighting Project completed providing eight lights to the underside verandas in Lloyd Street, Dimboola.
-  Work underway on Rainbow Nhill Road to strengthen and widen a section of pavement near Schulze's Beach Road.
-  Dimboola named winner Keep Victoria Beautiful 2018 Victoria's Tidiest Town.




November 2018

-  Cr Ron Ismay re-elected Hindmarsh Shire Council mayor for the coming twelve months.
-  Cr Ron Lowe re-elected Hindmarsh Shire Council deputy mayor for the coming twelve months.
-  New Hindmarsh Shire Council logo adopted to modernise old logo.
-  Hindmarsh Shire Youth Council nominations open for 2019.
-  Successfully obtained \$1m funding to strengthen the existing Albacutya Bridge through the Victorian Government's Agriculture Infrastructure and Jobs Fund.
-  Information session hosted for emergency management practitioners at the Kiata Wind Farm.



December 2018

-  Hindmarsh Shire Council and West Wimmera Health Service united to help raise awareness and take action to end family violence hosting a community breakfast and community youth event.
-  International Day of People with Disability held at Jaypex Park. Activities included a Treasure Hunt, games and painting activities, and a bbq lunch.




January 2019

-  Shane Power resigned from the role of Director Infrastructure Services.
-  First FreeZa event for 2019 hosted at Dimboola Swimming Pool with over 300 people attending to enjoy pizza and hear DJ Chris Hauselberger provide a great mix of old and new tunes.
-  Horsham District Kindergarten Association commence delivery of Hindmarsh Shire Early Years Services.


February 2019


-  Australian Skate Park League facilitated skate, scooter and BMX competitions at both Dimboola and Rainbow Skate parks.
-  2019 Hindmarsh Shire Youth Council launched with a celebration held at the Jeparit Memorial Hall.

March 2019




-  Hindmarsh Shire Council and West Wimmera Health Services celebrate Cultural Diversity Week with the theme 'Proud to Belong – Your Story, Your Generation'.
-  Community Conversation meetings held at eight locations throughout the Shire to provide the community with an opportunity to hear first-hand what is happening in Council.
-  New entrance signage installed at Riverside Holiday Park Dimboola.




 The Honourable Senator Bridget McKenzie, Federal Minister for Regional Services, visited Dimboola to announce successful funding for the Wimmera River Discovery Trail through the Building Better Regions Fund.


 Rainbow Rises 240 Off Road Race hosted in Rainbow seeing competitors take on a challenging 240km short course event, conducted around the 8km circuit on the edge of town.


April 2019

-  Nhill Skate park construction completed by Trinity Skate Parks.
-  Works undertaken to improve Jeparit Skate Park with an additional Quarter Pipe, the return of the travelling 'Fun Box' ramps and two pack coating applied to provide better wheel grip and improve appearance.
-  Council's Environmental Health Officer, Gagandeep (Shelly) Kaur awarded the 2018 Young Environmental Health Professional Award.



 Contractor engaged to trim overhanging branched along rural roads.







 Tender awarded for the construction of the Dimboola Library extension.

 Mallee Electorate Candidates Forum held in Nhill with eight candidates and 80 people from the public attending.

May 2019

-  Minister for Local Government, the Hon Adem Somyurek, attended Dimboola to perform a sod turning ceremony for the Dimboola Library extension.
-  Upgrades to Rainbow and Jeparit Kindergarten bathrooms completed through funding received from the Victorian Government's Children's Facilities Capital Program and Hindmarsh Shire Council.
-  Hindmarsh Shire Council announced as one of six local government areas set to benefit from the Victorian Government's introduction of funded 3 year old kindergarten commencing in 2020.
-  Nhill Aerodrome Master Plan update adopted by Council.

June 2018

-  Angela Hoy appointed to the role of Director Infrastructure Services.
-  2019/2020 budget adopted by Council.
-  Council staff attended the Wimmera Careers Expo in partnership with Yarriambiack, West Wimmera and Horsham Rural City Councils.
-  Health and Wellness Expo hosted by Hindmarsh Shire Council in partnership with West Wimmera Health Service and Wimmera Primary Care Partnership.
-  A fund raising activity for Relay for Life was held with Hindmarsh Shire Council staff encouraged to wear bright and funky socks to work.
-  Freestyle Dance Ministry of OM Australia (Operation Mobilisation) undertook workshops in Nhill, Dimboola, and Rainbow with participants learning a range of Hip Hop moves during the one hour workshop.



Major Achievements

During 2018/19 the major achievements included the following:

Dimboola HPV Event

The 2018 Dimboola Human Powered Vehicle Expo, held on Sunday 5 August, was a huge success. Around 700 people enjoyed the day in the sun watching all of the action at the Dimboola Recreation Reserve, with the rain holding off until after the race had finished.



Local MP Emma Kealy waved the starting flag as 29 HPVs and Energy Efficient Vehicles began their six hour demonstration race around the 1.2km course. Twelve teams from across Victoria and South Australia were represented and all enjoyed the day.

This year's event was significantly larger than the inaugural 2017 expo, with at least 10 extra vehicles and 2 new teams adding to those returning for their second year. The onsite caterers were kept busy with the coffee vendor reporting they were 5 times busier than last year's event, and the Dimboola Town Committee having a steady line-up for their BBQ throughout the day.

This year's event was boosted by grant support from the Australian Government Building Better Regions Fund and Visit Victoria's Regional Events Fund. This support enabled much broader marketing and promotions for the event. Feedback received from the teams has been very favourable for continuing to hold future events at the Dimboola Recreation Reserve. Some improvements to the track surface and some widening in places will be necessary to increase HPV numbers and develop the 'expo' into an official race event

Rainbow Desert Enduro & Rainbow Rises 240

A new champion was crowned at the final round of the BF Goodrich CAMS Australian Off Road Championship held in Rainbow over the weekend of 10-12 August. Competitors from all over Australia took to the challenging Rainbow track. Shannon Rentsch along with his co-driver, father Ian Rentsch, secured their 9th Australian Championship with victory on the Saturday backed up by a second place on the Sunday behind Mark Burrows.

Competitor registration and race vehicle scrutineering took place on the Friday afternoon with race qualifying and stage one of the main race held Saturday. Sunday saw competitors line up for a further 5 laps of the gruelling 75km course with mixed weather adding to the challenges already presented by the track.

More than 1,000 people descended on Rainbow for the weekend with local businesses, community organisations and sporting groups benefitting from the opportunity to cater for the influx of visitors.

This year the committee held a short course event within the Rainbow Rises Reserve on the outskirts of Rainbow. The short 7.7km brought a different set of challenges for competitors who are used to the mud normally seen at the August Enduro. The Rainbow Rises 240 event kicked off the Victorian Off Road Racing Championship.

United to End Violence Against Women

Hindmarsh Shire Council and West Wimmera Health Service united to help raise awareness and take action to end family violence.

The community attended two events on Friday 7 December 2018 to show their commitment to stamping out violence against women at a morning of free events.

Simone O'Brien shared her deeply personal and powerful story of family violence, followed by Lind McLennan – Leading Senior Constable – Youth Resource Officer Horsham.

Rainbow & Dimboola Skate Competitions

The Australian Skate Park League (SPL) came to Hindmarsh Shire on Friday 8 and Saturday 9 February with VIC League competitions held at Rainbow and Dimboola respectively.

Both events included skate, scooter and BMX competitions with many of our local youth attending to show off their skills.

Early Years Services

2019 heralded a significant change for Hindmarsh Shire Early Years Services with Horsham and District Kindergarten Association (HDKA) taking over the delivery of kindergarten services in Nhill, Dimboola, Rainbow and Jeparit. HDKA also deliver childcare services in Nhill and Dimboola.

Health and Wellness Expo

Hindmarsh Shire Council partnered with West Wimmera Health Service and Wimmera Primary Care Partnership to run a highly successful Health and Wellness Expo on Thursday 27 June 2019.

Former Hawthorn Premiership player and 1986 Brownlow Medallist Robert 'Dipper' DiPierdomenico hosted the Health and Wellness Expo that was attended by approximately 180 people.

Attendees at the Expo heard from 15 speakers who presented a range of topics and were able to discuss various health and wellbeing related issues with representatives of nearly 30 companies and organisations hosting display stalls.

Dimboola Safer Streets Lighting Project

Dimboola's Lloyd Street is much brighter at night following the installation of solar powered security lighting.

Eight lights and three solar panels were installed following Hindmarsh Shire Council's successful grant application through the Victorian Government's Community Safety Fund. Funding was also provided by Council and the Dimboola Town Committee.

The installation of solar lights has made a significant difference to the footpath lighting on the underside of the verandas in Lloyd Street, Dimboola. The lights have a sensor that when approached they become brighter and then dim again once motion is no longer detected.

Advocacy

One of Council's key roles is to advocate on behalf of our community. Council's advocacy efforts in 2018/19 continued to be successful, with the announcement of a mobile phone tower at Yanac.

Advocacy work around Early Years has resulted in Hindmarsh Shire Council being one of six local governments within Victoria who will have funded 3 year old kinder in 2020.

Council continually advocates for increased grant funding, including the Victorian Grants Commission payments, and increased grant funding for roads.

Council were able to obtain the full funding for the Victorian State Government's Fixing Country Roads Program Round 1 due to identifying and advocating for improvements to strategic routes within Hindmarsh Shire.

Community Conversations

In March 2019, Council held eight Community Conversation meetings within the Shire. The meetings involved approximately 60 people who provided Council with feedback on issues important in their communities.

Community Engagement

During 2018/19 Council undertook a range of community meetings.

Outlet Creek Bridge Widening – A community meeting was held in Rainbow in relation to the Outlet Creek Bridge Widening project and impacts of the necessary road closure while the works were being completed.

Planning Meeting – A community meeting was held in Nhill in relation to a planning permit application from Luv-a-Duck to inform the community of the application prior to Council approval.

Early Years Services – Meetings were held in Dimboola, Jeparit, Nhill and Rainbow with interested community members in relation to the provision of Early Years Services throughout the Shire in 2019 to inform Horsham District Kindergarten association on priorities for 3 year old and 4 year old kindergarten in all four towns, and long day care in Dimboola and Nhill.













Council has undertaken other community consultation sessions with the Community including Nhill Skate Park, Dimboola Library and Rainbow Recreation Reserve / Caravan Park Master Plan.

Consultation was also undertaken with stakeholders and user groups regarding Jeparit Customer Service / Provision of Library Services, Davis Park Proposed clubrooms, and Dimboola Netball Change Rooms

Community Action Grants and Business Assistance Grants







During 2018/19 Council's Community Action Grants and Business Assistance Grants schemes awarded \$35,597 to 32 community group and businesses across our Shire.

Community Action Grant recipients included:

-  Rainbow Archive and Historical Society
-  Snape Reserve Trust for Nature Committee of Management
-  Dimboola Rowing Club
-  Woorak Community and Land Care Management Group
-  Nhill Town Committee
-  Lowan Lodge 107
-  Broughton Public Hall
-  Nhill Golf Club
-  Dimboola Playgroup
-  Jeparit Bowls Club
-  Rainbow Progress Association
-  Nhill Aviation Heritage Centre

-  1st Rainbow Scout Group
-  Kiata Progress Association
-  Jeparit Rainbow Football Netball Club
-  Rainbow Bowls Club
-  Friends of Albacutya
-  Dimboola Croquet Club
-  Nhill RSL Sub-Branch
-  Dimboola Golf Club
-  SWA Nhill Twilight
-  Dimboola RSL Sub-Branch
-  Rainbow Recreation Reserve Committee
-  Nhill Lions Club

Business Assistances Grant recipients included:

-  Paw Po Products (Nhill Neighbourhood House and Learning Centre)
-  Dimboola Hooked on Classic
-  Design Ease
-  Sharp Boutique
-  Lola's Garage
-  Gypsy Soul Hire.

Challenges

Council faces many challenges with our changing economy. The continued consolidation of farming enterprises to create larger farms and / or corporate entities, decreasing rate base, the continuation of Rate Capping and continual cost shifting to Local Government, the need to maintain our existing infrastructure, particularly our extensive road network, whilst funding new projects that improve liveability within our Shire and build a strong future all remain a challenge.

Ageing infrastructure remains another challenge faced by Council. Davis Park grandstand, a circa 1950's built timber framed spectator grandstand in Nhill has been inspected by independent engineers and assessed as not being fit for purpose.

The structural integrity of the building is not sound and it was therefore closed to the public for use in 2018. Because of the age and condition of the building, any refurbishment work would only marginally extend its lifespan.

The independent engineers report stated that to make the building safe approximately \$250,000 would need to be spent on it which would provide a further 5 – 10 years of service. If a longer term plan was desired the recommendation was to replace it.

Due to the anticipated replacement cost and the difficulty in obtaining funding assistance for a grandstand, Council has retained the recommendation of having it closed for use. Council applied for funding assistance through the Federal Government Community Sports Infrastructure Fund but despite positive comments from the Department the funding application was not successful.

Our Council

Council Profile

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527 km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

Hindmarsh Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all town's offer spacious rural living, inclusive small communities and wonderful natural amenities.

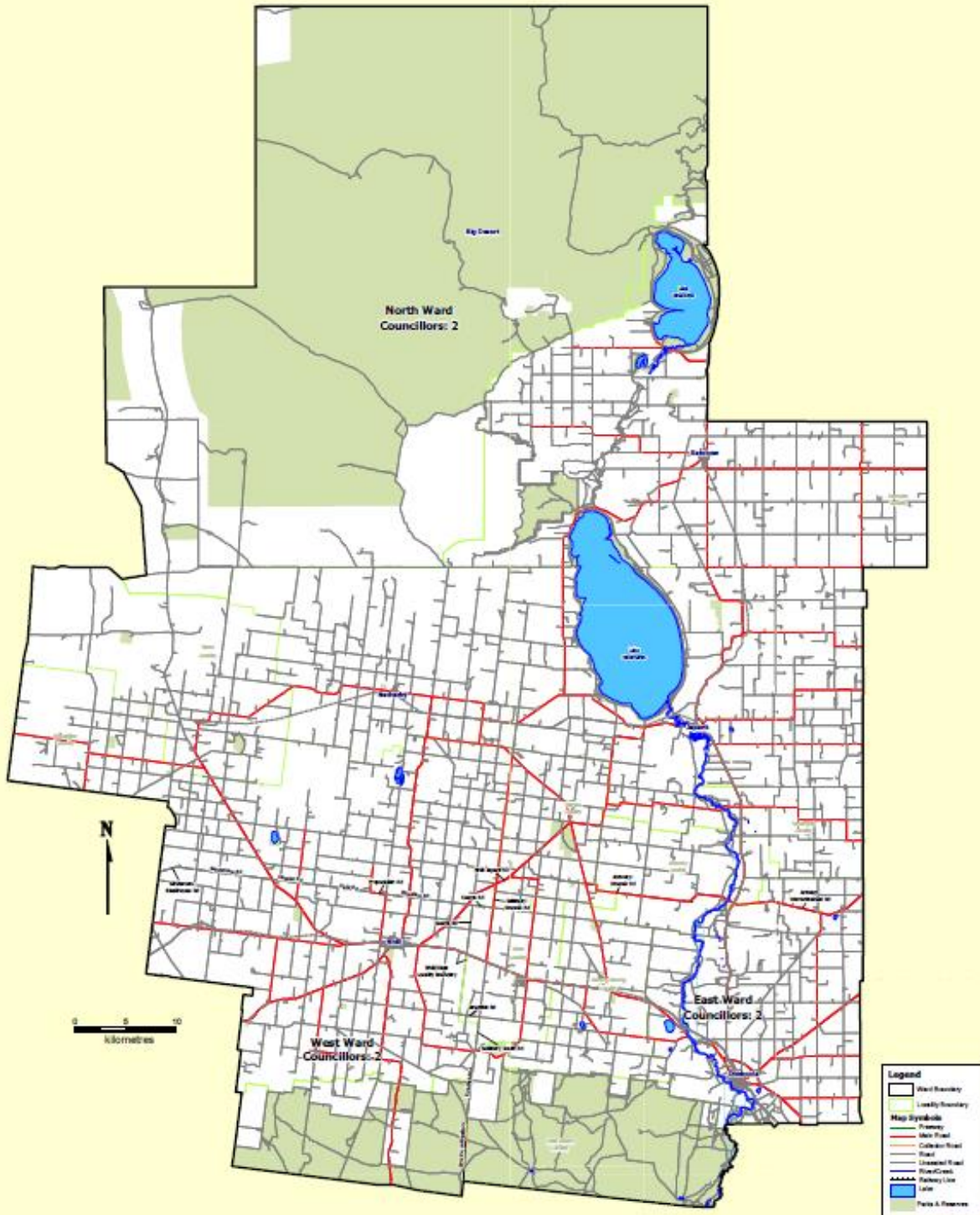
Today, 5,721 people live in Hindmarsh Shire (2016 census data), with a median age of 50 years. 83% of people in Hindmarsh Shire were born in Australia; with English the only language spoken in 88% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 Karen people calling Nhill home.

The median weekly household income is \$907, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than the national average.



Local Government Act 1989
ELECTORAL STRUCTURE OF HINDMARSH SHIRE COUNCIL

NOTE: By Order in Council made under Section 220Q (k), (l), (m) and (n) of the Local Government Act 1989, the boundaries of the wards, the names of the wards and the number of councillors assigned to each ward of the Hindmarsh Shire Council are fixed as described in this plan.



Map prepared by the Hindmarsh Shire Council Information Services Unit. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, or by any information storage and retrieval system, without the prior written permission of the Council.

I hereby certify that the electoral boundaries shown on this map were presented to the Electoral Representation Review Panel Report for Hindmarsh Shire Council, submitted to the Minister for Local Government on 21 February 2008.

Sharon Tully, Electoral Commissioner

Electoral Structure of
Hindmarsh Shire Council
LEGL./04-191

Council Offices

Nhill Office

92 Nelson Street
NHILL VIC 3418
Phone: 03 5391 4444
Fax: 03 5391 1376

Dimboola Office

101 Lloyd Street
DIMBOOLA VIC 3414
Phone: 03 5361 4452
Fax: 03 5389 1734

Jeparit Office

10 Roy Street
JEPARIT VIC 3423
Phone: 03 5391 445
Fax: 03 5397 2263

Rainbow Office

15 Federal Street
RAINBOW VIC 3424
Phone: 03 5391 4451
Fax: 03 5395 1436

Postal address:

PO Box 250
NHILL VIC 3418

Email: info@hindmarsh.vic.gov.au

Website: www.hindmarsh.vic.gov.au

Facebook:

<http://www.facebook.com/hindmarshshirecouncil>

Councillors

On 22 October 2016, the Hindmarsh Shire community elected its Council for a four year term to provide leadership for the good governance of the municipal district and the local community. The municipality is divided into three wards, represented by two Councillors in each ward. The Councillors are the elected representatives of residents and ratepayers and have the responsibility for setting the strategic direction for the municipality, policy development, identifying service standards and monitoring performance across the organisation. The Councillors are listed below.

Cr Ron Ismay

Mayor

North Ward

Date elected: 22 October 2016

E: rismay@hindmarsh.vic.gov.au

M: 0429 951 094



Cr Ron Lowe

Deputy Mayor

North Ward

Date elected: 22 October 2016

E: rlowe@hindmarsh.vic.gov.au

M: 0427 318 067



Cr David Colbert

West Ward

Date elected: 22 October 2016

E: dcolbert@hindmarsh.vic.gov.au

M: 0459 034 233



Cr Rob Gersch

West Ward

Date elected: 22 October 2016

E: rgersch@hindmarsh.vic.gov.au

M: 0427 600 122



Cr Debra Nelson

East Ward

Date elected: 22 October 2016

E: dnelson@hindmarsh.vic.gov.au

M: 0459 021 802



Cr Tony Schneider

East Ward

Date elected: 22 October 2016

E: tschneider@hindmarsh.vic.gov.au

M: 0459 035 917



Our People

Council is the governing body that appoints a Chief Executive Officer (CEO). The CEO has responsibility for the day to day management of operations in accordance with the strategic directions of the Council Plan. Two Directors and the CEO form the Senior Management Team (SMT) and lead the organisation. Details of the CEO and senior officers reporting directly to the CEO are set out below.



Greg Wood

Chief Executive Officer

Greg Wood was appointed to the Chief Executive Officer of Hindmarsh Shire Council in September 2016. Greg provides strategic guidance for all management and operations of Council and is responsible for the overall operations of Council.



Monica Revell

Director Corporate & Community Services

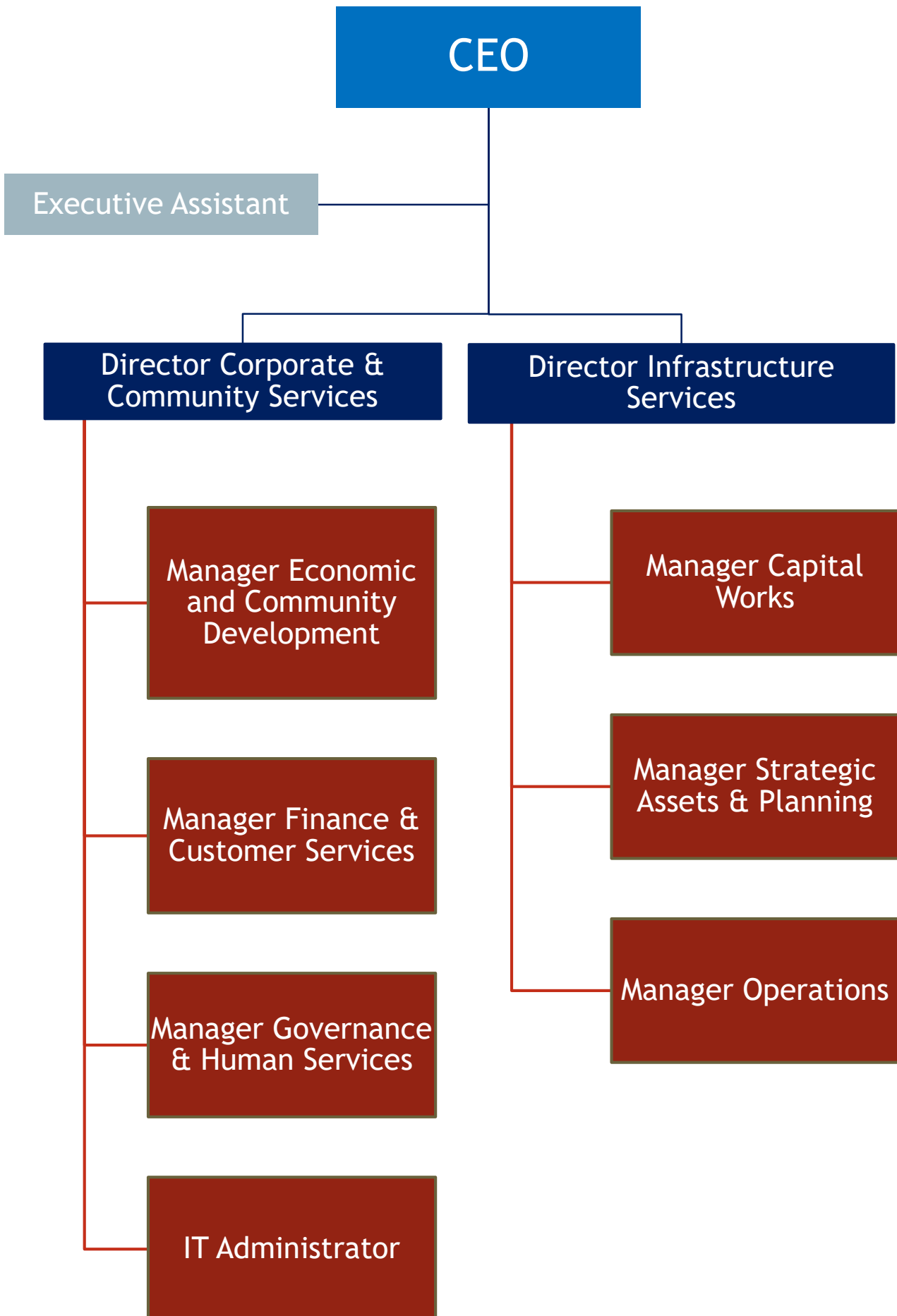
Monica Revell was appointed to the role of Director Corporate and Community Services of Hindmarsh Shire Council in December 2017. Monica is responsible for Finance, Governance, Local Laws, Information Technology, Business Development, Family, Youth and Leisure, Aged and Disability, and Economic Development.



Angela Hoy

Director Infrastructure Services

Angela Hoy was appointed to the role of Director Infrastructure Services of Hindmarsh Shire Council in June 2019. Angela is responsible for Asset planning, Engineering and Traffic, Environment and Sustainability, Infrastructure, Parks and Gardens, Building, Planning and Development.



Council Staff

A summary of the number of full time equivalent (FTE) council staff by organisational structure, employment type and gender is set out below.

Employee type/gender	Our People Our Processes	Built and Natural Environment	Competitive and Innovative Economy	Community Liveability	Total FTE
Permanent FT –F	7.00	3.00	1.00	3.00	14
Permanent FT –M	2.00	47.00	2.00	3.00	54
Permanent PT –F	2.41	1.37	0.32	8.98	13.08
Permanent PT –M	0.00	0.00	0.48	0.00	0.48
Casual – F	0.00	0.00	1.30	1.55	2.85
Casual - M	0.00	1.00	0.13	0.00	1.13
SO FT – F	0.80	1.00	0.00	0.20	2
SO FT – M	1.00	0.00	0.00	0.00	1

FT-Full time PT-Part time F-Female M-Male SO-Senior Officer

A summary of the number of full time equivalent (FTE) staff categorised by employment classification and gender is set out below.

Structure	Band 1	Band 2	Band 3	Band 4	Band 5	Band 6	Band 7	Band 8	All other	Total
Classification	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE	FTE
Permanent Full Time - Female	0.0	0.0	0.0	3.0	4.0	4.0	0.0	3.0	2.0	16.0
Permanent Full Time - Male	0.0	6.0	30.0	3.0	5.0	4.0	3.0	3.0	1.0	55.0
Permanent Part Time - Female	2.1	4.5	0.0	3.2	2.5	0.8	0.0	0.0	0.0	13.1
Permanent Part Time - Male	0.0	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
Casual - Female	1.3	1.1	0.5	0.0	0.0	0.0	0.0	0.0	0.0	2.9
Casual - Male	0.1	0.0	1.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
TOTAL	3.4	12.1	31.5	9.2	11.5	8.8	3.0	6.0	2.0	88.5

Equal Employment Opportunity Program

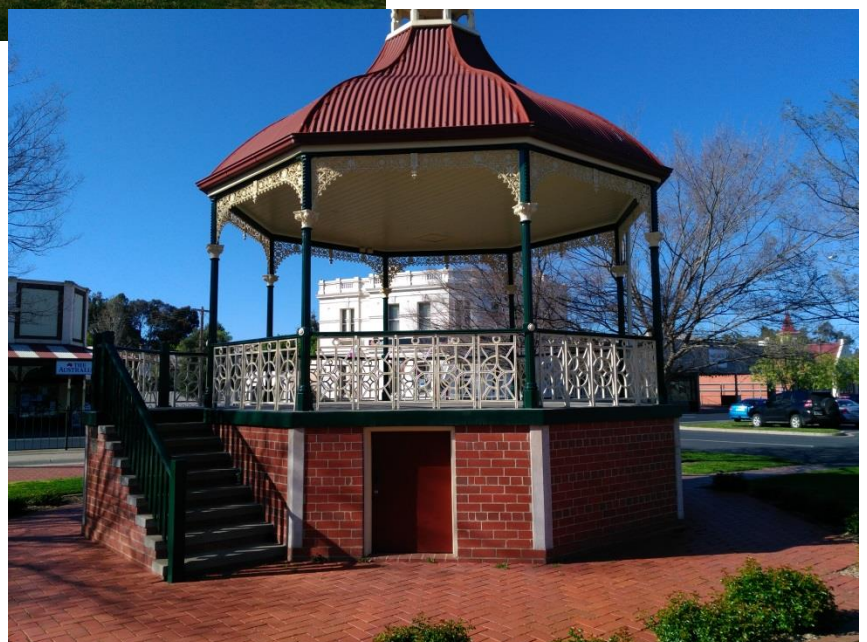
Council is committed to the principles of equal opportunity. In all policies and practices of the Council, there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, or religious or political affiliation. Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved. Council's policy on equal opportunity reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability.

Act @ Work

Hindmarsh Shire Council is participating in a program called Act@Work. The organisation-wide program developed by Women's Health Grampians provides intensive support to organisations in planning and implementing an Action Plan for ensuring a safe and respectful workplace. Staff throughout the organisation have undertaken training on Act@Work.

Health & Safety

Hindmarsh Shire Council is committed to the provision of the highest levels of Occupational Health and Safety. Council's aim is to maintain a safety culture that supports and incident and injury-free workplace for all employees, councillors, contractors, visitors and the public.



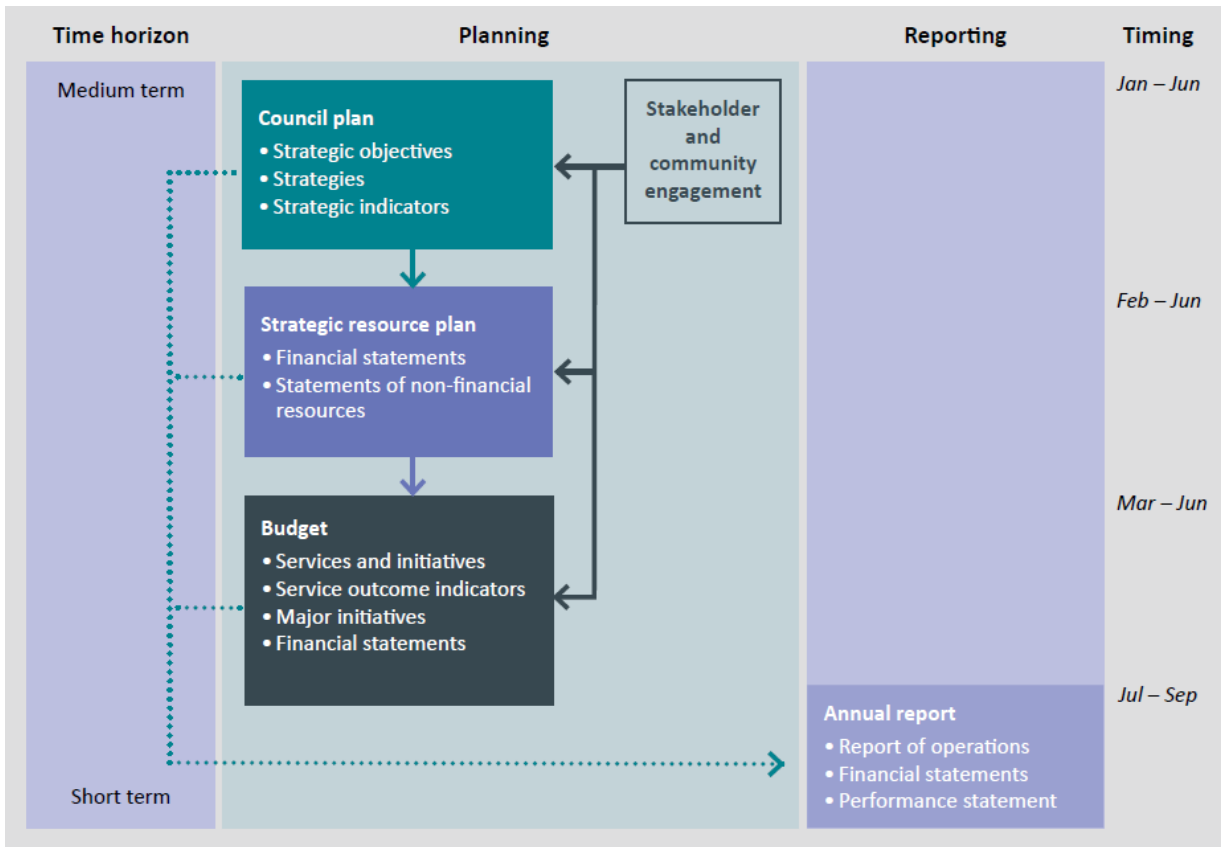
Our Performance

Planning and accountability framework

The Planning and Accountability Framework is found in part 6 of the Local Government Act. 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 road management plan within the first six months after each general election or by 30 June, whichever is later.
- 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.



Council Plan

The Council Plan 2017-2021 includes 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 four strategic objectives as detailed in the Council Plan.

<p>1. Community Liveability</p> 	<p>1.1 An actively engaged community. 1.2 A range of effective and accessible services to support the health and wellbeing of our community. 1.3 A community that is physically active with access to a wide range of leisure, sporting and recreation facilities.</p>
<p>2. Built and Natural Environment</p> 	<p>2.1 Well-maintained physical assets and infrastructure to meet community and organisational needs. 2.2 A community that reduces its reliance on water and manages this resource wisely. 2.3 A healthy natural environment. 2.4 A community living more sustainably.</p>
<p>3. Competitive and Innovative Economy</p> 	<p>3.1 A strong rural economy and thriving towns. 3.2 A thriving tourism industry. 3.3 Modern and affordable information and communication technology throughout the municipality. 3.4 Transport solutions that support the needs of our communities and businesses.</p>
<p>4. Our people our processes</p> 	<p>4.1 Long-term financial sustainability. 4.2 Quality customer services. 4.3 An engaged, skilled Council and workforce capable of meeting community needs. 4.4 Efficient and effective information communications technology. 4.5 Support for the community in the areas of emergency preparedness, response and recovery. 4.6 An organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.</p>

Performance

Council's performance for the 2018/19 year has been reported against each strategic objective 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.

Strategic Objective 1: Community Liveability



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
1.1.1 Establish stronger links with the indigenous community through the Barengi Gadjin Land Council, Goolum Goolum Aboriginal Cooperative and Wurega Aboriginal Corporation.	Reconciliation Action Plan to be developed	Council's Tourism and Economic Development Officer has established links with the indigenous community. A reconciliation action plan will be developed through consultation with the Barengi Gadjin Land Council, Goolum Goolum Aboriginal Cooperative and Wurega Aboriginal Corporation.
1.1.2 Maintain Community Action Plans for Dimboola, Jeparit, Nhill and Rainbow. Follow up on Community Action Plans and their working group projects.	Community Action Plans reviewed.	Community Action Plans have been reviewed in late 2017. Dimboola Community Precinct Plan was amended in October/November 2017. Both Dimboola and Nhill's plans are reviewed on a regular basis.
1.1.3 Support integration of migrants into the community	Cultural event and information sessions held. Community Plan reviewed.	A Hindmarsh Open weekend was held in late 2017 for a group of Karen migrants from Werribee and Melbourne with some gaining employment and relocating to the Shire. The 2018 Karen New Year celebration was held in January 2018 with more than 500 people attending. The 2014 Karen Community Plan has been reviewed and a new 2017-2021 Plan has been established and was launched at the Karen New Year Celebrations in January 2018.
1.1.4 Support and celebrate volunteering and work collaboratively with volunteer groups.	Volunteering events supported.	Council staff have supported numerous events as volunteers throughout the year including the Wimmera Mallee Pioneer Museum Vintage Rally, the Rainbow Desert Enduro, Jeparit Fishing Contest, Nhill Lake Fiesta, Dimboola Town Committee Easter Eggstravaganza and numerous community based working bees including Clean Up Australia Day. Volunteers recognised in June with Coffee and Cake Vouchers available to thank our wonderful volunteers.
1.1.5 Hold Council-Community Conversations in the four towns to provide an alternative avenue of engagement, consultation and promotion.	Community Conversations held.	Community Conversations were held during March 2018 & 2019 in Dimboola, Jeparit, Nhill, Rainbow, Antwerp, Broughton, Winiam and Woorak. Community Conversations were well supported with local residents appreciating the opportunity to have input into the development of the 2018/19 & 2019/20 budget.
1.1.6 Continue to engage with our farming community on road and road related infrastructure maintenance and improvements.	Farmer consultation meetings held.	Farmer consultations to identify key transport routes impacted by roadside vegetation were conducted in 2017/18. Feedback from farmer consultations has resulted in: (1) The introduction of 6S roads that are used by farmers as important 'strategic' connector roads. (2) The formal roadside vegetation assessment has been completed with 275km of high priority and 210kms of longer term vegetation control identified. Working with an independent vegetation assessor the pruning program commenced in 2019. An update of this program was provided at the 2019 Community Conversation Meetings

Strategic Indicator/measure	Result	Comments
1.1.7 Promote and support the development of a Dimboola Indigenous Keeping Place	Consultation meetings held	Council's tourism and economic development officer regularly discusses the Dimboola Indigenous Keeping Place project with Barengi Gadjin Land Council and will continue to advocate for funding. Initial plans have been included in the landscaping component of the Wimmera River Discovery Trail that has been incorporated into the rear of the Dimboola Library project. This will form the Dimboola visitor node of the Wimmera River Discovery Trail.
1.2.1 Broaden the engagement of young people in the Shire and continue to facilitate the Hindmarsh Youth Council.	2018 Hindmarsh Shire Youth Council established.	Activities include the continuation of FreeZa Programs and the facilitation of the Hindmarsh Shire Youth Council. We have run school holiday programs as well as a variety of FreeZa events. Council has increased its reach and engagement of young people substantially over the last 12 months and exceeded its funding targets. 2019 Youth Council inducted at February 2019 Youth Council launch. 2019 Youth Council have appointed Chair, Vice Chair and Secretary to empower the Youth Councillors and assist them to learn new skills.
1.2.2 Review the actions in Council's Positive Ageing and Inclusion Plan.	To be reviewed in 2019/20.	Review of the plan has been delayed due to staff absences. The review will be conducted in 2019/20.
1.2.3 Review the provision of aged and health services in the Shire and Council's role in the growing sector.	Ongoing.	Council continues to hold discussions regarding the provision of aged and health services in the Shire and Council's ongoing role.
1.2.4 Advocate for enhanced services in community and mental health.	Mental Health training undertaken.	Council's youth and early years officer has been facilitating mental health workshops through the Understanding Reality program which has attracted more than 100 participants. Council along with health services and neighbouring Councils has combined to provide the Rural Outreach Program.
1.2.5 Review and implement Municipal Early Years Plan.	Review commenced.	A review of the Municipal Early Years Plan has commenced with an amended version expected to be completed during 2019/20. Assistance with the implementation will be provided by Council's supported playgroup facilitator and early years provider.
1.2.6 Develop Dimboola Community, Civic and Business Hub (subject to funding).	Funding secured through the State Governments Living Libraries.	Funding of \$600,000 has been secured from the state government and Council has committed \$600,000 for this project. Designs have been finalised and contractor appointed.

Strategic Indicator/measure	Result	Comments
1.2.7 Continually review public safety, and security of assets and infrastructure in the CBDs of our towns.	Safety work (lighting) completed.	Applications for funding to improve lighting in Nhill and Dimboola was successful and implementation completed. Installation of additional lighting under verandas of shops along Lloyd Street, Dimboola and various locations around Nhill is underway.
1.2.8 Promote the 'traffic light' approach to health food choices in community facilities, sporting clubs and events.	Guidance material promoted and Policy adopted.	Council promoted and encouraged schools within our shire to participate in a training session hosted by West Wimmera Health Services on the Victorian Government's Healthy Choices guidelines in March 2018. Healthy eating policy adopted by Council during 2018/19.
1.2.9 Promote positive, equal and respectful relationships between and among women and men, girls and boys.	Act@ Work training completed.	The Act@Work Plan has been adopted. Interview panels now have a gender balance, further tasks from the action plan will be implemented on an ongoing basis.
1.3.1 Develop Skate Parks in Dimboola, Rainbow and Nhill.	Skate parks constructed in Dimboola, Rainbow and Nhill.	Dimboola and Rainbow Skate Parks constructed and official openings held on 9 and 10 April 2018 respectively. Nhill Skate Park construction complete with an official opening to be held in September 2019.
1.3.2 Develop and promote a public art/street art policy.	Policy adopted.	Policy developed and adopted by Council during 2018/19. Policy is available on Council's website.
1.3.3 Complete detailed Recreation Reserve Master Plans.	Davis Park Nhill master plan developed.	Davis Park, Nhill Master Plan has been developed. The Rainbow Recreation Reserve and Caravan Park Masterplan was adopted by Council during 2018/19.
1.3.4 Undertake a feasibility assessment for the development of new library hub, combining other visitor information and other services.	On hold.	Project is on hold.
1.3.5 Advocate for the continued and expanded provision of Neighbourhood House activities / services.	Meetings held.	Rainbow Neighbourhood house is providing limited programs to Jeparit. Meetings have been held between Nhill Neighbourhood House and Dimboola Community Centre committee of management.
1.3.6 Redevelop Rainbow Recreation Reserve Change Rooms (subject to funding).	Funding not supported.	Funding application was not supported. Another application will be submitted in 2019/20.
1.3.7 Ongoing exploration and assessment of options and opportunities for the development of walking and cycling tracks within the main townships, to support recreational participation, health and wellbeing.	Funding obtained for development of walking track in Dimboola and Wimmera River Discovery Trail.	Development of a walking track within the Dimboola Recreation Reserve has been completed. Funding has been obtained for the Wimmera River Discovery Trail. Council supported the establishment of Nhill Parkrun.

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Community Development	Work with community groups, organisations and individuals to assist communities reach their aspirations and be healthy, active and engaged.	142,584 <u>155,279</u> (12,695)
Maternal Child Health Centres	Maintain the maternal and child health centres in Dimboola and Nhill and provide support to child service providers through the Municipal Early Years Plan. (Council does not provide maternal and child health services. This service is provided by West Wimmera Health Service.)	12,954 <u>18,416</u> (5,462)
Kindergarten Services	Provision of Kindergarten services in Dimboola, Jeparit, Nhill and Rainbow under contract with Wimmera Uniting Care. (Council does not directly deliver Kindergarten Services)	186,259 <u>188,089</u> (1,830)
Youth Services	Improve the wellbeing and opportunities for youth within the Shire.	57,470 <u>74,366</u> (16,896)
Aged and Disability Services	Home and Community Care Services aim to support people in their own homes and communities by providing services that promote and maintain independence. Deliver the full range of services provided by Council's Home and Community Care Department including: <ul style="list-style-type: none"> • Assessments • Delivered Meals and Centre Based Meals • Personal Care • Respite Care services • Home care / Domestic Assistance services • Property Maintenance and minor modifications. 	(58,995) <u>81,888</u> (140,883)
Health Promotions	To protect and enhance the health of the community.	59,482 <u>71,471</u> (11,989)
Libraries	Provision of permanent library services in Dimboola and Nhill and mobile library services in Jeparit and Rainbow.	229,576 <u>180,154</u> 49,422
Arts, Culture and Community Events	Promote and support activities relating to arts, culture and community events throughout the Shire.	87,522 <u>102,949</u> (15,427)
Recreation Programs	Providing a range of recreation programs that encourage an active and healthy life.	12,903 <u>12,065</u> 838
Public Order and Safety	Educate the community about public order and safety and enforce compliance with the local laws when required. Maintain and operate school crossings for Dimboola, Jeparit, Nhill and Rainbow. The school crossing on the Western Highway in Nhill is the only staffed crossing in the Shire. Other crossings on local roads are manned by volunteers or school teachers.	88,875 <u>77,114</u> 11,761
Early Years	Lead a joint effort that will give Hindmarsh children the best start in life, working collaboratively with community and early years providers.	31,148 <u>37,588</u> (6,440)

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Service standard					
<i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Participation					
<i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
<i>Participation in the MCH service by Aboriginal children</i> [Number of aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Home and Community Care					
Timeliness					
<i>Time taken to commence the HACC services</i> [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]	n/a	n/a	n/a	6.64	Reporting ceased on 1 July 2016
Service standard					
<i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	n/a	n/a	n/a	100.00%	Reporting ceased on 1 July 2016
Service cost					
<i>Cost of domestic care service</i> [Cost of the domestic care services/Hours of domestic care service provided]	n/a	n/a	n/a	\$46.40	Reporting ceased on 1 July 2016.
Service cost <i>Cost of personal care service</i> [Cost of the personal care services/Hours of personal care service provided]	n/a	n/a	n/a	\$42.77	Reporting ceased on 1 July 2016

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Service cost					
<i>Cost of respite care service</i> [Cost of the respite care services / Hours of respite care service provided]	n/a	n/a	n/a	\$45.47	Reporting ceased on 1 July 2016
Participation					
<i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	n/a	n/a	n/a	60.85%	Reporting ceased on 1 July 2016
<i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	n/a	n/a	n/a	60.53%	Reporting ceased on 1 July 2016
Food Safety					
Timeliness					
<i>Time taken to action food complaints</i> [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.0	1.0	5.25	1.4	Council employed a full time environmental health officer in 2017/18 resulting in food complaints being actioned within 1 business day.
Service standard					
<i>Food safety assessments</i> [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	86.17%	88.24%	77.92%	75.64%	10 new kitchens registered under class 2 during 2018/19, of these 6 did not receive an annual inspection due to renovations or failing to reply to Council's request for an inspection.
Service cost					
<i>Cost of food safety service</i> [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]	\$772.82	\$900.07	\$750.82	\$740.23	As at 30 June 2019, 11 additional food premises were registered, the increase in business numbers reduces the cost of food safety services.
Health and safety					
<i>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 food premises] x100	100%	0.00%	0.00%	100%	Council received 2 critical non-compliance notifications during 2018/19. Both non-compliance notifications were followed up ensuring actions were taken to achieve compliance.
Libraries					
<i>Utilisation</i> <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	1.21	1.21	1.39	1.28	No material variation.

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Libraries					
Resource standard					
Standard of library collection [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	37.46%	37.71%	39.35%	41.75%	No material variation.
Service cost					
Cost of library service [Direct cost of the library service / Number of visits]	\$10.95	\$11.28	\$7.14	\$5.47	No material variation.
Participation					
Active library members [Number of active library members / Municipal population] x100	7.71%	9.11%	10.03%	10.64%	As at 30 June 2019 there was a reduction in 82 active library members (2017/18 – 517 members; 2018/19 – 435 members.)
Animal Management					
Timeliness					
Time taken to action animal management requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	1.00	Animal management requests are responded to within 1 business day.
Service standard					
Animals reclaimed [Number of animals reclaimed / Number of animals collected]	26.32%	36.09%	36.69%	41.99%	In 2018/19, Council dealt with a large amount of feral cats, these were unable to be rehoused.
Service cost					
Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$97.24	\$92.33	\$97.52	\$74.42	As at 30 June 2019 there were 20 less animals registered than the previous financial year therefore increasing the direct cost of animal management services.
Health and safety					
Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	No animal matters required prosecution during 2018/19.

Strategic Objective 2: Build and Natural Environment

The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
2.1.1 Re-develop and maintain attractive streetscapes, open spaces and public places.	Dimboola streetscape renewal completed.	Replacement of park seats were completed in Lloyd Street Dimboola in late 2018. Mulching in High Street, Dimboola has been completed.
2.1.2 Encourage and support residents and ratepayers to maintain the cleanliness and good order of the properties for which they are responsible.	One free green waste collection month held.	Green waste month successfully completed in October 2018. Council received approximately 1,266 loads of green waste throughout the Shire which is approximately 748% greater than the average monthly intake. The number of loads received in 2018 was 61.27% greater than the October 2017 free green waste month.
2.1.3 Develop and prioritise detailed plans relating to new infrastructure, infrastructure upgrade and renewal (including roads, bridges, drains, footpaths and buildings) for each town.	Footpath asset management plan adopted. Building condition and EMS audit commenced.	Council adopted a footpath asset management plan. As part of the 2017/18 budget process council adopted a 10 year capital expenditure plan for capital works. Building condition and ESM Audits commenced in March 2019. Twelve of 180 buildings have been inspected.
2.1.4 Enhance river and lakes environment to support informal recreation and social interaction (subject to funding).	Ross Lakes study commissioned. Improved Wimmera River fishing and boating facilities installed.	A study into the use of Ross Lake at Rainbow has been commissioned and distributed to stakeholders. The report provides a positive overview of the proposal. Fishing and boating pontoons have been installed at Dimboola while a fishing pontoon has been installed at Jeparit and Nhill. Wimmera River Waterway Management Plan developed.
2.1.5 Continue to implement the Nhill Aerodrome Master Plan.	Nhill Aerodrome Master Plan adopted.	Amenities at the Nhill Aerodrome have been upgraded. Construction has commenced on the new memorial entrance.
2.1.6 In partnership with other agencies implement recommendations from the Wimmera Catchment Management Authority's Flood Plain Management Strategy.	Strategy completed.	Council has representation on the Wimmera Floodplain Management Strategy Implementation Committee.
2.1.7 Advocate for the construction of emergency services facilities in Dimboola.	Advocacy undertaken.	Council continues to advocate for the relocated emergency services in Dimboola. CFA have purchase property in High Street, Dimboola.
2.1.8 Explore alternative road base treatments that reduce long term maintenance cost.	Concrete crushed and reused.	During 2018/19 Council used crush concrete on roads / laneways. Crushed concrete has also been used in rural culvert replacement.

Strategic Indicator/measure	Result	Comments
2.2.1 Explore options for rainwater / stormwater harvesting to supplement the water supply for community assets.	Ongoing.	Council was successful in obtaining funding to replace drought relief and fire suppressions water tanks on Rainbow-Nhill Road, Lake Hindmarsh. Drought relief tanks have been installed at Diapur with the tank charged from underground aquifers.
2.2.2 Replace appliances in Council facilities with water efficient appliances if and when redevelopment occurs	Ongoing.	Water efficient appliances are being installed on an ongoing basis when redevelopment occurs.
2.3.1 Continue to work with local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	A new Memorandum of Understanding between Council and the Hindmarsh Landcare Network was signed in 2017.
2.3.2 Continue to implement actions from Roadside Pest Plan and Animals Plan (subject to funding).	Rural roadsides treated for weeds.	All Hindmarsh Shire rural roadsides have been treated with weed eradication applications. In addition, Council is negotiating with the Landcare Coordinator to provide the conduit between Council and farmers that are interested in partnering with Council to treat sucker trees on low traffic volume roadsides.
2.3.3 Implement Planting Program to improve tree coverage and shade cover in high traffic urban areas.	Consultant engaged to develop Street and Reserve Tree Strategy.	Council adopted Street and Reserve Tree Strategy in November 2018.
2.4.1 Advocate for distributed energy generation for Shire towns using solar, waste and biomass, wind and geothermal sources, subject to funding.	Renewable energy development underway.	Kiata Windfarm project completed by private developer. Council submitted a letter of support to DELWP as part of planning consultation for the proposed Nhill Windfarm. Council participated in the Wimmera Southern Mallee Regional Planning and Energy Workshop.
2.4.2 Advocate for upgrades to the main electricity grid servicing Hindmarsh Shire to support alternative electricity generation.	Ongoing.	Where opportunities arise Council officers and Councillors advocate with Ministers for upgrades to the main electricity grid.
2.4.3 Explore innovative waste management options for green waste.	Ongoing.	Council are working with the regional waste management group on initiatives for management of organics.
2.4.4 Continue to support Wimmera Mallee Sustainability Alliance.	Ongoing.	Membership with the Wimmera Mallee Sustainability Alliance renewed for 2018/19.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2018/19 budget for the year.

Major Initiatives	Progress
2 large reconstruction projects: a section of Pigick Bus Route near Rainbow and the dual carriageway section of Anderson Street west of Lloyd Street, Dimboola.	Work on Pigick Bus Route and Anderson Street, Dimboola were postponed due to the Council obtaining significant funding through the Fixing Country Roads Program.
Construction of Nhill Skate Park.	Construction of Nhill Skate Park was completed early 2019. The official opening including a Skate Park Leagues event will be held in Spring 2019 when the weather is warmer to reduce the likelihood of inclement weather impacting the event.
Replacement of Dimboola Sports Stadium Roof	Works to replace the Dimboola Sports Stadium Roof was completed in April 2019. The project was completed on time and within budget.

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Local Roads and Bridges	The aim of Council's road and bridges program is to provide safe, all weather access to residences and allow for efficient transport of goods to and from the Shire.	7,785,049 <u>7,312,624</u> 472,425
Drainage Management	The aim of this program is to have well maintained, fit for purpose drainage systems within townships.	527,245 <u>682,101</u> (154,856)
Paths and Trails	The aim of Council's paths and trails program is to provide well maintained pedestrian, including disabled, access to critical and popular destinations around our townships.	279,391 <u>472,041</u> (192,650)
Tree Management	The aim of Council's Tree Management program is to conduct maintenance, inspections and replanting works on Council road reserves, parks and gardens and recreation reserves.	313,232 <u>348,623</u> (35,391)
Town Beautification	The aim of Council's Town Beautification program is to maintain and redevelop public open spaces in Dimboola, Jeparit, Nhill and Rainbow.	715,118 <u>713,972</u> 1,146
Community Centres and Public Halls	Maintenance, renewal and upgrade of Council-owned and controlled community centres and halls, and supporting communities that undertake these activities on behalf of Council.	241,647 <u>270,952</u> (29,305)
Recreation Facilities	Maintenance, renewal and upgrade of Council owned and controlled recreational land, buildings and facilities. Council also supports groups that undertake these activities on behalf of Council.	1,347,958 <u>1,160,360</u> 187,598
Waste Management	Management of Council's transfer stations and collection and disposal of domestic waste and recyclables across the Shire.	11,421 <u>67,216</u> (55,795)
Quarry Operations	Management of Council-owned and controlled quarries and gravel pits for extraction of gravel for road making.	(28,033) <u>26,233</u> (54,266)
Waterway Management	Management of Council-controlled waterways including weir pools and lakes.	72,920 <u>120,743</u> (47,823)
Environment Management	Manage, protect and enhance Council's natural assets in conjunction with Government departments and environmental groups.	79,927 <u>96,511</u> (16,584)
Fire Protection	To identify potential fire hazards and to prevent loss to life and property caused by fire.	51,566 <u>64,642</u> (13,076)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Roads					
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	9.19	11.69	26.53	27.72	Council received 53 sealed local road requests in 2018/19 a reduction from 67 requests in 2017/18.
Condition					
<i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / kilometres of sealed local roads] x100	99.83%	99.83%	99.91%	97.72%	No material variations.
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / square metres of sealed local roads reconstructed]	\$25.79	\$24.05	\$34.95	\$29.36	No material variations.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$4.93	\$4.78	\$4.79	\$4.32	No material variations.
Satisfaction					
<i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	54	48	52	45	Council has invested additional funding on sealed roads to improve the quality of strategic routes within the Shire, this has resulted in higher community satisfaction.
Aquatic Facilities					
Service standard					
<i>Health inspections of aquatic facilities</i> [Number of authorised officer inspections of Council aquatic facilities / number of Council aquatic facilities]	1.00	0.75	0.50	0.00	Council undertook inspections at all four aquatic facilities during the opening periods.
Health and Safety					
<i>Reportable safety incidents at aquatic facilities</i> [Number of Worksafe reportable aquatic facility safety incidents]	0.00	0.00	0.00	0.00	No material variations.
Service cost					
<i>Cost of indoor aquatic facilities</i> [Direct cost of indoor aquatic facilities less income received / number of visits to indoor aquatic facilities]	\$0.00	\$0.00	\$0.00	\$0.00	Council does not operate indoor aquatic facilities.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / number of visits to outdoor aquatic facilities]	\$17.51	\$17.42	\$17.68	\$18.14	No material variations.

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / municipal population]	3.62	3.40	3.47	3.31	An additional 1,155 people visited Council's aquatic facilities during 2018/19.
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / number of kerbside bin collection households] x1,000	4.26	10.63	11.47	10.17	Due to Council's small rate base, even a small increase or decrease of requests will result in a material variation. Council received 24 requests in 27 requests in 2016/17, 25 requests in 2017/18 and 10 requests in 2018/19.
Service standard					
<i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	0.47	1.91	3.26	2.11	During 2018/19 only 3 bins were missed, this is a reduction on the 40 bins missed in 2017/18.
Service cost					
<i>Cost of kerbside garbage collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$177.09	\$168.37	\$165.77	\$164.20	Council contracts out Waste and Recycling collection. The service costs reflect costs invoiced to Council by the contractor.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / number of kerbside recyclables collection bins]	\$99.14	\$84.65	\$80.78	\$78.05	Council contracts out Waste and Recycling collection. Due to the recycling crisis, Council's recycling costs have significantly increase during 2018/19.
Waste Diversion					
<i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / weight of garbage, recyclables and green organics collected from kerbside bins] x100	32.26%	34.91%	23.29%	21.88%	Council collected 382 tonnes of recycling during the reporting period.

Strategic Objective 3: Competitive and Innovative Economy



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
3.1.1 Market the Shire's liveability, its stunning environment, relaxed country living and unique business opportunities.	Ongoing.	Hindmarsh Shire Youth Council prepared a tourism guide for families which has been printed and distributed. Migrant open weekends have been held promoting the Shire's liveability. Ongoing implementation of improved signage promoting towns and the Shire.
3.1.2 Prepare designs and prospectus for Dimboola Industrial Estate.	Subject to funding.	This project will be completed subject to funding being available.
3.1.3 Support and promote work experience, apprenticeships and cadetships.	Work experience students engaged.	We continue our partnership with the Wimmera Development Association's internship program and in February 2019 we again employed an engineering cadet.
3.1.4 Facilitate business and social enterprise incubators, workshops and training.	Business workshops held throughout the Shire.	A range of small business workshops were held across the Shire in 2017 on a range of different topics. Council continues to promote the Business Assistance Grants program, providing funding to a range of businesses within the Shire. Social enterprise workshops were held with the Australian Centre for Rural Entrepreneurship in Nhill and Rainbow in late 2018.
3.1.5 Support Emerging Entrepreneurs Program in partnership with Rural Councils Victoria	To be completed.	Project has not commenced.
3.1.6 Encourage investment in housing stock to address housing shortages	To be completed.	Project has not commenced.
3.1.7 Active involvement in Rural Councils Victoria (RCV) and Wimmera Development Association (WDA).	Continued support/membership of Rural Councils Victoria and Wimmera Development Association.	Membership and active involvement with RCV and WDA is continuing and an ongoing basis.

Strategic Indicator/measure	Result	Comments
3.1.8 Work regionally / collaboratively with other organisations.	Continued support / membership of other organisations.	Council continues to support / be members of the Wimmera Regional Sports Assembly, Western Highway Action Groups, Wimmera Regional Transport Group, Wimmera Regional Library Corporation, and Wimmera Indigenous Tourism Group.
3.1.9 Review Hindmarsh Planning Scheme, including Municipal Strategic Statement, with a focus on industrial and residential development.	Consultant appointed to undertake review.	Council engaged a consultant to undertake a review of the Municipal Strategic Statement, a draft is currently being prepared.
3.2.1 Implement recommendations from the Wimmera Mallee Pioneer Museum Master Plan.	Not achieved.	Council's Tourism & Economic Development Officer attends monthly Wimmera Mallee Pioneer Museum Committee of Management meetings and is attempting to implement recommendations from the Master Plan. Funding is required to implement recommendations, funding is yet to be obtained.
3.2.2 Promote and continue to develop our tourism facilities	Ongoing.	Strategic Signage Plan has been development. Hindmarsh Heritage Drive brochures have been developed and distributed. Recreational Bikes for the Riverside Holiday Park, Dimboola have been purchased. New signage has been placed at the front entrance for the Riverside Holiday Park, also in Dimboola, Jeparit and Rainbow.
3.2.3 Develop a trail along the Wimmera River and Lake Hindmarsh (subject to funding).	Funding obtained for Stage 1.	Council has been successful in obtaining funding through the Building Better Regions Fund for the Wimmera River Discovery Trail, Stage 1 from Dimboola to Jeparit.
3.2.4 Support innovative community-driven events and festivals that stimulate tourism growth and the region.	Events supported.	Council has provided support for the Nhill Lake Fiesta, Jeparit Fishing Competition, Dimboola Rowing Regatta and Fishing Classic, Rainbow Desert Enduro, Wimmera Mallee Pioneer Museum Vintage Rally, Park Run in Nhill and NAHC Vintage Military Vehicle rendezvous amount others. Council has developed an events management guide to assist with event management.
3.2.5 Facilitate links between contemporary local and regional events, tourism product and businesses to maximise economic outcomes across the Shire.	Calendar of events hosted and promoted on Visit Hindmarsh & Facebook.	Council events listed on the Visit Hindmarsh website and promoted on Council's Facebook page. Council continues to work pro-actively with event organisers for Shire tourism promotional opportunities at events.

Strategic Indicator/measure	Result	Comments
3.2.6 Review the management of Council's caravan and camping accommodation.	Report presented to Council.	A report was present to Council with suggested management options for consideration.
3.2.7 Facilitate "Tourism is everyone's business" forums.	Forums held.	Successful Tourism forums were held in Dimboola, Jeparit, Nhill and Rainbow during February 2018. Nhill Tourism and Business Group has been established and meets on a regular basis. Council's Tourism & Economic Development Officer attends these meetings
3.2.8 Promote and support local historic assets and heritage groups.	Brochures developed and distributed.	Heritage Drive brochure has been developed and distributed. Hindmarsh Shire Youth Councillors developed a tourism brochure – A tourism guide for families, which has been distributed.
3.2.9 Work collaboratively with the Wimmera Mallee region's Indigenous Tourism Group	Active participation in regional tourism group.	Council's Tourism and Economic Development Officer is a very active participant in the Wimmera Mallee Tourism Association and is developing substantial links with the BGLC.
3.3.1 Advocate for appropriate NBN coverage.	Ongoing.	Council continues to advocate for NBN coverage within our community.
3.3.2 Promote the use of latest technology to advance business practices.	Ongoing.	Promotion is ongoing.
3.3.3 Advocate for improved mobile phone coverage, including telecommunications tower at Yanac.	Ongoing.	Council continues to advocate for improved mobile phone coverage within our community. A tower at Yanac was announced in March 2019 as part of the Mobile Black Spot program.
3.3.4 Advocate strongly for installation of a television repeater tower at Rainbow.	Ongoing	Council continues to advocate for improved television coverage in Rainbow.
3.4.1 Advocate for flexible and responsive public and freight transport.	Active involvement in Western Highway Action Committee and Wimmera Regional Transport Group.	Council's membership with WHAC and WRTG continues. Road transport and bulk grain handling featured heavily in the Economic Development Strategy discussions. Council is also a member of the Rail Freight Alliance.
3.4.2 Investigate innovative transport solutions and facility upgrades.	Planning underway.	Redevelopment of the Dimboola Bus Stop is proposed as part of the redevelopment of the Dimboola Library. Council staff have considered options are currently in discussions with Public Transport Victoria and V/Line.

The following statements provide information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost Actual Budget Variance \$
Economic Development	To encourage Economic Development throughout the municipality.	141,958 <u>311,105</u> (169,147)
Tourism	To develop a thriving Wimmera Mallee Tourism industry predominantly based on, but not limited to, the Shire's heritage and environmental assets.	254,187 <u>292,027</u> (37,840)
Private Works	Provision of private civil works services. Provide quotations for private works undertaken by the Council works department to residents, contractors and other authorities. Potential private works include grading of farm driveways, grading of fence lines, construction of driveway cross-overs, and supply of labour, plant and materials. Private works also include repair to Council's infrastructure caused by repair to third party assets.	(29,138) <u>7,480</u> (36,618)
Caravan Parks and Camping Grounds	Maintenance, renewal and upgrade of Council Caravan Parks and Camping Grounds.	(28,983) <u>99,355</u> (128,338)
Land Use Planning	To ensure that any development that occurs in Hindmarsh Shire is carried out in accordance with relevant planning policies, principles and controls. Provide customers with advice on planning scheme requirements. Prepare and assess planning scheme amendments and consider planning permit applications. Represent Council at Panel Hearings and at Victorian Civil and Administrative Tribunal. Undertake planning scheme compliance checks when necessary. Process subdivisions and planning certificates. Implement actions from the Wimmera Southern Mallee Regional Growth Plan.	97,032 <u>205,374</u> (108,342)
Building Control	To provide statutory and private building services to the community. To carry out Council's statutory private building requirements. Issuing of building permits and certificates. Receipt and recording of building permits undertaken by private building surveyors. Undertake building enforcement and compliance checks. Provision of reports to the Building Control Commission.	89,596 <u>137,046</u> (47,450)
Aerodrome	Manage and maintain the Nhill Aerodrome.	48,464 <u>69,816</u> (21,352)

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	72	58	37	31	Council received 34 planning applications during 2018/19. 4 applications were incorrectly loaded and not closed in the PPARS database by Council staff. Council planning staff will receive ongoing training in this area as Council recognises the importance of correct data entry.
Service standard					
<i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	52.78%	68.97%	86.67%	97.22%	14 out of 34 planning applications were actioned within the 60 day timeframe.
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$4,241	\$4,454	\$5,350	\$4,366	Council received 34 planning applications during 2018/19; 33 applications were received during 2017/18.
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	50%	0.00%	100%	One planning matter was taken to VCAT during 2018/19. The application was struck out due to lacking substance.

Strategic Objective 4: Our people, our processes



The following statement reviews the performance of Council against the Council Plan including results achieved in relation to the strategic indicators included in the Council Plan.

Strategic Indicator/measure	Result	Comments
4.1.1 An equitable, efficient and transparent rating strategy.	Annual review conducted.	We reviewed the rating strategy for Council's 2019/20 Budget.
4.1.2 Further develop 10 year financial plan.	Ten Year Plan updated annually.	We have developed a Long Term Financial Plan, which has been reviewed by our internal auditors and is updated annually as part of the Budget process.
4.1.3 Advocate to State and Federal Governments for a sustainable funding model for small rural councils.	Advocacy on various levels.	Deputations to Canberra were undertaken in early 2019. We will continue to advocate with Federal and State members. Actively supports Rural Council's Victoria lobbying to Minister for Local Government and the Treasurer on behalf of Council.
4.1.4 Build strong relationships with upper and lower house representatives at a State and Federal level.	Close relationships formed with state and federal ministers.	Close relationships have been developed with Emma Kealy MP and Anne Webster MP. Council held a Federal Election Forum for Mallee Candidates in April 2019.
4.1.5 Undertake service planning across Council's operations	Service reviews commenced.	Service planning has commenced for Operations and Statutory Planning. Reviews of service levels are discussed during the annual budget preparation.
4.2.1 Develop and implement a customer service strategy.	Adoption of Customer Service Charter.	Council adopted a new Customer Service Charter which clearly details Council's service strategy for customer service standards.
4.3.1 Implement a project management system, including training for key staff.	Project Management system being rolled out.	Implementation of a new project management system has been completed and project management framework adopted by Senior Management Team. Training has been completed with key staff.
4.3.2 Provide professional development opportunities and training for staff and Councillors	Training and professional development undertaken.	Staff and Councillors are encouraged to undertake professional development. Sessions such as dispute resolution training have been held in Nhill for a number of staff. Staff training requirements are identified during annual performance reviews.

Strategic Indicator/measure	Result	Comments
4.3.3 Implement actions and initiatives from the Act@Work program.	A number of initiatives implemented.	<p>All staff have undertaken Act@Work training and appropriate action plan has been developed and approved by the Chief Executive Officer.</p> <p>Survey conducted post training measured attitudes, awareness and knowledge of the prevention of violence against women and made comparisons with an initial survey. A second staff survey was completed. This 'post training' survey measured the current attitudes, awareness and knowledge of the prevention of violence against women and made comparisons with the outcomes of the initial baseline survey.</p> <p>Recent interview panels have ensured a gender balance.</p>
4.4.1 Review and implement Council's IT strategy.	To be completed.	<p>Council are currently working with 5 other Rural Councils following the successful application for the Rural Councils Transformation Project (RCTP) funding which is looking at transforming Council's Information Technology. A review will be undertaken alongside this project.</p>
4.5.1 Review Council's role in emergency management.	Report presented to Council.	<p>A report was presented to Council on Phase 1 of Local Government Victoria's <i>Council in Emergencies</i> project and also the potential changes and impacts of the Emergency Management Bill.</p>
4.5.2 Maintain the Jeparit levee bank.	Condition report.	<p>A Jeparit Flood Levee Management Plan was developed in March 2014. The Wimmera Catchment Management Authority presented to Council in August 2018 on the draft Wimmera Flood Strategy.</p>
4.6.1 Include risk management as a standing item on Audit Committee, Council and Senior Management Team agendas.	Audit Committee meetings have considered risk management items.	<p>Risk management is included as a standing item on Audit committee agendas.</p>
4.6.2 Develop a governance and compliance framework within Council.	Framework developed.	<p>Council employed a Governance Advisor who developed and implemented a governance and compliance review framework. Regular reviews are undertaken to ensure council is compliant with required legislation.</p>

The following statement provides information in relation to the services funded in the 2018/19 budget and the persons or sections of the community who are provided the service.

Service	Description	Net Cost	Actual	Budget	Variance	\$
Civic Leadership and Governance	<p>To ensure that Council provides effective leadership and that its decisions are transparent, inclusive and based on sound recommendations and advice.</p> <ul style="list-style-type: none"> • Management support for the Mayor and Council. • Regular media releases and newsletters to inform the community of current issues. • Lobbying of politicians and government departments. • Advocacy on behalf of the community on key local government issues. • Memberships include Municipal Association of Victoria, Rural Council Victoria, North West Municipalities Association and Wimmera Development Corporation • Community Satisfaction Feedback Survey 	865,526	<u>913,298</u>		(47,772)	
Customer Service Centres	<p>Operation and maintenance of customer service centres to provide facilities from which Council can efficiently deliver services to the community.</p> <ul style="list-style-type: none"> • Management of professionally-focused Customer Service Centres in each township. • Seek improvement in the community satisfaction survey conducted annually. • Adherence to Council's Customer Services Charter. • Provide licensing and registration services on behalf of VicRoads. • Provision of information to ratepayers and the general public on a broad range of services provided by Council and other government agencies. 	617,135	<u>618,245</u>		(1,110)	
Council Elections	<p>Efficient and effective running of Elections by the Victorian Electoral Commission on behalf of Council.</p> <ul style="list-style-type: none"> • Ongoing maintenance of the voters' rolls. 			0		0
Financial Management	<p>To ensure the efficient and effective allocation of resources through sound financial planning and management that secures the long term financial viability of the municipality.</p> <ul style="list-style-type: none"> • Preparation of the annual budget, including the capital works budget • Preparation of Council's Annual Report • Preparation of management reports to Council and Senior Managers. • Investment of surplus funds in accordance with Council's investment policy having regard to legislation and financial risk. • Support of the internal and external audit functions • Management of Council's taxation obligations • Continued lobbying of governments for additional funding and resources 	(4,716,889)	<u>(2,250,890)</u>		(6,967,779)	

Net Cost
Actual
Budget
Variance
\$

Service	Description	
Rating and Valuations	Management of Council's rating system, including valuation of properties and the levying of rates and charges.	(7,544,064)
	<ul style="list-style-type: none"> • Maintenance of property and valuation records, including supplementary valuations. • Administering Pensioner rate concessions on behalf of the State Government. • Issue of quarterly Rates and Valuations notices. • Collection of rates and legal action where necessary. • Issue of Land Information Certificates. 	(7,493,447) (50,617)
Records Management	Effective and efficient recording, storage, retrieval and disposal of records in line with the standards of the Public Records Office of Victoria.	72,629
	<ul style="list-style-type: none"> • Compliance with Privacy and Freedom of Information Legislation. • Ensure that Council records, stores and disposes of its records in accordance with statutory obligations. 	<u>71,357</u> 1,272
Information Technology	Using Information Technology as a tool to connect with the community and provide efficient and effective services.	229,662
		<u>322,929</u> (93,267)
Risk Management	Monitor and manage Council's risks in relation to operations, employment and infrastructure.	358,930
	<ul style="list-style-type: none"> • Monitor and review the Risk Register. • Regular review of the risks and control measures by Senior Management. • Ensuring that Council's assets and interests are insured adequately against risk. • Management of WorkCover Authority insurance and work place injury claims. • Quarterly meetings of the Risk Management Committee. • Quarterly meetings of the Audit Committee. • Advise staff and contractors in relation to Workplace Health and Safety. • Ensure that Council is aware of, and complies with, all of its statutory obligations. 	<u>404,867</u> (45,937)
Contract Management	Preparation of contract specifications, administration of tender processes and management of Council's contracted services.	94,728
	<ul style="list-style-type: none"> • Tender preparation and specification development. • Supervision and management of contracted Council services. • Ensure that Council's tendering process (including letting of tenders and appointment of contractors) comply with Council purchasing policies and statutory obligations. • Ensure value for money and best products are achieved. 	<u>110,480</u> (15,752)
Payroll and Human Resources Services	Provision of payroll services to Council employees and the provision of human resources services to management.	257,892
		<u>266,021</u> (8,129)
Emergency Management	Provide support to the community in the areas of emergency preparedness, emergency response and emergency recovery.	60,356
		<u>91,744</u> (31,388)

Service	Description	Net Cost
		Actual
		<u>Budget</u>
		Variance
		\$
Depots and Workshops	Operation of Council's depots and workshops including the provision of heavy plant and equipment. <ul style="list-style-type: none"> • Securely house plant, equipment and materials. • Provide a base for the outdoor staff. • Provide a location to carry out maintenance and repairs of Council's plant and equipment. • Purchase and maintain plant and equipment to enable the delivery of works 	1,040,181 <u>1,604,831</u> (564,650)
Asset Management	Provision of skills, resources and systems to ensure the most efficient and effective management of Council's assets. <ul style="list-style-type: none"> • Ensure that Council targets the correct level of asset expenditure to achieve and maintain the desired levels of service into the foreseeable future. • Ensure that Council's asset renewal expenditure targets the most critical assets. • Provide Council's asset valuations. 	219,541 <u>368,099</u> (148,558)
Fleet Management	Ensure that Council's vehicle fleet is managed, maintained and replaced in the most efficient and effective way possible. <ul style="list-style-type: none"> • Timely maintenance of fleet vehicles. • Purchase and replacement of fleet vehicles in accordance with Council policy. 	416,415 <u>438,798</u> (22,383)
Accounts Payable	Payment of invoices in an efficient and timely manner. <ul style="list-style-type: none"> • Maintenance of secure payment systems and processes. • Payment of invoices in accordance with Councils payment terms (within 30 days). • All payments to be made via EFT or Direct Credit. 	47,723 <u>50,082</u> (2,359)
Accounts Receivable	Receival of payments from debtors in an efficient and timely manner. <ul style="list-style-type: none"> • Monthly invoicing of accounts. • Ensure Council's Outstanding Debtor Policy is adhered to. • Regular reports to management on outstanding debtors. 	23,872 <u>22,847</u> 1,025

Service/Indicator/measure	Result 2019	Result 2018	Result 2017	Result 2016	Material Variations
Governance					
Transparency					
<i>Council resolutions at meetings closed to the public</i> [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	24.19%	16.13%	15.00%	12.58%	Decisions made in closed council relate to personnel matters, contractual matters, hardship applications and legal advice. Council considered a large number of contractual matters for the provision of services, and items of plant during 2018/19.
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how council has performed on community consultation and engagement]	60	60	59	59	No material variations.
Attendance					
<i>Council attendance at Council meetings</i> [The sum of the number of councillors who attended each ordinary and special council meeting / (Number of ordinary and special council meetings) x (Number of councillors elected at the last council general election)] x100	94.70%	96.97%	99.33%	97.62%	No material variations.
Service cost					
<i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$47,441	\$46,391	\$45,245	\$42,121	No material variations.
Satisfaction					
<i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	61	60	58	57	No material variations.

Governance, management and other information

Governance

The Hindmarsh Shire Council is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community. 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.
- 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 such as ward meetings and the ability to make submissions to Special Committees of Council.

Council's formal decision-making processes are conducted through Council meetings and Special Committees of Council. Council delegates the majority of its decision-making to Council staff. These delegations are exercised in accordance with adopted Council policies.

Meetings of Council

Council conducts open public meetings on the first and 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 a question to the Council, make a submission or speak to an item. For the 2018/19 year, Council held the following meetings:

- 20 ordinary Council meetings.
- 2 special Council meetings.

The following table provides a summary of Councillor attendance at Council meetings and Special Council meetings for the 2018/19 financial year.

Councillors	Council Meeting	Special Council Meeting	Total
Cr Ron Ismay (Mayor)	20	2	22
Cr Ron Lowe	19	2	21
Cr Rob Gersch	19	2	21
Cr Deb Nelson	20	2	22
Cr Tony Schneider	17	2	19
Cr David Colbert	19	2	21
Total meetings held	20	2	22

Special Committees

The *Local Government Act 1989* allows Council's to establish one or more special committees consisting of:

Councillors.

Council staff.

Other persons.

Any combination of the above.

The following table contains a list of all special committees established by Council and the purpose for which each committee was established.

Special Committee	Councillors	Officers	Other	Purpose
Nhill Town Committee	1	1	5	To represent the diverse members of the Nhill community, identify community needs and interests, and advocate on behalf of the community.
Dimboola Town Committee	1	1	13	To represent the diverse members of the Dimboola community, identify community needs and interests, and advocate on behalf of the community.
Jeparit Town Committee	1	1	9	To represent the diverse members of the Jeparit community, identify community needs and interests, and advocate on behalf of the community.
Rainbow Town Committee	1	1	10	To represent the diverse members of the Rainbow community, identify community needs and interests, and advocate on behalf of the community.
Antwerp Hall Committee	No delegate	No delegate	13	To provide a public hall facility for the use and benefit of the citizens of Antwerp and district.
Diapur Hall Committee	No delegate	No delegate	12	To provide a public hall facility for the use and benefit of the citizens of Diapur and district.
Gerang Hall Committee	No delegate	No delegate	6	To provide a public hall facility for the use and benefit of the citizens of Gerang and district.
Jeparit Memorial Hall Committee	No delegate	No delegate	8	To provide a public hall facility for the use and benefit of the citizens of Jeparit and district, and to manage/sub lease the Returned Service League Clubrooms and Senior Citizens Clubrooms.
Lorquon Memorial Hall Committee	No delegate	No delegate	8	To provide a public hall facility for the use and benefit of the citizens of Lorquon and district.

Special Committee	Councillors	Officers	Other	Purpose
Rainbow Civic Centre Committee	1	No delegate	8	To promote, develop and maintain the premises for the benefit of the community and to satisfy the financial return to the Council in order that the Civic Centre move to becoming self-supporting.
Yanac Hall & Recreation Reserve Committee	1	No delegate	11	To provide a public hall and recreation reserve for the use and benefit of the citizens of Yanac and district.
Rainbow Recreation Reserve Committee	1	No delegate	7	To provide a public hall and recreation reserve facilities for the use and benefit of the citizens of Rainbow and district.
Nhill Sun Moth Reserve Committee of Management	No delegate	No delegate	7	To coordinate, manage, develop, maintain and promote the area known as the Nhill Sun Moth Reserve, area for the conservation of rare, threatened and endangered species of flora and fauna found there and in particular, the nationally endangered Golden and Pale Sun Moths.
Wimmera Mallee Pioneer Museum Committee	1	1	16	To manage the Wimmera Mallee Pioneer Museum.
Yurunga Homestead Committee	1	1	6	To manage the Yurunga Homestead.

Code of Conduct

The Local Government Act 1989 requires Council's to develop and approve a Councillor Code of Conduct within 12 months after each general election. On 1 February 2017, Council adopted a revised Councillor Code of Conduct 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 Councillors Conduct Principles, the Code also outlines:
 Other conduct definitions under the Act, such as those relating to misuse of position, improper direction, breach of confidentiality and conflict of interest;
 Roles and relationships;
 Dispute resolution procedures.

Conflict of Interest

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

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

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2018/19, 10 conflicts of interest were declared at Council and Special Committee meetings.

Councillor Allowances

In accordance with Section 74 of the *Local Government Act 1989*, Councillors are entitled to receive an allowance while performing their duty as a Councillor. The Mayor is also entitled to receive a higher allowance.

The State Government sets the upper and lower limits for all allowances paid to Councillors and Mayors. Councils are divided into three categories based on the income and population of each Council. In this instance, Hindmarsh Shire Council is recognised as a category one council.

For the period 1 July 2018 to 30 November 2018, the councillor annual allowance for a category 1 council (as defined by the *Local Government Act 1989*) was fixed at \$20,230 per annum and the allowance for the Mayor was \$60,442 per annum. The Minister for Local Government approved an annual adjustment of 2.0 per cent to take effect on 1 December 2018. The annual allowances were adjusted for the period 1 December 2018 to 30 June 2019 to \$20,635 per annum for the councillor allowance and \$61,650 per annum for the Mayoral allowance.

The following table contains a summary of the allowances paid to each councillor during the year.

Councillors	Allowance
	\$
Cr Ron Ismay (Mayor)	\$61,427.80
Cr Ron Lowe	\$20,560.58
Cr Rob Gersch	\$20,560.58
Cr Deb Nelson	\$20,560.58
Cr Tony Schneider	\$20,560.58
Cr David Colbert	\$20,560.58

Councillors Expenses

In accordance with Section 75 of the *Local Government Act 1989*, 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 reimbursement 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 and member of a Council Committee paid by the Council. The details of the expenses for the 2018/19 year are set out in the following table.

Councillors	TR \$	CM \$	CC \$	IC \$	CE \$	CT \$
Cr Ron Ismay (Mayor)					2,215.49	7,484.40
Cr Ron Lowe		609.84			1,140.08	
Cr Rob Gersch					1,031.30	3,193.57
Cr Deb Nelson		2,554.86			1,214.10	
Cr Tony Schneider					422.06	
Cr David Colbert					408.03	

Legend: TR-Travel CM-Car Mileage CC-Child Care IC-Information and CE-Communication expenses CT-Conferences and Training expenses.

Note: No expenses were paid by Council including reimbursements to members of Council committees during the year.

Management

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

Audit Committee

The Audit Committee's role is to review, evaluate and recommend improvements to the system of procedures and internal controls established by the Council. As part of the audit planning process, the Internal Auditor assists Council in identifying and assessing the operational and financial risks to which it is exposed. The internal audit function monitors compliance to ensure that internal controls over financial and operational areas are effective. The Audit Committee consists of four independent members, Mr Darren Welsh (Chair), Mr Ashley Roberts, Ms Krista Thiele, Mr Bernard Young and two Councillors. The desired Audit Committee membership comprises two Councillors and up to four independent members and their term of membership coincides with the term of the Councillors of the Hindmarsh Shire Council. The members of the Audit Committee elect a Chairman to fill that role until the Committee resolves that a new Chairman should be elected.

The Audit Committee meets at least three times in each financial year. The Internal Auditor, Chief Executive Officer and Director Corporate & Community Services attend all Audit

Committee meetings. Other management representatives attend as required to present reports. The external auditors generally attend the May and September Audit Committee meetings to present the annual audit plan and Independent Audit Report.

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 that the appropriate processes and controls are in place across Council. A risk based audit plan is prepared 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 change on operations, systems or the business environment; prior audit coverage and outcomes and management input.

The Internal Auditor attends Audit Committee meetings to report on the status of the audit plan, comment on the implementation of audit recommendations and to present findings of completed reviews.

During 2018/19 an internal audit on Council's Risks was undertaken to determine proposed internal audits for the upcoming three years.

External Audit

Council is externally audited by the Victorian Auditor-General. For 2018/19, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Mr Richard Ainio of Crowe Horwath.

Crowe Horwath, VAGO's representative since the 2014/15 financial year, attended the September 2018 Audit Committee meeting to present the independent audit report for the 2017/18 financial year, and also attended the March 2019 to present the 2018/19 audit strategy. The external audit management letter and responses are also provided to the Audit Committee.

Risk Management

In July 2013, Council adopted its Risk Management Policy, addressing items such as:

- Risk management processes and procedures;
- Communication and training;
- Responsibilities of internal and external stakeholders;
- Risk registers.

Governance and Management Checklist

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

Governance and Management Items	Assessment	<input checked="" type="checkbox"/>
Community engagement policy (policy outlining council's commitment to engaging with the community on matters of public interest)	Community Engagement Framework was adopted by Council on 18 March 2015. It combines policy document and guidelines.	<input checked="" type="checkbox"/>
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Community Engagement Framework was adopted by Council on 18 March 2015. It combines policy document and guidelines.	<input checked="" type="checkbox"/>
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)	Adopted in accordance with section 126 of the Act. Date of adoption: 26 June 2019.	<input checked="" type="checkbox"/>
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)	Adopted in accordance with section 130 of the Act. Date of adoption: 26 June 2019.	<input checked="" type="checkbox"/>
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)	Council adopted a new Asset Management Strategy on 17 June 2015. The Strategy guides the development and review of asset management plans that encompass fit-for-purpose services and facilities which are secure, reliable, technologically efficient, innovative, safe and meet customers' needs. An Asset Management Plan (general) and Asset Management Plan (paths) have been developed. Council currently have a draft Road Asset Management Plan to be adopted in 2019/20, with further plans being developed for buildings, drains and other assets.	<input checked="" type="checkbox"/>
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 26 June 2019.	<input checked="" type="checkbox"/>
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 01 June 2013	<input checked="" type="checkbox"/>
Fraud policy (policy outlining council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: Theft and Fraud Policy 22 August 2008, Protected Disclosure 20 December 2017	<input checked="" type="checkbox"/>
Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date of preparation: 01 July 2017	<input checked="" type="checkbox"/>
Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the <i>Local Government Act 1989</i> Date of approval: 26 June 2019.	<input checked="" type="checkbox"/>
Business continuity plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster)	Council has in place a business continuity plan, updated 01 July 2014.	<input checked="" type="checkbox"/>
Disaster recovery plan	Council has in place a disaster recovery plan,	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment <input checked="" type="checkbox"/>
(plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	updated 01 July 2014.
Risk management framework (framework outlining council's approach to managing risks to the Council's operations)	Date of operation of current Risk Management Strategy, 01 July 2013 <input checked="" type="checkbox"/>
Audit Committee (advisory committee of council under section 139 of the Act whose role is to oversee the integrity of a council's financial reporting, processes to manage risks to the council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Established in accordance with section 139 of the Act Date of establishment: 22 January 2003 Reviewed: 16 July 2014 <input checked="" type="checkbox"/>
Internal audit (independent accounting professionals engaged by the council to provide analyses and recommendations aimed at improving council's governance, risk and management controls)	Date of engagement of current provider: 06 June 2018 <input checked="" type="checkbox"/>
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)	Date of operation of current framework: 01 July 2014 <input checked="" type="checkbox"/>
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)	Quarterly reports on the performance against the Council Plan are presented to Council. Date reports presented: 24 October 2018, 20 February 2019, 01 May 2019, and 26 June 2019. <input checked="" type="checkbox"/>
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Statements presented to Council in accordance with section 138(1) of the Act Date statements presented: 01 August 2018, 24 October 2018, 20 February 2019, and 01 May 2019. <input checked="" type="checkbox"/>
Risk reporting (six-monthly reports of strategic risks to council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports were presented to the Audit Committee meeting on 13 September 2018, 07 March 2019 and 09 May 2019. <input checked="" type="checkbox"/>
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)	Date of reports: 19 September 2018 and 20 February 2019. <input checked="" type="checkbox"/>
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial and performance statements)	Considered at a meeting of Council in accordance with section 134 of the Act Annual report considered: 24 October 2018 <input checked="" type="checkbox"/>
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)	Reviewed in accordance with section 76C of the Act Date reviewed: 1 February 2017 <input checked="" type="checkbox"/>
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)	Reviewed in accordance with section 98(6) of the Act Date of review: CEO Delegations 01 August 2018 and Staff Delegations 21 February 2018. <input checked="" type="checkbox"/>
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 Date local law made: 23 June 2014 <input checked="" type="checkbox"/>

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



Cr Ron Ismay
Mayor
18 September 2019










Greg Wood
Chief Executive Officer
18 September 2019

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 Part 12 of the Local Government (General) Regulations 2015, the following is a list of the prescribed documents that are available for inspection or copies of the documents can be obtained for the purposes of section 222 of the *Local Government Act 1989* at 92 Nelson Street, Nhill:

-  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 Councillors or any member of Council staff in the previous 12 months;
-  the agendas for, and minutes of, ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to a part of a meeting which was closed to members of the public under section 89 of the Act and are confidential information within the meaning of section 77(2) of the Act.
-  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 section 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act.
-  a document containing details of all leases involving land which were entered into by the Council as lessor, including the lessee and the terms and the value of the lease.
-  a register maintained under section 224(1A) of the Act of authorised officers appointed under that section.
-  a list of donations and grants made by the Council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best value

In accordance with section 208B(f) of the *Local Government Act 1989*, at least once every year a Council must report to its community on what it has done to ensure that it has given effect to the Best Value Principles. Council incorporates Best Value Principles through regular business planning and performance monitoring processes and through a commitment to continuous improvement and innovation.

The following Best Value initiatives were undertaken during 2018/19:

Budget process – review of guidelines and processes for the preparation of the annual budget.

Long term financial planning – further evaluation and improvement of underlying assumptions.

Long term asset planning – four year capital works program developed with the aim to increase this to a ten year capital works program.

Rural Council Transformation Project – successful with an application for the Rural Council Transformation Project (RCTP) along with Horsham Rural City, West Wimmera Shire, Yarriambiack Shire, Buloke Shire, and Loddon Shire to transform Council's corporate services functions including finance and records management. This project will be undertaken during 2019 to 2022.

Carers 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:

- Distributing printed material through relevant Council services.
- Providing information at Council's customer service centres.

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 Aged and Disability 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:

- Provision of respite services for carers;
- Providing regular carer support in the form of Memory Lane Cafés.

Contracts

During the 2018/19 financial year Council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works without first engaging in a competitive process.

Disability Action Plan

In accordance with section 38 of the *Disability Act 2006*, Council has prepared a Disability Action Plan – Positive Ageing and Inclusion in Hindmarsh Shire 2013-2018. Council must report on the implementation of the Disability Action Plan in its annual report. Council's Positive Ageing and Inclusion Plan will be reviewed during 2019/20.

The following actions have been implemented from the Positive Ageing and Inclusion in Hindmarsh 2013-2018 plan:

The creation of the Hindmarsh Shire Event Management Guide, through public safety and security indicates that events are All Access to ensure that events cater for all abilities.

Council continues to advocate for those with a disability by recognising training needs for staff to assist in giving those with a disability choice and control when it comes to accessing services through council.

Continued participation in Wimmera Disability Access Forum.

Continued partnerships with Wimmera service providers that provide Disability Advocacy.

Council continues to explore funding opportunities and partnerships to enhance integrated and specific programs for people with disabilities.

Domestic Animal Management Plan

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

Council adopted its Domestic Animal Management Plan 2017-2021 on 25 October 2017. The plan was developed through consultation with Council's Local Laws Team and consideration of input from other Council departments.

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

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, Council is required to publish certain statements in its annual report or separately such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately, however provides the following summary of the application and operation of the *Freedom of Information Act 1982*.

Access to documents may be obtained through written request to the Freedom of Information Officer, as detailed in section 17 of the *Freedom of Information Act 1982* and in summary as follows:

Requests should be in writing.

Requests should identify as clearly as possible what documents are being requested.

Requests should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Requests for documents in the possession of Council should be addressed to the Freedom of Information Officer. Requests can also be lodged by email.

Access charges may apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

Further information regarding Freedom of Information can be found at www.foi.vic.gov.au and on our website www.hindmarsh.vic.gov.au.

Protected Disclosure Procedures

In accordance with section 69 of the *Protected Disclosure Act 2012*, a Council must include in its annual report information about how to access the procedures established by the Council under Part 9 of that Act. It is also required to provide certain information about the number and types of protected disclosures 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.

During the 2018/19 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.

No such contributions were received by Council during the financial year.





HINDMARSH SHIRE COUNCIL

Performance Statement For the year ended 30 June 2019

Our Municipality

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

Hindmarsh Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all town's offer spacious rural living, inclusive small communities, and wonderful natural amenities.

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

Today it is estimated, 5,645 people live in Hindmarsh Shire, with a median age of 50 years. According to the 2016 Census 83% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 88% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 190 calling Nhill home.

The median weekly household income is \$906, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than the national average.



Sustainable Capacity Indicators

For the year ended 30 June 2019

<i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
<i>Own-source revenue</i> <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,811	\$1,880	\$1,891	\$2,048	Own source revenue during 2018/19 has increased including rates and charges, and user fees. There has been a small decrease in population resulting in higher own source revenue.
<i>Recurrent grants</i> <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$916	\$1,601	\$1,200	\$1,125	Recurrent grants decreased by \$460k during 2018/19 this is mainly due to the reduction in the Roads to Recovery grant.
<i>Population</i> <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,089	\$3,151	\$3,048	\$4,219	The increase is due to significant expenditure on flood recovery works and a reduction in the population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$19,938	\$28,647	\$27,273	\$27,580	A reduction in the municipal population, along with investment in Council Infrastructure and revaluation of assets alters the value of infrastructure per municipal population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.73	1.71	1.79	1.78	No material variations.
<i>Disadvantage</i> <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	2	2	2	No material variations.

Definitions

"adjusted underlying revenue" means total income other than—

- non-recurrent grants used to fund capital expenditure; and
- non-monetary asset contributions; and
- 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 2019

<i>Service/indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	57	58	60	61	No material variations.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	100%	n/a	50%	0%	1 planning matter was taken to VCAT during 2018/19. The application was struck out due to lacking substance.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	45	52	48	54	Council has invested additional funding on sealed roads to improve the quality of strategic routes within our Shire, this has resulted in higher community satisfaction.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	11%	10%	9%	7%	As at 30 June 2019 there was a reduction of 82 active library members. (2018/19 – 435; 2017/18 – 517).
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	22%	23%	34%	32%	Council collected 382 tonnes of recycling and 1187 tonnes of waste during 2018/19, compared to 2017/18 collection of 419 tonnes of recycling and 1200 tonnes of waste.
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3	3	3	4	Aquatic facilities for the period November to March. An additional 1,155 people visited Council's aquatic facilities during 2018/19.

Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations
Animal management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	n/a	n/a	n/a	n/a	No animal prosecutions during 2018/19.
Food safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	n/a	n/a	100%	Council received 2 critical non-compliance notifications during 2018/19. Both non-compliance notifications were followed up ensuring actions were taken to achieve compliance.
Home and community care Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	61%	n/a	n/a	n/a	Reporting ceased on 1 July 2016.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	60%	n/a	n/a	n/a	Reporting ceased on 1 July 2016
Maternal and child health Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.

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

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

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an 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 2019

Dimension/ <i>indicator</i> /measure	Results	Results	Results	Results	Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	-10.4%	10.8%	2.7%	-4.2%	-14.1%	-8.5%	-6.7%	-8.2%	The result for 2019 is due to higher non-recurrent expenditure on materials, and increase in non-recurrent income. Higher non-recurrent expenditure has not been removed from the adjusted underlying surplus. The result for this measure is decreasing due to over the 4 years to 2023. The decreasing trend is mainly due to the introduction of rates capping.
Liquidity Working capital Current assets compared to current liabilities [Current assets / Current liabilities] x100	287.9%	414.1%	431.2%	310.0%	108.7%	71.9%	63.5%	43.8%	The reduction in working capital is due to timing of non-recurrent payments for outstanding invoices in relation to flood recovery at 30 June 2019.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x100	94.3%	371.4%	393.9%	254.9%	78.9%	41.6%	32.5%	12.7%	The reduction in unrestricted cash as at 30 June 2019 is due to a lower cash balance and higher current liabilities than the previous financial year. Council's cash is forecast to reduce for the 4 years to 2023.

Dimension/ <i>indicator</i> /measure	Results	Results	Results	Results	Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Obligations									
Loans and borrowings									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council continues to remain debt free with no loans or borrowings.
Loans and borrowings									
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council continues to remain debt free with no loans or borrowings.
Indebtedness									
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	2.3%	2.8%	2.3%	2.3%	1.3%	1.3%	1.3%	1.3%	Non-current provisions at 30 June 2019 remained steady. The forecast is a reduction in non-current provisions over the 4 years to 2023 based on the employee profile and related long service leave entitlements.
Asset renewal									
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	66.0%	55.6%	57.0%	62.7%	82.4%	86.0%	88.9%	83.4%	Expenditure on Asset renewal remains a high priority for Council with increased investment in Asset Renewal during 2018/19.

Dimension/ <i>indicator</i> /measure	Results	Results	Results	Results	Forecasts				Material Variations
	2016	2017	2018	2019	2020	2021	2022	2023	
Stability									
Rates concentration									
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	50.5%	41.6%	46.9%	37.8%	54.1%	49.1%	49.0%	49.0%	A significant increase in recurrent grants (mainly the Victorian Grants Commission) has resulted in a reduction in rates concentration.
Rates effort									
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	No material variations.
Efficiency									
Expenditure level									
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,076	\$3,331	\$3,362	\$4,670	\$3,717	\$3,960	\$3,963	\$4,090	Expenses were significantly higher in 2018/19 due to a large amount of flood recovery work being undertaken.
Revenue level									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,107	\$1,202	\$1,154	\$1,169	\$1,198	\$1,222	\$1,223	\$1,246	No material variations.
Workforce turnover									
<i>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	13%	11%	18%	19%	12%	11%	11%	11%	Due to Council's small FTE, staff turnover statistics are sensitive to resignations.

Definitions

"adjusted underlying revenue" means total income other than—

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

"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.

Other Information

For the year ended 30 June 2019

1. Basis of preparation

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 26 June 2019 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 at its municipal offices at 92 Nelson Street Nhill, by email to info@hindmarsh.vic.gov.au or phone 03 5391 4444.

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.



Ms Monica Revell

Director Corporate & Community Services

Dated: 18 September 2019

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

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

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

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



Mr Ron Ismay

Councillor

Dated: 18 September 2019



Mr Ronald Lowe

Councillor

Dated: 18 September 2019



Mr Greg Wood

Chief Executive Officer

Dated: 18 September 2019

Independent Auditor's Report

To the Councillors of Hindmarsh Shire Council

Opinion

I have audited the accompanying performance statement of Hindmarsh Shire Council (the council) which comprises the:

- description of municipality for the year ended 30 June 2019
- sustainable capacity indicators for the year ended 30 June 2019
- service performance indicators for the year ended 30 June 2019
- financial performance indicators for the year ended 30 June 2019
- other information for the year ended 30 June 2019 (basis of preparation)
- certification of the performance statement.

In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the *Local Government Act 1989*.

Basis for Opinion

I have conducted my audit in accordance with the *Audit Act 1994* which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the *Auditor's Responsibilities for the Audit of the Performance Statement* section of my report.

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the performance statement

The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the *Local Government Act 1989*, and for such internal control as the Councillors determine 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.

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, 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. 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 the 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 the 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
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Annual Financial Report

For the Year Ended 30 June 2019



**HINDMARSH
SHIRE
COUNCIL**

Hindmarsh Shire Council

Financial Report

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Certification of the Financial Statements

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



Mrs Monica Revell
Director Corporate & Community Services

Date : 18-Sep-19

Nhill

In our opinion the accompanying financial statements present fairly the financial transactions of Hindmarsh Shire Council for the year ended 30 June 2019 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that 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 Ron Ismay
Councillor

Date : 18-Sep-19

Nhill



Cr Ron Lowe
Councillor

Date : 18-Sep-19

Nhill



Mr Greg Wood
Chief Executive Officer

Date : 18-Sep-19

Nhill

Independent Auditor's Report

To the Councillors of Hindmarsh Shire Council

Opinion	<p>I have audited the financial report of Hindmarsh Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • 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 • statement of capital works 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 2019 and its 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>
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Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
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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>
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Auditor's responsibilities for the audit of the financial report


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

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

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

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

MELBOURNE
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	8,650	8,350
Statutory fees and fines	3.2	190	180
User fees	3.3	1,049	856
Grants - operating	3.4	10,491	5,515
Grants - capital	3.4	2,896	1,903
Contributions - monetary	3.5	63	41
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	39	47
Share of net profits (or loss) of associates and joint ventures	6.2	5	29
Other income	3.7	1,632	1,273
Total income		25,015	18,194
Expenses			
Employee costs	4.1	(6,388)	(6,559)
Materials and services	4.2	(10,970)	(4,563)
Depreciation	4.3	(5,071)	(4,836)
Other expenses	4.5	(1,393)	(1,345)
Total expenses		(23,822)	(17,303)
Surplus/(deficit) for the year		1,193	891
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.1	-	(760)
Total comprehensive result		1,193	131

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

Balance Sheet
As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	11,877	11,228
Trade and other receivables	5.1	2,085	704
Inventories	5.2	291	292
Other assets	5.2	190	65
Total current assets		14,443	12,289
Non-current assets			
Trade and other receivables	5.1	2	2
Investments in associates, joint arrangements and subsidiaries	6.2	484	480
Property, infrastructure, plant and equipment	6.1	158,061	157,201
Total non-current assets		158,547	157,683
Total assets		172,990	169,972
Liabilities			
Current liabilities			
Trade and other payables	5.3	2,875	985
Trust funds and deposits	5.3	32	182
Provisions	5.4	1,751	1,682
Total current liabilities		4,658	2,849
Non-current liabilities			
Provisions	5.4	269	253
Total non-current liabilities		269	253
Total liabilities		4,927	3,102
Net assets		168,063	166,870
Equity			
Accumulated surplus		65,411	64,218
Reserves	9.1	102,652	102,652
Total equity		168,063	166,870

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

Statement of Changes in Equity For the Year Ended 30 June 2019

2019	Note	Accumulated		Revaluation
		Total \$'000	Surplus \$'000	Reserve \$'000
Balance at beginning of the financial year		166,870	64,218	102,652
Surplus/(deficit) for the year		1,193	1,193	-
Net asset revaluation increment/(decrement)	6.1	-	-	-
Balance at end of the financial year		168,063	65,411	102,652

2018	Note	Accumulated		Revaluation
		Total \$'000	Surplus \$'000	Reserve \$'000
Balance at beginning of the financial year		166,739	63,327	103,412
Surplus/(deficit) for the year		891	891	-
Net asset revaluation increment/(decrement)	6.1	(760)	-	(760)
Balance at end of the financial year		166,870	64,218	102,652

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

**Statement of Cash Flows
For the Year Ended 30 June 2019**

	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities		
Rates and charges	8,712	8,433
Statutory fees and fines	7	10
User fees	196	1,022
Grants - operating	10,491	5,516
Grants - capital	2,896	1,903
Contributions - monetary	63	41
Interest received	182	167
Trust funds and deposits taken	(147)	175
Other receipts	1,451	1,169
Net GST refund/payment	-	52
Employee costs	(6,224)	(6,445)
Materials and services	(9,542)	(4,647)
Other payments	(1,545)	(1,494)
Net cash provided by/(used in) operating activities	6,540	5,902
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(6,165)	(4,537)
Proceeds from sale of property, infrastructure, plant and equipment	274	169
Net cash provided by/(used in) investing activities	(5,891)	(4,368)
Net increase (decrease) in cash and cash equivalents	649	1,534
Cash and cash equivalents at the beginning of the financial year	11,228	9,694
Cash and cash equivalents at the end of the financial year	11,877	11,228
Restrictions on cash assets	5.1	

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

**Statement of Capital Works
For the Year Ended 30 June 2019**

	Note	2019 \$'000	2018 \$'000
Property			
Buildings		503	272
Total property		503	272
Plant and equipment			
Plant, machinery and equipment		1,064	598
Fixtures, fittings and furniture		19	99
Total plant and equipment		1,083	697
Infrastructure			
Roads		3,421	2,352
Bridges		26	-
Footpaths and cycleways		91	223
Drainage		66	83
Kerb & Channel		502	236
Other infrastructure		473	674
Total infrastructure		4,579	3,568
Total capital works expenditure		6,165	4,537
Represented by:			
New asset expenditure		1,813	1,063
Asset renewal expenditure		3,180	2,760
Asset upgrade expenditure		1,172	714
Total capital works expenditure		6,165	4,537

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

OVERVIEW

Introduction

The Hindmarsh 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 92 Nelson Street, Nhill, Victoria.

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 6.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.1)
- the determination of employee provisions (refer to Note 5.4)
- the determination of landfill provisions (refer to Note 5.4)

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.

Note 1 Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

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

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

1.1 Income and expenditure

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Ref
Income					
Rates and charges	8,645	8,650	5	0	
Statutory fees and fines	136	190	54	40	1
User fees	691	1,049	358	52	2
Grants - operating	3,089	10,491	7,402	240	3
Grants - capital	859	2,896	2,037	237	4
Contributions - monetary	13	63	50	385	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	298	39	(259)	(87)	
Share of net profits/(losses) of associates and joint ventures	-	5	5	-	
Other income	1,445	1,632	187	13	6
Total income	15,176	25,015	9,839	1	
Expenses					
Employee costs	7,115	6,388	(727)	(10)	7
Materials and services	4,071	10,970	6,899	169	8
Depreciation	4,928	5,071	143	3	
Other expenses	2,046	1,393	(653)	(32)	9
Total expenses	18,160	23,822	5,662	31	
Surplus/(deficit) for the year	(2,984)	1,193	4,177	(140)	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	Statutory fees and fines are higher than budgeted due to a larger number of fines being issued.
2	User fees	User fees are higher than budgeted due to Income received from Private works and Caravan Parks being higher than budgeted.
3	Grants - Operating	Operating grants are higher than budgeted due to unbudgeted grant funds for Disaster Support & Relief, the Dimboola HPV event, This Girl Can Marketing and Recycling Services Temporary Relief Grants.
4	Grants - Capital	Council have received unbudgeted grants for the refurbishment of Jeparit and Rainbow kindergartens, provision of a fishing pontoon at Nhill Lake, provision of boating pontoon at Dimboola, Nhill Aerodrome Entrance & Heritage Walk, e-waste, Fixing Country Roads Program and Local Roads to Market Program.
5	Contributions - monetary	Contributions are higher than budgeted due to receipt of payment from the Dimboola & district sporting club toward the female change rooms facility.
6	Other Income	Other income is higher than budget due to increased interest income, and increased quarry material used on jobs and plant recovery.
7	Employee Costs	Employee costs are currently under expenditure due to the period of time some vacancies remained unfilled, also the departure of top of band employees whose replacements commence at the bottom of the banding impacts this.
8	Materials & Services	Materials and Services are over budget due to payments in relation to Flood recovery works.
9	Other expenses	This variance is composed of a number of small variances along with a reduction in the kindergarten subsidy required by the provider of this service.

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance 2019 %	Ref
Property					
Buildings	127	503	376	296.1	1
Total property	127	503	376	296.1	
Plant and equipment					
Plant, machinery and equipment	1,737	1,064	(673)	(38.7)	2
Fixtures, fittings and furniture	5	19	14	280.0	
Total plant and equipment	1,742	1,083	(659)	(37.8)	
Infrastructure					
Roads	2,991	3,421	430	14.4	3
Bridges	-	26	26	-	
Footpaths and cycleways	260	91	(169)	(65.0)	4
Drainage	128	66	(62)	(48.4)	5
Kerb & Channel	128	502	374	292.2	6
Other infrastructure	441	473	32	7.3	7
Total infrastructure	3,948	4,579	631	16.0	
Total capital works expenditure	5,817	6,165	348	6.0	
Represented by:					
New asset expenditure	324	1,813	1,489	459.6	
Asset renewal expenditure	5,440	3,180	(2,260)	(41.5)	
Asset upgrade expenditure	53	1,172	1,119	2,111.3	
Total capital works expenditure	5,817	6,165	348	6.0	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Carried forward expenditure for the final payment for the Nhill Early Years Centre and the Dimboola Recreation Reserve Netball Facilities was expended in 2019. Grant opportunities arose for kindergarten bathroom upgrades at the Rainbow and Jeparit kindergartens and also the construction of E-waste sheds at Dimboola and Nhill transfer stations also contributed to the variance.
2	Plant, machinery and equipment	There are some plant items that were unable to be delivered before the end of the financial year. These items will be purchased in 2020, with the funds carried forward for this purpose.
3	Roads	The variance in actual expenditure to budgeted is due to gaining grant funding for completing further road construction projects that were not budgeted.
4	Footpaths and cycleways	The reduced expenditure was due to not completing all budgeted projects. The significant increase in grant funding for completing further road construction projects meant there was not enough time to complete all budgeted projects with some carried forward to 2020.
5	Drainage	The reduced expenditure was due to not completing all budgeted projects. The significant increase in grant funding for completing further road construction projects meant there was not enough time to complete all budgeted projects with some carried forward to 2020.
6	Kerb & Channel	The reduced expenditure was due to not completing all budgeted projects. The significant increase in grant funding for completing further road construction projects meant there was not enough time to complete all budgeted projects with some carried forward to 2020.
7	Other infrastructure	The variance in actual expenditure to budgeted is due to gaining grant funding during the year for small capital projects that were not budgeted for, including, Nhill RSL ANZAC Memorial enhancement, Dimboola Boating Pontoon, and Nhill Aerodrome entrance and heritage walk upgrade.

Note 2.1 Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2 (a) Community Liveability

Community Liveability focuses on achieving an actively engaged community, providing a range of effective and accessible services to support the health and wellbeing of our community, and promoting a community that is physically active with access to a wide range of leisure, sporting and recreation facilities.

Built and Natural Environment

Built and Natural environment focuses on provision of well maintained physical assets and infrastructure to meet community and organisational needs. A community that reduces its reliance on water and manages this resource wisely. A healthy natural environment and a community living more sustainably.

Competitive and Innovative Economy

A strong rural economy and thriving towns, a thriving tourism industry, modern and affordable information and communication technology throughout the municipality, and transport solutions that support the needs of our communities and businesses.

Our People, Our Processes

This area of Council focuses on long term financial sustainability, quality customer services, an engaged, skilled Council and workforce capable of meeting community needs, efficient and effective information communications technology. Providing support for the community in the areas of emergency preparedness, response and recovery. Also, an organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.

Note 2.1 Analysis of Council results by program

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

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Community Liveability	1,331	(2,045)	(714)	952	1,384
Built and Natural Environment	10,123	(16,764)	(6,641)	7,657	143,816
Competitive and Innovative Economy	623	(1,161)	(538)	46	2,491
Our People, our Processes	12,938	(3,852)	9,086	4,732	18,372
Unattributed	-	-	-	-	6,927
	25,015	(23,822)	1,193	13,387	172,990

	Income	Expenses	Surplus/(Deficit)	Grants included in income	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2018					
Community Liveability	1,346	(2,005)	(659)	957	856
Built and Natural Environment	5,054	(11,396)	(6,342)	1,944	140,152
Competitive and Innovative Economy	602	(1,283)	(681)	89	1,859
Our People, our Processes	12,356	(3,783)	8,573	4,428	17,217
Unattributed	-	-	-	-	9,888
	19,358	(18,467)	891	7,418	169,972

Note 3 Funding for the delivery of our services

	2019	2018
3.1 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 the value of the land and all of its improvements.

The valuation base used to calculate general rates for 2018/19 was \$1,393.62 million (2017/18 \$1,237.08 million).

General rates	6,847	6,710
Municipal charge	742	737
Waste management charge	970	874
Revenue in lieu of rates	91	29
Total rates and charges	8,650	8,350

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

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

3.2 Statutory fees and fines

Animal registration fees	70	71
Building fees	57	50
Infringements and costs	16	31
Court recoveries	-	-
Town planning fees	41	28
Land information certificates	6	-
Permits	-	-
Total statutory fees and fines	190	180

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

3.3 User fees

Aged and health services	315	288
Private works	106	53
Caravan parks & camping fees	348	302
Transfer station fees	68	55
Commercial garbage collection fees	48	40
Film screenings and hall hire	32	32
Other fees and charges	132	86
Total user fees	1,049	856

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

3.4 Funding from other levels of government	2019	2018
Grants were received in respect of the following :	\$'000	\$'000
Summary of grants		
Commonwealth funded grants	6,040	6,409
State funded grants	7,347	1,009
Total grants received	13,387	7,418
(a) Operating Grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants	4,732	4,410
General home care	512	480
Other	28	-
Recurrent - State Government		
Delivered Meals	1	1
Home care services	81	82
Home maintenance	5	6
Senior citizens	23	19
School crossing supervisors	6	7
Libraries	105	104
Youth participation program	25	39
Roadside weeds and pest management	74	124
Other	-	21
Total recurrent operating grants	5,592	5,293
Non-recurrent - Commonwealth Government		
Building better regions funding	9	-
Non-recurrent - State Government		
Community health	11	-
Karen community capacity building & migration project	-	70
Community safety fund	-	10
Disaster support & relief	75	-
Regional events funding	8	-
Walk to school	14	11
Youth participation project	2	3
Mosquito management	-	2
Facilitated playgroup	72	41
Disaster recovery	4,705	71
Other	3	14
Total non-recurrent operating grants	4,899	222
Total operating grants	10,491	5,515

	2019	2018
	\$'000	\$'000
(b) Capital Grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	759	1,519
Total recurrent capital grants	759	1,519
<i>Non-recurrent - State Government</i>		
Nhill early years centre	-	22
Dimboola civic precinct	-	100
Recreational fishing	50	10
Skate parks	20	90
Public safety infrastructure	2	19
Building our regions	-	75
Stronger communities walking track	20	20
National livestock identification scheme	-	19
Variable message sign	-	18
Aerodrome entrance and heritage walk	30	-
Dimboola boating pontoon	64	-
E-waste sheds	60	-
Fixing country roads	1,243	-
Kindergarten refurbishment	18	-
Roads to market	630	-
Other	-	11
Total non-recurrent capital grants	2,137	384
Total capital grants	2,896	1,903
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,003	1,125
Received during the financial year and remained unspent at balance date	496	321
Received in prior years and spent during the financial year	(433)	(443)
Balance at year end	1,066	1,003

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

3.5 Contributions

Monetary	63	41
Total contributions	63	41

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

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

Proceeds of sale	274	213
Written down value of assets disposed	(235)	(166)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	39	47

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

3.7 Other income	2019	2018
	\$'000	\$'000
Plant operations	790	596
Quarry operations	491	386
Interest	187	167
Recoupments	79	53
Fire services levy administration	42	41
Centralised valuation funding	28	-
Scrap metal and transfer station sales	10	26
Microads agency administration	4	3
Other	1	1
Total other income	1,632	1,273

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	4,810	4,981
WorkCover	119	159
Annual leave, sick leave and long service leave	648	616
Superannuation	577	556
Fringe benefits tax	56	87
Training	148	129
Other	30	31
Total employee costs	6,388	6,559

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	66	74
	66	74
Employer contributions payable at reporting date.	nil	nil

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	266	254
Employer contributions - other funds	245	228
	511	482
Employer contributions payable at reporting date.	nil	nil

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

4.2 Materials and services

Contract payments	242	216
Building maintenance	152	100
Flood recovery expenditure	6,273	-
Depots and workshops	34	45
Emergency assistance and fire prevention	4	13
Health promotion	9	8
Home and community care	111	104
Community development, tourism and youth activities	206	254
Garbage and recycling collection and waste disposal	551	452
Utilities	330	316
Office administration	26	47
Information technology	251	310
Parks, reserves and aerodromes	109	104
Plant and fleet operations	944	951
Printing stationery and advertising	37	33
Quarry operations	425	240
Rating and valuation	26	74
Roads, footpaths, bridges and drainage management	698	665
Swimming pool maintenance and management	294	316
Town beautification	54	18
Consultants and labour hire	91	134
Other	103	163
Total materials and services	10,970	4,563

	2019 \$'000	2018 \$'000
4.3 Depreciation		
Property	463	424
Plant and equipment	811	794
Infrastructure	3,797	3,618
Total depreciation	5,071	4,836

Refer to note 6.1 for a more detailed breakdown of depreciation charges and accounting policy.

4.4 Bad and doubtful debts

Movement in provisions for doubtful debts

Balance at the beginning of the year	17	17
New provisions recognised during the year	-	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	<u>17</u>	<u>17</u>

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

4.5 Other expenses

Advertising	62	41
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	44	43
Auditors' remuneration - Internal	7	-
Bank charges	32	31
Community action grants	22	20
Council contributions - other	-	28
Councillors' allowances	179	174
Fire services levy	22	23
Hindmarsh landcare network contribution	10	-
Insurance	268	256
Kindergartens	-	87
Landfill charges	251	238
Legal costs	5	-
Postage	24	23
Regional library contribution	265	259
Subscriptions	120	88
Telecommunications	20	24
Town committees	30	30
Others	32	(20)
Total other expenses	1,393	1,345

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash at bank	9,877	7,228
Term deposits	2,000	4,000
Total cash and cash equivalents	11,877	11,228

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

- Trust funds and deposits (Note 5.3)	32	182
Total restricted funds	<u>32</u>	<u>182</u>
Total unrestricted cash and cash equivalents	11,845	11,046

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	2,411	1,788
- grants unspent	1,066	1,003
Total funds subject to intended allocations	3,477	2,791

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.

	2019	2018
	\$'000	\$'000
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	383	445
Building permit debtors	21	7
Infringement debtors	88	73
Provision for doubtful debts - infringements	-	-
GST receivable	488	97
<i>Non statutory receivables</i>		
Loans and advances to community organisations	-	-
Other debtors	49	31
Sundry debtors	1,070	65
Street scheme debtors	2	2
Provision for doubtful debts - other debtors	(16)	(16)
Total current trade and other receivables	<u>2,085</u>	<u>704</u>
Non-current		
<i>Statutory receivables</i>		
Special rate scheme	-	-
<i>Non statutory receivables</i>		
Street scheme debtors	2	2
Total non-current trade and other receivables	<u>2</u>	<u>2</u>
Total trade and other receivables	<u>2,087</u>	<u>706</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 and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	-	65
Past due by up to 30 days	412	8
Past due between 31 and 180 days	4	-
Past due between 181 and 365 days	33	3
Past due by more than 1 year	21	29
Total trade and other receivables	<u>470</u>	<u>105</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$16,649 (2018: \$16,649) were impaired. The amount of the provision raised against these debtors was \$16,649 (2018: \$16,649). 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:

Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	16	16
Total trade & other receivables	<u>16</u>	<u>16</u>

5.2 Non-financial assets	2019	2018
(a) Inventories	\$'000	\$'000
Inventories held for distribution	291	292
Total inventories	291	292

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(b) Other assets

Prepayments	190	64
Accrued income	-	1
Total other assets	190	65

5.3 Payables

(a) Trade and other payables

Trade payables	2,477	666
Accrued expenses	398	319
Total trade and other payables	2,875	985

(b) Trust funds and deposits

Refundable deposits	12	12
Fire services levy	20	170
Total trust funds and deposits	32	182

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.

5.4 Provisions

	Employee	Landfill restoration	Quarry	Total
	\$ '000	\$ '000	\$ '000	\$ '000
2019				
Balance at beginning of the financial year	1,769	21	145	1,935
Additional provisions	787	3	23	813
Amounts used	(728)	-	-	(728)
Balance at the end of the financial year	1,828	24	168	2,020
2018				
Balance at beginning of the financial year	1,668	21	145	1,834
Additional provisions	623	-	-	623
Amounts used	(522)	-	-	(522)
Balance at the end of the financial year	1,769	21	145	1,935

	2019	2018
	\$'000	\$'000
(a) Employee provisions		
Current provisions expected to be wholly settled within 12 months		
Annual leave	604	561
Long service leave	100	102
	704	663
Current provisions expected to be wholly settled after 12 months		
Annual leave	77	93
Long service leave	896	861
	973	954
Total current employee provisions	1,677	1,617
Non-current		
Long service leave	151	152
Annual leave	-	-
Total non-current employee provisions	151	152
Aggregate carrying amount of employee provisions:		
Current	1,677	1,617
Non-current	151	152
Total aggregate carrying amount of employee provisions	1,828	1,769

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:

- discount rate	1.148%	2.327%
- index rate	4.313%	3.875%

(b) Landfill restoration

Current	24	21
Non-current	-	-
	24	21

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

Key assumptions:

- estimated cost to rehabilitate	24	21
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(c) Quarry restoration

Current	50	44
Non-current	118	101
	168	145

Key assumptions:

- estimated cost to rehabilitate	168	145
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5.5 Financing arrangements

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

Credit card facilities	30	30
Total facilities	30	30
Used facilities	20	23
Unused facilities	10	7

5.6 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.

2019	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building services	-	115	252	-	367
Recycling	260	87	-	-	347
Garbage collection	197	66	-	-	263
Transport waste and recycling to Dooen	61	20	-	-	81
Swimming pool management	282	287	213	-	782
Meals for delivery	59	54	-	-	113
Internal audit services	49	49	49	-	147
Kindergarten Services	48	60	120	-	228
Total	956	738	634	-	2,328

2018	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not later than 2 years	years and not later than 5 years	years	
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building services	158	162	-	-	320
Recycling	260	260	260	-	780
Garbage collection	197	197	197	-	591
Transport waste and recycling to Dooen	62	62	62	-	186
Swimming pool management	266	-	-	-	266
Meals for delivery	91	59	-	-	150
Internal audit services	49	49	98	-	196
Total	1,083	789	617	-	2,489

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

6.1 a Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018	Additions	Depreciation	Disposal	Transfers	At Fair Value 30 June 2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property	23,958	172	(463)	(3)	2,399	26,063
Plant and equipment	5,317	1,084	(811)	(231)	-	5,359
Infrastructure	124,808	3,141	(3,797)	-	28	124,180
Work in progress	3,118	1,768	-	-	(2,427)	2,459
	157,201	6,165	(5,071)	(234)	-	158,061

Summary of Work in Progress

	Opening WIP	Additions	Write-off	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	2,664	331	-	(2,399)	596
Plant and equipment	3	-	-	-	3
Infrastructure	451	1,437	-	(28)	1,860
Total	3,118	1,768	-	(2,427)	2,459

(a) Property

	Land - specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	2,370	2,370	215	25,028	25,243	2,664	30,277
Accumulated depreciation at 1 July 2018	-	-	(40)	(3,615)	(3,655)	-	(3,655)
	2,370	2,370	175	21,413	21,588	2,664	26,622
Movements in fair value							
Additions	1	1	-	171	171	331	503
Disposal	(3)	(3)	-	-	-	-	(3)
Transfers	-	-	-	2,399	2,399	(2,399)	-
	(2)	(2)	-	2,570	2,570	(2,068)	500
Movements in accumulated depreciation							
Depreciation	-	-	(3)	(460)	(463)	-	(463)
	-	-	(3)	(460)	(463)	-	(463)
At fair value 30 June 2019	2,368	2,368	215	27,598	27,813	596	30,777
Accumulated depreciation at 30 June 2019	-	-	(43)	(4,075)	(4,118)	-	(4,118)
	2,368	2,368	172	23,523	23,695	596	26,659

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	9,545	1,126	3	10,674
Accumulated depreciation at 1 July 2018	(4,523)	(831)	-	(5,354)
	5,022	295	3	5,320
Movements in fair value				
Additions	1,065	19	-	1,084
Disposal	(772)	-	-	(772)
	293	19	-	312
Movements in accumulated depreciation				
Depreciation	(737)	(74)	-	(811)
Accumulated depreciation of disposals	541	-	-	541
	(196)	(74)	-	(270)
At fair value 30 June 2019	9,838	1,145	3	10,986
Accumulated depreciation at 30 June 2019	(4,719)	(905)	-	(5,624)
	5,119	240	3	5,362

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & Channel	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	122,760	7,069	6,698	6,295	19,019	10,984	451	173,276
Accumulated depreciation at 1 July 2018	(33,146)	(2,226)	(3,325)	(2,074)	(4,455)	(2,791)	-	(48,017)
	89,614	4,843	3,373	4,221	14,564	8,193	451	125,259
Movements in fair value								
Additions	2,358	-	91	66	174	452	1,437	4,578
Transfers	14	-	-	-	14	-	(28)	-
	2,372	-	91	66	188	452	1,409	4,578
Movements in accumulated depreciation								
Depreciation	(2,802)	(70)	(159)	(79)	(241)	(446)	-	(3,797)
	(2,802)	(70)	(159)	(79)	(241)	(446)	-	(3,797)
At fair value 30 June 2019	125,132	7,069	6,789	6,361	19,207	11,436	1,860	177,854
Accumulated depreciation at 30 June 2019	(35,948)	(2,296)	(3,484)	(2,153)	(4,696)	(3,237)	-	(51,814)
	89,184	4,773	3,305	4,208	14,511	8,199	1,860	126,040

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.

	Depreciation Period	Threshold Limit \$'000
<i>Asset recognition thresholds and depreciation periods</i>		
Land & land improvements		
land	-	1
Buildings		
buildings	30 - 100 years	1
Plant and Equipment		
plant, machinery and equipment	2 - 20 years	1
fixtures, fittings and furniture	2 - 50 years	1
Infrastructure		
roads - pavements, substructure, formation and earthworks	15 - 110 years	1
roads - kerb, channel and minor culverts and other	60 - 100 years	1
bridges	70 - 120 years	1
footpaths and cycleways	15 - 80 years	1
drainage	80 - 120 years	1
other infrastructure	5 - 100 years	1

Land under roads

Council will recognise land under roads, acquired after 1 July 2008 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 above and are consistent with the prior year unless otherwise stated.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. At balance date Council has no finance leases.

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.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, Council has no leasehold improvements.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer Ben Sawyer, certified practicing valuer AAPI Registration 63163 from Preston Rowe Patterson Horsham & Wimmera 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.

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

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Specialised land	-	-	2,368	Jun-15
Heritage Buildings	-	-	172	Jun-15
Buildings	-	-	23,524	Jun-15
Total	-	-	26,064	

Valuation of infrastructure

Valuation of road and kerb and channel assets has been determined in accordance with an independent valuation undertaken by Talis Consultants Pty Ltd. An independent valuation of bridges has also been undertaken, by Pitt & Shery. The valuation of all other infrastructure assets has been determined by Mrs Angela Hoy, Director of Infrastructure Services.

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

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

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

	Level 1	Level 2	Level 3	Date of Valuation
	\$'000	\$'000	\$'000	
Roads	-	-	89,183	Jun-17
Bridges	-	-	4,772	Jun-18
Footpaths and cycleways	-	-	3,305	Jun-19
Drainage	-	-	4,208	Jun-19
Kerb & Channel	-	-	14,511	Jun-17
Other infrastructure	-	-	8,199	Jun-19
Total	-	-	124,178	

Description of significant unobservable inputs into level 3 valuations

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$2,600 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 75 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 10 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.

	2019	2018
	\$'000	\$'000
6.2 Investments in associates, joint arrangements and subsidiaries		
(a) Investments in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	386	378
- Wimmera Development Association	98	102
Wimmera Regional Library Corporation		
<i>Background</i>		
Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Regional Library Corporation		
Hindmarsh Shire has a 13.34% interest in equity (13.16% in 2017/18)		
Fair value of Council's investment in Wimmera Regional Library Corporation	386	378
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	151	159
Change in equity share apportionment	-	-
Reported surplus/(deficit) for year	(206)	(8)
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	(55)	151
Council's share of reserves		
Council's share of reserves at start of year	226	227
Change in equity share apportionment	(8)	(1)
Transfers (to) from reserves	(94)	-
Council's share of reserves at end of year	124	226
Movement in carrying value of specific investment		
Carrying value of investment at start of year	378	387
Change in equity share apportionment	8	(1)
Share of surplus/(deficit) for year	-	(8)
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	386	378

The Council provided notice of withdrawal from the Wimmera Regional Library Corporation effective from 30 June 2020 in accordance with the terms of the agreement signed with the library corporation. Pursuant to the terms and conditions of the agreement, the Council expects to recover its investment in associate which principally comprises assets that will be returned. The Council does not expect material impact of this withdrawal on the carrying value of its assets and liabilities.

Wimmera Development Association

Background

Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Development Association

Hindmarsh Shire has a 10.34% interest in equity (10.34% in 2017/18)

Fair value of Council's investment in Wimmera Development Association	98	102
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus/(deficit) at start of year	78	41
Change in equity share apportionment	-	-
Reported surplus/(deficit) for year	(4)	37
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus/(deficit) at end of year	74	78
Council's share of reserves		
Council's share of reserves at start of year	24	23
Change in equity share apportionment	-	1
Transfers (to) from reserves	-	-
Council's share of reserves at end of year	24	24
Movement in carrying value of specific investment		
Carrying value of investment at start of year	102	64
Change in equity share apportionment	-	-
Share of surplus/(deficit) for year	(4)	38
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	98	102

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Note 7 People and relationships	2019	2018
7.1 Council and key management remuneration	No.	No.

(a) Related Parties

Parent entity

Hindmarsh Shire Council is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.2.

(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 R. Ismay (Mayor)
	Councillor R. Lowe (Deputy Mayor)
	Councillor R. Gersch
	Councillor T. Schneider
	Councillor D. Colbert
	Councillor D. Nelson
	Chief Executive Officer
	Director - Corporate and Community Services
	Director - Infrastructure Services

Total Number of Councillors	6	6
Total of Chief Executive Officer and other Key Management Personnel	4	4
Total Number of Key Management Personnel	10	10

(c) Remuneration of Key Management Personnel

	2019	2018
	\$'000	\$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	789	716
Long-term benefits	-	-
Termination benefits	2	22
Total	791	738

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

	2019	2018
	No.	No.
\$20,000 - \$29,999	5	4
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	-	1
\$60,000 - \$69,999	2	-
\$70,000 - \$79,999	-	1
\$110,000 - \$119,999	1	-
\$130,000 - \$139,999	-	1
\$150,000 - \$159,999	-	1
\$170,000 - \$199,999	1	-
\$230,000 - \$259,999	1	1
	10	10

Remuneration disclosed is total remuneration package (TRP) inclusive of base salary, superannuation & vehicle benefits. Accrued annual and long service leave is excluded.

	2019	2018
	\$'000	\$'000
Related party disclosure		
7.2 (a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
<i>Council entered into purchases of materials and services on normal commercial terms and arrangements with the following businesses:</i>		
<i>T. Ismay & Co (a related party to Cr R. Ismay)</i>	3	4
<i>Jim's Butchery (a related party to Cr R. Gersch)</i>	3	1

(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:

T. Ismay & Co (a related party to Cr R. Ismay) - nil
Jim's Butchery (a related party to Cr R. Gersch) - nil

There are no outstanding balances with related parties at 30 June 2019.

Note 8 Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

Council receives lease payments for telephone towers, small sections of land, and rooms within Council owned buildings. The receivable is incidental to the purpose for holding the property. The lease terms are between 1 and 10 years and include a CPI based revision annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2019	2018
	\$'000	\$'000
Not later than one year	48	55
Later than one year and not later than five years	136	130
Later than five years	113	113
	<u>297</u>	<u>298</u>

(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.

Future superannuation contributions

In addition to the disclosed contributions, Hindmarsh Shire Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2018/19 year (2017/18 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$60,000.

Liability Mutual Insurance (where applicable)

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

(c) Guarantees for loans to other entities

Council holds financial guarantees totalling \$131,000 held with the National Australia Bank on behalf of the Minister for Energy and resources for the purpose of ensuring quarry sites are restored to an environmentally satisfactory condition. If Council fail to meet the conditions of these guarantees they may become future liabilities to Council.

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.

8.2 Change in accounting standards

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$239,501 in lease related assets and an equivalent liability.

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

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

8.3 Financial instruments

(a) Objectives 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 of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

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

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. 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 have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

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

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

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

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

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

(d) Liquidity risk

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(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.

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 +2.0% and -1.0% in market interest rates (AUD) from year-end rates of 1.2%.

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

8.4 Fair value measurement

Fair value hierarchy

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

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

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

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

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

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

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

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

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 5 years. The valuation is performed either by experienced council officers or independent experts.

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

Impairment of assets

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

8.5 Events occurring after balance date

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

Note 9 Other matters

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
9.1 Reserves			
(a) Asset revaluation reserves			
2019			
Property			
Land and land improvements	1,639	-	1,639
Buildings	9,827	-	9,827
	11,466	-	11,466
Infrastructure			
Roads	86,443	-	86,443
Bridges	218	-	218
Footpaths and cycleways	1,479	-	1,479
Drainage	2,416	-	2,416
Other infrastructure	602	-	602
Share of asset revaluation in associates	28	-	28
	91,186	-	91,186
Total asset revaluation reserves	102,652	-	102,652
2018			
Property			
Land and land improvements	1,639	-	1,639
Buildings	9,827	-	9,827
	11,466	-	11,466
Infrastructure			
Roads	86,443	-	86,443
Bridges	978	(760)	218
Footpaths and cycleways	1,479	-	1,479
Drainage	2,416	-	2,416
Other infrastructure	602	-	602
Share of asset revaluation in associates	28	-	28
	91,946	(760)	91,186
Total asset revaluation reserves	103,412	(760)	102,652

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

	2019	2018
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	\$'000	\$'000
Surplus for the year	1,193	891
Depreciation	5,071	4,836
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(39)	(48)
Other	(3)	(28)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(1,381)	135
(Increase)/decrease in prepayments	(126)	(56)
(Increase)/decrease in accrued income	(1)	65
Increase/(decrease) in trade and other payables	1,811	(83)
(Increase)/decrease in inventories	1	(91)
Increase/(decrease) in provisions	85	100
Increase/(Decrease) in trust funds and deposits	(150)	170
Increase/(Decrease) in accrued expenses	79	11
Net cash provided by operating activities	6,540	5,902

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

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. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017/2018).

As at 30 June 2018, an interim actuarial investigation was completed. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. To determine the VBI, the Fund Actuary used the following long-term assumptions:

Net investment returns 6.0% pa

Salary information 3.5% pa

Price inflation (CPI) 2.0% pa.

Vision Super has advised that the estimated VBI at 30 June 2019 was 107.1%.

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

Defined benefit 2018 interim actuarial investigation surplus amounts

The Fund's interim investigation as at 30 June 2018 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$131.9 million, (\$69.8 million 2017)

A total service liability surplus of \$218.3 million, (\$193.5 million 2017)

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018. Council was notified of the 30 June 2018 VBI during August 2018.

