

Hindmarsh Shire Council

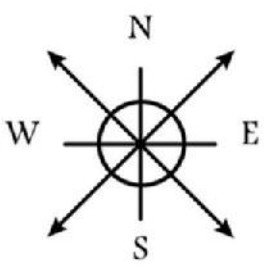
Annual Report

2019/20

2019/20

Annual Report

Hindmarsh Shire Council

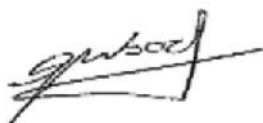


Contents

Introduction	6
Snapshot Of Our Council	6
Facts & Figures	7
The Year In Review	8
Mayor & CEO's Message	8
Financial Summary	13
Description Of Operations	16
Major Capital Works	16
Highlights Of The Year	18
Major Achievements	21
Our Council	28
Council Profile	28
Council Offices	30
Councillors	30
Our People	31
Organisational Structure	32
Our Performance	35
Council Plan	36
Governance, Management and Other Information	63
Governance	63
Meetings Of Council	63
Special Committees	64
Governance and Management Checklist	69
Statutory Information	71
Performance Statement	75
Sustainable Capacity Indicators	77
Service Performance Indicators	79
Financial Performance Indicators	82
Other Information	86
Certification Of The Performance Statement	87



I certify that this material is suitable for printing, publishing or distribution on behalf of Hindmarsh Shire Council during the election period.



Greg Wood
Chief Executive Officer



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, and 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

Our Values

Respect

Integrity

Good Leadership

Surpassing Expectations

Enthusiasm

Introduction

Welcome to the 2019/20 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 2019/20 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.

Facts and Figures

383 customer action requests were dealt with in 2019/20 for roads and footpaths.

218,747 square metres of roads were resealed during 2019/20

12,234 people stayed at Dimboola, Jeparit & Rainbow caravan parks.

1,580 people attended movie screenings during 2019/20

7,717 people were provided assistance at Council's Customer Service Centres.

212,377 kerbside bins were collected during 2019/20

397 animals were collected during 2019/20

The year in review

Mayor & CEO's Message

On behalf of Hindmarsh Shire Council it is a great pleasure to present Council's 2019/20 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.

COVID-19 pandemic

The COVID-19 pandemic has provided many challenges for our community, businesses and Council alike.

During this period Council has increased outreach services to vulnerable members of our community. Daily calls are being made to community members checking in and providing a prompt response where additional services are required. Council has coordinated and delivered food parcels to community members in need.

A COVID-19 Revitalisation Reference Group has been formed to provide a link between the community and Council to assist Council to develop measures to help mitigate the impacts of COVID-19 on both our businesses and the community in general. Over the coming months the group will meet to discuss response measures and develop a Community Recovery Plan.

Lobbying

Council lobbied to the State Government to continue funding for the Overland train service. Funding for this service has now been provided for a further 3 years. The Overland train is an important service that runs from Adelaide to Melbourne and is the only passenger rail service running in Hindmarsh Shire with stops at both Dimboola and Nhill.

Council was one of six local government areas to receive funding for 15 hours of 3-year-old kinder commencing in 2020. This funding is a result of lobbying to the State Government by Council.

Advocacy was also undertaken for the upgrade on the railway line between Dimboola and Rainbow. This advocacy resulted in the upgrades being completed and the line reopening in April 2020. It is anticipated that return of trains will result in approximately 150,000 tonnes of grain from Jeparit and Rainbow silos being transported by train rather than trucks from the 2019/20 harvest season.

Hindmarsh along with our neighbouring Council's lobbied for the

including Town Maintenance, Cleaning, Human Resources Administration and Social Outreach/Meals on Wheels delivery.

Funding received will see Council install an all abilities bathroom at the Riverside Holiday Park. The new all abilities bathroom will be located next to the camp kitchen. Works are expected to be completed by December 2020.

Other grants received during 2019/20 for small projects to assist with improving our liveability, visitor amenities or supporting events include FreeZa activity funding, facilitated playgroup coordination, walk to school, roadside weeds and pests, 16 days of activism, public safety infrastructure, kindergarten central enrolment program and climate change adaptation.

Council's Community Action Grants and Business Assistance Grants programs were again successful with Council providing funding to enable 24 community groups and businesses within our Shire to undertake projects. These programs continued to support our community during 2019/20 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.

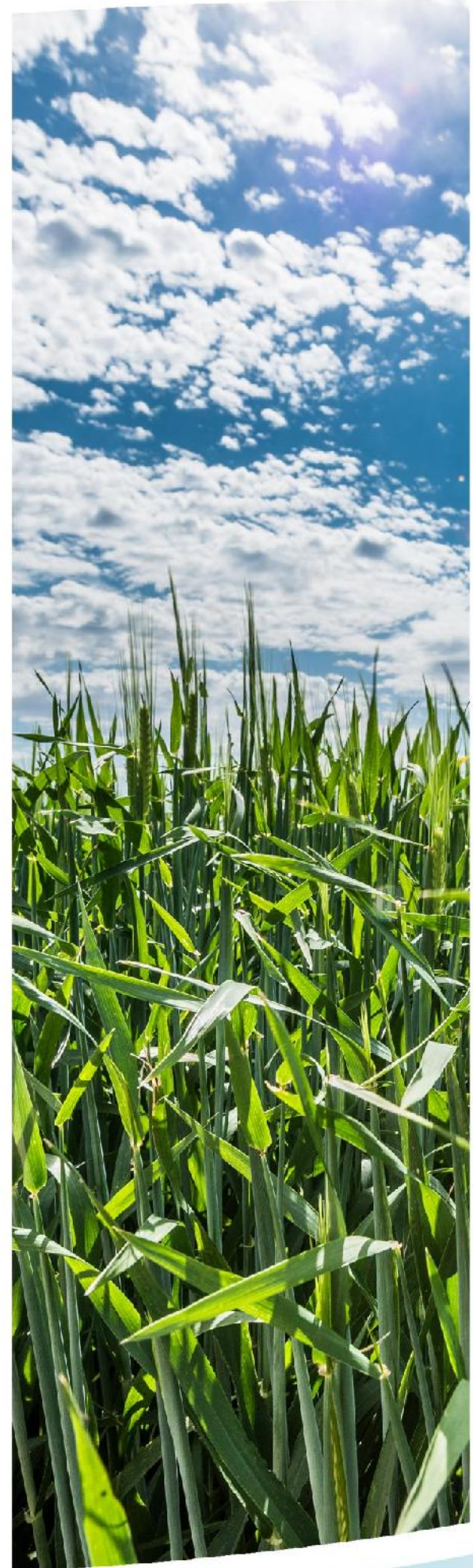
Some of the events held during the past twelve months include the Rainbow Desert Enduro and Rainbow Rises 240, Nhill Skate Park Competition, Dimboola Human Powered Vehicle (HPV) demonstration event, Nhill Pony express, Nhill Air Show, 16 Days of Activism breakfasts, Hindmarsh Youth Leadership Retreat, themed Freeza parties for youth, Dimboola Swap Meet, Dimboola Rowing Regatta, Dimboola Fishing Competition, Agricultural and Pastoral Society shows, International Day of People with Disabilities, Nhill Aviation Heritage Centre 10th Anniversary, Town Committee Christmas events, Nhill Lake February Fiestas, Nhill Park Run, and markets.

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.

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.

Community Satisfaction

Our Community Satisfaction survey results remain consistent with Council scoring higher than the average of small rural shires in 16 key areas.

Performance Measures	Hindmarsh 2016	Hindmarsh 2017	Hindmarsh 2018	Hindmarsh 2019	Hindmarsh 2020	Small Rural Shires 2020
Overall Performance	62	63	60	65	61	56
Community Consultation (community consultation engagement) &	60	59	60	60	59	54
Advocacy (lobbying on behalf of the community)	59	60	62	61	61	52
Making community decisions (Decisions made in the interest of the community)	57	58	60	61	59	53
Sealed Local Roads (Condition of sealed local roads)	45	52	48	54	50	51
Customer Service	73	71	72	70	72	70
Overall Council Direction	57	66	51	53	52	50

Capital Works

During 2019/20 Council undertook the following capital works:

- 10 Reseal/Final Seals	\$ 948,297.97
- 8 Resheets	\$ 445,300.04
- 3 Culverts	\$ 74,341.72
- 7 Sealed reconstructions	\$ 756,692.05
- 4 Footpaths	\$ 333,569.88
- 1 Bridge	\$ 586,613.89

Council completed several sections of the Rainbow-Nhill Road during 2019/20. Works on the Outlet Creek Bridge were also completed.

The construction team completed the Dimboola drainage upgrade works in the first half of the financial year, replacing the kerb and channel, underground stormwater drains and associated pavement works in High, Ellerman, Upper Regions and Victoria Streets and Horsham Road.

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

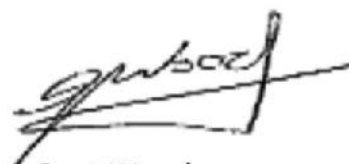
Council has a team of staff members who are committed to our community. We look forward to delivering a significant number of projects in 2020/21, continuing to make our community liveable for our residents.

During 2020/21 construction of the Dimboola library will be completed, with works commencing on the Civic Hub, works on the Jeparit and Rainbow Libraries will commence and works will continue on the Wimmera River Discovery Trail incorporating visitor nodes at both Dimboola and Jeparit.

Council will continue to advocate for increased funding for small rural shires and our rural roads, and lobby Regional Roads Victoria for improvements to C class roads within the Shire.



Cr Robert Gersch
Mayor



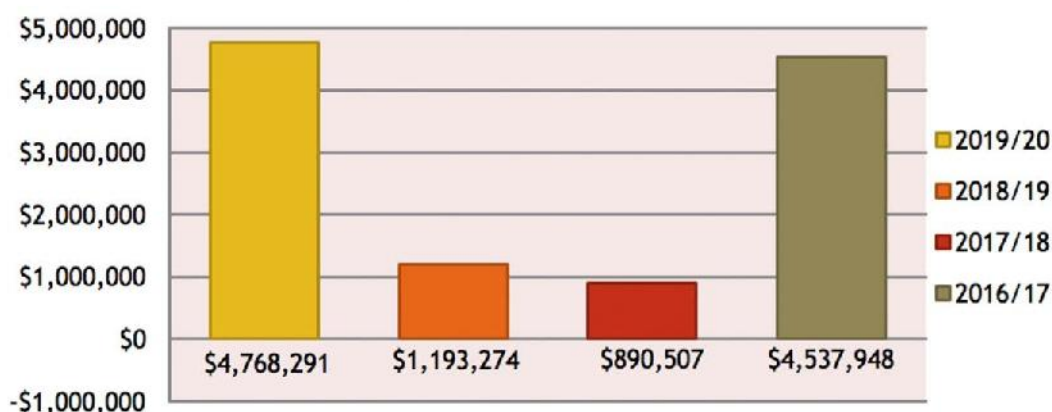
Greg Wood
Chief Executive Officer

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 \$4.767 million in 2019/20. As per the Comprehensive Income Statement in the Financial Report, the favourable variance is due mainly to the early payment of \$2.58 million from the Commonwealth Government Financial Assistance grants received in June 2020 for the 2020/21 financial year.

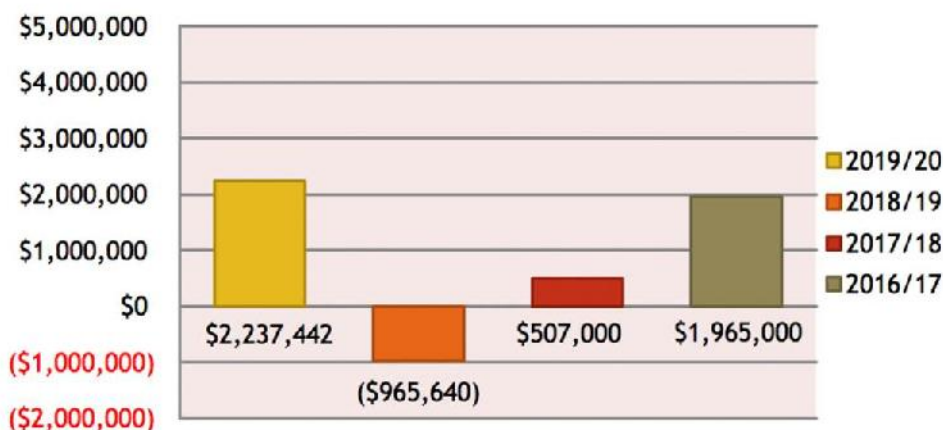


Surplus / (deficit) for the year

Council received additional grants that were not budgeted for. These included disaster support and relief for flood recovery, early years grants for a central enrolment program and local planning and change management, Working for Victoria to employ 13 full time staff for six months, and community activation and social isolations grant.

Employee costs were over budget due to a number of staff employed during the year on specific projects including library coordination and the Working for Victoria program. Community Care salaries also increased due to demand, but this is offset from grant funding. 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 surplus of \$2.23 million.

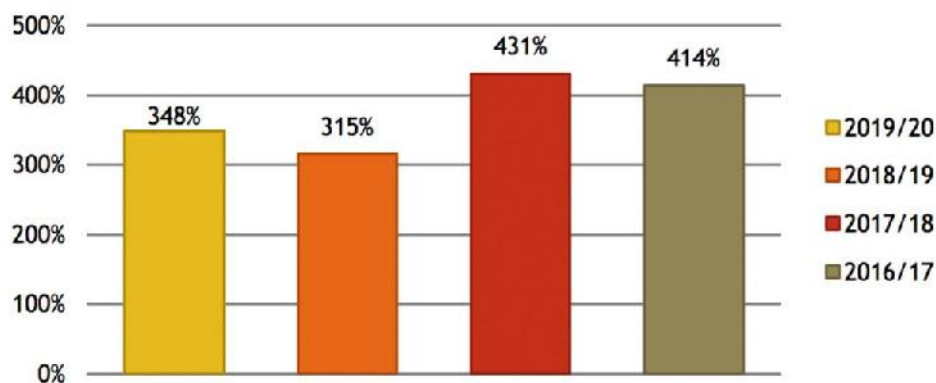


Adjusted Underlying Surplus / (deficit) for the year

Liquidity

Cash decreased by \$0.844 million from the previous financial year. Large capital works projects carried forward from the previous year including the Dimboola Library and e-waste sheds were undertaken during 2019/20. Items of plant budgeted in 2018/19 were carried forward and purchased during 2019/20 including a new Flocon truck.

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 348% is an indicator of Council's strong financial position and well within the band of 150% or more for the Victorian Auditor General's Office's (VAGO) assessment as 'low risk'.

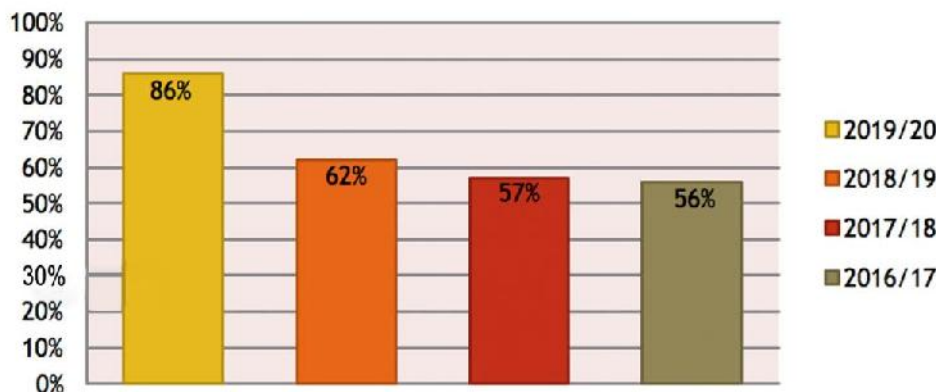


Working capital ratio %

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.

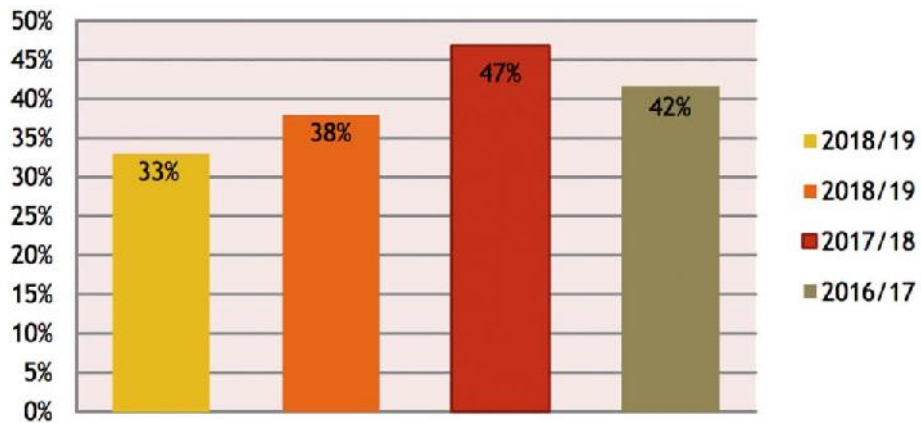
With land, building and infrastructure assets valued at more than \$150 million, it is a challenge to maintain them with an income of just \$26.66 million. Assets deteriorating faster than their maintenance and renewal can be funded creates an 'infrastructure renewal gap'. To bridge this gap, Council invested \$4.64 million in infrastructure renewal works during the 2019/20 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 86%. 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.



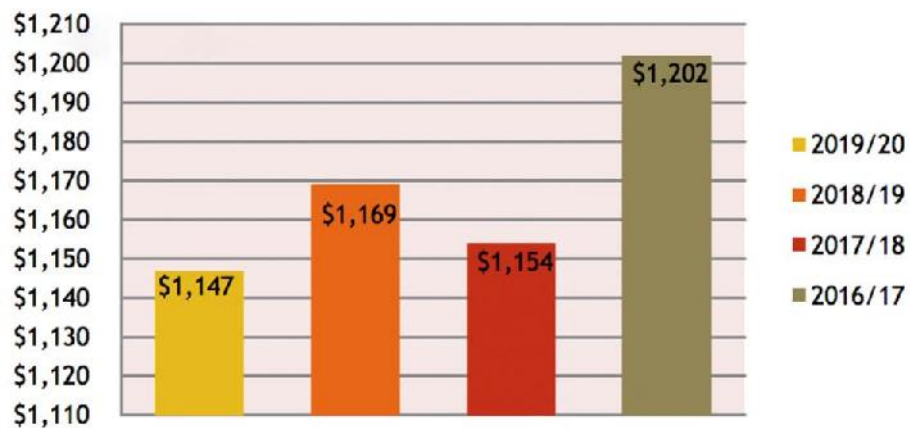
Asset renewal ratio %

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 33% for the 2019/20 year which is 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 2019/20 was \$1,147 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 2019/20 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 two 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 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 & Community Development

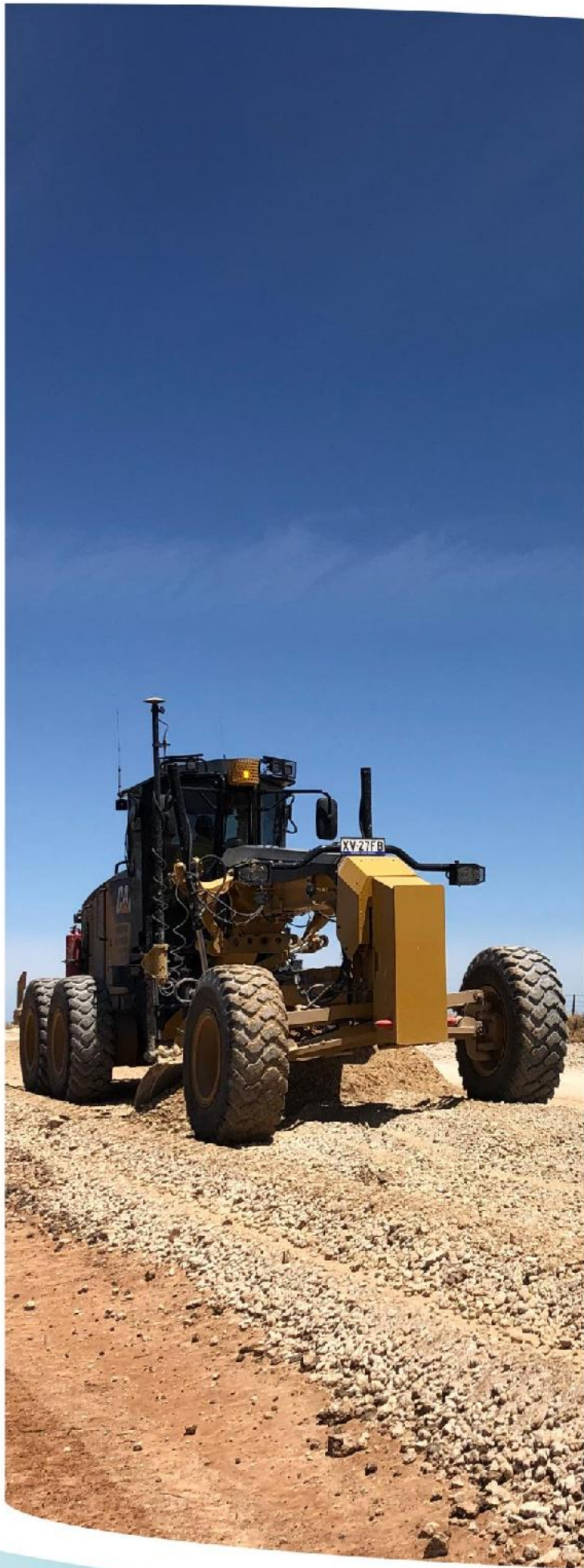
During 2019/20 major capital works undertaken included:

Dimboola Library refurbishment and extension

As the first part of a multi-staged project to establish a community precinct, the footings and steel framework for the new Dimboola Library were constructed prior to the Christmas / New Year break with work almost complete by the end of June. Funding of \$600,000 was received from the Victorian Government's Living Libraries Infrastructure program to undertake the works. In addition to the construction of the new Dimboola Library, Hindmarsh Shire Council received funding of \$600,000 through the Australian Government to refurbish the existing circa 1870's built building that currently houses the Dimboola Library and Customer Service Centre.

Jeparit Library refurbishment and new works

Plans to convert the senior citizens and customer services areas at the Jeparit Hall into a new library began in 2019/20. Works will also include refurbishment of the customer service area at the front of the building. Council hopes to complete this project in the next financial year. The refurbishment is part of Council's larger plan to have new and improved library services in Nhill, Rainbow, Jeparit, and Dimboola.



Nhill Rainbow Road

Council successfully obtained funding through the State Government Fixing Country Roads program rounds 1 and 2, and Local Roads to Market program, for the construction and widening of Nhill Rainbow Road. Various sections of this strategic route were upgraded during 2018/19 and 2019/20.

Antwerp Woorak Road

During 2019/20 work was completed on Antwerp Woorak Road removing two sharp corners and creating a smoother 'S' bend section through what was originally farming land. This was constructed to a dual lane sealed road finalising the upgrade project between Kiata North Road and Gerang Glenlee Road. The original alignment of the road has now been returned to farming land.

Dimboola Netball Change Rooms

Work on the construction of the new Dimboola Football Netball Club's netball change rooms was completed during 2019/20. 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.

Yurunga Veranda refurbishment

The refurbishment of the Yurunga Homestead north and west veranda was completed in June 2020. The existing boards were replaced with new red gum boards in keeping with the heritage of the building. A Conservation Management Plan for Yurunga Homestead is under development and aimed to be completed by the end of 2020 to ensure the future maintenance and repair of this important historical site.

Highlights of the Year

July 2019

- Hindmarsh Shire Council Youth Awards presented at Nhill A & P Society meeting.
- Dimboola Wotjobaluk Country Mural by Travis Price completed as part of Dimboola library upgrades.
- New defibrillator installed at Goldworthy Park.

August 2019

- Youth Council's Hollywood themed FreeZa Dance Party and Karaoke Night held at Nhill Memorial Community Centre.
- Rainbow Desert Enduro from 9-11 August.
- Dimboola HPV Expo.
- Wimmera Mallee Tourism launched their new Augmented Reality app at the SkyMirror Gallery in Sea Lake.
- St Kilda Film Festival held at the Nhill Memorial Community Centre.

September 2019

- Nhill Skate Park Opening and Competition.
- Dimboola Netball Change Rooms completed.
- Hip Hop workshops with Justin Seidel in Nhill and Rainbow.
- Hindmarsh Youth Lawn Bowls FreeZa Event.

October 2019

- FreeZa Halloween Party held at Jeparit Hall.
- Children's Week Smoothie making workshops and BBQs held at all primary schools throughout Shire.
- Walk to School month facilitated throughout Hindmarsh Shire with activities held for participating students.

November 2019

- Cr Rob Gersch elected Hindmarsh Shire Council mayor for the coming twelve months.
- '100 Years of Aviation' Air Show held at Nhill Aerodrome.
- Aerodrome entrance and memorial signage completed.
- Rainbow-Nhill Road Outlet Creek bridge completed.
- Construction of E-Waste sheds complete at Nhill and Dimboola transfer stations.





December 2019

- Hindmarsh Shire Council host '16 Days of Activism – Call It Out' breakfast BBQ to help raise awareness and take action to end violence against women.
- International Day of People with Disability held at Jaypex Park. Activities included an art workshop, dance activities, games, and a BBQ lunch.
- Council secured funding through the Children's Facilities Capital Program to support the introduction of subsidised 3YO Kindergarten in Hindmarsh Shire in 2020.

January 2020

- Australia Day celebrations held in Rainbow with a BBQ breakfast at 7:30am, followed by ceremonies in Jeparit, Dimboola, and finally Nhill.
- Round two of Community Action Grants and Business Assistance Grants open.



February 2020

- New municipal signs installed along highway at Wail and Lawloit.
- Youth Leadership Retreat held at Dimboola Caravan Park.
- Council received funding to undertake building works at Dimboola and Nhill kindergartens. The works will increase floor space to accommodate 15 hours of 3YO kindergarten.



March 2020

- Davis Park Grandstand demolished to make way for new works.
- Council begins regular welfare checks on vulnerable community members in response to COVID-19.
- Council takes on Meals on Wheels Delivery services throughout Shire in response to COVID-19 restrictions.
- Council began a program to provide emergency food packages to vulnerable members of the community in response to COVID-19 lockdown.
- Rainbow Rises 240 held over March long weekend.

April 2020

- Rainbow Weather Radar goes live.
- Works commence at Dimboola Early Learning Centre to support an increased capacity for kindergarten students with thanks to funding from Victorian School Buildings Authority's Children's Facilities Capital program and Hindmarsh Shire Council.
- Tenders called for the construction of the Rainbow Library.
- Tenders called for the refurbishment of the Dimboola Library Council Customer Service Centre.

May 2020

- Tenders called for the construction of the Rainbow Library.
- Successful applications from round two of the Community Action Grants for the 2019 / 2020 Financial Year announced.
- Hindmarsh Bear Hunt held for two weeks as a COVID-19 safe activity for families.

June 2020

- Online Yoga classes held via Zoom for Hindmarsh Shire youth.
- 2020/2021 budget adopted by Council.
- Charles Street, Jeparit kerb and channel and underground drainage project commenced.



Major Achievements

During 2019/20 the major achievements included the following:

Nhill Air Show – 100 Years of Aviation

On Saturday 02 November 2019, the Nhill Aviation Heritage Centre ran a very successful Air Show to celebrate the 100 years of aviation since the first plane landed at Nhill. Present at the event were a number of local community groups with food stalls, along with other food vans, community market stalls, kid's activities and an extensive display of historical aircraft, vintage cars and military vehicles. The event was well attended (estimated between 2500 and 3000 patrons) with many tourists attending from outside the Shire area. Various aircraft were shown off in flying displays throughout the day, with an MC providing an explanation of each aircraft and its history. Council staff volunteered at an information stall to promote tourism attractions within the Shire to encourage return visitation.



Dimboola HPV Event

A third successful Dimboola Human Powered Vehicle (HPV) Expo was held on Sunday 4 August 2019 attracting 9 teams and around 20 HPVs. Teams travelled as far as Ballarat and Hamilton to participate in the expo to challenge their vehicles and drivers against the dips and bends of the Dimboola Recreation Reserve road circuit. Around four hundred spectators and participants enjoyed the calm and dry conditions throughout the day. The event was streamed live to Facebook as part of a Wimmera Mallee Tourism 'live streaming' project funded by the Victorian Government Regional Events Innovation Fund. This attracted over one and a half thousand views during the six-hour event, along with giving the team managers and pit crews the opportunity to keep an eye on how their drivers were handling the hair-pin bend at the Lloyd Street end of the track which is at opposite ends of the pit lane. Another highlight of the day was a visit from Trump Trikes Team Relentless who had won the Casey HPV Event the day before. Taking a break in their drive back to South Australia, they tested one of their HPVs around the Dimboola Circuit for around one hour, clearly out-running everyone else! The team members spoke highly of the circuit layout and Dimboola Recreation Reserve as a HPV event venue.



Rainbow Desert Enduro & Rainbow Rises 240

Despite once again facing appalling weather conditions the third annual Rainbow Desert Enduro was run and won on August 11. The final round of the Australian Off Road Championships, the Enduro was at one stage at risk of not proceeding at all, with the Saturday component of the event cancelled due to the adverse conditions. Competitors gathered again on Sunday morning and were pleased to be able to get on track and determine who would be crowned Australian Off Road Champion for 2019. After 5 laps of the gruelling 75km course, 2017 winner Greg Gartner took the chequered flag first, however a third place finish for former champion Mark Burrows, with his son co-driving, who took out the 2019 title.

Round 1 of the Victorian Off Road Championship was held at Rainbow over the March long weekend with the second edition of the Rainbow Rises 240 Off Road Race. A small but competitive field enjoyed perfect conditions for racing with the 8.7km course presenting fantastic conditions for racing. Rainbow was abuzz with off road racers and supporters over the weekend with the event staged across the Saturday and Sunday. After all of the action was completed and the dust settled it was first time outright winners Joseph and Jourdain Patterson in their Class 1 Buggy who celebrated victory ahead of Tom Bower and Ben Lugg in their SXS machine. Competitors were unanimous in their praise for the event, suggesting it was the best weekend of racing to be held in Rainbow so far.

16 Days of Activism – ‘Call It Out’ Community BBQs

In late November and early December Council hosted Community Awareness Breakfast BBQs to show their support for the Call It Out campaign. Funded by the Victorian Government, this initiative asked us as a community to call out gender based inequality. If we see something wrong ‘Call It Out!’. The first of the free breakfasts in each of the towns kicked off on Tuesday 26 November in Rainbow from 7:30am to 8:15am and gave locals the opportunity to consider how they might ‘call it out’ when they see sexist or demeaning behaviour directed towards women. Support for the campaign at each of the BBQ’s held in Rainbow and Jeparit was strong, with many recognising the need for changes in attitudes towards women. Further breakfasts were held in Dimboola on Tuesday 3 December and Nhill Thursday 5 December. The events proved to be a great opportunity to catch up with members of the community and engage with them on raising awareness on this topic.





Nhill Skate Park Opening & Competition

On Thursday 26 September 2019, the Nhill community celebrated the opening of the Nhill Skate Park, with a Skate Park Leagues competition for scooter, BMX and skateboard fans from across the region hosted by YMCA Action Sports. The competition attracted a large crowd of spectators who were on hand to watch competitors of all ages, (including some four year olds), and with various skill levels perform and pit their skills against each other. Prizes were awarded to top performers across each section of the competition and to keep it exciting for all competitors, names were drawn at random intervals for other prizes including skate gear, t-shirts and stickers. Hindmarsh Shire Mayor Cr Ron Ismay welcomed everybody to the event and Member for Lowan Emma Kealy drew the name of a lucky winner of a brand new scooter. The Nhill Lions Club did an outstanding job keeping everyone happy and fed with a sausage sizzle and, combined with the fine weather, it was a fantastic day to commemorate the opening of the Nhill Skate Park. The park was funded through the Victorian Government’s Community Sports Infrastructure Fund and Hindmarsh Shire Council.

Walk to School & Children’s Week

Hindmarsh Shire Council joined VicHealth in its mission to get kids walking, riding and scooting to school as part of the health promotion foundation’s annual Walk to School program. This year the seven primary schools within Hindmarsh Shire joined the program funded by VicHealth which was extended until November. In delivering the Walk to School program Hindmarsh Shire Council worked together with each primary school to have a weekly event to help motivate the kids to walk and to develop their creativity with many students creating poems, maps and drawings to describe their experiences whilst walking to school. Several schools coordinated a “Fruit Walk” in which the participants enjoyed a 20-minute walk with the teachers on their school oval whilst eating fresh fruit. St. Patrick’s Catholic School, Nhill celebrated a “Socks Parade” which coincided with a healthy snacks event where fresh fruit smoothies were served enabling students to learn the importance of walking to school safely and healthy eating habits all on the one day. Schools including Rainbow P-12, Jeparit Primary School and Dimboola Primary School included a dress up day to link with their Halloween activities. Some students also walked to their local library or Hindmarsh Shire Council Office, helping them to get to know their local services whilst exercising. Lucky students found some prizes waiting for them. During Children’s week, Council staff visited



the schools with smoothie making events, which were extremely popular with the students who participated in the making of healthy fruit smoothies in a range of flavours using berries, mango, pineapple and banana. Responses from the kids were very positive, with feedback indicating that some students had changed their attitude towards eating different fruits after trying the smoothies. To celebrate the conclusion of the Walk to School program St. Peter's Lutheran School, Dimboola had their BBQ along the river in Dimboola. Both teachers and students enjoyed the walk from the school to the river's edge where the BBQ was held. Students from Dimboola Memorial Secondary College organized sports activities with the primary school students. Nhill Primary School closed their Walk to School program with a Smoothie and BBQ day which was delivered with the assistance of the Lions Club of Nhill. Students were encouraged to walk to school as many times as possible during the month or to complete their walks at home in their garden or at their school's oval during the lunch break. Each walk was marked on a classroom calendar and every walk was counted. Participants that had the most recorded walks were awarded prizes. The top prize for each school was a brand new scooter. Council hosted a small BBQ for each school to thank students for their efforts. VicHealth and Hindmarsh Shire Council would like to congratulate all of the schools involved and thank the parents, teachers, and students for their outstanding efforts during these events. The support for Walk to School 2019 was fantastic.



Memorial & Signage at Nhill's WWII RAAF Training Base

New memorial and interpretive signage dedicated to the former WWII RAAF Training Base was installed at The Nhill Aerodrome. In cooperation with the Nhill Aviation Heritage Centre, Hindmarsh Shire Council were successful in receiving funding from the Victorian State Government to install a memorial and interpretive signage reflecting the importance of the training base both to the RAAF and to the township of Nhill. The funding, through the Victoria Remembers Minor Grants Program, saw the development of a memorial dedicated to the over 10,000 RAAF personal who lived and worked at the base between 1941 and 1946. The memorial acts as an entranceway into the Nhill Aerodrome, and introduces visitors to the significance of the training base during the Second World War. Forty interpretive signs were installed around the Memorial Walking Track which winds around the site giving visitors an insight into what the base looked like during its active years. These signs assist the Nhill Aviation Heritage Centre educate locals and visitors about the significance, and size, of the RAAF Training Base.





E-Waste Sheds at Nhill and Dimboola

Construction of E-Waste sheds located at the Nhill and Dimboola Transfer Stations was completed in November 2019. Skips and signage were installed, and roadway access to the shed improved for the public. The construction of the E-Waste sheds was funded by a grant from Sustainability Victoria.



Advocacy

One of Council's key roles is to advocate on behalf of our community. Council's advocacy efforts in 2019/20 continued to be successful, with upgrades to the Dimboola to Rainbow railway line.

Council will continue to advocate for upgrades to Regional Roads Victoria C Class roads, which provide major links between the towns in Hindmarsh Shire.

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

Community Engagement

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

Jeparit Library and precinct works - A community meeting was held in Jeparit in relation to renovating the Jeparit hall senior citizens room and customer services office to accommodate library services. Discussions were also held regarding the Wimmera River Discovery Trail Jeparit Visitor Node, and Jeparit Riverbank precinct proposed works.

Hindmarsh Shire Libraries - Consultation was undertaken in Nhill, Rainbow, Jeparit and Dimboola regarding the establishment of Hindmarsh Shire Libraries. Community members provide feedback into the proposed service to commence from 1 July 2020.

Consultation was also undertaken with stakeholders regarding upgrades to Davis Park Proposed clubrooms.



Community Action Grants and Business Assistance Grants

During 2019/20 Council's Community Action Grants and Business Assistance Grants schemes awarded \$35,153.05 to 24 community groups and businesses across our Shire.

Community Action Grant recipients included:

Depta Fire Brigade
Dimboola A&P Society
Dimboola Kindergarten PAG
Dimboola Men's Shed
Gallery Central
Jeparit Fire Brigade
Kenmare Community & Historical Group
Nhill Aero Club
Nhill Ambulance Auxiliary
Nhill-Dimboola Band
Nhill Golf Club
Nhill Lions Club
Nhill Town Committee
Rainbow A&P Society
Scouts Victoria
St. Stephen's Lutheran Church
Winiam Cemetery Trust
Woorak Fire Brigade
Wurega Aboriginal Corporation
Dimboola Town Committee

Business Assistances Grant recipients included:

Larrikins
Dimboola Store
Little Desert Nature Lodge
L.A. Dillon Environmental Services



Challenges & Opportunities

Like most small rural council's, Hindmarsh continues to face many changes. Farming enterprises are consolidating, creating larger farms, which decreases council's rate base. The requirement for Council to maintain existing infrastructure, particularly roads, while seeking funding for projects to improve liveability within our Shire remains a challenge.

In early 2020 Council demolished the circa 1950's built timber framed grandstand at Nhill's Davis Park following an inspection by independent engineers assessing the grandstand as not being fit for purpose. Council will continually apply for grants to fund upgrades to Davis Park. An application through both Federal and State Government funding programs has not been successful to date.

In March 2020 the COVID-19 pandemic meant the closure of Council's libraries, caravan parks, playgrounds, halls and other recreational facilities. Hindmarsh community has remained COVID-19 free.

The pandemic is also an opportunity for Council to promote rural living. With NBN in Dimboola, Jeparit, Nhill and Rainbow, and businesses realising staff can work remotely living in Hindmarsh Shire has many benefits. Our population density is approximately 1.7 people per kilometre of Hindmarsh road network, we have beautiful open spaces and house blocks are much larger than those in the city.



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.

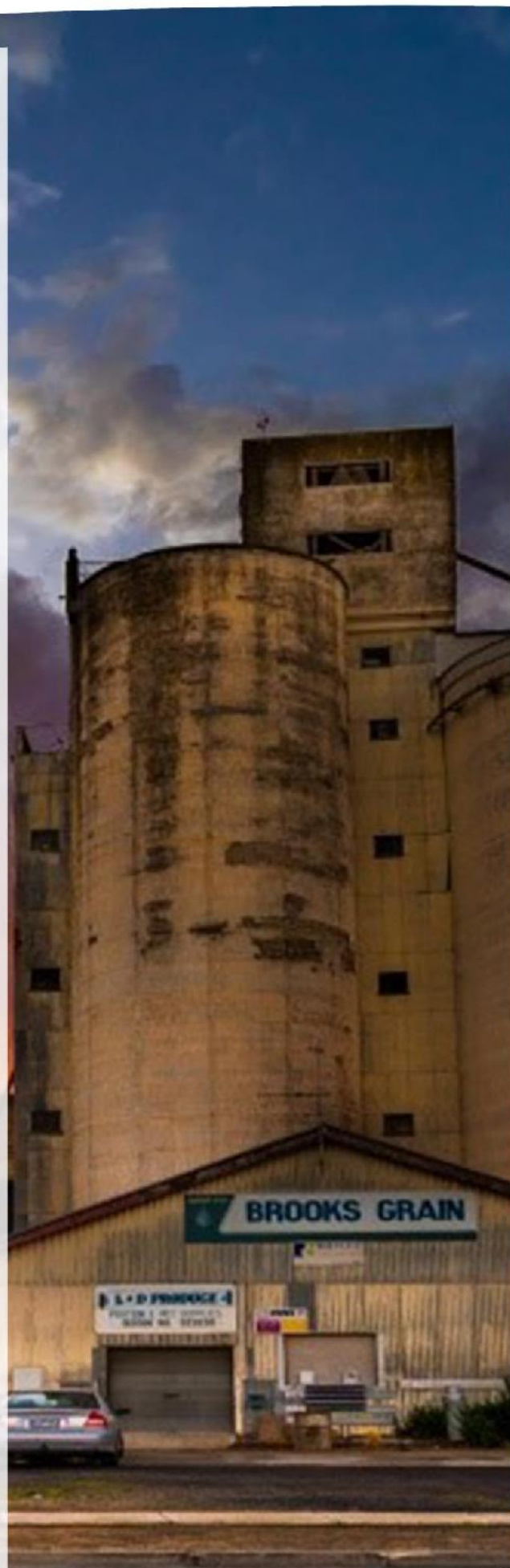
Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily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

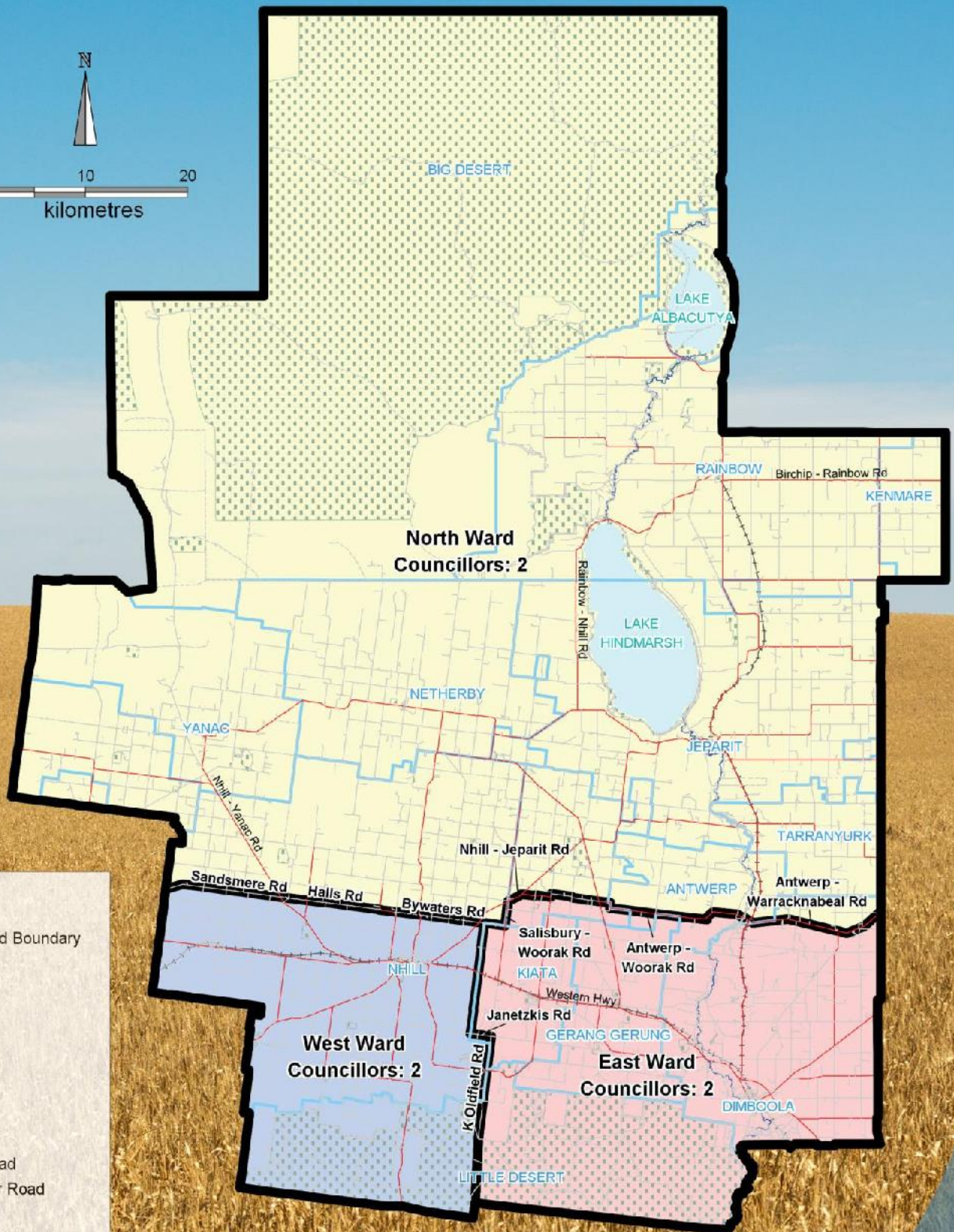
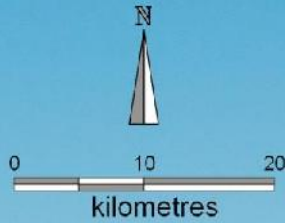
The median weekly household income is \$907, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than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



Hindmarsh Shire Council

Map of Recommended Option Six Councillors, Three Wards

Ward	Councillors	Electors	Deviation	Area sq km
East	2	1,655	-1.49%	1,054.82
North	2	1,615	-3.87%	5,721.98
West	2	1,770	+5.36%	744.69
Total	6	5,040	-3.87% - +5.36	7,521.49
Average		1,680		2,507.16



Legend

Proposed Boundary

Existing Wards

- East Ward
- North Ward
- West Ward

Map Symbols

- Freeway
- Main Road
- Collector Road
- Road
- Unsealed Road
- Railway Line
- River/Creek
- Park/Reserve
- Lake
- Locality Boundary



Map prepared by the Victorian Electoral Commission
 Municipal spatial data provided by Department of Environment and Primary Industries
 Parks digital data used with the permission of Parks Victoria
 Copyright © 2015 - State Government of Victoria



Disclaimer: This content is provided for information purposes only. While every effort has been made to ensure accuracy and authenticity of the content, the Victorian Government does not accept any liability to any person for the information provided.

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 Robert Gersch

Mayor
West Ward
 Date elected: 22 October 2016
 E: rgersch@hindmarsh.vic.gov.au
 M: 0427 600 122

Cr David Colbert

Deputy Mayor
West Ward
 Date elected: 22 October 2016
 E: dcolbert@hindmarsh.vic.gov.au
 M: 0459 034 233

Cr Ron Ismay

North Ward
 Date elected: 22 October 2016
 E: rgersch@hindmarsh.vic.gov.au
 M: 0429 951 094

Cr Ron Lowe

West Ward
 Date elected: 22 October 2016
 E: rlowe@hindmarsh.vic.gov.au
 M: 0427 318 067

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.

Organisational Structure



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	9.00	3.00	1.00	3.00	16
Permanent FT –M	2.00	53.00	1.00	5.00	61
Permanent PT –F	2.10	1.38	0.99	8.13	12.60
Permanent PT –M	0.00	1.26	0.00	0.00	1.26
Casual – F	0.00	0.00	0.47	0.98	1.45
Casual - M	0.00	0.00	0.15	0.00	0.15
SO FT – F	0.80	0.80	0.20	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	4.0	4.0	4.0	1.0	3.0	2.0	18.0
Permanent Full Time - Male	0.0	6.0	31.0	7.0	7.0	5.0	2.0	3.0	1.0	62.0
Permanent Part Time - Female	1.7	4.4	0.2	2.6	2.1	1.7	0.0	0.0	0.0	12.7
Permanent Part Time - Male	0.0	1.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.1
Casual - Female	0.6	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.5
Casual - Male	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2
TOTAL	2.5	12.2	31.4	13.6	13.1	10.7	3.0	6.0	3.0	95.5

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 an incident and injury-free workplace for all employees, councillors, contractors, visitors and the public.

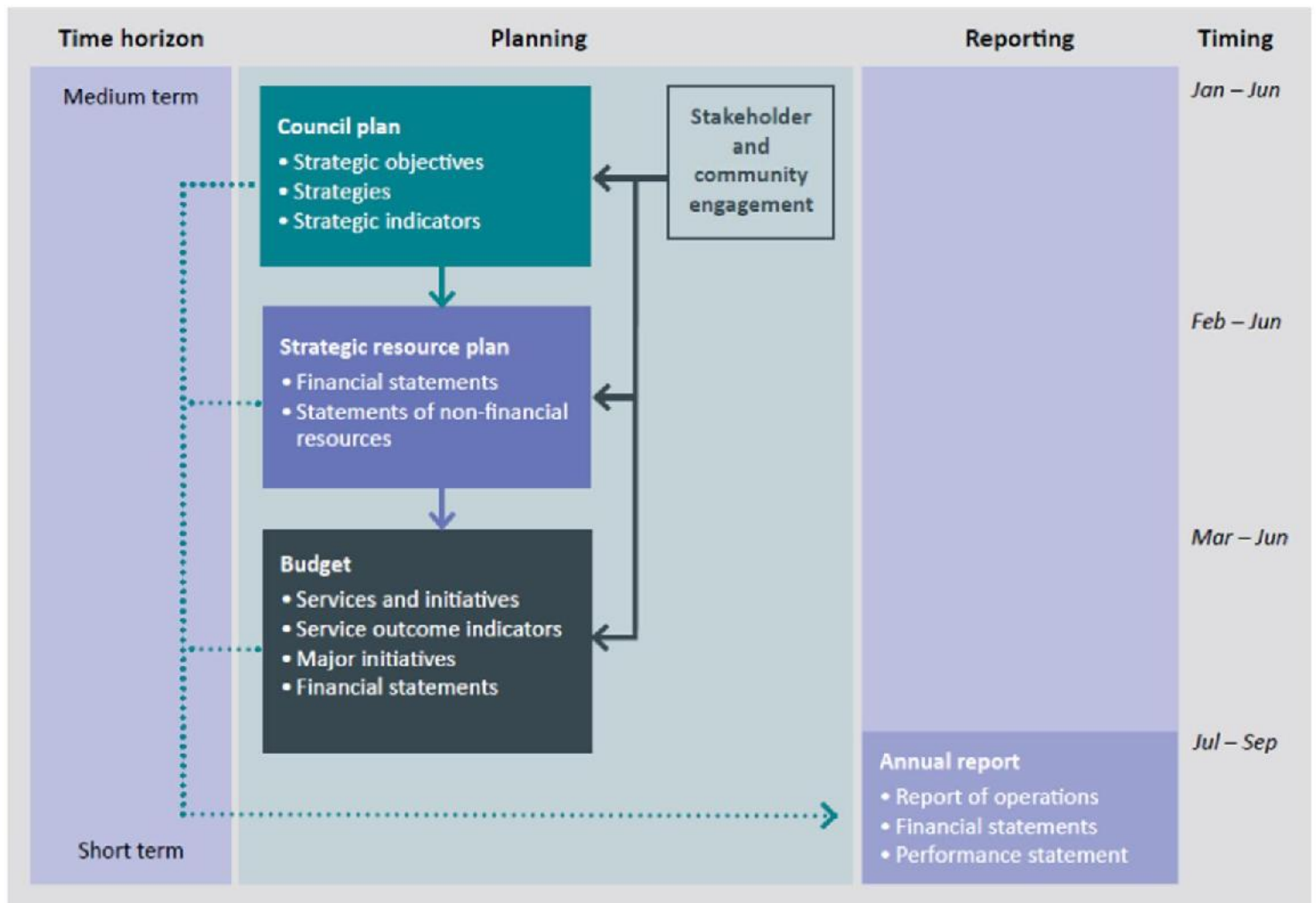
Our Performance

Planning and accountability framework

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

- A council plan within the six months after each general election or by 30 June, whichever is later.
- A strategic resource plan for a period of at least four years and include this in the council plan.
- A 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 2019/20 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. An MOU has been drafted for the Wimmera River Discovery Trail Project for which BGLC and Cultural Heritage are key. Council allocated funding to Wurega Aboriginal Corporation through round two of the 2019/2020 Community Action Grants program for improvements to their meeting venue in Dimboola.
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. The 2020 Karen New Year celebrations were held in Nhill in January and Council supported the Nhill Karen community by providing the hall and preparations of grant applications for funding assistance.
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. Unfortunately, due to the COVID-19 pandemic Council was unable to recognise volunteers in person.
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. Unfortunately, due to the COVID-19 pandemic our 2020 Community Conversation meetings were unable to be held. A Community Conversation meeting was held in Jeparit in December 2019 to discuss a number of initiatives planned for Jeparit including the Wimmera River Discovery Trail Jeparit Node, Customer services / library upgrades, Jeparit Swimming hole retaining wall and Roy Street concept drawings.

Strategic Indicator/measure	Result	Comments
1.2.5 Review and implement Municipal Early Years Plan.	Review commenced.	A review of the Municipal Early Years Plan has commenced due to the COVID-19 pandemic consultation has been delayed. 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. Construction of the new Dimboola Library will be completed in September 2020. Funding secured from the Federal Government for the refurbishment of the existing Old Shire Hall in Dimboola to further establish the Dimboola Community Civic Hub with works expected to commence in September / October 2020. The contract for landscaping works at the rear of the Dimboola Library has been awarded with works to commence in September / October 2020.
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. Grant applications for funding of additional street lighting in the Dimboola Recreation Reserve and the Wimmera Mallee Pioneer Museum were both successful.
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 encouraged schools within the Shire to participate in the Walk to School Program during November 2019. Prizes were award to participants who completed the most walks. As part of Children's week, Council held BBQ lunches and smoothie making days at all of our regional schools.
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. The Nhill Skate Park was officially opened in September 2019. A well-attended competition was held the following week. Youth week funding was received for a skate park tour, but due to the COVID-19 pandemic this has been placed on hold under restrictions ease.
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. A large mural was commissioned and painted in August 2019 on the exterior wall of the Dimboola Café next to the Dimboola Library.

Strategic Indicator/measure	Result	Comments
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. Council has allocated \$10,000 in the 2020/2021 to undertake a masterplan of the Nhill Library incorporating the old Kindergarten.
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 Sourced	Funding application for the Rainbow female friendly change rooms was successful. Construction works to be undertaken in 2020/2021.
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. Council supported the establishment of Nhill Parkrun. Funding has been obtained for the Wimmera River Discovery Trail. Planning has commenced on the trail with landscaping of the Dimboola Node to commence in September / October 2020.



The following statement provides information in relation to the services funded in the 2019/20 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.	101,715 144,667 (42,952)
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.)	14,917 16,222 (1,305)
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)	95,910 159,697 (63,787)
›Youth Services	Improve the wellbeing and opportunities for youth within the Shire.	75,319 72,356 2,963
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. 	169,583 23,332 146,251
Health Promotions	To protect and enhance the health of the community.	152,181 73,699 78,482
Libraries	Provision of permanent library services in Dimboola and Nhill and mobile library services in Jeparit and Rainbow.	1,169,144 886,713 282,431
Arts, Culture and Community Events	Promote and support activities relating to arts, culture and community events throughout the Shire.	89,964 107,388 (17,424)
Recreation Programs	Providing a range of recreation programs that encourage an active and healthy life.	12,566 12,513 53
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.	133,358 74,987 58,371
Early Years	Lead a joint effort that will give Hindmarsh children the best start in life, working collaboratively with community and early years providers.	9,398 31,444 (22,046)

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	Material Variations
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in 4-week Key Age and Stage visit</i> [Number of 4-week key age and stage visits / Number of birth notifications received] x100	Retired in 2020	New in 2020	New in 2020	New in 2020	Not applicable. Council has no operational control over MCH services.
<i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	Retired in 2020	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.
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	1.0	5.25	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	84.09%	86.17%	88.24%	77.92%	No material variation.
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]	\$984.15	\$772.82	\$900.07	\$750.82	As at 30 June 2019, 17 less food premises were registered, the decrease in business numbers significantly increases the cost of food safety services.

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	Material Variations
Food Safety					
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%	100%	0.00%	0%	Council received 2 critical non-compliance notifications during 2019/20. Both non-compliance notifications were followed up ensuring actions were taken to achieve compliance.
Libraries					
Utilisation					
<i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	0.75	1.21	1.21	1.39	7,602 less books were borrowed during 2019/20. The COVID-19 pandemic resulted in library services closing in March under stage 3 restrictions.
Resource standard					
<i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	38.37%	37.46%	37.71%	39.35%	No material variation.
Service cost					
<i>Cost of library service per population</i> [Direct cost of the library service / Population]	\$65.21	New in 2020	New in 2020	New in 2020	No material variation.
<i>Cost of library service</i> [Direct cost of the library service / Number of visits]	Retired in 2020	\$11.28	\$7.14	\$5.47	No material variation.
Participation					
<i>Active library members in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100	6.81%	7.71%	9.11%	10.03%	The COVID-19 pandemic resulted in library services closing in March 2020 under stage 3 restrictions, this has resulted in a significant decrease in active library borrowers.
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i> [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					
<i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected]x100	18.60%	26.32%	36.09%	36.69%	Variance is due to changes in reporting with animals collected now being broken into either animals reclaimed or animals rehomed.
<i>Animals rehomed</i> [Number of animals rehomed / Number of animals collected]x100	72.09%	New in 2020	New in 2020	New in 2020	

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	Material Variations
Service cost					
<i>Cost of animal management service per population</i> [Direct cost of the animal management service / Population]	\$35.06	New in 2020	New in 2020	New in 2020	No material variation.
<i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	Retired in 2020	\$92.33	\$97.52	\$74.42	No material variation.
Health and safety					
<i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	0.00	No animal matters required prosecution during 2019/20.

Strategic Objective 2: Built 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.

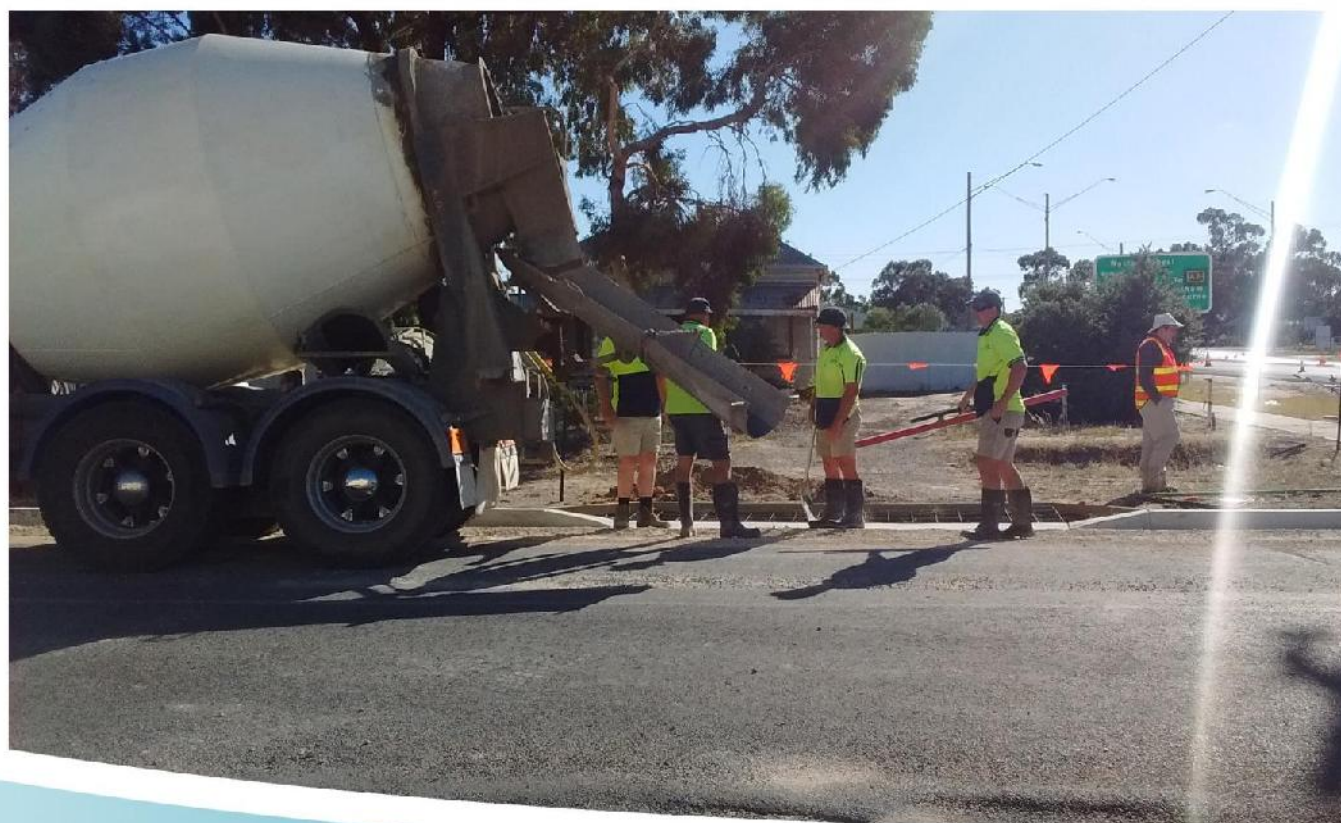
Strategic Indicator/measure	Result	Comments
2.1.1 Re-develop and maintain attractive streetscapes, open spaces and public places.	Streetscape renewals completed.	Replacement of park seats were completed in Lloyd Street Dimboola in late 2018 and Rainbow in June 2020. Dimboola Drainage project completed improving the Horsham Road entrance and with functional drainage. Footpaths completed in Albert Street Rainbow and Broadway Street Jeparit. New shelters were constructed in <u>Jaypex</u> Park Nhill. Budget allocation for new street furniture in Jeparit during 2020/2021.
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 and September 2019. Council received approximately 1,344 loads of green waste throughout the Shire (1,266 in 2018) which is approximately 826% greater than the average monthly intake (748% in 2018).
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 Essential Safety Measure (ESM) Audits commenced in March 2019. All 180 buildings have been inspected and inspection reports received.
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. As part of the Jeparit node of the Wimmera River Discovery Trail, two concept drawings have been prepared for the redevelopment of the Jeparit Swimming Hole, with a third currently being developed to consider mobility scooter access. New launching pontoon constructed at Dimboola Rowing Club.
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 completed on the new memorial entrance was completed in October 2019.
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.

Strategic Indicator/measure	Result	Comments
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. Funding allocated by the State Government towards the construction of a new CFA station in Dimboola. Council will continue to advocate for full funding of this project.
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. Geotec textile material to be tested in the road base along McKenzie and Grieg Roads to prevent the rising salinity reacting with the limestone.
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. Funding of \$50,000 has been obtained through a Community Climate Change Adaptation Program to assist with the establishment of community green spaces as part of the Wimmera River Discovery Trail Visitor Nodes in Dimboola and Jeparit.
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. Rain water tanks have been installed as part of the construction of the new Dimboola Library, new amenities block and e-waste sheds in Dimboola and Nhill.
2.3.1 Continue to work with local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	A Memorandum of Understanding between Council and the Hindmarsh Landcare Network was signed in 2017. Periodic reviews are conducted of the MOU.
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. Approximately 214 trees were planted in 2019/20.
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.

Strategic Indicator/measure	Result	Comments
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. Council purchased a mulching head attachment for the existing skid steer, which is to be used to transform green waste into recycled mulch.
2.4.4 Continue to support Wimmera Mallee Sustainability Alliance.	Ongoing.	Membership with the Wimmera Mallee Sustainability Alliance renewed for 2019/20.

The following statement reviews the progress of Council in relation to major initiatives identified in the 2019/20 budget for the year.

Major Initiatives	Progress
2 large reconstruction projects: a section of Antwerp-Woorak Road and Nhill-Rainbow Road.	Work on the Antwerp-Woorak Road and Nhill-Rainbow Road was completed during 2019/20.
Commence accumulating a reserve of funds to contribute to the upgrade of facilities at Davis Park when funding becomes available.	Council allocated \$100,000 towards Davis Park in the 2019/20 and has allocated a further \$100,000 in the 2020/21 budget.



The following statement provides information in relation to the services funded in the 2019/20 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.	6,090,946 <u>7,531,487</u> (1,440,541)
Drainage Management	The aim of this program is to have well maintained, fit for purpose drainage systems within townships.	674,028 <u>775,253</u> (101,225)
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.	524,511 <u>338,289</u> 186,222
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.	308,080 <u>356,178</u> (48,098)
Town Beautification	The aim of Council's Town Beautification program is to maintain and redevelop public open spaces in Dimboola, Jeparit, Nhill and Rainbow.	729,641 <u>755,012</u> (25,371)
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.	251,774 <u>333,870</u> (82,096)
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.	1,046,258 <u>1,046,314</u> (56)
Waste Management	Management of Council's transfer stations and collection and disposal of domestic waste and recyclables across the Shire.	(142,082) 80,239 (222,321)
Quarry Operations	Management of Council-owned and controlled quarries and gravel pits for extraction of gravel for road making.	(97,367) <u>142,152</u> (239,519)
Waterway Management	Management of Council-controlled waterways including weir pools and lakes.	87,842 <u>96,357</u> (8,515)
Environment Management	Manage, protect and enhance Council's natural assets in conjunction with Government departments and environmental groups.	118,123 <u>116,743</u> 1,380
Fire Protection	To identify potential fire hazards and to prevent loss to life and property caused by fire.	14,856 <u>40,169</u> (25,313)

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

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	Material Variations
Roads					
Satisfaction of use					
<i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	8.82	9.19	11.69	26.53	Council received 51 sealed local road requests in 2019/20.
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%	99.83%	99.91%	No material variation.
Service cost					
<i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / square metres of sealed local roads reconstructed]	\$30.74	\$25.79	\$24.05	\$34.95	Council increased the width of two strategic routes within the Shire to 8 metre seals, this has resulted in higher cost per square metre of sealed local road reconstructed.
<i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.04	\$4.93	\$4.78	\$4.79	No material variation.
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]	50	54	48	52	No material variation.
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]	2.00	1.00	0.75	0.50	Council undertook 2 inspections at each aquatic facility during the opening periods.
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 aquatic facilities</i> [Direct cost of aquatic facilities less income received / number of visits to outdoor aquatic facilities]	\$32.92	New in 2020	New in 2020	New in 2020	No material variation.
<i>Cost of outdoor aquatic facilities</i> [Direct cost of outdoor aquatic facilities less income received / number of visits to outdoor aquatic facilities]	Retired in 2020	\$17.42	\$17.68	\$18.14	No material variation.

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	Material Variations
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / municipal population]	2.92	3.62	3.40	3.47	There were 4,116 less visits to aquatic facilities during 2019/20.
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	14.76	4.26	10.63	11.47	Due to Council's small rate base, even a small increase or decrease of requests will result in a material variation. Council received 35 requests in 2019/20. The majority of requests were in relation to broken bin lids.
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	0.66	0.47	1.91	3.26	During 2019/20 14 bins were missed, this is an increase from 2018/19 where only 3 bins were missed.
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]	\$196.46	\$177.09	\$168.37	\$165.77	Council contracts out Waste and Recycling collection. The service costs reflect costs invoiced to Council by the contractor. Due to the recycling crisis Council was unable to recycle for 9½ months resulting in additional waste charges.
<i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / number of kerbside recyclables collection bins]	\$88.86	\$99.14	\$84.65	\$80.78	Council contracts out Waste and Recycling collection. Due to the recycling crisis, Council's recycling costs decreased due to recycling being sent to landfill for 9½ months.
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	5.37%	32.26%	34.91%	23.29%	Due to the recycling crisis Council was unable to recycle for 9½ months resulting in a decrease in waste diverted from landfill.

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. Funding leveraged for Albacutya Silo Art with works to commencing in September / October 2020. Council working through the Better Approvals project developing a business kit and investment prospectus.
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.	Engagement of work experience students has continued across a range of Council departments. Infrastructure Services accommodated an engineering student placement.
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. The draft translation of the Hindmarsh Local Planning policies into the Planning Policy Framework has been reviewed and will be considered by Council in August 2020.
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. A funding application for the purchase and installation of solar powered lights at Wimmera Mallee Pioneer Museum was successful.
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. Wimmera River Discovery Trail and Albacutya Silo Art both received funding. Yurunga Homestead northern verandah was repaired through a Heritage Victoria grant. "Hindmarsh Highlights" tourism signs have been installed in all four towns.
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. Planning works commenced in Mid 2019.
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. An improved process for the assessment and approvals for community based events has been established.

Strategic Indicator/measure	Result	Comments
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. Live Stream digital marketing at Rainbow Enduro events and HPV event.
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. Dimboola caretaker is living onsite, offering improved service delivery.
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. Grants obtained for the Nhill Aerodrome entrance and Yurunga verandah repairs. Hindmarsh Cemetery Drive developed digitally and available on visit Hindmarsh website. Nhill historic and nature walks flyer produced by Nhill Tourism Group and Nhill Historical Society.
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. The recently completed Dimboola mural has a strong indigenous theme.
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. Council's road construction team now uses latest technology being 3D machine control on the graders, increasing efficiency.
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.

Strategic Indicator/measure	Result	Comments
<p>3.4.2 Investigate innovative transport solutions and facility upgrades.</p>	<p>Planning underway.</p>	<p>Redevelopment of the Dimboola Bus Stop is proposed as part of the redevelopment of the Dimboola Library. Council staff have considered options and it is envisaged that the new stop located in Lochiel Street (adjacent to the former Dimboola Hotel site) will be established as the permanent coach stop location.</p>

The following statements provide information in relation to the services funded in the 2019/20 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.	120,606 <u>221,037</u> (100,431)
Tourism	To develop a thriving Wimmera Mallee Tourism industry predominantly based on, but not limited to, the Shire's heritage and environmental assets.	277,813 <u>274,304</u> 3,509
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.	(124,318) <u>12,825</u> (137,143)
Caravan Parks and Camping Grounds	Maintenance, renewal and upgrade of Council Caravan Parks and Camping Grounds.	48,881 <u>93,315</u> (44,434)
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.	147,277 <u>177,267</u> (29,990)
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.	144,754 <u>176,172</u> (31,418)
Aerodrome	Manage and maintain the Nhill Aerodrome.	48,565 <u>69,753</u> (21,188)

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	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]	43	72	58	37	Council utilised contract planning services for the provision of Statutory Planning during 2019/20. This has resulted in a decrease in the time taken to decide planning applications.
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	80.49%	52.78%	68.97%	86.67%	Council utilised contract planning services for the provision of Statutory Planning during 2019/20. This has resulted in an increase in the planning decisions approved within the required timeframe.
Service cost					
<i>Cost of statutory planning service</i> [Direct cost of statutory planning service / Number of planning applications received]	\$5,266	\$4,241	\$4,454	\$5,350	Council utilised contract planning services for the provision of Statutory Planning in 2019/20. This has resulted in slightly higher costs for services during 2019/20.
Decision making					
<i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	0%	50%	0%	No planning matters were taken to VCAT during 2019/20.



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 2020/2021 Budget.
4.1.2 Further develop <u>10 year</u> 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 support 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>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.</p> <p>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.</p> <p>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> <p>Funding was obtained for the continuation of the Municipal Emergency Resourcing Program for a further four years.</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> <p>An updated Fraud Prevention and Control Policy and Plan was developed and adopted by Council.</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.</p> <p>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 2019/20 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	To ensure that Council provides effective leadership and that its decisions are transparent, inclusive and based on sound recommendations and advice. <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 	880,643	934,494	(53,851)		
Customer Service Centres	Operation and maintenance of customer service centres to provide facilities from which Council can efficiently deliver services to the community. <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. 	679,153	539,782	139,371		
Council Elections	Efficient and effective running of Elections by the Victorian Electoral Commission on behalf of Council. <ul style="list-style-type: none"> • Ongoing maintenance of the voters' rolls. 	0	0	0		
Financial Management	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. <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 	(5,888,149)	(2,670,676)	(3,217,473)		

Service	Description	Net Cost Actual Budget Variance \$
Rating and Valuations	<p>Management of Council's rating system, including valuation of properties and the levying of rates and charges.</p> <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. 	<p>(7,657,719)</p> <p><u>(7,655,517)</u></p> <p>(2,202)</p>
Records Management	<p>Effective and efficient recording, storage, retrieval and disposal of records in line with the standards of the Public Records Office of Victoria.</p> <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. 	<p>45,355</p> <p><u>72,740</u></p> <p>(27,385)</p>
Information Technology	<p>Using Information Technology as a tool to connect with the community and provide efficient and effective services.</p>	<p>250,948</p> <p><u>332,915</u></p> <p>(81,967)</p>
Risk Management	<p>Monitor and manage Council's risks in relation to operations, employment and infrastructure.</p> <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. 	<p>331,377</p> <p><u>439,551</u></p> <p>(108,174)</p>
Contract Management	<p>Preparation of contract specifications, administration of tender processes and management of Council's contracted services.</p> <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. 	<p>110,541</p> <p><u>100,748</u></p> <p>9,793</p>
Payroll and Human Resources Services	<p>Provision of payroll services to Council employees and the provision of human resources services to management.</p>	<p>171,926</p> <p><u>253,958</u></p> <p>(82,032)</p>
Emergency Management	<p>Provide support to the community in the areas of emergency preparedness, emergency response and emergency recovery.</p>	<p>64,785</p> <p><u>92,244</u></p> <p>(27,459)</p>

Service	Description	Net Cost	Actual	Budget	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 		2,894,803			
			<u>2,126,101</u>			768,702
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. 		282,972			
			<u>353,549</u>			(70,577)
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. 		138,969			
			<u>484,288</u>			(345,319)
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. 		33,532			
			<u>32,375</u>			1,157
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. 		10,440			
			<u>12,141</u>			(1,701)

Service/Indicator/measure	Result 2020	Result 2019	Result 2018	Result 2017	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	15.97%	24.19%	16.13%	15.00%	Decisions made in closed council relate to personnel matters, contractual matters, hardship applications and legal advice. Council considered less contractual matters during 2019/20.
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]	59	60	60	59	No material variation.
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	97.92%	94.70%	96.97%	99.33%	No material variation.
Service cost					
<i>Cost of governance</i> [Direct cost of the governance service / Number of councillors elected at the last council general election]	\$41,701	\$47,441	\$46,391	\$45,245	Less travel during the COVID-19 pandemic and timing of subscription invoices has resulted in lower expenditure during 2019/20.
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]	59	61	60	58	No material variation.



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 2019/20 year, Council held the following meetings:

- 14 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 2019/20 financial year.

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	4	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	7	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	7	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	9	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	7	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	10	To manage the Wimmera Mallee Pioneer Museum.
Yurunga Homestead Committee	1	1	5	To manage the Yurunga Homestead.

Code of Conduct

The *Local Government Act 1989* requires Councils 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 2019/20, 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 2019 to 30 November 2019, the councillor annual allowance for a category 1 council (as defined by the *Local Government Act 1989*) was fixed at \$20,635 per annum and the allowance for the Mayor was \$61,650 per annum. The Minister for Local Government approved an annual adjustment of 2.0 per cent to take effect on 1 December 2019. The annual allowances were adjusted for the period 1 December 2019 to 30 June 2020 to \$21,048 per annum for the councillor allowance and \$62,884 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 Robert Gersch (Mayor)	\$52,386.38
Cr David Colbert (Deputy Mayor)	\$20,876.05
Cr Ron Ismay	\$35,198.73
Cr Ron Lowe	\$20,876.05
Cr Deb Nelson	\$20,876.05
Cr Tony Schneider	\$20,876.05

Councillor's 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 Robert Gersch (Mayor)	11.76				1,121.91	548.46
Cr David Colbert					223.06	
Cr Ron Ismay						533.76
Cr Ron Lowe					868.86	
Cr Deb Nelson		1,558.56			954.39	
Cr Tony Schneider					856.62	

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 Bernard Young (Chair), Mr Darren Welsh, Mr Ashley Roberts, Ms Krista Thiele 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 June 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 2019/20 internal audits were completed on Occupational Health & Safety and Contract Management.

External Audit

Council is externally audited by the Victorian Auditor-General. For 2019/20, the annual external audit of Council's Financial Statements and Performance Statement was conducted by the Victorian Auditor-General's representative, Mr Martin Thompson of Crowe.

Crowe, VAGO's representative since the 2014/15 financial year, attended the September 2019 Audit Committee meeting to present the independent audit report for the 2018/19 financial year, and also attended the March 2020 to present the 2019/20 audit strategy, and June 2020 to discuss the interim 2019/20 audit. 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.

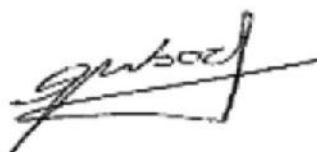
Governance and Management Items	Assessment	<input checked="" type="checkbox"/>
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Council has in place a disaster recovery plan, updated 01 July 2014.	<input checked="" type="checkbox"/>
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: 23 October 2019, 5 February 2020 and 13 May 2020.	<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: 24 July 2019, 18 September 2019, 23 October 2019, 5 February 2020 and 13 June 2020.	<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 12 September 2019, 5 March 2020 and 17 June 2020.	<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: 18 September 2018 and 13 May 2020.	<input checked="" type="checkbox"/>

Governance and Management Items	Assessment <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: 23 October 2019 <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 18 March 2020 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 Robert Gersch
Mayor
23 September 2020



Greg Wood
Chief Executive Officer
23 September 2020

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 2019/20

- 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 – along with Horsham Rural City, West Wimmera Shire, Yarriambiack Shire, Buloke Shire, and Loddon Shire the RCTP will see a transform to Council's corporate services functions including finance and records management. This project will be undertaken over a number of years aiming to conclude in 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 2019/20 financial year Council did not enter into any contracts valued of \$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 2020/21.

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 indicate 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.
- 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.

Public Interest Disclosure Procedures

In accordance with section 69 of the *Public Interest Disclosures 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 Public Interest Disclosures 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 2019/20 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.

Performance Statement
For the year ended June 2020



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 towns 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, 5,588 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 2020

<i>Indicator/measure</i>	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,880	\$1,891	\$2,048	\$2,199	No material variation.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,601	\$1,200	\$1,125	\$1,235	No material variation.
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,151	\$3,048	\$4,219	\$3,918	Expenses per head of population have decrease due to the finalisation of expenditure on flood recovery and a slight reduction in population.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$28,647	\$27,273	\$27,580	\$28,683	No material variation.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.71	1.79	1.78	1.85	No material variation.
Disadvantage <i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	2	2	2	2	No material variation.
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	11.1%	18.2%	19.8%	11.5%	Due to the small number of staff employed by Council, 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 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 2020

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	58	60	61	59	No material variation.
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	n/a	50%	0%	n/a	No planning applications were taken to VCAT during 2019/20.
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]	52	48	54	50	No material variation.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	10%	9.1%	7.7%	6.8%	The COVID-19 pandemic resulted in library services closing in March 2020 under stage 3 restrictions. This has resulted in a decrease in active library members.
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	23.2%	34.9%	32.2%	5.4%	Due to the global recycling crisis Council was unable to recycle for 9½ months which has resulted in a decrease in waste diverted from landfill.

Service/indicator/measure	Results 2017	Results 2018	Results 2019	Results 2020	Material Variations
Aquatic facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3.4	3.4	3.6	2.9	Aquatic facilities for the period November 2019 to March 2020. A decrease of 4,116 people visited Council's aquatic facilities during 2019/20.
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 2019/20.
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	n/a	n/a	100%	100%	Council received 2 critical non-compliance notifications during 2019/20. The non-compliance notifications were followed up ensuring actions were taken to achieve compliance.
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.

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 2020

Dimension/indicator/measure	Results					Forecasts			Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Operating position Adjusted underlying result Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	10.8%	2.7%	-4.2%	7.92%	-17.97%	-5.44%	-6.77%	-8.16%	Council's result at 30 June 2020 was an underlying surplus due to a number of operational grants being received throughout the 2019/20 financial year, and early payment of the VGC grant. The forecasted 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	414.1%	431.2%	310.0%	347.7%	106.41%	110.95%	123.12%	129.02%	Trade and other payables at 30 June 2020 was significantly lower than 30 June 2019 and is expected to remain steady for the next 4 years.
Unrestricted cash Unrestricted cash compared to current liabilities [Unrestricted cash / Current liabilities] x 100	371.4%	393.9%	254.9%	295.4%	65.2%	68.4%	80.5%	86.7%	Unrestricted cash remained steady at 30 June 2020, current liabilities were lower than the previous year due to a reduction in trade and other payables. The decreasing trend over the 4 years to 2023 is due to forecasted lower cash position.

Dimension/indicator/measure	Results					Forecasts			Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Obligations Loans and borrowings Loans and borrowings compared to rates [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 Loans and borrowings repayments compared to rates [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 Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 Asset renewal & upgrade Asset renewal and upgrade compared to depreciation	2.8%	2.3%	2.3%	2.1%	1.33%	1.40%	1.43%	1.45%	No material variation.
[Asset renewal and asset upgrade expenses / Asset depreciation] x100 Asset renewal Asset renewal compared to depreciation	New in 2020	New in 2020	New in 2020	155.2%	122%	108%	99%	92%	Expenditure on Asset renewal remains a high priority for Council with increased investment in Asset Renewal during 2019/20.
[Asset renewal expense / Asset depreciation] x100	55.6%	57.0%	62.7%	Retired in 2020	Retired in 2020	Retired in 2020	Retired in 2020	Retired in 2020	Expenditure on Asset renewal remains a high priority for Council.

Dimension/indicator/measure	Results					Forecasts			Material Variations
	2017	2018	2019	2020	2021	2022	2023	2024	
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue	41.6%	46.9%	37.8%	37.1%	53.84%	48.16%	48.11%	48.13%	A significant increase in recurrent grants (mainly the Victorian Grants Commission) has resulted in a reduction in rates concentration.
[Rate revenue / Adjusted underlying revenue] x100									
Rates effort									
Rates compared to property values	0.6%	0.6%	0.6%	0.6%	0.5%	0.5%	0.5%	0.5%	No material variation.
[Rate revenue / Capital improved value of rateable properties in the municipality.] x100									
Efficiency									
Expenditure level									
Expenses per property assessment	\$3,331	\$3,362	\$4,670	\$4,253	\$3,883	\$3,895	\$4,014	\$4,144	Expenses per property assessment has decreased due to the finalisation of expenditure on flood recovery.
[Total expenses / Number of property assessments]									
Revenue level									
Average rate per property assessment	New in 2020	New in 2020	New in 2020	\$1,508	\$1,540	\$1,543	\$1,571	\$1,604	No material variation.
[General rates and Municipal charge / Number of property assessments]									
Average residential rate per residential property assessment	\$1,202	\$1,154	\$1,169	Retired in 2020	Retired in 2020	Retired in 2020	Retired in 2020	Retired in 2020	No material variation.
[Residential rate revenue / Number of residential property assessments]									

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 (Australian Accounting Standards).
- "current liabilities" has the same meaning as in the AAS (Australian Accounting Standards).
- "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 2020

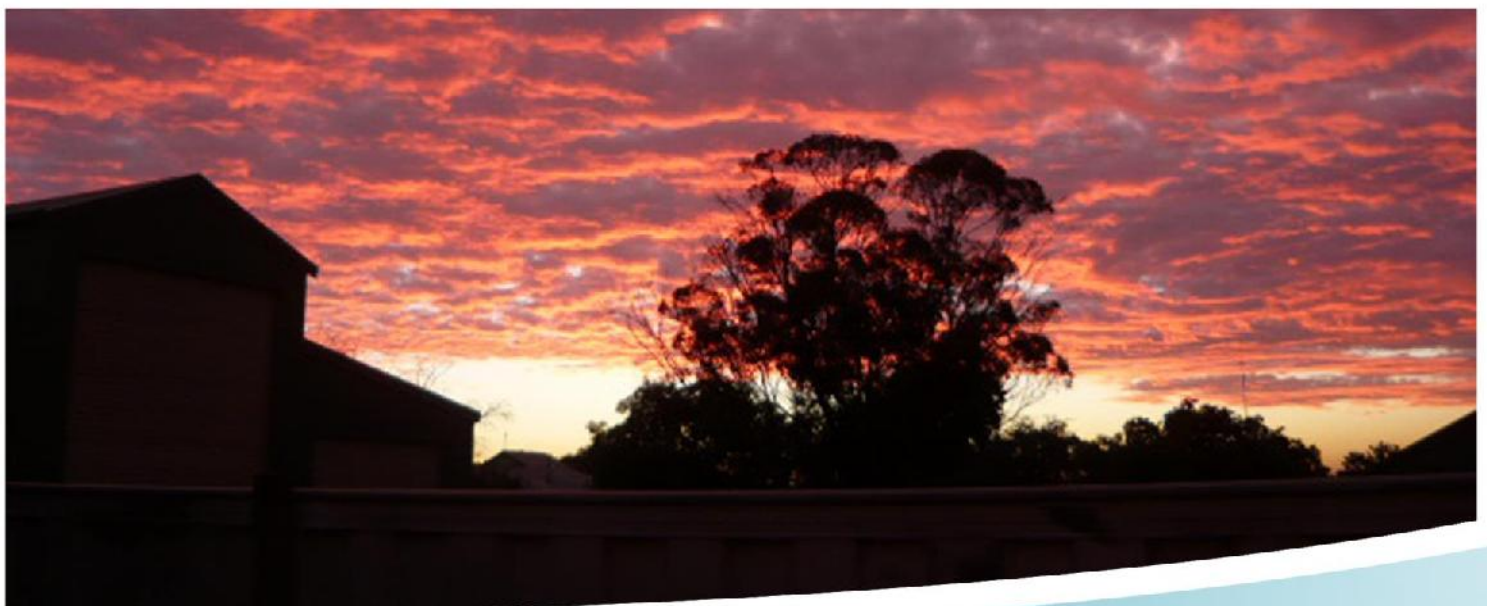
1. Basis of preparation

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).

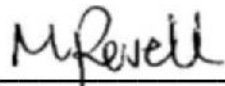
The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by Council's Strategic Resource Plan. The *Local Government (Planning and Reporting) Regulations 2014* requires explanation of any material 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 conserved 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 24 June 2020 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: 23 September 2020

In our opinion, the accompanying performance statement of the Hindmarsh Shire Council for the year ended 30 June 2020 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 Robert Gersch

Councillor

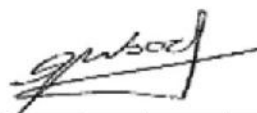
Dated: 23 September 2020



Mr David Colbert

Councillor

Dated: 23 September 2020



Mr Greg Wood

Chief Executive Officer

Dated: 23 September 2020

Independent Auditor's Report

To the Councillors of Hindmarsh Shire Council

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

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

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

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

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

MELBOURNE
29 September 2020



Sanchu Chummar

as delegate for the Auditor-General of Victoria

Annual Financial Report

For the Year Ended 30 June 2020

Hindmarsh Shire Council

Financial Report

Table of Contents

	Page
FINANCIAL REPORT	
Certification of the Financial Statements	1
Financial Statements	
Comprehensive Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Statement of Capital Works	8
Overview	9
Notes to Financial Statements	
Note 1 Performance against budget	10
1.1. Income and expenditure	10
1.2. Capital works	11
Note 2 Analysis of Council results by program	12
Note 3 Funding for the delivery of our services	14
3.1. Rates and charges	14
3.2. Statutory fees and fines	14
3.3. User fees	14
3.4. Funding from other levels of government	14
3.5. Contributions	15
3.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	16
3.7. Other income	16
Note 4 The cost of delivering services	16
4.1. Employee costs	16
4.2. Materials and services	17
4.3. Depreciation	17
4.4. Bad and doubtful debts	17
4.5. Other expenses	18
Note 5 Our financial position	18
5.1. Financial assets	18
5.2. Non-financial assets	20
5.3. Payables	20
5.4. Provisions	21
5.5. Financing Arrangements	22
5.6. Commitments	22
5.7. Leases	22
Note 6 Assets we manage	25
6.1. Property, infrastructure plant and equipment	25
6.2. Investments in associates, joint arrangements and subsidiaries	32
Note 7 People and relationships	34
7.1. Council and key management remuneration	34
7.2. Related party disclosure	35
Note 8 Managing uncertainties	36
8.1. Contingent assets and liabilities	36
8.2. Change in accounting standards	37
8.3. Financial instruments	38
8.4. Fair value measurement	39
8.5. Events occurring after balance date	39
8.6. Impact of COVID19 Pandemic	39
Note 9 Other matters	40
9.1. Reserves	40
9.2. Reconciliation of cash flows from operating activities to surplus/(deficit)	41
9.3. Superannuation	41
Note 10 Change in accounting policy	44

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 : 23-Sep-20

Nhill

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

As at the date of signing, we are not aware of any circumstances 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 Robert Gersch

Councillor

Date : 23-Sep-20

Nhill



Cr David Colbert

Councillor

Date : 23-Sep-20

Nhill



Mr Greg Wood

Chief Executive Officer

Date : 23-Sep-20

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 2020 • 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 report.
----------------	--

In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2020 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

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>
--------------------------	---

Councillors's 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>
--	---

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
29 September 2020



Sahchu Chummar

as delegate for the Auditor-General of Victoria

Comprehensive Income Statement For the Year Ended 30 June 2020

	Note	2020 \$'000	2019 \$'000
Income			
Rates and charges	3.1	8,829	8,650
Statutory fees and fines	3.2	208	190
User fees	3.3	1,358	1,049
Grants - operating	3.4	10,372	10,491
Grants - capital	3.4	3,763	2,896
Contributions - monetary	3.5	241	63
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	60	39
Share of net profits (or loss) of associates and joint ventures	6.2	(74)	5
Other income	3.7	1,909	1,632
Total income		26,666	25,015
Expenses			
Employee costs	4.1	(7,292)	(6,388)
Materials and services	4.2	(7,655)	(10,970)
Depreciation	4.3	(5,416)	(5,071)
Other expenses	4.5	(1,536)	(1,393)
Total expenses		(21,899)	(23,822)
Surplus/(deficit) for the year		4,767	1,193
Total comprehensive result		4,767	1,193

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

Balance Sheet
As at 30 June 2020

	Note	2020 \$'000	2019 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	11,033	11,877
Trade and other receivables	5.1	999	2,085
Inventories	5.2	328	291
Other assets	5.2	249	190
Total current assets		12,609	14,443
Non-current assets			
Trade and other receivables	5.1	2	2
Investments in associates, joint arrangements and subsidiaries	6.2	410	484
Property, infrastructure, plant and equipment	6.1	162,650	158,061
Total non-current assets		163,062	158,547
Total assets		175,671	172,990
Liabilities			
Current liabilities			
Trade and other payables	5.3	916	2,875
Unearned Revenue	5.3	525	
Trust funds and deposits	5.3	88	32
Provisions	5.4	2,097	1,751
Total current liabilities		3,626	4,658
Non-current liabilities			
Provisions	5.4	259	269
Total non-current liabilities		259	269
Total liabilities		3,885	4,927
Net assets		171,786	168,063
Equity			
Accumulated surplus		69,134	65,411
Reserves	9.1	102,652	102,652
Total Equity		171,786	168,063

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

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

2020	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
Balance at beginning of the financial year		168,063	65,411	102,652
Impact of change in accounting policy - AASB 1058 Income of Not-for-Profit Entities	10	(1,044)	(1,044)	-
Adjusted Opening balance		<u>167,019</u>	<u>64,367</u>	<u>102,652</u>
Surplus/(deficit) for the year		4,767	4,767	-
Balance at end of the financial year		<u>171,786</u>	<u>69,134</u>	<u>102,652</u>

2019	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
Balance at beginning of the financial year	166,870	64,218	102,652
Surplus/(deficit) for the year	1,193	1,193	-
Balance at end of the financial year	<u>168,063</u>	<u>65,411</u>	<u>102,652</u>

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

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

	2020	2019
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and charges	9,397	8,712
Statutory fees and fines	208	7
User fees	2,189	196
Grants - operating	10,403	10,491
Grants - capital	2,628	2,896
Contributions - monetary	241	63
Interest received	90	182
Trust funds and deposits	(24)	(147)
Other receipts	1,819	1,451
Net GST refund/payment	354	-
Employee costs	(6,957)	(6,224)
Materials and services	(1,632)	(9,542)
Other payments	(9,615)	(1,545)
Net cash provided by/(used in) operating activities	9,101	6,540
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	6.1 (10,093)	(6,165)
Proceeds from sale of property, infrastructure, plant and equipment	148	274
Net cash provided by/(used in) investing activities	(9,945)	(5,891)
Cash flows from financing activities		
Net increase (decrease) in cash and cash equivalents	(844)	649
Cash and cash equivalents at the beginning of the financial year	11,877	11,228
Cash and cash equivalents at the end of the financial year	11,033	11,877
Financing arrangements	5.6	
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 2020**

	Note	2020 \$'000	2019 \$'000
Property			
Buildings		1,218	503
Total property		<u>1,218</u>	<u>503</u>
Plant and equipment			
Plant, machinery and equipment		2,796	1,064
Fixtures, fittings and furniture		137	19
Total plant and equipment		<u>2,933</u>	<u>1,083</u>
Infrastructure			
Roads		4,462	3,421
Bridges		725	26
Footpaths and cycleways		249	91
Drainage		99	66
Kerb & Channel		-	502
Other infrastructure		407	473
Total infrastructure		<u>5,942</u>	<u>4,579</u>
Total capital works expenditure		<u>10,093</u>	<u>6,165</u>
Represented by:			
New asset expenditure		1,687	1,813
Asset renewal expenditure		4,642	3,180
Asset upgrade expenditure		3,764	1,172
Total capital works expenditure		<u>10,093</u>	<u>6,165</u>

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.

Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on Council based on known information. The consideration extends to the nature of services offered, facilities and assets Council manages and operates, Council staffing, ratepayers and the geographic area that council operates in. They key area of estimate and judgement associated with COVID-19 and Council's financial statements, is detailed in Note 6.2 regarding fair value of property, infrastructure, plant and equipment

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

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

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

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.

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

1.1 Income and expenditure

	Budget 2020 \$'000	Actual 2020 \$'000	Variance 2020 \$'000	Variance 2020 %	Ref
Income					
Rates and charges	8,816	8,829	13	0	
Statutory fees and fines	115	208	93	81	1
User fees	802	1,358	556	69	2
Grants - operating	3,346	10,372	7,026	210	3
Grants - capital	3,622	3,763	141	4	4
Contributions - monetary	72	241	169	235	5
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	403	60	(343)	(85)	
Share of net profits/(losses) of associates and joint ventures	-	(74)	(74)	-	
Other income	1,649	1,909	260	16	6
Total income	18,825	26,666	7,841		
Expenses					
Employee costs	6,943	7,292	(349)	(5)	7
Materials and services	4,337	7,655	(3,318)	(77)	8
Depreciation	5,199	5,416	(217)	(4)	
Other expenses	2,109	1,536	573	27	9
Total expenses	18,588	21,899	(3,311)		
Surplus/(deficit) for the year	237	4,767	11,152	47	

(i) Explanation of material variations

- 1 Statutory fees and fines are higher than budgeted largely due to a number of fire prevention fines being issued.
- 2 User fees are higher than budgeted due to additional income from community care services, meals on wheels, private works (including the regional roads victoria contract), and caravan parks.
- 3 Grants - operating are significantly higher than budgeted due to the early payment of the Commonwealth financial assistance grant, unbudgeted grant funds for disaster support and relief, early years grants for a central enrolment program and local planning and change management, and community activation and social isolation grant.
- 4 Grants - capital is under budget due to the timing of milestone payments for the building better regions grant.
- 5 Contributions are higher than budgeted due to contributions towards heating and cooling at Rainbow MECCA, Dimboola boating pontoon, Dimboola football netball club female friendly changerooms, and road works on boundary roads with a neighbouring council.
- 6 Other income is higher than budgeted due to recoupsments for insurance claims and scrap metal sales.
- 7 Employee costs are over budget due to additional staff employed during the year on specific projects including library coordination and the Working for Victoria program. Community Care salaries are over budget due to increased demand on the service.
- 8 Materials and services are over budget due to payments in relation to flood recovery works.
- 9 Other expenses are under budget due to a number of small variances including bank charges, council contributions, waste charges, audit fees, and advertising.

1.2 Capital works

	Budget 2020 \$'000	Actual 2020 \$'000	Variance \$'000	Variance %	Ref
Property					
Buildings	800	1,218	418	52	1
Total property	800	1,218	418	52	
Plant and equipment					
Plant, machinery and equipment	2,159	2,796	637	30	2
Fixtures, fittings and furniture	18	137	119	661	3
Total plant and equipment	2,177	2,933	756	0	
Infrastructure					
Roads	4,912	4,462	(450)	(9)	4
Bridges	-	725	725	100	5
Footpaths and cycleways	1,070	249	(821)	(77)	6
Drainage	150	99	(51)	(34)	7
Other infrastructure	576	407	(169)	(29)	8
Total infrastructure	6,708	5,942	(766)	(0)	
Total capital works expenditure	9,685	10,093	408	0	
Represented by:					
New asset expenditure	1,188	1,687	499	42	
Asset renewal expenditure	4,288	4,642	354	8	
Asset upgrade expenditure	4,209	3,764	(445)	(11)	
Total capital works expenditure	9,685	10,093	408	0	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Buildings are over budget due to significant carry forward for the Dimboola library project and e-waste sheds. A grant opportunity arose for restoration works at Yurunga Homestead.
2	Plant, machinery and equipment	Items of plant budgeted for 2018/19 were carried forward and purchased in 2019/20 including new Flocon truck.
3	Fixtures, fittings and furniture	Carry forward from grant funds was allocated towards the purchase of laptops and ipads for use in Council libraries. Recurrent building maintenance was reallocated towards the purchase of a new security system at the Nhill office.
4	Roads	A number of reconstruction projects were not completed during 2019/20 including Charles street Jeparit, Antwerp Woorak Road and Tarranyurk West Road.
5	Bridges	Work on Albacutya bridge and Outlet creek was carried over from previous years.
6	Footpaths and cycleways	Work on the Wimmera River Discovery trail was not completed during 2019/20 and will be carried out over a couple of years.
7	Drainage	Drainage works undertaken during 2019/20 were significantly under budget due to Council being able to complete the Broughton Road culvert utilising high quality second hand culverts.
8	Other infrastructure	Other infrastructure is under budget due to number of small savings and projects not being completed during 2019/20 including town entry and tourism signage.

Note 2 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.

2 (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
2020					
Community Liveability	1,395	(2,512)	(1,117)	878	5,688
Built and Natural Environment	10,022	(13,761)	(3,739)	7,093	146,538
Competitive and Innovative Economy	869	(1,470)	(601)	36	1,224
Our People, our Processes	14,454	(4,230)	10,224	6,128	19,995
Unattributed	-	-	-	-	2,226
	26,740	(21,973)	4,767	14,135	175,671

	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

Note 3 Funding for the delivery of our services	2020	2019
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 value of the land and all of its improvements.

The valuation base used to calculate general rates for 2019/20 was \$1,450.75million (2018/19 \$1393.62 million).

General rates	7,020	6,847
Municipal charge	746	742
Waste management charge	973	970
Revenue in lieu of rates	90	91
Total rates and charges	8,829	8,650

The date of the latest general revaluation of land for rating purposes within the municipal district was January 2020, and the valuation will be first applied in the rating year commencing 1 July 2020.

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	61	70
Building fees	27	57
Infringements and costs	66	16
Town planning fees	46	41
Land information certificates	6	6
Permits	2	-
Total statutory fees and fines	208	190

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	343	315
Private works	104	106
Caravan parks & camping fees	356	348
Transfer station fees	90	68
Commercial garbage collection fees	43	48
Film screenings and hall hire	24	32
Regional Roads Victoria Works	292	-
Other fees and charges	106	132
Total user fees	1,358	1,049

User fees by timing of revenue recognition

User fees recognised at a point in time	1,358	1,049
Total user fees	1,358	1,049

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

3.4 Funding from other levels of government

Grants were received in respect of the following :

Summary of grants

Commonwealth funded grants	6,572	6,040
State funded grants	7,563	7,347
Total grants received	14,135	13,387

(a) Operating Grants

Recurrent - Commonwealth Government

Financial Assistance Grants	4,988	4,732
General home care	475	512
Other	29	28

Recurrent - State Government

Delivered Meals	1	1
Home care services	82	81
Home maintenance	6	5

	2020	2019
	\$'000	\$'000
Senior citizens	23	23
School crossing supervisors	6	6
Libraries	108	105
Youth participation program	25	25
Roadside weeds and pest management	75	74
Other	3	-
Total recurrent operating grants	5,821	5,592
Non-recurrent - Commonwealth Government		
Building better regions funding	-	9
Non-recurrent - State Government		
Community health	39	11
Disaster support & relief	-	75
Kindergarten Central Enrolment	36	-
Regional events funding	5	8
Walk to school	1	14
Youth participation project	-	2
Facilitated playgroup	28	72
Disaster recovery	4,405	4,705
Planning and Change Management	35	-
Other	2	3
Total non-recurrent operating grants	4,551	4,899
Total operating grants	10,372	10,491
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	1,081	759
Total recurrent capital grants	1,081	759
Non-recurrent - State Government		
All abilities amenities	-	-
Recreational fishing	-	50
Skate parks	10	20
Public safety infrastructure	-	2
Stronger communities walking track	-	20
Aerodrome entrance and heritage walk	33	30
Dimboola boating pontoon	80	64
E-waste sheds	140	60
Fixing country roads	1,061	1,243
Heavy vehicle safety & productivity program	150	-
Heritage Victoria	32	-
Kindergarten refurbishment	10	18
Living libraries	600	-
Regional partnership funding	100	-
Roads to market	370	630
Working for Victoria	96	-
Total non-recurrent capital grants	2,682	2,137
Total capital grants	3,763	2,896
(c) Unspent grants received on condition that they be spent in a specific manner		
Operating		
Balance at start of year	69	443
Received during the financial year and remained unspent at balance date	188	59
Received in prior years and spent during the financial year	(61)	(433)
Balance at year end	196	69
Capital		
Balance at start of year	997	560
Received during the financial year and remained unspent at balance date	-	437
Received in prior years and spent during the financial year	(960)	-
Balance at year end	37	997

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

	2020	2019
	\$'000	\$'000
3.5 Contributions		
Monetary	241	63
Total contributions	<u>241</u>	<u>63</u>

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	148	274
Written down value of assets disposed	(88)	(235)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	<u>60</u>	<u>39</u>

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

Plant operations	976	790
Quarry operations	603	491
Interest	89	187
Recoupments	169	79
Fire services levy administration	43	42
Centralised valuation funding	-	28
Scrap metal and transfer station sales	26	10
Vicroads agency administration	2	4
Other	1	1
Total other income	<u>1,909</u>	<u>1,632</u>

Interest is recognised as it is earned.

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

Note 4 The cost of delivering services

4.1 (a) Employee costs

Wages and salaries	5,323	4,810
WorkCover	137	119
Annual leave, sick leave and long service leave	887	648
Superannuation	645	577
Fringe benefits tax	89	56
Training	176	148
Other	35	30
Total employee costs	<u>7,292</u>	<u>6,388</u>

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	55	66
	<u>55</u>	<u>66</u>
Employer contributions payable at reporting date.	nil	nil

Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	304	266
Employer contributions - other funds	288	245
	<u>592</u>	<u>511</u>
Employer contributions payable at reporting date.	24	nil

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

	2020	2019
	\$'000	\$'000
4.2 Materials and services		
Contract payments	198	242
Building maintenance	121	152
Flood recovery expenditure	2,686	6,273
Depots and workshops	68	34
Emergency assistance and fire prevention	25	4
Health promotion	12	9
Home and community care	119	111
Community development, tourism and youth activities	167	206
Garbage and recycling collection and waste disposal	543	551
Utilities	325	330
Office administration	38	26
Information technology	279	251
Parks, reserves and aerodromes	191	109
Plant and fleet operations	1,168	944
Printing stationery and advertising	48	37
Quarry operations	590	425
Rating and valuation	17	26
Roads, footpaths, bridges and drainage management	653	698
Swimming pool maintenance and management	292	294
Town beautification	65	54
Consultants and labour hire	31	91
Other	19	103
Total materials and services	7,655	10,970
4.3 Depreciation		
Property	490	463
Plant and equipment	952	811
Infrastructure	3,974	3,797
Total depreciation	5,416	5,071
<i>Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.</i>		
4.4 Bad and doubtful debts		
Parking fine debtors	-	-
Rates debtors	-	-
Other debtors	-	-
Total 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	3	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	(2)	-
Balance at end of year	18	17

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.

	2020 \$'000	2019 \$'000
4.5 Other expenses		
Advertising	55	62
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	46	44
Auditors' remuneration - Internal	16	7
Bank Charges	29	32
Community Action Grants	25	22
Council contributions - other	117	-
Councillors' allowances	181	179
Fire services levy	23	22
Hindmarsh landcare network contribution	10	10
Insurance	289	268
Landfill charges	227	251
Legal costs	51	5
Postage	22	24
Regional library contribution	237	265
Subscriptions	137	120
Telecommunications	23	20
Town committees	30	30
Others	18	32
Total other expenses	1,536	1,393

Note 5 Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	4	-
Cash at bank	7,029	9,877
Term deposits	4,000	2,000
Total cash and cash equivalents	11,033	11,877

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)	88	32
Total restricted funds	88	32
Total unrestricted cash and cash equivalents	10,945	11,845

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	3,166	2,411
- cash held to fund carried forward operational works	522	1,066
Total funds subject to intended allocations	3,688	3,477

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.

	2020 \$'000	2019 \$'000
(c) Trade and other receivables		
Current		
Rates debtors	400	383
Building permit debtors	6	21
Infringement debtors	138	88
GST receivable	134	488
<i>Non statutory receivables</i>		
Other debtors	112	49
Sundry debtors	226	1,070
Street scheme debtors	1	2
Provision for doubtful debts - other debtors	(18)	(16)
Total current trade and other receivables	<u>999</u>	<u>2,085</u>
Non-current		
<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>1,001</u>	<u>2,087</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)	-	-
Past due by up to 30 days	176	412
Past due between 31 and 180 days	6	4
Past due between 181 and 365 days	11	33
Past due by more than 1 year	43	21
Total trade and other receivables	<u>236</u>	<u>470</u>

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$18,143 (2019: \$16,649) were impaired. The amount of the provision raised against these debtors was \$18,143 (2019: \$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	18	16
Total trade & other receivables	<u>18</u>	<u>16</u>

5.2 Non-financial assets	2020	2019
(a) Inventories	\$'000	\$'000
Inventories held for distribution	328	291
Total inventories	328	291

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	249	190
Total other assets	249	190

5.3 Payables	2020	2019
(a) Trade and other payables	\$'000	\$'000
Trade payables	731	2,477
Accrued expenses	185	398
Total trade and other payables	916	2,875

(b) Trust funds and deposits		
Refundable deposits	12	12
Fire services levy	76	20
Total trust funds and deposits	88	32

(c) Unearned income		
Grants received in advance - operating	60	-
Grants received in advance - capital	465	-
Total unearned income	525	-

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

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

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

5.4 Provisions

	Employee	Landfill restoration	Quarry	Total
2020	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	1,828	24	168	2,020
Additional provisions	1,107	4	11	1,122
Amounts used	(760)	-	(26)	(786)
Balance at the end of the financial year	2,175	28	153	2,356

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

	2020 \$'000	2019 \$'000
(a) Employee provisions		
Current provisions expected to be wholly settled		
Annual leave	726	604
Long service leave	60	100
	786	704
Current provisions expected to be wholly settled after		
Annual leave	128	77
Long service leave	1,094	896
	1,222	973
Total current employee provisions	2,008	1,677
Non-current		
Long service leave	167	151
Annual leave	-	-
Total non-current employee provisions	167	151
Aggregate carrying amount of employee provisions:		
Current	2,008	1,677
Non-current	167	151
Total aggregate carrying amount of employee provisions	2,175	1,828

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	0.872%	1.148%
- index rate	4.250%	4.313%

	2020 \$'000	2019 \$'000
(b) Landfill restoration		
Current	28	24
Non-current	-	-
	28	24

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	28	24
----------------------------------	----	----

(c) Quarry restoration

Current	61	50
Non-current	92	118
	153	168

Key assumptions:

- estimated cost to rehabilitate	153	168
----------------------------------	-----	-----

5.5 Financing arrangements

	2020	2019
The Council has the following funding arrangements in place as at 30 June.	\$'000	\$'000
Bank overdraft	2,000	-
Credit card facilities	30	30
Total facilities	2,030	30
Used facilities	10	20
Unused facilities	2,020	10

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.

2020	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building services	115	122	130	-	367
Recycling	176	179	-	-	355
Garbage collection	250	252	-	-	502
Transport waste and recycling to Dooen	82	84	-	-	166
Swimming pool management	250	276	-	-	526
Meals for delivery	98	100	102	-	300
Internal audit services	49	49	-	-	98
Kindergarten Services	60	60	60	-	180
Total	1,080	1,122	292	-	2,494

2019	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating					
Building services	0	115	252	0	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	623	382	-	2,328

5.7 Leases

Policy applicable before 1 July 2019

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

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

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

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

Policy applicable after 1 July 2019

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

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

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

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

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

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

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

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

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

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

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

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

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

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	2020
Expenses relating to:	\$'000
Short-term leases	-
Leases of low value assets	5
Total	5
Variable lease payments (not included in measurement of lease)	-

Non-cancellable lease commitments - Short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Payable:	
Within one year	2
Later than one year but not later than five years	-
Total lease commitments	2

i. Leases classified as operating leases under AASB 117 Leases

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

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

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

ii. Leases previously classified as finance leases

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

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

Impact on financial statements

On transition to AASB 16 Leases , Council recognised additional \$0 of right-of-use assets and \$0 of lease liabilities, recognising the difference in retained earnings.

Note 6 Assets we manage

6.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2019 \$'000	Additions \$'000	Contributions \$'000	Revaluation \$'000	Depreciation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	At Fair Value 30 June 2020 \$'000
Property	26,063	238	-	-	(490)	(13)	-	303	26,101
Plant and equipment	5,359	2,933	-	-	(952)	(75)	-	3	7,268
Infrastructure	124,180	5,381	-	-	(3,974)	-	-	711	126,298
Work in progress	2,459	1,541	-	-	-	-	-	(1,017)	2,983
	158,061	10,093	-	-	(5,416)	(88)	-	-	162,650

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	596	981	-	(303)	1,274
Plant and equipment	3	-	-	(3)	-
Infrastructure	1,860	560	-	(711)	1,709
Total	2,459	1,541	-	(1,017)	2,983

(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 2019	2,368	2,368	215	27,598	27,813	596	30,777
Accumulated depreciation at 1 July 2019	-	-	(43)	(4,075)	(4,118)	-	(4,118)
	2,368	2,368	172	23,523	23,695	596	26,659
Movements in fair value							
Additions	-	-	-	238	238	981	1,219
Contributions	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-
Disposal	-	-	-	(14)	(14)	-	(14)
Write-off	-	-	-	-	-	-	-
Transfers	-	-	-	303	303	(303)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-
	-	-	-	527	527	678	1,205
Movements in accumulated depreciation							
Depreciation and amortisation	-	-	(4)	(486)	(490)	-	(490)
Accumulated depreciation of disposals	-	-	-	1	1	-	1
Impairment losses recognised in operating result	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
	-	-	(4)	(485)	(489)	-	(489)
At fair value 30 June 2020	2,368	2,368	215	28,125	28,340	1,274	31,982
Accumulated depreciation at 30 June 2020	-	-	(47)	(4,560)	(4,607)	-	(4,607)
	2,368	2,368	168	23,565	23,733	1,274	27,375

(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 2019	9,838	1,145	3	10,986
Accumulated depreciation at 1 July 2019	(4,719)	(905)	-	(5,624)
	5,119	240	3	5,362
Movements in fair value				
Additions	2,796	137	-	2,933
Contributions	-	-	-	-
Revaluation	-	-	-	-
Disposal	(353)	-	-	(353)
Write-off	-	-	-	-
Transfers	-	3	(3)	-
Impairment losses recognised in operating result	-	-	-	-
	2,443	140	(3)	2,580
Movements in accumulated depreciation				
Depreciation and amortisation	(920)	(32)	-	(952)
Accumulated depreciation of disposals	278	-	-	278
Impairment losses recognised in operating result	-	-	-	-
Transfers	-	-	-	-
	(642)	(32)	-	(674)
At fair value 30 June 2020	12,281	1,285	-	13,566
Accumulated depreciation at 30 June 2020	(5,361)	(937)	-	(6,298)
	6,920	348	-	7,268

(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 2019	125,132	7,069	6,789	6,361	19,207	11,436	1,860	177,854
Accumulated depreciation at 1 July 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
Movements in fair value								
Additions	3,999	631	249	55	215	232	560	5,941
Contributions	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-
Transfers	14	20	-	321	338	18	(711)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
	4,013	651	249	376	553	250	(151)	5,941
Movements in accumulated depreciation								
Depreciation and amortisation	(2,947)	(75)	(159)	(84)	(246)	(463)	-	(3,974)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
	(2,947)	(75)	(159)	(84)	(246)	(463)	-	(3,974)
At fair value 30 June 2020	129,145	7,720	7,038	6,737	19,760	11,686	1,709	183,795
Accumulated depreciation at 30 June 2020	(38,895)	(2,371)	(3,643)	(2,237)	(4,942)	(3,700)	-	(55,788)
	90,250	5,349	3,395	4,500	14,818	7,986	1,709	128,007

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.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer [include name and valuer registration no. 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 land and buildings were subject to full independent valuation in June 2015 by accredited independent valuers. Council does not believe there has been a material movement in fair value since the valuation date to 30 June 2020.

The fair value of land and buildings has been reassessed by Council during the COVID-19 pandemic. While Council's review did not indicate impairment of land and buildings, it does present estimation uncertainty regarding the valuation of land and buildings by acknowledging that past cycles indicate a lag for property markets to react to economic events, and that the extent of any change in value is presently uncertain, and may depend on the length of the COVID-19 pandemic. Also, there is not yet any comparable market evidence available to determine what, if any, impact the current COVID-19 pandemic may have on value or marketability of the subject property, particularly in the short and medium terms.

The fair value assessed may change significantly and unexpectedly over a relatively short period of time (including a result of factors that Council could not reasonably have been aware of as at the date of valuation). Refer to Significant accounting policies under Overview section and Note 8.4 for further information on fair value measurement.

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 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Land	-	-	2,368	Jun-15
Heritage Buildings	-	-	168	Jun-15
Buildings	-	-	23,565	Jun-15
Total	-	-	26,101	

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 & Sherry. 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 2020 are as follows:

	Level 1	Level2	Level 3	Date of Valuation
Roads	-	-	90,250	Jun-17
Bridges	-	-	5,349	Jun-18
Footpaths and cycleways	-	-	3,395	Jun-20
Drainage	-	-	4,500	Jun-20
Kerb & Channel	-	-	14,818	Jun-17
Other infrastructure	-	-	7,986	Jun-20
Total	-	-	126,298	

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 are calculated on a square metre basis and ranges from \$300 to \$2600 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.

	2020	2019
	\$'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	309	386
- Wimmera Development Association	101	98

Wimmera Regional Library Corporation

Background

Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, had an interest in the Wimmera Regional Library Corporation. Hindmarsh Shire Council have withdrawn from the Wimmera Regional Library Corporation from 01 July, 2020.

Fair value of Council's investment in Wimmera Regional Library Corporation	309	386
---	------------	------------

Movement in carrying value of specific investment

Carrying value of investment at start of year	386	378
Change in equity share apportionment	-	8
Share of surplus(deficit) for year	(77)	-
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	309	386

Council is expected to receive assets, to the value of an estimated \$191k along with an estimated cash payment of \$35k, following its 1 July 2020 exit from the Wimmera Regional Library Corporation. The investment in this associate will be written down to nil in the 2020-2021 financial year.

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 2018/19)

Fair value of Council's investment in Wimmera Development Association	101	98
--	------------	-----------

Council's share of accumulated surplus/(deficit)

Council's share of accumulated surplus(deficit) at start of year	74	78
Change in equity share apportionment	-	-
Reported surplus(deficit) for year	3	(4)
Transfers (to) from reserves	-	-
Distributions for the year	-	-
Council's share of accumulated surplus(deficit) at end of year	77	74

Council's share of reserves

Council's share of reserves at start of year	24	24
Change in equity share apportionment	-	-
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	98	102
Change in equity share apportionment	-	-
Share of surplus(deficit) for year	3	(4)
Share of asset revaluation	-	-
Distributions received	-	-
Carrying value of investment at end of year	101	98

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.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

	2020	2019
	No.	No.
Note 7 People and relationships		
7.1 Council and key management remuneration		
(a) Related Parties		
<i>Parent entity</i>		
Hindmarsh Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
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 Gersch (Mayor 06/11/2019 - 30/06/2020)		
Councillor R. Lowe (Deputy Mayor)		
Councillor R. Ismay (Mayor 01/07/2019 to 05/11/2019)		
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	3	3
Total Number of Key Management Personnel	9	9
(c) Remuneration of Key Management Personnel	2020	2019
	\$	\$
Total remuneration of key management personnel was as follows:		
Short-term benefits	605	789
Long-term benefits	-	-
Termination benefits	-	2
Total	605	791
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	2020	2019
	No.	No.
\$20,000 - \$29,999	4	5
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	2
\$70,000 - \$79,999	-	-
\$110,000 - \$119,999	-	1
\$130,000 - \$139,999	-	-
\$150,000 - \$159,999	-	-
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
\$190,000 - \$199,999	-	-
\$200,000 - \$209,999	-	-
\$210,000 - \$219,999	-	-
\$220,000 - \$229,999	-	-
\$230,000 - \$239,999	-	-
\$240,000 - \$249,999	-	-
\$250,000 - \$259,999	1	-
	9	10

	2020 \$'000	2019 \$'000
7.2 Related party disclosure		
(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>	7	3
<i>Jim's Butchery (a related party to Cr R. Gersch)</i>	0	3
<i>Westmix Concrete Letoway (a related party to Cr R. Gersch)</i>	66	63
(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		
<i>T. Ismay & Co (a related party to Cr R. Ismay)</i>	nil	
<i>Jim's Butchery (a related party to Cr R. Gersch)</i>	nil	
<i>Westmix Concrete Letoway (a related party to Cr R. Gersch)</i>	nil	

Note 8 Managing uncertainties
8.1 Contingent assets and liabilities

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 of holding the property. The lease terms are between 1 and 10 years and include a CPI based revision annually.

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

	2020	2019
	\$'000	\$'000
Not later than one year	44	48
Later than one year and not later than five years	174	136
Later than five years	118	113
	336	297

(b) Contingent liabilities

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

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 2019/20 year (2018/19 \$0). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2021 are \$56,200.

Liability Mutual Insurance

Council is (was) 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.

MAV Workcare

Council is a participant of the MAV WorkCare Scheme. The MAV WorkCare scheme provides workers compensation insurance. The MAV WorkCare 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 2020 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

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

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

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

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

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

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

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

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

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in 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. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes council to fair value interest rate risk / Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council 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. Details of the maturity profile for borrowings are disclosed at Note 5.4.

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

(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% and -1% in market interest rates (AUD) from year-end rates of 0.85%.

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.

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, except for noting that the COVID-19 pandemic is ongoing and it is not practicable to estimate the potential impact after the reporting date.

8.6 Impact of COVID 19 pandemic on Council operations and 2019-20 financial report:

In March 2020, COVID 19 was declared as a global pandemic by world health organisation. Since then, various measures are taken by all three levels of Government in Australia to reduce the spread of COVID-19. Council has carefully considered the impact of the measures taken to mitigate it and has found there are no material impacts for the financial year ended 30 June 2020. Council has not needed to defer any capital works programs or stand down staff.

Movie screenings ceased in March 2020, resulting in Council not incurring any expenses for this service. Movie screenings are a service provided to the community at a cost to Council.

Council closed directly managed Caravan parks in Dimboola, Jeparit and Rainbow resulting in a reduction in revenue and also decreased associated expenses.

Council received Working for Victoria funding and has employed an additional 13 full time staff members for a period of 6 months.

Note 9 Other matters

9.1 Reserves	Balance at beginning of reporting period	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000
2020		
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
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

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

	2020 \$'000	2019 \$'000
9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)		
Surplus/(deficit) for the year	4,767	1,193
Depreciation	5,416	5,071
Profit/(loss) on disposal of property, infrastructure, plant and equipment	(60)	(39)
Other	6	(3)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,086	(1,381)
(Increase)/decrease in prepayments	(59)	(126)
(Increase)/decrease in accrued income	-	(1)
Increase/(decrease) in trade and other payables	(1,746)	1,811
Increase/(decrease) in other liabilities	(525)	-
Increase/(decrease) in inventories	(37)	1
Increase/(decrease) in provisions	336	85
Increase/(Decrease) in trust funds and deposits	56	(150)
Increase/(Decrease) in accrued expenses	(213)	79
Net cash provided by/(used in) operating activities	9,027	6,540

9.3 Superannuation

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

Accumulation

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

Defined Benefit

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

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

Funding arrangements

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

A triennial actuarial review is currently underway for the Defined Benefit category as at 30 June 2020 and is expected to be completed by 31 December 2020.

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

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

Vision Super has advised that the estimated VBI at 30 June 2020 was 104.6%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2019 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.

Employer contributions

Regular contributions

On the basis of the results of the 2017 full actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2020, this rate was 9.5% of members' salaries (9.5% in 2018/2019). This rate is expected to increase in line with any increases in the SG contribution rate and reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

Funding calls

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

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including [Employer name]) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2019 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Hindmarsh Shire Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2019 and a full actuarial investigation was conducted as at 30 June 2017.

The Fund's actuarial investigations identified the following for the Defined Benefit category of which Council is a contributing employer:

	2019 \$m	2017 \$m
- A VBI Surplus	151.3	69.8
- A total service liability surplus	233.4	193.5
- A discounted accrued benefits surplus	256.7	228.8

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2019.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2019.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2019.

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

The 2020 triennial actuarial investigation

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

	2020 Triennial investigation	2017 Triennial investigation
Net investment return	5.6% pa	6.5% pa
Salary inflation	2.50 %pa for the first two years and 2.75%pa thereafter	3.5% pa
Price inflation	2.0% pa	2.5% pa

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2020 are detailed below:

Scheme	Type of Scheme	Rate	2020 \$,000	2019 \$,000
Vision super	Defined benefit	9.50%	55	66
Vision super	Accumulation fund	9.50%	304	268
Other Funds	Accumulation fund	9.50%	288	245

In addition to the above contributions, Hindmarsh Shire Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2019/20 year (2018/19 \$0).

There were \$23,756 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2020.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 is \$54,890.

10 Change in accounting policy

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

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

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

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

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

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

b) AASB 16 Leases

AASB 16 Leases requires right of use assets and related liabilities for all lease agreements to be recognised on the balance sheet. The Statement of Comprehensive Income is to separately recognise the amortisation of the right of use asset, and the finance costs relating to the lease. Council has elected to adopt the modified (cumulative catch up) method under the standard and as such has not adjusted 2019 disclosures. Council has assessed that it holds only a low value lease which is outside of the scope of AASB 16 and therefore has no impact from the transition to this standard.

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

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

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

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

d) Transition impacts

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

	2019
	\$'000
Retained earnings at 30 June 2019	64,218
Revenue adjustment - impact of AASB 15 Revenue from Contracts with Customers	-
Income Adjustment - impact of AASB 1058 Income of Not-for-Profit Entities	(1,044)
Retained earnings at 1 July 2019	<u>63,174</u>

