



Central Goldfields Shire Council

Annual Report
2018 – 2019



**CENTRAL
GOLDFIELDS**
SHIRE COUNCIL

CONTENTS

About Council	1
• Welcome	2
• Vision, Purpose, Values	3
• Our Municipality	4
• Our People	4
• Quick Statistics 2018–2019	5
Year in Review	7
• 2017–2018 Highlights and Challenges	7
• Chairperson of Administrators Message	10
• Chief Executive Officer Message	11
• Organisation and Governance Reform Program	12
• Community Satisfaction	13
• Financial Snapshot	14
• Major Capital Works	15
• Events	17
• Advocacy	19
• Our Council	22
• Our Executive Team	23
• Our Workplace	24
• Health, Safety and Support to Staff	26
• Planning & Accountability Framework	27
• Council Plan	27
Our Performance	28
• Objective 1 – Our Community	28
• Objective 2 – Our Economy	29
• Objective 3 – Our Built and Natural Environment	29
• Objective 4 – Our Organisation	29
• Report of Operations 2018–19	30
Governance	42
• Statutory Information	43
• Audit and Risk Committee Annual Report	46
• Governance and Management Checklist	49
Financial Statements	53
• Financial Statements	53
• Performance Statement	101





About Council



STATEMENT OF ACKNOWLEDGEMENT

Central Goldfields Shire Council acknowledges the ancestors and descendants of the Dja Dja Wurrung. We acknowledge that their forebears are the Traditional Owners of the area we are on and have been for many thousands of years. The Djaara have performed age old ceremonies of celebration, initiation and renewal. We acknowledge their living culture and their unique role in the life of this region.

WELCOME

The Central Goldfields Shire Council 2018–2019 Annual Report has been prepared in accordance with the requirements and guidelines of the Local Government Act 1989 and the Local Government Performance Reporting Framework.

It provides our community with a comprehensive report of our operations, achievements and challenges throughout the year.

It also provides in detail our performance during the 2018–2019 financial year against the Council Plan and the Budget.

Copies

The 2018–2019 Central Goldfields Shire Council Annual Report is available online at www.centralgoldfields.vic.gov.au

Feedback

For more information on the Annual Report contact us on 5461 0610 or email mail@cgoldshire.vic.gov.au



VISION, PURPOSE, VALUES

OUR VISION

To be a vibrant, thriving, inclusive community

OUR PURPOSE

To achieve the best outcomes for the local community and having regards to the long term and cumulative effects of decisions

OUR VALUES

Be Innovative

Find new and creative ways; focus on the future

Work Together

Recognise collaboration and partnerships in meeting our challenges and opportunities

Be Respective, Inclusive and Caring

Listen, consider all viewpoints and embrace and respect diversity and inclusion, that is, bring everyone along for the journey

Value Knowledge

As a way of realising our potential and encouraging lifelong learning

Be Accountable

By being responsible for our actions and always acting with integrity

OUR MUNICIPALITY

Located at the geographic heart of Victoria, Central Goldfields Shire is home to just over 13,000 people. Maryborough is the Shire's major business centre and is a health and retail centre for surrounding towns including Castlemaine, St Arnaud, Avoca, Talbot, Carisbrook, and Dunolly.

The Shire is part of the Goldfields Tourism Region, with many visitors coming to see the historic buildings and townships that date back to the 1850s when the region supported a prosperous gold mining industry, as well as visitors to the annual Energy Breakthrough event and the Highland Gathering.

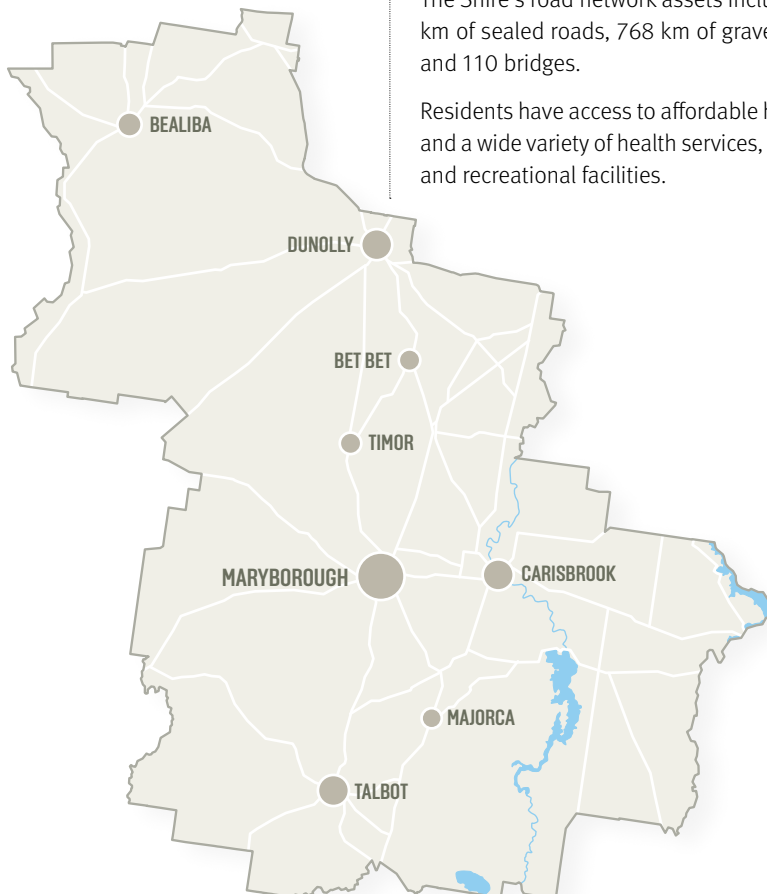
Central Goldfields Shire is bounded by Northern Grampians Shire in the north-west, Pyrenees Shire in the west, Hepburn Shire in the south, Mount Alexander Shire in the east and Loddon Shire in the north-east.

Maryborough is the Shire's major business centre with a population of around 8,000. Other townships include Bealiba, Carisbrook, Dunolly, Majorca, Talbot, Bowenvale-Timor, Daisy Hill – all of which feature iconic heritage architecture.

Agricultural industries are spread across the municipality and include grain, sheep grazing and broiler farming. The Shire is also home to a number of major manufacturing, infrastructure, agricultural, freight, printing and food production companies.

The Shire's road network assets include 512 km of sealed roads, 768 km of gravel roads and 110 bridges.

Residents have access to affordable housing and a wide variety of health services, schools and recreational facilities.



OUR PEOPLE

Population:

Central Goldfields Shire – **13,073**

Town	Population
Bealiba	206
Carisbrook	1,115
Dunolly	893
Maryborough	7,921
Talbot	442
Majorca	211

Area: 1,532 square kilometres

Demographics:

- **50 years** – median age
- **61%** of the population live in Maryborough
- **15.5%** of the population are aged between 0 and 14 years of age
- **28.2%** of the population are aged 65 and over

Source: https://quickstats.censusdata.abs.gov.au/census_services/getproduct/census/2016/quickstat/SSC21607

QUICK STATISTICS 2018 – 2019



Central Goldfields Tourism

- **21,558** visitor enquiries at the Visitor Information Centre
- Approximately **345,000** visitors to Central Goldfields
- **72%** were day trips, **27%** were overnight trips and **1%** were international visitors.



Local Laws

- Total cats registered = **1,113**
- Total dogs registered = **3,566**
- Rehomed animals = **100**
- Returned to owners = **322**



Central Goldfields Art Gallery

- **9** exhibitions
- **5,790** visitors
- **9** school holiday workshops
- **132** children attending school holidays workshops
- Special children's exhibition – *Oceanarium – Deep Sea Other World* and *It Takes a Child To Grow a Village*
- **30** school and kinder sessions
- **772** children attended



Community Health

- **2,440** vaccinations provided by Council



Community Care

- Home care **9,194** hrs
- Personal Care **5,560** hrs
- Respite care **1,176** hrs
- Delivered **4,413** meals
- Property Maintenance **1,971** hrs
- Social Support **5,959** hrs
- Direct care workers and property maintenance workers have travelled approx. 53,992 kms delivering services to 672 clients

QUICK STATISTICS 2018 – 2019



Waste Management Transfer Stations

- Waste: **1,394** tonnes down from 1579 tonnes
- Recycling **231** tonnes up from 150 tonnes
- Recycled materials recovered **14%** up from 9%



Building

- Council issued Permits – Total of **128** at a value of building work being \$8,201,123
- Private Surveyor Permits – Total of **68** at a value of building work being \$11,204,471
- Total Permits **196** at a total of building work being \$19,405,594



Roads

- **2.56** kms of sealed road rehabilitation
- **437** metres of footpath replacement/installation
- **19.78** kms of sealed road resealing
- **522** kms of roads graded



Municipal Emergency Management

- **3** Crisisworks training sessions facilitated
- **2** Municipal Emergency Resource Officers and 2 Municipal Recovery Managers recruited
- Heatwave plan endorsed in February



Youth programs

- 6 Teenage Holiday Programs – **86** young people attended
- Engage! Youth Space: After school program open all year averaging **6–9** young people daily
- Goldfields Junior Leadership Engage! Group: **9** Committee members
- **9** young people attended the first Maryborough Skate Park Predesign meeting and workshop
- Engage! in Volunteering: **8** young people
- **2** FReeZA Victorian
- **2** National Volunteers Week presentations
- FReeZA: Events **5**

Social Media

- Central Goldfields Shire Facebook – **2,109** likes
- Central Goldfields Shire Twitter – **432** followers
- Central Goldfields Shire LinkedIn – **291** followers
- Visit Maryborough & Surrounds Facebook – **972** likes
- Maryborough Regional Library – **504** likes
- Central Goldfields Art Gallery – **305** likes
- Central Goldfields Rehoming – **3,410** likes

2018 – 2019 HIGHLIGHTS AND CHALLENGES



September 2018

- New program, Road Trip, to help teach young people to understand basic driving behaviours and increase their hazard awareness commences
- Book Homecoming: Second World War Soldiers of Victoria's Central Goldfields is launched
- Go Goldfields hosts the Teddy Bears' Picnic held as part of National Child Protection Week

July 2018

- Endorsement of Story Seat locations at Bealiba Post Office, Dunolly Arts Hub Garden, Maryborough's Tren du Bourg Hall, Maryborough Resource Centre, Phillips Gardens, Maryborough Community House
- Short Flix Film Festival participants receive the green light to film their productions
- Eight residents become new citizens
- Thirty local education and service providers have participated in four days of intensive Berry Street Education Model training



August 2018

- Community Safety Forum, On the Upside, is held to highlight community safety. This is run through partnerships.
- Council celebrates 50 years of delivered meals
- The Carisbrook Flood and Drainage Plan Implementation Community Reference Group members endorsed

October 2018

- Council celebrates the Victorian Seniors Festival with a program of local events
- CircusOz visits Maryborough
- Short Flix Festival is held at Maryborough Paramount Theatre
- The State Government announces \$430,000 to redevelop facilities at the Maryborough Sports & Leisure Centre

2018 – 2019 HIGHLIGHTS AND CHALLENGES



November 2018

- Blue Green Algae detected in Lake Victoria ahead of the upcoming Energy Breakthrough
- Maryborough Regional Library commences its support for the Library Changes Lives campaign
- Council throws its support behind White Ribbon Day with a floral tribute in Phillips Gardens
- Another successful Energy Breakthrough is held

December 2018

- Advocated to the Australian Electoral Commission and Victorian Electoral Commission for early voting centres in Maryborough
- Community Voice Panel is endorsed
- Council's new website is officially launched



January 2019

- National Gallery of Victoria Kids visits Central Goldfields Art Gallery to run youth programs
- Launch of the official Maryborough & Surrounds Visitor Guide and Central Goldfields Art Gallery 2019 exhibition program

February 2019

- Go Goldfields launches its Year in Review

March 2019

- Designs for the Carisbrook Recreation Reserve get underway
- Community Voice Panel membership is appointed
- Council is successful in the Building Better Regions Fund, receiving \$90,000 to undertake Community Plans across the Shire
- Work begins on the Gordon Gardens Masterplan

April 2019

- Council joins other local governments in the Loddon Campaspe region to launch the Active Living Census, run by Healthy Heart of Victoria
- 2019–2020 proposed Budget is endorsed. This budget features the largest capital works program in the Shire's history with \$9.88 million to go towards local infrastructure projects



June 2019

- All transfer stations in the Shire are upgraded in preparation of the state-wide e-waste to landfill ban
- Council returns improved in the latest Community Satisfaction Survey results
- Community engagement for the 2019–2024 Waste Management Strategy is launched
- Welcomed four new citizens



Community Grants

Organisation	Project Information	Amount of Community Grant
Bowenvale–Timor Hall Committee	Bowenvale–Timor Public Hall Facelift	\$3,000.00
Dunolly & District Inc	All Roads Lead to Dunolly (Sign replacement)	\$1,689.00
Dunolly Football Netball Club Inc	Re-skilling Dunolly Football Netball Club (Purchase Equipment)	\$1,276.00
Carisbrook Football Netball Club	Shelter for Netballers	\$1,900.00
Central Goldfields Historic Machinery Society Inc	Undercover Storage Shed	\$3,000.00
Talbot Golf Club Inc	Staging 2018 Victorian Veterans State Sandgreen Championships	\$900.00
Bealiba Progress Ass. Inc – Bealiba Historical Society	Bealiba Historical Railway Station’s 140th Anniversary Celebration for the Community	\$896.00
Carisbrook Senior Citizens Centre Inc	Maintenance and Safety (Carisbrook Senior Citizens Club)	\$1,850.00
Bealiba Hall Indoor Carpet Bowls	Upgrade/Replace Indoor Carpet Bowl Equipment	\$980.00
Adelaide Lead Hall Committee	Window Restoration Project	\$1,540.00
Maryborough Toy Library	Increasing Toy Library Accessibility	\$969.00
Maryborough Little Athletics	Equipment Upgrade – Hurdles	\$1,000.00
Betley Mechanics Institute Hall	Installation of Reverse Cycle Air Conditioning	\$1,000.00
Sub Total		\$20,000.00

CHAIRPERSON OF ADMINISTRATORS MESSAGE

Creating stability and rebuilding the community's confidence in the Central Goldfields Shire to deliver good governance and outstanding services has been the Administrator's focus over the last year.

Embedding an ongoing culture of change, which continues the important work delivered by the extensive organisational reform program is key to rebuilding community confidence. Also, our focus has included planning for financial sustainability and investing into the young people of our community.

Leadership and Accountability

We recognise the work we are doing as leaders of change isn't going to be completed during our term and we are seeking to create a legacy of continual organisational improvement. This foundation is important for your Council to continue to be transparent, responsive and financially sound.

This year we have sought to play a greater role as an organisation which leads and collaborates within our broader region. Making a deliberate decision to be more outward looking and to be known and seen to actively contribute to the region's economic, social and cultural growth.

As a local council and community, we can be more than what we are through working in partnership with other organisations, governments and our neighbours. We recognise that we have talents, resources and strengths to offer and will continue to strategically grow these relationships and opportunities.

Financial Sustainability

Over this financial year, we have successfully increased the grant income received. We are determined to meet the needs of the community and work with external partners to fund aspirational projects. We have also deliberately considered ways the council can reduce costs and will continue to review service levels and performance.

Young People

This year we have given greater concentration on young people, to celebrate them as they strive to reach their full potential.

Partnerships with government and the creative industry enabled the successful delivery of the ambitious project Short Flix, a local short film festival. The impact of this creative project was not only a night of great films - but provided young creatives with the skills and networks to pursue a career within the creative industry and inspire our community to see themselves in a different light.

Lastly, I'd like to take this opportunity to commend council staff and community members who have contributed to making the Central Goldfields Shire a great place to live.

I am excited for the year ahead, as we establish a stronger position to advocate for the community and our region's economic, social and cultural development and growth.

Noel Harvey OAM

Chairperson of Administrators

CHIEF EXECUTIVE OFFICE MESSAGE

On behalf of Central Goldfields Shire, it gives me great pleasure to present the Annual Report 2018-2019. It has been another year of significant achievement for the organisation. Continuing to build a stable foundation which enables the organisation to progress forward.

Highlights

The governance reform program is finalised and we have transitioned our organisation's operations into a continuous improvement program that integrates the future capacity building with normal management work planning and reporting processes.

In October 2018 we implemented a new organisational structure, in consultation with staff. The new structure better reflects the direction of Council, particularly around governance, risk, and people and culture. With a stronger emphasis on strategy development, greater delegation of responsibility to third-level managers and a greater priority of service planning and delivery.

The Community Satisfaction Survey, which is undertaken annually to measure Council's performance, demonstrated an increase in community consultation and engagement, advocacy, making community decisions and overall Council direction.

The survey asks the community to rate several Council services in terms of importance and performance. A total of 400 Central Goldfields Shire residents completed interviews, during the period of 1 February, 2019 to 30 March, 2019. The overall performance index score of 57 for Council, represented a 14 point increase on our 2018 result.

The improved results are due to a range of community engagement and governance initiatives implemented by Council in 2018, including community planning, economic development and tourism, waste and recreation.

This level of involvement in setting the future direction of the Shire should result in further improvements to these community satisfaction measures. Consultation and completion of these strategies will be undertaken in 2019-2020.

Also pleasing are our community satisfaction results for Customer Service, which continue to increase and are higher than the state-wide and Small Rural Customer Service satisfaction averages.

Council closed the financial year in a strong financial position with its operating surplus in line with the previous financial years. The year ended with a cash balance of \$12.12 million. In addition during the year \$4.49 million worth of capital works projects were undertaken.

I'd like to congratulate all members of our staff for the outstanding work in 2018-2019 and their commitment to delivering services, achieving against Council's annual plan. I'm looking forward to the year ahead and to delivering great outcomes for our municipality.

Lucy Roffey

Chief Executive Officer

ORGANISATION AND GOVERNANCE REFORM PROGRAM

On Friday 18 August, 2017, the Local Government Investigations and Compliance Inspectorate published a comprehensive report on Central Goldfields Shire Council following an extensive investigation

The report, Protecting integrity: Central Goldfields Shire Council investigation, identified inadequate governance and mismanagement of key areas of responsibility within the organisation.

In response to this Report and an earlier Municipal Monitor's Report, released in December 2016, a comprehensive action plan was adopted at a Special Meeting of Council on Wednesday 6 September, 2017.

Council accepted the findings of the Inspectorate's report in August. In November 2017, Central Goldfields Shire Council finalised a comprehensive action plan to respond to the shortcomings identified in both that report and the Municipal Monitor's report.

Dedicated Council resources were allocated to this project over 2018 to ensure that all of the matters identified in the Inspectorate and Monitor's reports were resolved in accordance with the timeframes identified in the Action Plan.

With the completion of all recommendations in the original Organisational and Governance Reform Program, the Business Transformation Team was wound down prior to the program Director position ceasing October 2018.

The transition from dedicated resources and a high profile program into a continuous improvement program will be achieved by integrating future capacity building with normal management work planning and reporting processes.

There are two key drivers underpinning future organisation improvement; continuing to strengthen organisational capability and implementing a broader range of internal systems and processes which will be sustainable into the future and which allocate and monitor individual accountability while not being dependent on individual officers.

Organisational capability has been strengthened within the restructure of the organisation which took place in October 2018.

Continuous Improvement Program

Independent audits were conducted of Council grants acquittal processes and Council's accountabilities for the Energy Breakthrough event. Grants processes including acquittal obligations are now actively managed by the Executive team on a fortnightly basis.

Reviews were completed of Council meeting procedure local law, occupational health and safety management system, budgeting processes, Governance records systems and Council's delegation suites. Each of these resulted in actions which have changed processes and practices, with new delegation software and subscription services and governance registers in place and a new budgeting software implemented with support from Local Government Victoria's Finance Accounting and Support Team program.

A review of special committees constituted under section 86 of the Local Government Act resulted in the dissolution of a number of inactive committees, conversion of others to the status of advisory committees with no delegated powers or responsibilities and a new set of Instruments of Delegation to those committees which continued.

Council's capacity to effectively manage the occupancy of its land and building assets has been bolstered through the appointment of a dedicated Property and Risk Officer and the adoption of a Disposal of Council Assets and Land Policy provides the framework for ensuring future land disposals meet legislative and best value obligations.

A Property Occupancy Policy to guide the occupancy agreements for Council properties is nearing completion, and this policy will ensure occupiers have security of tenure, clarity of their role and the role of Council in maintaining the property, consistency of agreements with tenants in similar situations and full transparency of the whole process.

An emphasis was placed on training for staff, particularly in matters of good governance, conflicts of interest, protected disclosures and the role and functions of local government probity bodies in Victoria. All staff participated in an extensive program of organisational culture development to support this training and encourage staff to be actively engaged with their teams and Council's goals.

Significant policy and procedure development was completed in the human resources and governance functions, with an entire set of new policies in each area.

Eleven policies were reviewed in governance covering fraud and corruption, privacy, delegations, protected disclosures, managing conflicts of interest councillor support and expenses and managing gifts, benefits and hospitality.

The human resource policy suite was streamlined and consolidated to nineteen policies and all created or re-written.

Nine corporate policies were adopted by Council including, online and media communications, complaints and community engagement, information technology related policies, and procurement.



COMMUNITY SATISFACTION

2019 Community Satisfaction Survey

Central Goldfields Shire Council performed strongly in the state-wide 2019 Community Satisfaction Survey returning an index score of 57 out of 100, a 14-point increase from the 2018 results.

The annual Community Satisfaction Survey asks the community to rate a number of Council services in terms of importance and performance. Four hundred community members took part in the survey between 1 February 2019 and 30 March 2019. The data gathered is collated by JWS Research.

The pleasing survey results are similar to average scores for small rural councils (58) and state-wide (60).

Council increased its index score in several other areas including community consultation and engagement (55 up from 45 in 2018), advocacy (53 up from 44), making community decisions (52 up from 42) and overall council direction (57 up from 47).

Satisfaction with Customer Service at 73 points is another significant improvement from 2018 and a higher result than the State wide and Small Rural averages. Overall Council Direction at 57 points is also higher than the State-wide and Small averages.

Improvements by 10 points for Community Consultation and Making Community Decisions and by nine points for Advocacy was also very pleasing, and a reflection of the work undertaken during the year to improve community and stakeholder engagement.

Council did not experience any significant declines in performance index scores.

FINANCIAL SNAPSHOT

Council recorded an operating surplus of \$3.60 million for the 2018–2019 financial year, which was \$4.18 million greater than budget.

This larger surplus was mainly due to \$3.04 million of income from assets (mostly Crown land and buildings) added to Council’s books during the revaluation process, and depreciation of assets being \$1.45 million greater than budget.

Council ended the year with a cash balance of \$12.12 million and borrowings of \$3.89 million.

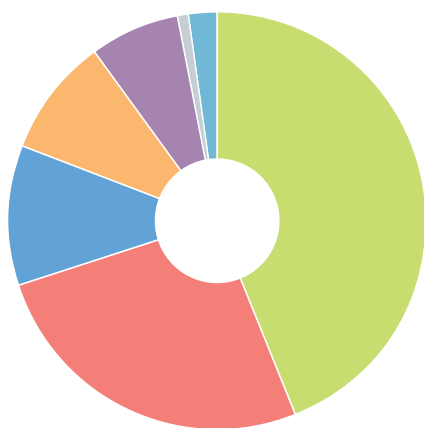
The value of property, infrastructure, plant and equipment decreased from \$318.03 million to \$314.62 million as a result of capital expenditure of \$4.94 million and depreciation of \$8.23 million.



REVENUE

Council’s total revenue for the 2018–2019 year was \$33.51 million compared to \$33.68 million in 2017–2018. The chart below shows the different sources of revenue for Council, with rates, waste charges and grants contributing 81% of total revenue.

Revenue

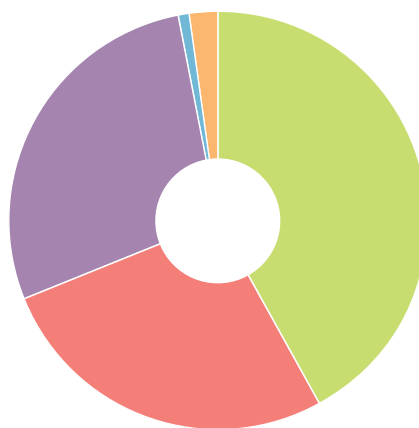


- 44% Rates and waste charges
- 26% Operating grants
- 11% Capital grants
- 9% Found assets
- 7% Fees, fines and user charges
- 1% Contributions
- 2% Other income

EXPENDITURE

Council’s total expenditure for the 2018–2019 year was \$29.91 million compared to \$29.99 million in 2017–2018. The chart below shows the different categories of expenditure for Council with employee costs being the largest expense type.

Expenditure

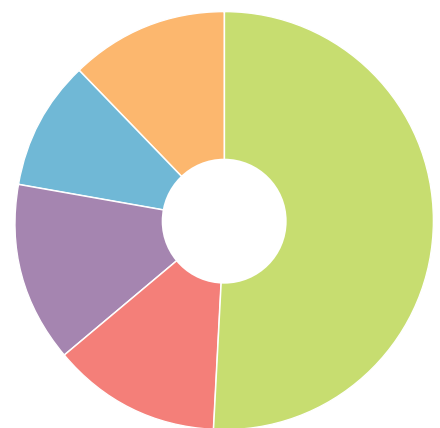


- 42% Employee costs
- 27% Materials and services
- 28% Depreciation
- 1% Loss on asset disposal
- 2% Other expenses

CAPITAL WORKS

During the year Council completed \$4.94 million of capital works projects. In 2017–2018 Council completed \$12.50 million of capital works projects (of which \$6.29 million was externally funded flood restoration works). Road infrastructure related projects accounted for 76% of the capital spend.

Capital Works



- 51% Roads
- 13% Bridges and major culverts
- 14% Plant and equipment
- 10% Land and buildings
- 12% Other infrastructure

MAJOR CAPITAL WORKS

July 2018

- Completion of Dunolly Senior Citizens, kitchen upgrade
 - A co-contributed project that led to the full refurbish of the kitchen, this included new appliances
- Completed new footpath in Taylor St Maryborough
 - A continuation of the previous financial years program to link community facilities with a new footpath from Kennedy St to Golden Wattle Drive
- Completed upgrades to compost facilities at Carisbrook
 - Included construction of a 296 metre squared open-sided shed, significant extensions of the compost processing area and underground drainage which has eliminated previous drainage issues.
 - Other upgrades have also included placing the existing curing bay and composting area under cover which will allow for a more consistent product and will improve the health and safety of employees and community members.

August 2018

- Bet Bet Creek Major Culvert replacement Timor
 - The replacement and upgrade of a major culvert

October 2018

- Planting, landscaping and irrigation installation on Majorca Rd Streetscape upgrade project Maryborough
 - The final stage of the upgrade works which saw the reconstruction of drainage and new islands, this included tree planting, water efficient irrigation and turf
- Removed the Gordon Road Y intersection to provide a safer road intersection at Bung Bung

January 2019

- Removed the Railway Street Maryborough Y intersection and altered the road to remove a dangerous urban intersection
- Installed irrigation system Station Domain Common Maryborough
- Renewed a pathway around Phillips Gardens
 - A new consolidated granite sand path has been completed around the Gardens
- Joint project with VicRoads replacing kerb and channel Park Rd Maryborough
 - The section of kerb and channel between Griffith St and North St Maryborough was in very poor condition, Council completed the replacement which was jointly funded with VicRoads

February 2019

- Completed Rodborough Rd Culvert replacement over Joyces Creek so farmers can continue to use the road safely.

March 2019

- Replaced failing Kerb and Channel throughout townships
 - Sealed various gravel Bell-mouths where gravel roads meet main roads, increasing safety at these intersections

April 2019

- Stabilised and re-sealed Drive In Ct, Wilson St and Barr St, Maryborough
- Commenced reconstruction of Avoca Rd Stage 1 Talbot
 - Major upgrade works and widening of Stage 1 of this project, this included pavement reconstruction, stabilisation and re-sealing

May 2019

- Replaced the poor condition footpath in Derby Rd, Maryborough
 - This project saw the failing asphalt path replaced with a new concrete path.
- Market Reserve Playground Carisbrook
 - The playground was funded through a \$56,000 minor facilities grant from Victoria Sports and Recreation Grant. The playground provides a much needed protected and active play space in Carisbrook for children in a fenced area for parents and children.

June 2019

- Built a fence along the main drain in Phillips Gardens to improve user safety in the gardens.
- E-Waste Shed Carisbrook Transfer Station
 - The e-waste shed at the Carisbrook Transfer Station provides a primary hub for the collection and storage of e-waste from surrounding transfer stations and collection points in townships across the shire, for transfer to materials recovery processors. The state government imposed a ban on all e-waste to landfill from 1 July 2019 necessitating the development of facilities for the effective removal of e-waste from the waste stream. The facility, including surrounding access pavement, was part funded through Sustainability Victoria through a grant for \$100,000.



MAJOR CAPITAL WORKS

Roads Program

A number of urban and rural roads and footpaths have been renewed and upgraded during the year. Highlights of capital roads works are as follows:

- Gordon Road Pyrenees Highway Intersection Bung Bong Safety Realignment – \$97,000
 - A dangerous Y-intersection realigned to a T-intersection to improve safety for heavy vehicles.
- Completed Taylor Street New Footpath from Golden Wattle Drive Kennedy Street Maryborough – \$120,000
 - The Taylor Street footpath provides a vital pedestrian link for Maryborough east residents to the central business district.
- Avoca Rd Reconstruction Stage 1 Amherst – \$252,000
 - The Avoca Road reconstruction project has been fully funded through the Regional Roads Victoria Fixing Country Roads Program and provides significant safety improvements to the road environment.
- Railway Street Gillies Street Intersection Safety Treatment Maryborough – \$108,000
 - Safety improvements and traffic control facilities installed to make the intersection safer for motorists and residents.
- Barr Street Stabilisation Gearing Street to Gillies Street Maryborough – \$83,000.
 - Barr Street renewal of kerb and road pavement and seal was part funded through the Federal Governments Roads To Recovery Program (\$50,000).
- Drive In Court and Wilson Street Industrial Estate Road Stabilisation Maryborough – \$280,000.
 - Drive In Court and Wilson street services a number of light industrial business'. Road pavement and asphalt surface renewal was funded \$155,000 through the Federal Governments Roads to Recovery Program, the remainder from the Council budget.
- Rodborough Road Major Culvert Renewal Moolort – \$90,000
- Bet Bet Creek Road New Major Culvert Timor – \$ 89,000
 - Rodborough Road and Bet Bet Creek Road major culverts renewals were funded through the Council major culverts renewal and replacement program.
- Derby Road Footpath renewal from Napier Street to Rinaldi Drive Maryborough – \$82,000
 - Provides a vital link to the Goldfields Reservoir walking track for many recreational walkers. The project forms part of the Shire's Walking and Cycling Strategy action plan.
- Locks Lane Moolort Road reconstruction – \$ 201,000
 - Locks Lane provides Link Road access to the Moolort Chicken farms and was part funded through the Federal Governments Roads To Recovery Program (\$150,000)

EVENTS

Central Goldfields Shire Council delivered/partnered with the community to deliver the following events:



July 2018

- Citizenship ceremony
- National Schools Tree Day tree planting



September 2018

- Teddy Bears Picnic at Station Domain
- Jeff Makin exhibition at Central Goldfields Art Gallery



November 2018

- Energy Breakthrough



October 2018

- Short Flix Film Festival
- Spring Fling
- The Marigold Project Story Seat unveiled in Phillips Gardens
- Circus Oz visits Maryborough
- Mass band performance at Maryborough Railway Station
- Get Up & Go Family Fun Day
- Hunt for the Golden Shoe



December 2018

- The first of many community feedback sessions are held in Dunolly for the Gordon Gardens Masterplan
- VCE Art & Design Exhibition at Central Goldfields Art Gallery



August 2018

- One the Upside Community Safety Forum
- *It Takes a Child to Grow a Village* and *Oceanarium – Deep Sea Other World* exhibitions at Central Goldfields Art Gallery



January 2019

- Australia Day celebrations are held throughout the Shire

EVENTS



February 2019

- Biennial art quilt exhibition *Golden Textures* opens at Central Goldfields Art Gallery



May 2019

- Council hosts an afternoon tea for National Volunteer Week
- Council supports Healthy Heart of Victoria 2019 Active living Census



March 2019

- Council honours renowned sports identity Jack Worrall with a street named in his honour
- Council marks International Women's Day



June 2019

- Council launches community engagement for the 2019–2024 Waste Management Strategy



April 2019

- *Darkness and Light* is launched at the Central Goldfields Art Gallery
- Council supports 2019 ANZAC Day Appeal

ADVOCACY

Council meets with local State and Federal Members of Parliament, Ministers and other key stakeholders to advocate for services on behalf our community. This a summary of our advocacy work with program partners and the community.

Priority Projects

The Priority Projects document advocate for key projects in our Shire with the following funded:

- \$2.0 million Carisbrook Recreation Reserve Upgrade
- All abilities access at the Maryborough Sports and Leisure Centre supported through Sport and Recreation Victoria \$430,000 and Sport Australia \$113,556

Representing Our Community at Regional and Industry Forums

- Loddon Campaspe Regional Partnerships
- Central Highlands Councils Victoria
- MAV State Conference
- National Assembly (NGA) of Australian Local Government
- Loddon and Campaspe Mayors and CEO forums
- Rural Councils Victoria Summit and Forums

Submissions to government reviews and enquiries

- Inquiry into Recycling and Waste Management
- Inquiry into Sustainable Employment for Disadvantaged Job Seekers
- Royal Commission into Victoria's Mental Health System
- Australian Electrical Commission Federal redistribution
- Federal Government Black Sport Program

Contribution to Regional Strategies

Member of the Loddon Campaspe Regional Partnership

As member of the Loddon Campaspe Regional Partnership we have contributed to the development of three regional strategies Loddon Campaspe Regional Growth Strategy, Engineering and Advanced Manufacturing Skills Road Map, Early Years Language and Literacy Strategy, Healthy Hearts Framework and the Digital Connectivity Plan.

In-kind and other support for local events

- Maryborough Highland Gathering – Cash/in-kind
- Local Australia Day events – Cash/in-Kind
- ANZAC Day (Maryborough, Talbot, Dunolly, Carisbrook, Bealiba) – In-kind
- New Year's Eve Celebrations – Carisbrook Lions Club – Cash
- Christmas Lunch – Carisbrook Lions Club – Cash
- Maryborough Lions Tourist Market – In-kind
- Events hosted in Station Domain – In-kind
- Veteran Cycling – Cash/In-kind
- Clean up Australia Day – In-kind
- Relay for Life – In-kind
- Talbot Farmers Market and Talbot Town Hall Market – In-kind
- Spring Fling – Cash
- Get Up and Go Family Fun Day – In-kind

Community Engagement

Community engagement is defined as the range of opportunities for public involvement in Council decision making, relationship building and community strengthening. Council is committed to effective engagement with the community to ensure the needs of the community are acknowledged in Council key projects, plans and strategies. During the year there were a number of opportunities for the community to provide input into plans, strategies and service design including Council's annual budget.

Rating Strategy 2019 – 2021

Consultation took place from 1 March and closed on 8 April 2019. With the aim to inform and consult with the community about the adopted Draft Rating Strategy 2019–2021.

- 9 written submissions, 5 of whom spoke at the hearing meeting
- 4013 reached on social media
- 54 responses online survey

Waste Management Strategy 2019–2024

Central Goldfields Shire Waste Management Strategy 2019–2024 is being refreshed and updated from the 2012–2016 Waste Management Strategy. Community engagement was launched on 18 June 2019

Community Voice Panel

The Community Voice Panel was endorsed in the December Council Meeting. The aim of the Community Voice Panel is to improve the way Council consults and listens to residents and extend and broaden Council's community engagement reach within the community.

Consultation activities include feedback on the effectiveness of the Rating Strategy Engagement

Listening Posts

Quarterly listening posts are an opportunity for administrators to meet local residents for an informal chat and find out what's happening in the local community and an opportunity for us to update residents on Council projects, decisions and activities.

Listening posts were held across the Shire in 2018–19 on the following days.

- Tuesday 20 November 2018
- Tuesday 19 February 2019
- Wednesday 20 February 2019
- Tuesday 4 June 2019
- Wednesday 5 June 2019

2019–2020 Budget

Consultation took place from 26 April until 26 May informing and consulting with the community about the adopted Draft Budget 2019–2020.

Two submissions were received by the end of the submission period. Of the two submissions, none requested to be heard at the special hearing, as such the special hearing did not proceed.

- 2847 reached on social media

Gordon Gardens, Dunolly

Council undertook community consultation in December 2018 to gather public feedback from the community as well as user groups and current occupiers of the precinct, to develop a proposed plan that best reflects the current and future community needs.

Following the appointment of the consultant, a stakeholder consultation meeting was held on Wednesday 3 April, 2019, at the Dunolly Town Hall on Broadway with the Consultant team and Council. That evening, a community consultation workshop was held at the Dunolly Town Hall.

Between June and July 2019, the Gordon Gardens Draft Masterplan was displayed publicly as a hard-copy and on Council's website for comment

- Community workshop: 60–80 people

Go Goldfields

Go Goldfields is a place-based initiative addressing complex social issues in the Shire. Our collaborative approach brings community, business, service organisations, and decision-makers together to improve outcomes for children, youth and families. 'Our community aspiring, achieving and living a full life'; is the vision that drives us towards a positive future.

"We believe that community needs to work together, to challenge and change any system that impedes our goal, to achieve social and economic independence for all citizens. We encourage people to think deeply, and differently, about ways to improve the lives of children, youth and families. We challenge ourselves to be dynamic, to continuously collaborate, to maximize the benefits of co-design, to be accountable, and to ensure long term sustainability in our work."

More than 100 people, representing the voices of 1000s, are working across our Collaborative Table (steering group) and four Impact Area groups (Children and Families, Youth, Economic Participation and Family Safety). We bring people and organisations together to deliver lasting and meaningful achievements with our community. We plan for long-term social change with a focus on creating the best environments for our children, youth and families.

CHILDREN & FAMILIES: "All children are confident, creative, safe and healthy."

We are; Advocating for increased attendance at kindergarten and primary school; advocating for increased key age and stage visits to Maternal Child Health; Early Years Forum; Teddy Bears Picnic; 'The Nest' parents group; 'Build Your Village Here' parents directory website; convening and strengthening our Children and Families Partnership with Best Start.

YOUTH: “Our community celebrates our young people as they strive to reach their full potential.”

We are; Advocating to increase opportunities for leadership; a trial Pop Up Youth Hub for Youth Services; business case for a Youth Hub; exploration of an outcomes-based funding model to address the high vulnerability of 15-24 year-olds with complex needs; convening and strengthening our Youth Services Alliance (YES) Partnership.

ECONOMIC PARTICIPATION: “Everyone can learn, earn, achieve and dream.”

We are; Advocating for increased mentoring and support for job seekers; building an employer’s understanding of employees with diverse needs; Volunteer and Careers Expo; increasing internship and mentoring placements; convening and strengthening our Employment, Education and Training Action Group.

FAMILY SAFETY: “Everyone lives equally and free from all forms of violence.”

We are; Developing a Gender Equity Framework; delivering Family Violence and Behavioural Change Forums; delivering Changing Our Story and Champions of Change projects, and 16 Days of Activism campaign and events; developing a local Women’s Network; convening and strengthening our Family Violence Action Partnership.

We give continued recognition to our Collaborative Partners too numerous to mention here. Interested parties can visit our website to find more information about these collaborators; www.GoGoldfields.org



Energy Breakthrough

The annual award winning Energy Breakthrough, held in Maryborough, continued to impress by hosting around three times the size of its population.

In 2018 the event attracted 350 teams from 155 schools, and an estimated 22,000 people to the five day event in November. These astounding figures would not be possible without the assistance of the estimated 800 volunteers.

Energy Breakthrough is largest event on the local event calendar and the largest of its kind in Australia. In 2018 it is estimated the economic impact was just under \$5 million to the local community.

Sponsors

2018 was the first time in its 28 year history the Energy Breakthrough was without its partner RACV. This proved to be a rewarding challenge that introduced new people into key management roles for the event.

VicRoads strengthened their relationship with the event and became the Track 2 naming sponsor in 2018. Latrobe also boosted their investment and in-kind support in an effort to make greater connections with participants.

Section 86 Committee

The Energy Breakthrough is a joint partnership between Central Goldfields Shire Council and Country Education Partnership and is overseen by a Section 86 Committee. The Section 86 Committee was established by the Central Goldfields Shire Council to govern Energy Breakthrough on behalf of the Central Goldfields Shire Council.

Key Section 86 Committee Personnel:

- Hugh Delahunty, Chair
- Lucy Roffey, CEO
- Phil Brown
- Greg Nugent
- John Stafford

Business Plan

In December 2018, a business plan was commenced supported by funding from Regional Development Victoria.

The draft plan presented to the Committee in June 2019 focuses on event sustainability through five key action areas including: Partnerships, Finances, Structure and Resource Management, Event innovation and marketing as well as Good Governance.

The plan aims to ensure event sustainability and most importantly aims to support the Maryborough community to develop it as the premier tourism event in the region.

OUR COUNCIL

Noel Harvey OAM

Noel Harvey has 25 years' experience in Local Government, He was first elected to the Shire of Kyneton in 1993. He was Chief Commissioner for the Shire of Hepburn from 1995 to 1997 and a Councillor for the Shire of Macedon Ranges Shire from 1997 to 2003 and again from 2006 to 2009. He served as Mayor in 1993, 1994, 1999, 2000 and 2008.

Noel has been a board member of numerous boards including the Municipal Association of Victoria, a member of the EPA Enforceable Undertakings Panel (since 2012), Director Parks Victoria (2006 to 2012) and Director and Deputy Chairman of Coliban Regional Water Corporation (2001 to 2012), Director North Central Catchment Management Authority (2002 – 2007) and Director of Sustainability Victoria (1997 – 2000) and Chairman of the Victorian Mineral Water Committee (1996 -2006).

Noel has 15 years of business experience in the tourism industry and is the independent Chairman of the Daylesford & Macedon Ranges Regional Tourism Board since 2012.

In 2004, Noel was presented with an Order of Australia (OAM) in recognition of services to Local Government, regional Victoria and the community of Kyneton.



Karen Douglas

A member of the Wimmera Catchment Management Authority Board since 2006, Karen held the position of Chair from 2011 to 2017.

Karen is a member of a broad-acre cereal cropping family farming enterprise at Beazleys Bridge, Gre Gre and Marnoo.

She spent many years working as a librarian both in the local secondary college and later the Wimmera Regional Library, before joining J R Burns Accounting.

She was Deputy Chancellor of Federation University Australia from 2007 to 2015, is a member and past Chair of the Stawell Regional Health Board, and a member of McCallum Services.

Karen was a Northern Grampians Shire Councillor for nine years, serving four terms as Mayor and was the inaugural Chair of the North Central Local Learning and Employment Network.



The Hon Hugh Delahunty

Born in Murtoa, Hugh began his career as a farmer on his family grain and sheep property.

He went on to work for the Department of Agriculture and Rural Affairs after playing for Essendon in the 1970s.

Hugh has participated in and coached many sports in the Wimmera and is a life member of the Murtoa Football Club.

He was a Councillor and Mayor for the former Horsham City Council (1987 – 1995, Mayor 1992/93), Chief Commissioner of Mildura Rural City (1995 to 1996), and the first Mayor and a Councillor of the new Horsham Rural City Council (1997 to 1999, Mayor – 1997).

Hugh was elected to State politics in 1999 where he represented the electorates of Wimmera from 1999 to 2002 and Lowan from 2002 to 2014. He served as Minister for Sport and Recreation and Minister for Veteran Affairs from 2010 to 2014.



OUR EXECUTIVE TEAM

LUCY ROFFEY

Chief Executive Officer

Lucy Roffey has a financial, corporate and Local Government background and was formerly the CEO of Buloke Shire.

Her experience includes being a Fellow of the Chartered Accountants Australia and New Zealand, Member and Chair of the Australian Institute of Company Directors, Non-Executive Director Coliban Water, Audit Committee Member Castlemaine Health, Executive Director Mount Alexander Shire Council and Public Sector Panel Member – Chartered Accountants Australia and New Zealand.

Prior to working in Local Government, Lucy was a senior executive at the Australian Centre of the Moving Image.

Lucy commenced on Monday 5 March, 2018.



MARTIN COLLINS

General Manager Community Wellbeing

Martin has worked with the Victorian State Government in a number of roles since 2015 including as the Director of Community and Social Innovation (DEDJTR) and more recently as the Manager of Youth Pathways and Transitions (DET). In these roles he has led the design and delivery community economic development programs and creation of the Victorian social enterprise strategy. Prior to working in Victoria, Martin worked for Glasgow City Council as the Head of Employment and Skills where he led a department of 100+ staff. Martin holds a Masters of Arts (Social Science) from the University of Glasgow.

Martin commenced 3 June 2019.



REBECCA STOCKFELD

General Manager Infrastructure Assets and Planning

Rebecca came to Central Goldfields Shire having previously been the Acting Director Sustainable Development at Mount Alexander Shire Council. She has extensive experience in senior management roles in land use planning in both State and Local Government including as Assistant Director, State Planning Services, Department of Planning and Community Services Victoria.

Rebecca holds a Bachelor in Applied Science (Planning) from RMIT and a Post Graduate Diploma in Urban Planning from Melbourne University.

Rebecca commenced on Monday 21 May, 2018.



PAUL BRUMBY

General Manager Infrastructure Assets and Planning

Paul was previously the Manager Finance at Pyrenees Shire Council and has worked in local government corporate services for over 25 years including as General Manager Corporate Services at Ararat Rural City Council. He has previously held board positions with Willaura/Lake Bolac Financial Services Limited and Ballarat Child and Family Services.

Paul has a Bachelor of Business with majors in Accounting and Information Technology from Federation University (formerly known as the Ballarat College of Advanced Education).

Paul commenced on Monday 21 May, 2018.



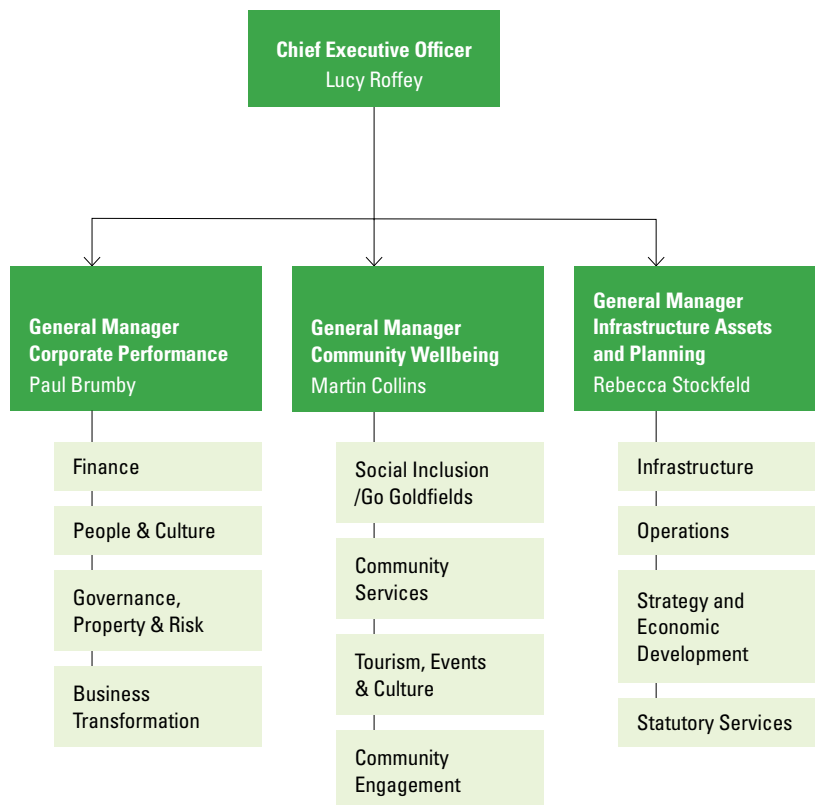
MAJOR CHANGES

General Managers

General Manager Community Wellbeing Brenton West departed Central Goldfields Shire in May 2019 and General Manager Community Wellbeing Martin Collins commenced June 2019.

OUR WORKPLACE

Central Goldfields Shire has three directorates reporting to the Chief Executive Officer. The directorates are: Corporate Performance, Community Wellbeing and Infrastructure Assets and Planning.



A summary of the number of full time, part-time and casual equivalent staff categorised by employment classification and gender:

Structure Classification	Band 1 FTE	Band 2 FTE	Band 3 FTE	Band 4 FTE	Band 5 FTE	Band 6 FTE	Band 7 FTE	Band 8 FTE	All other FTE	Total FTE
Permanent Full Time – F	0.00	0.00	9.00	7.00	6.00	6.00	2.00	2.00	2.00	34.00
Permanent Full Time – M	0.00	10.00	18.00	9.00	3.00	7.00	4.00	3.00	2.00	56.00
Permanent Full Time – X	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Permanent Part Time – F	0.13	8.08	9.03	6.83	2.99	3.10	2.22	1.64	0.00	34.02
Permanent Part Time – M	0.00	2.68	2.03	1.10	0.80	1.50	1.60	0.60	0.00	10.31
Permanent Part Time – X	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Casual – F	1.54	1.30	1.64	3.60	1.06	0.00	0.00	0.00	0.00	9.14
Casual – M	0.26	0.53	2.15	0.00	0.20	0.00	1.00	0.00	1.00	5.14
TOTAL	1.93	22.59	41.85	27.53	14.05	17.60	10.82	7.24	5.00	148.61

Equal Opportunity

Central Goldfields Shire is committed to the principles of our Equal Opportunity Program and continually work to ensure that all workplace employment matters are reflective of this.

Equal Opportunity is supported by a number of policies, our staff induction program and training opportunities. Together we work to ensure there is no discrimination, harassment and bullying.

In January, 2017 Central Goldfields Shire was acknowledged on the Victorian Equal Opportunity and Human Rights Commission website for having a staff code of conduct that considers and promotes human rights.

The story states: *The following staff codes of conduct are examples that consider and promote human rights:*

- *The Central Goldfields Staff Code of Conduct states that the Charter requires council staff to act compatibly with human rights and to consider human rights when making decisions. It also requires staff who are involved in policy development to familiarise themselves with the Charter.*

Professional Development

Central Goldfields Shire is committed to providing training and professional development opportunities for staff.

Central Goldfields Shire also provides a supportive environment that encourages employees to seek further learning opportunities through our Study Assistance Program.

Enterprise Bargaining Agreement

The Central Goldfields Shire Enterprise Bargaining Agreement covers employment conditions, pay rates and criteria for the classification of positions.

The current Enterprise Agreement was negotiated between Management, staff and Union representatives, with the staff voting to accept the agreement, and is effective from 27 March 2018 to 30 June 2020.

Workplace Culture

The organisation continues to develop robust policies, procedures and systems of work to support the effective operations of the organisation and to support the development of a positive workplace culture.



HEALTH, SAFETY AND SUPPORT TO STAFF

Council is committed to being a healthy and safe work environment for employees, volunteers, contractors and visitors.

A renewed focus was given to the Health and Wellbeing Committee and Occupational Health and Safety Committee during 2018–19. With the support of the Executive team both groups play an integral role in making the organisation a safer and healthier place for all.

Key initiatives include:

- Staff flu vaccination program in March 2019
- Health and Wellbeing Committee ‘Wednesday Walker’s group
- International Women’s Day event held Friday March 8, 2019
- Employee Assistance Program – counselling and wellbeing support to all employees. This service was promoted throughout the year.
- Healthy Together Victoria Achievement Program for Workplaces – a stateside health promotion program that encourages best practice in workplaces around Mental Health and Wellbeing, Healthy Eating, Physical Activity, Smoking and Alcohol.

Central Goldfields Shire also keeps staff informed via a fortnightly internal staff newsletter titled the ‘Inside Word’. It aims to provide staff with information about departments as well as training and event opportunities available to staff both internally and externally.

Staff meetings are also held once a month and are presented by the CEO.

We also have a staff consultative committee which met quarterly during 2018-19. The committee is made up of an equal number of staff and management representatives. The committee provides input into the development and review of organisational policies and programs.



PLANNING AND ACCOUNTABILITY FRAMEWORK

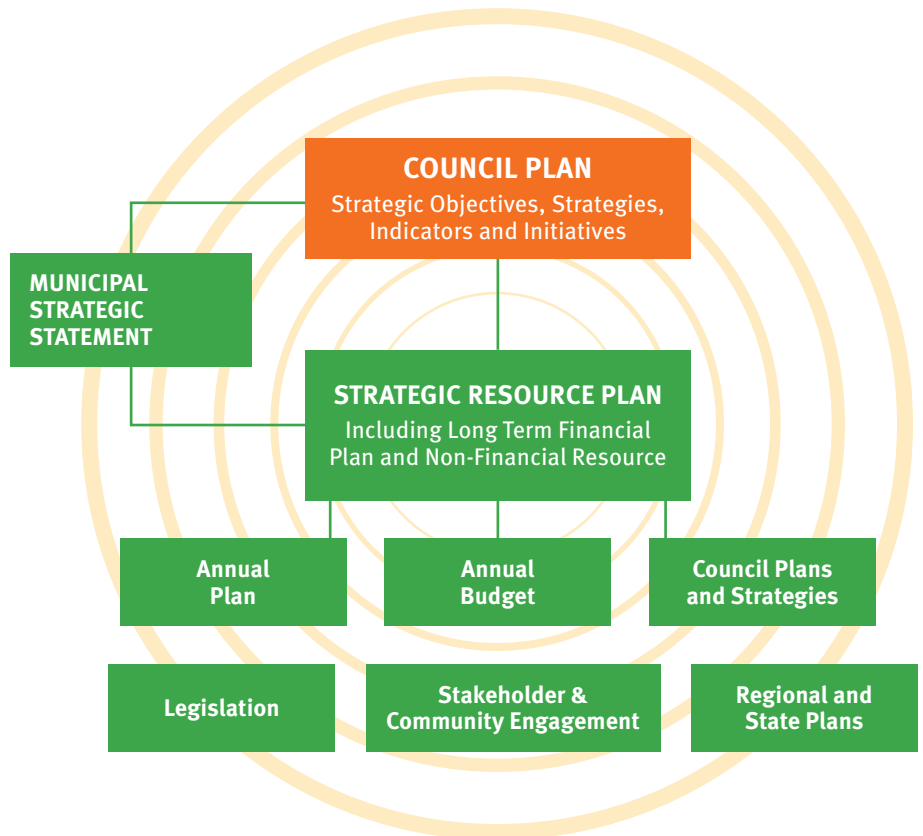
The Local Government Planning and Accountability Framework is outlined in the Local Government Act 1989.

It is a mandatory system of reporting that ensures all councils measure and report on their performance in a consistent way.

The Act requires councils to prepare the following planning and reporting documents:

- A Council Plan – developed every four years and reviewed annually
- A Strategic Resource Plan
- A Budget for each financial year
- An Annual Report in respect of each financial year

The following diagram shows the relationship between the key planning and reporting documents that make up the planning and accountability framework for local government.



COUNCIL PLAN

The Central Goldfields Shire Council Plan 2017–2021 identifies four strategic themes, each with a specific objective which are our primary focus:

- Our Community – To support community cohesion, and health and wellbeing
- Our Economy – To support economic activity which contributes to the municipality’s economic prosperity
- Our Built and Natural Environment – To support the rich built and natural heritage and focus on a sustainable environment
- Our Organisation – To support strong, transparent corporate governance

Underpinning each of these themes are detailed actions and initiatives which are identified in the Council Plan and complemented by our Annual Budget.

Every quarter the actions undertaken are measured against the Council Plan and reported upon.





OUR PERFORMANCE

Council's performance for the 2018–19 year has been reported against the strategic objectives to demonstrate how Council is performing in achieving the 2017–2021 Council Plan.

OUR COMMUNITY

Outcome: A supported, cohesive community, living a full and healthy life.

Priorities

- Continue delivery of the Go Goldfields program, and work towards program sustainability.
- Youth Engage Program
- Shire Wide Literacy Strategy
- Provide a safe, fun, encouraging and welcoming environment for Volunteers and promote the benefits of a volunteer organisation.
- Actively participate in The Healthy Hearts Project
- Coordinate Municipal Emergency Management Plans and Committee
- Implement recommendations from flood management plans including flood mitigation works
- Implement priorities from the Positive Ageing Strategy
- Support positive life opportunities for people living with a disability.

Highlights

- Teddy Bears Picnic
- Wellness and enablement model training through Home Support Services and Social Support groups
- Short Flix Festival
- Maternal Child and Health – Let's Read
- Implementation of Family Violence Action Plan
- 16 days of Activism – Marigolds Project
- Roll out of events as part of the Regional Centre for Culture
- Support and train volunteers to deliver the annual Energy Breakthrough event
- Complete Emergency Management Plans of Council Facilities and Evacuation drills
- Review and adopt the Neighbourhood Safer Places Plan
- Community Safety Forum
- Facilitate a Community Transport Forum
- Identify and support clients with their transition to the NDIS
- Broaden and extend arts and culture engagement with schools and the community

OUR ECONOMY

Outcome: A vibrant local economy which contributes to the municipality's economic prosperity.

Priorities

- Develop an Economic Development and Tourism Strategy
- Participate in the development and implementation of Regional Economic Development Strategies
- Support work readiness initiatives, specifically within the Go Goldfields program
- Include support for existing business in the Economic Development and Tourism Strategy
- Support Committee for Maryborough and other business groups in the Central Goldfields Shire
- Encourage NBN connections and advocate for improved NBN services
- Advance the Goldfields Heritage Development and Opportunity Project towards World Heritage Listing
- Review and update the business and marketing plan for Energy Breakthrough

Highlights

- Consultation undertaken with targeted community leaders, business and tourism groups and sector representatives, Approximately 120 participants
- Participate in the development of a Regional Freight Strategy
- Include enhanced passenger rail services in all advocacy documents
- Wastewater for a growing Talbot included in Priority Projects document
- Participate in State Government review of Regional Tourism Boards
- Advocate for mobile towers in blacks spots in the Shire
- Roll out the Maryborough and surrounds branding toolkit project
- Produce the Maryborough and surrounds Official Visitor Guide

OUR BUILT AND NATURAL ENVIRONMENT

Outcome: Our Shire celebrates the rich built and natural heritage and a sustainable environment.

Priorities

- Ensure investment in roads, footpaths and buildings meet community needs now and in the future
- Improve the appearance of township entrances and streetscapes
- Protect and enhance the environment while planning for growth
- Protect and preserve our heritage assets

Highlights

- 'E' Waste Shed Extension and Carisbrook Transfer Station Pavement Rehabilitation
- Gordon Rd/Pyrenees Hwy Intersection Upgrade
- Improved the landscaping associated with the Town Entry signs
- Energy Audit of council buildings to determine works to reduce council's energy consumption
- Participated in the development of Central Highlands Integrated Water Management Plan
- Avoca Road upgrade Stage 1
- Taylor Street footpath built
- Planning decision to not allow a major sign in Carisbrook/Flagstaff supported by VCAT
- Installed irrigation at Station Domain
- Approval of a solar farm in Carisbrook
- Built a playground in Market Reserve

OUR ORGANISATION

Outcome: Central Goldfields Shire is a proactive, well governed, professional and financially sustainable organisation.

Priorities

- Undertake service planning across the organisation to set sustainable service levels that meet community needs
- Review budget and financial reporting processes to improve monitoring of financial performance
- Implement the Community Engagement Framework

Highlights

- Fees and charges policy completed
- Introduction of the new engagement program including listening posts, Administrator meeting times and Community Voice Panel
- New Council website launched
- Governance and Reform Program actions completed

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities					
Satisfaction					
<i>User satisfaction with aquatic facilities (optional)</i>	0.00	0.00	0.00	0.00	
[User satisfaction with how council has performed on provision of aquatic facilities]					
Service standard					
<i>Health inspections of aquatic facilities</i>	0.00	0.00	0.00	0.00	No inspections of Council aquatic facilities have been undertaken in the reporting period. Council have ensured the appropriate resources are now in place to ensure all inspections are completed in 2019-2020.
[Number of authorised officer inspections of Council aquatic facilities / Number of Council aquatic facilities]					
Health and Safety					
<i>Reportable safety incidents at aquatic facilities</i>	0.00	0.00	0.00	0.00	There were no WorkSafe reportable safety incidents at aquatic facilities during the reporting period.
[Number of WorkSafe reportable aquatic facility safety incidents]					
Service cost					
<i>Cost of indoor aquatic facilities</i>	\$6.93	\$6.23	\$5.94	\$5.93	No material change.
[Direct cost of indoor aquatic facilities less income received / Number of visits to indoor aquatic facilities]					
Service Cost					
<i>Cost of outdoor aquatic facilities</i>	\$6.63	\$7.82	\$6.46	\$7.56	The cost of outdoor aquatic facilities has increased during the reporting period due to a drop in visitation to the outdoor facilities during the 2018-2019 season.
[Direct cost of outdoor aquatic facilities less income received / Number of visits to outdoor aquatic facilities]					
Utilisation					
<i>Utilisation of aquatic facilities</i>	6.82	7.29	7.58	7.55	No material change.
[Number of visits to aquatic facilities / Municipal population]					

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Animal Management					
Timeliness					
<i>Time taken to action animal management requests</i>	1.00	1.00	1.00	0.00	Council does not have a system for recording animal management requests. Council is improving its data collection practices and will ensure this data is recording during the 2019-2020 reporting period.
[Number of days between receipt and first response action for all animal management requests / Number of animal management requests]					
Service standard					
<i>Animals reclaimed</i>	72.61%	66.00%	67.39%	52.48%	The increase in the number of animals collected, but not reclaimed, in the reporting period relates to an increase in the collection of feral cats. There was one complaint in the reporting period which related to the keeping of a large number of feral cats on one individual property.
[Number of animals reclaimed / Number of animals collected] × 100					
Service cost					
<i>Cost of animal management service</i>	\$48.45	\$47.51	\$47.06	\$41.93	The costs of the animal management service has reduced in the reporting period due to a staffing restructure of the unit.
[Direct cost of the animal management service / Number of registered animals]					
Health and safety					
<i>Animal management prosecutions</i>	0.00	0.00	0.00	0.00	There were no animal management prosecutions during the reporting period.
[Number of successful animal management prosecutions]					

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Food Safety					
Timeliness					
<i>Time taken to action food complaints</i>	1.00	1.17	1.00	15.75	Council received four food safety complaints in the reporting period. The food safety complaints were not actioned within an appropriate timeframe. Council has ensured the appropriate resources are now in place to ensure all food safety complaints are actioned within an appropriate timeframe in 2019-2020.
[Number of days between receipt and first response action for all food complaints / Number of food complaints]					
Service standard					
<i>Food safety assessments</i>	32.26%	67.78%	38.78%	0.00%	No food safety assessments were undertaken during the data reporting period. Council have ensured the appropriate resources are now in place to ensure all food safety assessment are conducted in 2019-2020. Subsequent to 30 June 2019 51% of food safety assessments have been completed.
[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] ×100					
Service cost					
<i>Cost of food safety service</i>	\$439.10	\$458.16	\$438.43	\$112.14	As no food safety assessment were undertaken during the reporting period, there has been a significant decrease in the costs of Council's food safety service.
[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]					

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	80.00%	100.00%	0.00%	0.00%	As no food safety assessment were undertaken during the reporting period, no critical or major non-compliant outcomes were identified. Subsequent to 30 June 2019 51% of food safety assessments have been completed. Following these assessments 3 critical or major non-compliant outcomes were identified and have been followed up.
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] ×100					
Governance					
Transparency					
<i>Council decisions made at meetings closed to the public</i>	11.02%	10.34%	7.26%	0.00%	Council has not had any meetings which have been closed to the public in the reporting period. Council has moved to a practice of hearing contractual matters in open council meetings as much as practicable.
[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] ×100					
Consultation and engagement					
<i>Satisfaction with community consultation and engagement</i>	57.00	54.00	45.00	55.00	Council adopted a Community Engagement Framework and improved its methods of engaging with the community at the end of 2017. These changes and the large amount of work undertaken to improve community and stakeholder engagement has been reflected in a significant increase in the community satisfaction survey results in relation to community consultation and engagement.
Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement					

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Governance					
Attendance					
<i>Councillor attendance at council meetings</i>	90.82%	93.75%	98.18%	97.22%	No material change.
[The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] × 100					
Service cost					
<i>Cost of governance</i>	\$30,093.44	\$31,510.39	\$142,308.68	\$128,692.00	Council's cost of governance has increased significantly in 2017-2018 and 2018-2019 as Council currently has 3 Administrators in place, which receive a higher remuneration than elected Councillors.
[Direct cost of the governance service / Number of Councillors elected at the last Council general election]					
Satisfaction					
<i>Satisfaction with council decisions</i>	58.00	51.00	42.00	52.00	Council adopted a Community Engagement Framework and improved its methods of engaging with the community at the end of 2017. These changes and the large amount of work undertaken to improve community and stakeholder engagement has been reflected in a significant increase in the community satisfaction survey results in relation to council making decisions in the interest of the community.
[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]					
Home and Community Care (HACC)					
Timeliness					
<i>Time taken to commence the HACC service</i>	7.00	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]					

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Home and Community Care (HACC)					
Service standard					
<i>Compliance with Community Care Common Standards</i>	50.00%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] × 100					
Service cost					
<i>Cost of domestic care service</i>	\$40.10	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the domestic care service / Hours of domestic care service provided]					
Service cost					
<i>Cost of personal care service</i>	\$43.04	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the personal care service / Hours of personal care service provided]					
Service cost					
<i>Cost of respite care service</i>	38.44	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Cost of the respite care service / Hours of respite care service provided]					
Participation					
<i>Participation in HACC service</i>	23.14%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of people that received a HACC service / Municipal target population for HACC services] × 100					
Participation					
<i>Participation in HACC service by CALD people</i>	12.50%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] × 100					

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Libraries					
Utilisation					
<i>Library collection usage</i>	2.63	2.35	3.62	4.07	Council's library usage collection has improved due to a range of factors including: usage of the Dunolly library service has increased now that the community is more aware of the service, and the local kinder is regularly accessing the service; an increased use of the children's collection stemming from the emphasis that has been placed on early childhood literacy; and the promotion of digital resources.
[Number of library collection item loans / Number of library collection items]					
Resource standard					
<i>Standard of library collection</i>	68.21%	69.52%	57.67%	57.72%	No material change.
[Number of library collection items purchased in the last 5 years / Number of library collection items] ×100					
Service cost					
<i>Cost of library service</i>	\$5.95	\$6.19	\$5.73	\$5.93	No material change.
[Direct cost of the library service / Number of visits]					
Participation					
<i>Active library members</i>	30.80%	15.22%	13.98%	14.87%	The significant decrease in active library members from 2015-2016 to 2016-2017 was due to a change in the definition of active library members and how this indicator was calculated.
[Number of active library members / Municipal population] ×100					

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Maternal and Child Health (MCH)					
Satisfaction					
<i>Participation in first MCH home visit</i>	93.91%	95.65%	100.89%	99.12%	No material change.
[Number of first MCH home visits / Number of birth notifications received] × 100					
Service standard					
<i>Infant enrolments in the MCH service</i>	91.30%	94.78%	101.77%	102.65%	Result above 100% are indicative of births in other local government areas with a subsequent transfer of the child to the Central Goldfields Shire.
[Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] × 100					
Service cost					
<i>Cost of the MCH service</i>	\$125.87	\$97.13	\$96.90	\$103.40	No material change.
[Cost of the MCH service / Hours worked by MCH nurses]					
Participation					
<i>Participation in the MCH service</i>	83.28%	79.26%	86.14%	84.20%	No material change.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] × 100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	75.00%	69.23%	96.61%	87.32%	There has been a significant improvement over the last 4 years of participation in the MCH service by Aboriginal children. A Service Improvement Plan is in place to endeavour to continue to increase participation for Aboriginal children in the Shire. As the overall numbers of Aboriginal children enrolled in the MCH service is quite low, any changes in participation result in a large percentage fluctuation for this indicator.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] × 100					

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Roads					
Satisfaction of use					
<i>Sealed local road requests</i>	23.35	24.98	14.48	9.85	Council's local roads are maintained to a high standard and defects addressed promptly. This results in Council receiving a minimal number of local road requests.
[Number of sealed local road requests / Kilometres of sealed local roads] ×100					
Condition					
<i>Sealed local roads maintained to condition standards</i>	99.56%	98.17%	100.00%	100.00%	No change.
[Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] ×100					
Service cost					
<i>Cost of sealed local road reconstruction</i>	\$27.60	\$41.01	\$33.03	\$94.26	Council only completed one local road reconstruction in the reporting period. The section of local road was a small Y interaction realignment. Although the area was small in terms of square metres, the reconstruction was very complicated, resulting in a significant variation in costs for this indicator in the reporting period.
[Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]					
Service Cost					
<i>Cost of sealed local road resealing</i>	\$3.97	\$3.68	\$4.11	\$4.70	The costs of local road resealing have increased in the reporting period due to rising oil prices, which have increased bitumen costs.
[Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	54.00	51.00	48.00	48.00	No change.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Statutory Planning					
Timeliness					
<i>Time taken to decide planning applications</i>	55.00	74.00	57.00	93.00	There has been an increase in complex applications over the past two reporting periods. There has also been a high amount of staff turnover and recruitment change in Council's planning department which has affected Council's ability to decide planning applications within the required timeframes.
[The median number of days between receipt of a planning application and a decision on the application]					
Service standard					
<i>Planning applications decided within required time frames</i>	57.65%	62.58%	51.61%	32.11%	There has been an increase in complex applications over the past two reporting periods. There has also been a high amount of staff turnover and recruitment change in Council's planning department which has affected Council's ability to decide planning applications within the required timeframes.
[(Number of regular planning application decisions made within 60 days) + (Number of VicSmart planning application decisions made within 10 days) / Number of planning application decisions made] × 100					
Service cost					
<i>Cost of statutory planning service</i>	\$1,584.96	\$1,915.36	\$1,980.65	\$2,875.51	The costs of the statutory planning service has increased in the reporting period due to a staffing restructure of the unit, with a focus on planning scheme compliance. To meet planning demands Council has also utilised external planning contractors temporarily, resulting in higher costs during the reporting period.
[Direct cost of the statutory planning service / Number of planning applications received]					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	100.00%	One planning application went to VCAT during the data reporting period. VCAT upheld Councils decision of refusal in this particular matter.
[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] × 100					

REPORT OF OPERATIONS 2018–2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Waste Collection					
Satisfaction					
<i>Kerbside bin collection requests</i>	55.68	30.07	27.01	24.62	No material change.
[Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] ×1000					
Service standard					
<i>Kerbside collection bins missed</i>	3.83	0.79	0.68	0.63	No material change.
[Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] ×10,000					
Service cost					
<i>Cost of kerbside garbage bin collection service</i>	\$110.12	\$99.24	\$115.42	\$121.51	No material change.
[Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]					
Service cost					
<i>Cost of kerbside recyclables collection service</i>	\$51.02	\$46.77	\$66.24	\$84.89	The state-wide recycling crisis has resulted in significant increases in the cost for processing of recyclables.
[Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	41.36%	42.88%	42.70%	42.96%	No material change.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] × 100					

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 the library who has borrowed an item from the library collection.
 - “CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English.
 - “Critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.
 - “food premises” has the same meaning as in the Food Act 1984.
 - “HACC” program means the Home and Community Care program established under the Agreement entered into for the purpose of the Commonwealth Home and Community Care Act 1985.
 - “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 council is the responsible road authority under the Road Management Act 2004.
 - “Major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
 - “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age.
 - “Population” means the resident population estimated by council.
 - “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.





Governance

GOVERNANCE

Central Goldfields Shire Council is constituted under the Local Government Act to provide leadership for the good governance of the municipality and the local community.

Governance, Management and other information

Meetings of Council

Council conducts meetings on the fourth Tuesday of every month. Members of the community are welcome to attend. During the 2018/2019 year Council held 12 Ordinary Council Meetings and 1 Special Council Meeting

Ordinary Council Meetings

Meeting Date	Chief of Administrators Noel Harvey OAM	Administrator Karen Douglas	Administrator The Hon Hugh Delahunty
24.07.2018	Yes	Yes	Yes
28.08.2018	Yes	Yes	Yes
25.09.2018	Yes	Yes	Yes
23.10.2018	Yes	No	Yes
27.11.2018	Yes	Yes	Yes
18.12.2018	Yes	Yes	Yes
26.02.2019	Yes	Yes	Yes
26.03.2019	Yes	Yes	Yes
23.04.2019	Yes	Yes	Yes
28.05.2019	Yes	Yes	Yes
25.06.2019	Yes	Yes	Yes

Special Council Meeting

Meeting Date	Chief of Administrators Noel Harvey OAM	Administrator Karen Douglas	Administrator The Hon Hugh Delahunty
04.02.2109	Yes	Yes	Yes

Councillor Portfolios/Committees

Administrator	Portfolio	Committee
Noel Harvey	Community Development	Go Goldfields Collaborative Table Municipal Association of Victoria
Karen Douglas	Finance	Audit and Risk Committee Rural Councils Victoria
Hugh Delahunty	Development and Planning	Audit and Risk Committee Energy Breakthrough

GOVERNANCE

Special Committees

The Act allows councils 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 special committees established by the Council that are in operation and the purpose for which each committee was established.

Committee	Purpose
Energy Breakthrough Special Committee	Management of the Energy Breakthrough Event
Adelaide Lead Hall Special Committee	Management of the Adelaide Lead Hall
Daisy Hill Community Centre Special Committee	Management of the Daisy Hill Community Centre
Dunolly Historic Precinct Management Special Committee	Management of the Dunolly Historic Precinct Management
Talbot Community Homes Special Committee	Management of the Talbot Community Homes
Talbot Town Hall Special Committee	Management of the Talbot Town Hall
Tullaroop Leisure Centre Special Committee	Management of the Tullaroop Leisure Centre

Code of Conduct

Section 76C of the Local Government Act 1989 required each Council to adopt a Code of Conduct for Councillors. The Code commits Councillors to work effectively together and provides for effective participation and accountability to the community.

Council adopted an amended Code of Conduct on 14 February 2017. Review of the Code is carried out within four months of a Council election, as is required under the Act.

Conflict of Interest

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

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

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests. During 2018-2019, 0 conflicts of interest were declared at Council meetings.

Administrator 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. Central Goldfields Shire Council is recognised as a category one council.

Central Goldfields Shire Council, by virtue of an Order in Council provided for under the Local Government (Central Goldfields Shire Council) Act 2017, currently has three appointed Administrators. The Administrators receive a higher remuneration than elected Councillors.

Administrator	Allowance
Noel Harvey	\$148,920.02
Hugh Delahunty	\$84,315.04
Karen Douglas	\$84,315.04
	\$317,550.10

Councillor Expenses

In accordance with Section 75 of the Local Government Act, Council is required to reimburse a councillor for expenses incurred whilst performing his or her duties as a councillor. Council is also required to adopt and maintain a policy in relation to the reimbursement of expenses for councillors.

The detail of the expenses including reimbursement for each Councillor and member of a council committee paid by council for the 2018-2019 year are as follows:

Administrator	Travel Expenses	Information Communication Expenses	Conference and Training Expenses	Total
Noel Harvey	\$12,995.48		\$6,240.64	\$19,236.12
Hugh Delahunty	\$16,005.60	\$531.80	\$5,307.73	\$21,845.13
Karen Douglas	\$8,693.80	\$490.80	\$4,391.69	\$13,576.29
				\$54,657.54

Audit and Risk Committee

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

Council's five member Audit Committee consists of two members of the Council and three external independent members including Mr John Watson, Ms Cheryl Fitzgerald and Mr Robert Tommasini. Administrators Mrs Karen Douglas and Mr Hugh Delahunty are Council representatives on the committee.

During the 2018-2019 the Audit Committee met on four occasions and all independent and Council representatives were in attendance.

AUDIT AND RISK COMMITTEE ANNUAL REPORT FOR THE 2018-2019 FINANCIAL YEAR

Audit and Risk Committee Chairperson's Report For the year ended 30 June 2019

Introduction

The Central Goldfields Shire Council Audit and Risk Committee (the Committee) Charter requires that an annual report on the activities of the Committee be presented to Council at the conclusion of each financial year.

The Committee is an independent Advisory Committee to Council established under Section 139 of the Local Government Act 1989 (as amended) (the 'Act'). The key purpose of this report is to provide Council with an overview of the Audit and Committee's primary functions; activities and outcomes for the 2018-2019 financial year.

Audit and Risk Committee Charter

The Audit and Risk Committee has several functions which are incorporated in the Audit and Risk Committee Charter. In summary they are to:

- Enhance the credibility and the objectivity of the financial reporting of Council;
- Support the identification and management of enterprise wide material risks of Council;
- Advise Council on systems and processes designed to ensure compliance with relevant laws and regulations and consideration of best practice guidelines;
- Advise Council on the establishment, effectiveness and maintenance of controls and systems to safeguard financial and physical resources, and mitigate risks that may adversely affect achievement of Council objectives;
- Advise Council on the establishment, effectiveness and maintenance of controls and systems to safeguard its governance obligations and promote a culture of accountability and transparency;
- Advise Council on the systems and processes which protect against fraud and irregularities.

The Audit and Risk Committee Charter was reviewed at the beginning of 2019 and formally adopted by Council at the Ordinary Council Meeting held on 23 April 2019.

Committee Membership

The membership of the Committee comprises five members – two Councillors and three external, independent members.

Committee Membership is currently as follows:

Mr John Watson (chairperson and independent member) and independent members Mr Robert Tommasini, Ms Cheryl Fitzgerald.

Administrators Hugh Delahunty and Karen Douglas.

The Committee is supported by the Council's capable and professional executive management team to provide advice on a range of compliance; control and operational matters as well as ensuring that the Committee meets its stated objectives.

Audit functions

The Audit and Risk Committee continues to assist the Council in addressing financial; strategic and operational risks and also ensuring that Council maintains a reliable system of internal controls. The Committee's work plan is set out in its Annual Action Plan, which is presented at each committee meeting, to enable the Committee to fulfil its obligations under the Audit and Risk Committee Charter.

External Auditors

In accordance with the Victorian Local Government Act 1989, Council's External Auditor is appointed by the Victoria Auditor General (VAGO). For the 2018-2019 financial year VAGO's contracted Agent, Crowe Horwath undertook the external audit.

Internal Auditors

Council's internal auditor for the 2018/2019 financial year was AFS & Associates, a highly experienced and professional local government auditing firm. AFS & Associates undertook 10 internal audits during the 2018-2019 financial year.

Accountability; governance and compliance

In order to ensure accountability; compliance and transparency, in addition to this Annual Report, the Audit and Risk Committee submits the Minutes of each of its meetings to the next available Ordinary Council Meeting.

The Committee also seeks information from the Chief Executive Officer at each Audit and Risk Committee Meeting regarding any breaches, non-compliance or fraud issues since the last meeting. The Internal Auditor is also required to formally advise if their work had been impeded in any way during the conduct of their audits.

Meetings

During the 2018-2019 financial year the Committee met on four occasions:

- 10 September 2018
- 4 December 2018
- 4 March 2019
- 3 June 2019

At these Meetings the Committee considered the following:

Internal audits reports on:

- Key Internal Controls
- Past Issues Review
- Contract Management
- Past Issues Review
- ICT Controls and Governance
- Governance
- Past Issues review
- S. 86 Committees
- Occupational Health and Safety
- Human Resource Management

Each of the internal audit reports provided detailed recommendations in relation to any risks identified. These risks are rated as major, moderate or minor and are discussed at length at the Audit and Risk Committee meetings to ensure that the Audit and Risk Committee Members are comfortable and confident that any audit recommendations are responded to and that proposed management actions adequately address the identified risks within agreed timeframes.

The Audit and Risk Committee has monitored the implementation of these recommendations and actions at each subsequent Committee meeting to ensure that the recommended and agreed audit initiatives are carried out, thus assisting in improving Council's procedural and control environments. This ongoing monitoring also ensures that Council's risk exposure in many areas is brought to the Committee's attention and that there is a management framework to address such issues.

The Audit and Risk Committee also monitors the progress of the Internal Audit Plan at each meeting, with the Internal Auditor presenting a report on the status of this plan and discussing progress.

External Audit

The external auditors, Crowe Horwath, attended the Committee's Meeting on 10 September 2018 to discuss Council's Annual Financial Statement and Performance Report. The audit results were positive with all relevant accounting disclosures made and unqualified audit opinions received from the Auditor General. These Statements were submitted by the Council to the Victorian Local Government Minister by 30 September 2018 as required.

John Gavens, from Crowe Horwath, also attended the Committee Meetings on 4 March 2019 and 3 June 2019.

Management Reports

The Audit and Risk Committee comprises members who have a diverse range of experience and skill sets, who can provide objective advice to the Council in an advisory capacity. It is a productive and robust Committee that continues to mature by seeking improvement opportunities to ensure that it is kept informed of risks that the Council is required to act upon. In addition to the Internal and External audit functions of the Committee, this improvement is also achieved via regular Management Reports at each meeting incorporating the following:

- Council's Monthly Finance Reports - The Committee receives Council's monthly financial reports. These reports are very comprehensive and provide assurance to the Committee that Council is adequately advised of its financial situation so that Council can make informed decisions. The Committee is also kept informed of the status of the annual Budget as well as other important financial information. The Committee is also assured that Council's financial management practices are robust and meet legislative and stewardship requirements.
- Status of the implementation of outstanding audit reports - This report is a monitoring tool that tracks the implementation of any outstanding audit recommendations with a clear path forward being outlined.
- Risk Management – The Committee provides an active oversight of Council's risk management framework by considering regular reports on these issues to ensure that Council's exposure to strategic and operational risks are being managed appropriately.
- The Committee is provided with alerts on any impending legal action, legislation breaches or fraudulent activity.
- The Committee receives a copy of Council's Budget and Strategic Resource Plan. This ensures that the Committee is aware that Council continues to operate in a financial framework that is achievable in the current economic climate that provides ongoing financial stability and sustainability.
- The Committee receives governance reporting relating to items such as Ordinary Returns; Freedom of Information; Declaration of Gifts, Benefits and Hospitality.
- Reports from the CEO outlining any issues that she considers should be brought to the attention of the Committee that may not be provided by other methods.

AUDIT AND RISK COMMITTEE ANNUAL REPORT FOR THE 2018-2019 FINANCIAL YEAR

2019-2020 Outlook

In 2019-2020 Council will continue its comprehensive internal audit program. This program will be reviewed at the Committee's meeting in December 2019 to ensure that it addresses the most current compliance, internal control and operational audit requirements of Council.

The Audit and Risk Committee will conduct meetings with the External Auditor in relation to the Financial and Performance audits and give formal consideration to the Annual Financial Report and Performance Statements.

The Committee will continue to monitor any applicable matters raised by the Victorian Auditor General; Victorian Ombudsman, the Local Government Inspectorate; the Independent Broad-based Anti-Corruption Commission or the Office of the Victorian Inspectorate. The Committee has and will continue take an active interest and stay informed on proposed changes to the Local Government Act 1989 which proposes new obligations on Councils and their Audit Committees.

Conclusion

The 2018-2019 year was again a very productive year with the Audit and Risk Committee considering a large range of reports and issues relating to Council's reporting, accountability, control and risk management objectives and obligations.

As outlined in this report, I believe the Audit and Risk Committee continues a valuable oversight role relating to Council's financial, governance, and risk control environments and associated systems to ensure that adequate control frameworks are in place so that Council operates within a best practice framework that maintains an environment to identify and mitigate risks.

It is a very robust Committee and through the diverse experience and knowledge of its members can test assumptions and make recommendations that add value to Council's operations.

On behalf of all Audit and Risk Committee members, I would like to express sincere thanks to the Staff of Crown Horwath for their work in the conduct of the external audit, and to the Internal Auditor AFS & Associates for their significant contribution into the internal audit program where business improvement recommendations were made which will ensure that Council's internal controls and processes are continually improved.

I particularly wish to thank Council's Chief Executive Officer, Ms Lucy Roffey; the Manager Finance, Ms Anna Bartlett, the General Manager Corporate Performance, Mr Paul Brumby, and the Manager Governance, Property and Risk, Ms Megan Kruger for their support, professional advice and focus on achieving continuous improvement outcomes. I also extend the Committee's thanks to all the Council Officers who have assisted the Audit and Risk Committee in a professional manner during the year.

I thank all my fellow Audit and Risk Committee Members Councillors and External Members for their participation, diligence, professionalism and contribution throughout the 2018-2019 financial year. The Committee looks forward to the continuation of a very strong working relationship with the Council and staff during the 2019-2020 financial year.

Internal Audit

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

The following reviews occurred during the 2018-2019 year as part of the Internal Audit program:

- Key Internal Controls
- Past Issues Review
- Contract Management
- Past Issues Review
- ICT Controls and Governance
- Governance
- Past Issues review
- S. 86 Committees
- Occupational Health and Safety
- Human Resource Management

External Audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO).

The 2018-2019 annual external audit of Council's Financial Statements and Performance Statement was conducted by the VAGO appointed audit service provider – Crowe Horwath.

GOVERNANCE AND MANAGEMENT CHECKLIST

Governance and Management Item	Assessment
Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Date of operation of current policy: 22 May 2018
Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Date of operation of current guidelines: 22 May 2018
Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Date of adoption: 25 June 2019
Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Date of adoption: 25 June 2019
Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Date of operation of current plans: Road Management Plan 20 November 2017 Public Road Register Policy 9 June 2011 Operational Asset Management Plan - Roads 25 October 2016 Buildings Asset Management Plan May 2006 Stormwater and Drainage Asset Management Plan May 2006 Operational Parks Management Plan November 2006
Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Date of operation of current strategy: 23 April 2019
Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Date of operation of current policy: 6 February 2016
Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Date of operation of current policy: 24 April 2018
Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Date of preparation: 17 October 2017
Procurement policy (policy under section 186A of the Local Government Act 1989 outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Date of approval: 25 June 2019
Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Date of operation of current plan: 29 October 2018
Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Date of operation of current plan: 29 October 2018
Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Date of operation of current framework: 6 February 2016
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)	Date of establishment: 26 September 2017
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: 30 October 2017

GOVERNANCE AND MANAGEMENT CHECKLIST

Governance and Management Item	Assessment
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: 1 July 2014
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)	Date of report: 28 May 2019
Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Dates statements presented: 18 December 2018 13 February 2018 24 July 2018 23 October 2018 31 October 2018 26 February 2019 26 March 2019 23 April 2019 28 May 2019
Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Date of reports: 10 September 2018 4 September 2018 4 March 2019 3 June 2019
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 December 2018 13 February 2018 24 July 2018 23 October 2018 31 October 2018 26 February 2019 26 March 2019 23 April 2019 28 May 2019
Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Date of consideration: 23 October 2018
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)	Date reviewed: 14 February 2017
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)	Date of review: s5 13 December 2017 s6 28 May 2019 s7 08 November 2018 s13 08 November 2018
Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Date local law made: 27 October 2015

Freedom of Information

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

Requests for access to information under the Freedom of Information Act must be submitted in writing to the Freedom of Information Officer, Central Goldfields Shire Council, PO BOX 194, Maryborough, VIC, 3465. Access charges may also apply once documents have been processed and a decision on access is made (e.g. photocopying and search and retrieval charges).

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:

- it should be in writing
- it should identify as clearly as possible which document is being requested
- it should be accompanied by the appropriate application fee (the fee may be waived in certain circumstances).

Further information regarding FOI can be found at www.foi.vic.gov.au

Statutory Information

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

Documents available for public inspection

In accordance with regulation 12 of the Local Government (General) Regulations 2015 the following are prescribed documents that are available for public inspection or copies can be obtained for the purposes of section 222 of the Act from Council's Customer Service Office:

- a document containing details of overseas or interstate travel (other than interstate travel by land for less than three days) undertaken in an official capacity by councillor or any member of council staff in the previous 12 months
- minutes of ordinary and special meetings held in the previous 12 months which are kept under section 93 of the Act, other than those agendas and minutes relating to 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 sections 87(1) and 98(4) of the Act, including the date on which the last review took place under sections 86(6) and 98(6), respectively, of the Act
- a document containing details of all leases involving land which were entered into by the council as lessor, including the lessee and the terms and the value of the lease
- a register maintained under section 224(1A) of the Act of authorised officers appointed under that section
- a list of donations and grants made by the council in the previous 12 months, including the names of persons who, or bodies which, have received a donation or grant and the amount of each donation or grant.

Best Value

In accordance with section 208B(f) of the Act, at least one 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 which is supported by our Sustainable Excellence Program.

The following Best Value initiatives were undertaken during 2018-2019:

- Commencement of Service Planning across Council to ensure sustainable service levels that meet community needs;
- Implementation of recommendations from the Local Government Inspectorate Report;
- Development and implementation of a cultural change program to develop a high performing, customer focused organisation;
- Implementation of the Community Engagement Framework including quarterly Listening Posts between Council and the community;
- The purchase and implementation of new budget software.

Contracts

During the year council did not enter into any contracts valued at \$150,000 or more for services or \$200,000 or more for works or more of a kind specified in section 186(5)(a) and (c) of the Act. It also did not enter into any other contracts valued at \$150,000 or more for goods or services or \$200,000 or more for works without engaging in a competitive process.

GOVERNANCE AND MANAGEMENT CHECKLIST

Disability Action Plan

In accordance with section 38 of the Disability Action Act 2006, Council reports that the following actions have been implemented in accordance with its Disability Action Plan:

- The mobile toilet is available to make events and other community celebrations available to everyone.
- The community services are working to support clients to access information about the NDIS.

Domestic Animal Management Plan

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

Residents were invited to have their say on the draft Central Goldfields Shire Domestic Animal Management Plan in November/December 2017 with the final Plan adopted at an Ordinary Meeting of Council on 30 January 2018.

The Plan provides the necessary framework to guide Council's management of domestic animals for the period 2017 to 2021.

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 Direction were received by Council during the financial year.



Financial Statements

The Financial Statements for 2018–2019 have been prepared in accordance with the requirements of the Local Government Act 1989, and include:

- Comprehensive Income Statement
- Balance Sheet
- Statement of Changes in Equity
- Statement of Cash Flows
- Statement of Capital Works
- Notes to the Financial Report
- Certification of the Financial Statements

**COMPREHENSIVE INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	2019 \$	2018 \$
Income			
Rates and service charges	3.1	14,691,869	14,044,731
Statutory fees and fines	3.2	550,830	435,532
User charges	3.3	1,954,920	2,216,488
Grants – operating	3.4	8,665,868	8,542,961
Grants – capital	3.4	3,641,645	6,110,618
Contributions – monetary	3.5	284,801	387,311
Contributions – non monetary	3.5	174,245	387,402
Found and gifted assets	3.8	3,040,427	1,279,924
Other income	3.7	506,117	271,794
Total income		<u>33,510,722</u>	<u>33,676,761</u>
Expenses			
Employee costs	4.1	(12,499,299)	(12,101,668)
Materials and services	4.2	(8,183,365)	(8,362,377)
Bad and doubtful debts	4.3	(47,702)	(24,268)
Depreciation	4.4	(8,230,833)	(7,222,368)
Borrowing costs	4.5	(146,115)	(157,279)
Net loss on disposal of property, infrastructure, plant and equipment	3.6	(319,368)	(1,722,296)
Other expenses	4.6	(481,023)	(398,100)
Total expenses		<u>(29,907,705)</u>	<u>(29,988,357)</u>
Surplus for the year		<u>3,603,017</u>	<u>3,688,404</u>
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	9.1	(2,685,833)	14,949,606
Total comprehensive result		<u>917,184</u>	<u>18,638,010</u>

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

BALANCE SHEET

AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
Assets			
Current assets			
Cash and cash equivalents	5.1	1,868,375	7,464,846
Other financial assets	5.1	10,250,000	1,520,965
Trade and other receivables	5.1	3,105,576	1,986,724
Inventories	5.2	119,114	98,191
Non-current assets classified as held for sale	6.1	245,223	573,394
Other assets	5.2	217,029	282,893
Total current assets		15,805,317	11,927,013
Non-current assets			
Property, infrastructure, plant and equipment	6.2	314,616,204	318,026,571
Total non-current assets		314,616,204	318,026,571
Total assets		330,421,521	329,953,584
Liabilities			
Current liabilities			
Trade and other payables	5.4	2,955,227	2,587,460
Trust funds and deposits	5.4	303,880	436,138
Provisions	5.5	2,660,766	2,675,600
Interest-bearing loans and borrowings	5.3	3,846,793	2,857,553
Total current liabilities		9,766,666	8,556,751
Non-Current liabilities			
Provisions	5.5	330,448	425,566
Interest-bearing loans and borrowings	5.3	38,520	1,602,564
Total non-current liabilities		368,968	2,028,130
Total liabilities		10,135,634	10,584,881
Net assets		320,285,887	319,368,703
Equity			
Accumulated surplus		126,115,074	122,520,557
Reserves	9.1	194,170,813	196,848,146
Total equity		320,285,887	319,368,703

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2019**

	Note	Total \$	Accumulated surplus \$	Asset revaluation reserve \$	Other reserves \$
2019					
Balance at beginning of the financial year		319,368,703	122,520,557	196,387,546	460,600
Surplus for the year		3,603,017	3,603,017	–	–
Net asset revaluation (decrement)	9.1	(2,685,833)	–	(2,685,833)	–
Transfers to other reserves	9.1	–	(8,500)	–	8,500
Balance at end of the financial year		<u>320,285,887</u>	<u>126,115,074</u>	<u>193,701,713</u>	<u>469,100</u>
2018					
Balance at beginning of the financial year		300,730,693	118,942,753	181,437,940	350,000
Surplus for the year		3,688,404	3,688,404	–	–
Net asset revaluation (decrement)	9.1	14,949,606	–	14,949,606	–
Transfers to other reserves	9.1	–	(110,600)	–	110,600
Balance at end of the financial year		<u>319,368,703</u>	<u>122,520,557</u>	<u>196,387,546</u>	<u>460,600</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 2019

	2019 Inflows/ (Outflows) \$	2018 Inflows/ (Outflows) \$
Cash flows from operating activities		
Rates and service charges	14,531,917	13,965,515
User charges, statutory fees and fines	2,755,383	2,891,747
Grants – operating	7,798,458	8,561,411
Grants – capital	3,641,645	7,610,618
Contributions – monetary	313,281	426,042
Interest received	154,299	137,845
Net movement in trust funds and deposits	(132,258)	81,917
Other receipts	315,612	137,687
Net GST refund	784,525	1,673,063
Employee costs	(12,609,251)	(12,174,926)
Materials and services	(8,770,614)	(9,937,297)
Other payments	(581,597)	(464,605)
Net cash provided by operating activities	8,201,400	12,909,017
	9.2	
Cash flows from investing activities		
Payments for property, infrastructure, plant and equipment	(4,944,542)	(12,499,140)
Proceeds from sale of property, infrastructure, plant and equipment	597,260	213,482
Payments for other financial assets	(8,729,035)	–
Proceeds from sale of other financial assets	–	1,999,490
Net cash (used in) investing activities	(13,076,317)	(10,286,168)
Cash flows from financing activities		
Finance costs	(146,750)	(160,564)
Repayment of borrowings	(574,804)	(569,462)
Net cash (used in) financing activities	(721,554)	(730,026)
Net increase (decrease) in cash and cash equivalents	(5,596,471)	1,892,823
Cash and cash equivalents at the beginning of the financial year	7,464,846	5,572,023
Cash and cash equivalents at the end of the financial year	1,868,375	7,464,846
	5.1	

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

Financing arrangements	5.6
Restrictions on cash assets	5.1

**STATEMENT OF CAPITAL WORKS
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Property		
Land	52,538	49,355
Total land	52,538	49,355
Buildings	453,410	540,365
Total buildings	453,410	540,365
Total property	505,948	589,720
Plant and equipment		
Plant, machinery and equipment	508,505	629,825
Fixtures, fittings and furniture	176,477	15,807
Total plant and equipment	684,982	645,632
Infrastructure		
Roads	2,489,687	8,109,340
Kerb and channel	140,731	249,581
Pathways	140,334	178,477
Bridges and major culverts	661,915	1,321,890
Drainage	184,166	784,279
Minor culverts	89,564	616,468
Waste water assets	32,076	–
Traffic control facilities	15,139	8,753
Total infrastructure	3,753,612	11,268,788
Total capital works expenditure	4,944,542	12,504,140
Represented by:		
New asset expenditure	351,673	1,112,984
Asset renewal expenditure	3,904,602	10,269,818
Asset expansion expenditure	–	36,396
Asset upgrade expenditure	688,267	1,084,942
Total capital works expenditure	4,944,542	12,504,140

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Overview

Introduction

The Central Goldfields Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate. Council's main office is located at 22 Nolan Street Maryborough Victoria 3465.

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

Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or \$200,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 26 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

1.1 Income and expenditure

	Budget 2019 \$	Actual 2019 \$	Variance 2019 \$	%	Ref
Income					
Rates and service charges	14,768,838	14,691,869	(76,969)	-1%	
Statutory fees and fines	444,841	550,830	105,989	24%	1
User charges	4,210,421	1,954,920	(2,255,501)	-54%	2
Grants – operating	7,769,170	8,665,868	896,698	12%	3
Grants – capital	626,000	3,641,645	3,015,645	482%	4
Contributions – monetary	144,424	284,801	140,377	97%	5
Contributions – non monetary	–	174,245	174,245	100%	6
Found and gifted assets	–	3,040,427	3,040,427	100%	7
Other income	327,794	506,117	178,323	54%	8
Total income	28,291,488	33,510,722	5,219,235		
Expenses					
Employee costs	12,242,453	12,499,299	256,846	2%	9
Materials and services	9,781,373	8,183,365	(1,598,008)	-16%	10
Bad and doubtful debts	20,000	47,702	27,702	139%	11
Depreciation	6,780,247	8,230,833	1,450,586	21%	12
Borrowing costs	170,369	146,115	(24,254)	-14%	13
Net loss on disposal of property, infrastructure, plant and equipment	(121,739)	319,368	441,107	-362%	14
Other expenses	–	481,023	481,023	100%	15
Total expenses	28,872,703	29,907,705	1,035,003		
Surplus/(deficit) for the year	(581,215)	3,603,017	4,184,232		

1.1 Income and expenditure (continued)

Ref	Item	Explanation										
1	Statutory fees and fines	Revenue was greater than budget due to planning permit income \$61,886 and building permit income \$52,497 being higher than expected.										
2	User charges	User charges were less than budget due to the elimination of "internal" plant hire from the financial statements that was included in the budget (\$1,643,566). Additional Long Day Care Fees \$347,697 were less than budget (as childcare benefit income was \$277,920 higher than budget)										
3	Grants – operating	The level of operating grants received by Council had three significant variations to budget including: Additional \$277,920 received in childcare benefit than budgeted. Additional \$80,248 in kindergarten per capita grants than budgeted, Economic development and tourism strategy funding being \$100,000 more than budgeted.										
4	Grants – capital	During the year Council received a number of capital grants which were not budgeted for: <table border="0" style="width: 100%; margin-left: 20px;"> <tr> <td>Fixing Country Roads/Rural Roads Victoria funding</td> <td style="text-align: right;">1,328,400</td> </tr> <tr> <td>NDRF Flood restoration funding (budgeted for in 2017/2018)</td> <td style="text-align: right;">818,726</td> </tr> <tr> <td>Healthy Hearts infrastructure funding</td> <td style="text-align: right;">300,000</td> </tr> <tr> <td>Carisbrook Bowls Club synthetic green upgrade funding</td> <td style="text-align: right;">144,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>2,591,126</u></td> </tr> </table>	Fixing Country Roads/Rural Roads Victoria funding	1,328,400	NDRF Flood restoration funding (budgeted for in 2017/2018)	818,726	Healthy Hearts infrastructure funding	300,000	Carisbrook Bowls Club synthetic green upgrade funding	144,000		<u>2,591,126</u>
Fixing Country Roads/Rural Roads Victoria funding	1,328,400											
NDRF Flood restoration funding (budgeted for in 2017/2018)	818,726											
Healthy Hearts infrastructure funding	300,000											
Carisbrook Bowls Club synthetic green upgrade funding	144,000											
	<u>2,591,126</u>											
5	Contributions – monetary	During the year Council received a number of unbudgeted contributions as follows: <table border="0" style="width: 100%; margin-left: 20px;"> <tr> <td>Infrastructure contributions received but not budgeted</td> <td style="text-align: right;">16,833</td> </tr> <tr> <td>Long service leave contributions received but not budgeted</td> <td style="text-align: right;">95,393</td> </tr> <tr> <td>Recreational contribution received but not budgeted</td> <td style="text-align: right;">12,500</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>124,726</u></td> </tr> </table>	Infrastructure contributions received but not budgeted	16,833	Long service leave contributions received but not budgeted	95,393	Recreational contribution received but not budgeted	12,500		<u>124,726</u>		
Infrastructure contributions received but not budgeted	16,833											
Long service leave contributions received but not budgeted	95,393											
Recreational contribution received but not budgeted	12,500											
	<u>124,726</u>											
6	Contributions – non monetary	Contributions were greater than budget due to the recognition of Council's Mayoral Chains \$100,000 and \$62,553 in gravel contributions.										
7	Found and gifted assets	Found and gifted assets were greater than budget due to the recognition of \$125,893 in infrastructure assets, \$1,669,000 in land assets and \$1,245,534 in building and site improvement assets identified during the asset valuation process.										
8	Other income	During the year the Energy Breakthrough received \$154,859 in sponsorship income than budgeted.										
9	Employee costs	Employee costs were 2% higher than budget due mainly to an organisational restructure which occurred during the year, additional payments to superannuation, and the movement in employee provisions as a result of changes to the discounted rate.										
10	Materials and services	The variance to budget was due mainly to the elimination of plant hire \$1,065,454 (refer explanation reference 2), in addition a number of projects did not occur during the year as budgeted: <table border="0" style="width: 100%; margin-left: 20px;"> <tr> <td>Residential Development Strategy</td> <td style="text-align: right;">85,000</td> </tr> <tr> <td>Urban Design Framework</td> <td style="text-align: right;">120,000</td> </tr> <tr> <td>Dunolly Deledio Reserve Concept Plan</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td>Carisbrook Recreation Reserve Expenditure (\$16,458 expended)</td> <td style="text-align: right;">100,000</td> </tr> <tr> <td></td> <td style="text-align: right;"><u>405,000</u></td> </tr> </table>	Residential Development Strategy	85,000	Urban Design Framework	120,000	Dunolly Deledio Reserve Concept Plan	100,000	Carisbrook Recreation Reserve Expenditure (\$16,458 expended)	100,000		<u>405,000</u>
Residential Development Strategy	85,000											
Urban Design Framework	120,000											
Dunolly Deledio Reserve Concept Plan	100,000											
Carisbrook Recreation Reserve Expenditure (\$16,458 expended)	100,000											
	<u>405,000</u>											
11	Bad and doubtful debts	The increase in bad and doubtful debts was due to an increase in the provision by \$45,840 associated with property rental and Goldfields Family Centre accounts.										

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Performance against budget (continued)

1.1 Income and expenditure (continued)

Ref	Item	Explanation
12	Depreciation	Infrastructure depreciation was budgeted for as \$4,987,685. The infrastructure revaluation resulted in an increase to depreciation of \$1,353,030 to a total of \$6,340,715. This was primarily due to pathways depreciation being \$790,703 more than budget, and kerb and channel \$295,751 more than budget. The revaluation was a result of an independent condition assessment which reduced the useful life of these asset classes accelerating the depreciation rate for 2018–2019.
13	Borrowing costs	One of Council's loans is interest only (variable). The drop in interest rates during the year resulted in interest payable on this loan being less than budgeted.
14	Net gain/(loss) on disposal of property, infrastructure, plant and equipment	Primarily due to the disposal of \$225,000 in land assets and \$61,033 in building assets which was not budgeted for.
15	Other expenses	Consists of audit fees, and councillor allowances, budgeted as materials and services.

1.2 Capital works

	Budget 2019 \$	Actual 2019 \$	Variance 2019 \$		Ref
Property					
Land	113,500	52,538	(60,962)	-54%	1
Total Land	113,500	52,538	(60,962)		
Buildings	680,000	453,410	(226,590)	-33%	2
Total Buildings	680,000	453,410	(226,590)		
Total Property	793,500	505,948	(287,552)		
Plant and Equipment					
Plant, machinery and equipment	619,000	508,505	(110,495)	-18%	3
Fixtures, fittings and furniture	305,000	176,477	(128,523)	-42%	4
Total Plant and Equipment	924,000	684,982	(239,018)		
Infrastructure					
Roads	2,513,000	2,489,687	(23,313)	-1%	
Kerb and channel	199,000	140,731	(58,269)	-29%	5
Pathways	156,000	140,334	(15,666)	-10%	6
Bridges and major culverts	870,000	661,915	(208,085)	-24%	7
Drainage	660,000	184,166	(475,834)	-72%	8
Minor culverts	66,000	89,564	23,564	36%	9
Waste water assets	15,000	32,076	17,076	114%	10
Traffic control facilities	14,000	15,139	1,139	8%	
Total Infrastructure	4,493,000	3,753,612	(739,388)		
Total Capital Works Expenditure	6,210,500	4,944,542	(1,265,958)		
Represented by:					
New asset expenditure	1,157,000	351,673	(805,327)		
Asset renewal expenditure	2,932,500	3,904,602	972,102		
Asset expansion expenditure	–	–	–		
Asset upgrade expenditure	2,121,000	688,267	(1,432,733)		
Total Capital Works Expenditure	6,210,500	4,944,542	(1,265,958)		

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 1: Performance against budget (continued)

1.2 Capital works (continued)

Ref	Item	Explanation
1	Land	Less than budget mainly due to minimal expenditure required on renewal of ovals and surrounds \$74,000 budgeted \$33,396 expended.
2	Buildings	Less than budget mainly due to minimal expenditure on Maryborough Sports & Leisure Centre change-room upgrade due to timing of grant received (\$150,000) and \$150,000 in Council administration building works budgeted for with \$60,867 expended.
3	Plant, machinery and equipment	Plant expenditure was less than budget mainly due to delay in delivery of a new Street Sweeper which is currently on order (\$120,000 budgeted).
4	Fixtures, fittings and furniture	Council had budgeted to spend \$250,000 on IT Initiatives, \$198,054 was expended, however only \$152,149 was capitalised in accordance with Council policy.
5	Kerb and channel	Minimal expenditure incurred on kerb and channel due to availability of contractors.
6	Pathways	Pathways renewal was less than budget by \$16,672, also due to availability of contractors.
7	Bridges and major culverts	Expenditure on Bridge/Major Culvert Safety Upgrades was less than budget by \$114,037 due to timing of grant approval for Porteous Road Bridge works.
8	Drainage	Council had budgeted \$400,000 in flood mitigation works relating to the Carisbrook flood levy. \$96,178 was expended during the year due to delays in land acquisition required to complete the flood levy works.
9	Minor culverts	Council had budgeted to expend \$48,000 on Minor Culverts renewal, however \$75,999 was expended due to the carry forward of projects from 2017/18.
10	Waste water assets	Council had budgeted to expend \$15,000 on the Recycled Watermain replacement, however \$32,076 was expended due to carry forward of projects from 2017/18.

Note 2: Analysis of Council results by program

Council delivers its functions and activities through the following programs.

2.1 (a) Community

Operation and maintenance of community buildings, local laws, compliance (incorporating fire prevention, environmental health, school crossings, immunisation and planning compliance), emergency management and Go Goldfields.

Health and Human Services

Administration of Goldfields Family Centre (incorporating family day care, long day care, kindergarten and supported playgroup), maternal & child health, aged care services (incorporating personal care, respite care, home maintenance, social support and delivered meals) and youth services.

Economic Development

Promotion of tourism, including the Visitor Information Centre, Energy Breakthrough and other events, economic development and strategic planning. Administration of Vic Roads, statutory planning and building control.

Culture & Heritage

Operation and maintenance of civic halls, library and arts. Promotion of cultural and heritage activities.

Recreation & Leisure

Operation and maintenance of parks and gardens, playgrounds, sporting and natural reserves, indoor recreation centres and swimming pools.

Transport

Administration, operation and maintenance of aerodrome, road networks, pathways, kerb & channelling, street beautification, street lighting, bicycle facilities, parking and maintenance of depots and plant, vehicles and machinery and drainage maintenance

Waste

Administration, operation and maintenance of waste disposal, waste water operation and maintenance, recycling, and public conveniences.

Administration

Shire Management including corporate planning, governance, community engagement (including customer service), people and culture services, contract management and purchasing. Corporate services including operation and maintenance of administration office, records management, information technology, property and risk management. Financial services including administration of council finances, bank accounts, investments and loans.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 2: Analysis of Council results by program (continued)

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

	Income \$	Expenses \$	Surplus /(Deficit) \$	Grants included in income \$	Total assets \$
2019					
Community	2,016,980	2,046,962	(29,982)	2,085,578	6,996,894
Health & Human Services	4,140,955	4,085,098	55,857	3,137,054	198,255
Economic Development	1,258,872	2,246,160	(987,288)	150,000	5,643,115
Culture & Heritage	172,397	822,262	(649,865)	150,077	5,524,498
Recreation & Leisure	907,570	2,920,103	(2,012,533)	528,292	24,360,338
Transport	3,514,493	9,046,464	(5,531,971)	3,127,271	269,774,112
Waste & Environment	3,222,774	2,942,046	280,728	205,093	221,525
Administration	18,276,682	5,798,611	12,478,071	2,924,148	17,702,784
	33,510,723	29,907,706	3,603,017	12,307,513	330,421,521
	Income \$	Expenses \$	Surplus /(Deficit) \$	Grants included in income \$	Total assets \$
2018					
Community	5,860,153	2,084,797	3,775,356	5,646,674	7,110,387
Health & Human Services	4,024,857	4,125,426	(100,569)	2,857,969	203,845
Economic Development	952,266	1,948,956	(996,690)	–	5,100,600
Culture & Heritage	165,726	718,144	(552,418)	148,011	8,421,545
Recreation & Leisure	255,881	2,709,417	(2,453,536)	82,604	23,861,501
Transport	3,472,286	7,885,146	(4,412,860)	3,031,973	271,599,861
Waste & Environment	2,909,787	2,895,223	14,564	116,414	187,884
Administration	16,035,805	7,621,248	8,414,557	2,769,934	13,467,961
	33,676,761	29,988,357	3,688,404	14,653,579	329,953,584

Note 3: Funding for the delivery of our services

	2019 \$	2018 \$
3.1 Rates and service charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its market value (land and buildings inclusive).		
The valuation base used to calculate general rates for 2018–2019 was \$1,930 million (2017–2018 was \$1,757 million). The 2018–2019 general rate – cents in the CIV dollar was 0.5131 (2017–2018, was 0.5447).		
Residential	7,728,163	7,759,460
Commercial	1,187,977	1,141,143
Industrial	207,336	212,165
Farm and Rural	1,856,088	1,589,571
Vacant land	635,184	643,829
Recreation and Cultural	263	257
Garbage Charge	3,002,842	2,650,526
Interest on rates and charges	74,016	47,780
Total rates and service charges	14,691,869	14,044,731
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2018, and the valuation was first applied to the rating period commencing 1 July 2018.		
Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.		
3.2 Statutory fees and fines		
Infringements and costs	29,230	36,092
Town planning fees	195,900	151,075
Land information and building certificate fees	14,914	13,642
Permits	163,385	102,018
Registrations	145,781	129,323
Other	1,620	3,382
Total statutory fees and fines	550,830	435,532
Statutory fees and fines are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.		
3.3 User charges		
Rent	56,699	32,214
Vic Roads agency fees	280,509	239,637
Contract care fees	211,394	233,612
Greenwaste fees	52,183	81,868
Hire fees	66,264	57,178
User charges – Energy Breakthrough	199,520	165,145
Community service charges	636,319	764,700
Caravan park fees	77,705	77,020
Other user fees	374,327	565,114
Total user charges	1,954,920	2,216,488
User fees are recognised as revenue when the service has been provided or council has otherwise earned the income.		

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Note 3: Funding for the delivery of our services (continued)		
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	5,549,467	5,717,012
State funded grants	6,758,046	8,936,567
Total grants received	12,307,513	14,653,579
Operating Grants		
Recurrent – Commonwealth Government		
Commonwealth Financial Assistance Grants – unallocated	2,879,650	2,729,934
Commonwealth Financial Assistance Grants – local roads	1,228,552	1,195,097
Commonwealth Home Support Program	900,946	696,733
Recurrent – State Government		
Community	966,853	1,437,233
Health & Human Services	2,236,108	2,161,236
Heritage & Culture	150,077	148,011
Economic Development	150,000	–
Recreation	42,000	18,303
Transport	30,000	–
Administration	30,589	40,000
Waste & Environment	51,093	116,414
Total recurrent operating grants	8,665,868	8,542,961
Capital Grants		
Recurrent – Commonwealth Government		
Roads to recovery	540,319	1,095,248
Recurrent – State Government		
Nil		
Total recurrent capital grants	540,319	1,095,248
Non-recurrent – State Government		
Community	300,000	8,750
Community – Flood Works	818,726	4,200,691
Recreation	510,292	64,301
Transport	1,328,400	741,628
Waste	130,000	–
Admin	13,908	–
Total non-recurrent capital grants	3,101,326	5,015,370
Total capital grants	3,641,645	6,110,618
Total grants	12,307,513	14,653,579
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	333,242	1,435,658
Received during the financial year and remained unspent at balance date	2,430,089	308,502
Received in prior years and spent during the financial year	(215,247)	(1,410,918)
Balance at year end	2,548,084	333,242

3.4 Funding from other levels of government (continued)	2019	2018
	\$	\$
Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal) or upon earlier notification that a grant has been secured.		

3.5 Contributions

Monetary

Parks, open space and streetscapes	8,500	10,600
Contributions from community groups	276,301	376,711
Total monetary contributions	284,801	387,311

Contributions of non monetary assets were received in relation to the following asset classes

Artwork collection	11,693	–
Mayoral chains	100,000	–
Plant and equipment	–	5,000
Land under roads	–	157,636
Gravel contributions	62,552	224,766
Total non monetary contributions	174,245	387,402

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	597,260	213,482
Written down value of assets disposed	(577,407)	(273,792)
Written down value of infrastructure assets written off	(53,188)	(1,661,986)
Written down value of land assets written off	(225,000)	–
Written down value of building assets written off	(61,033)	–
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(319,368)	(1,722,296)

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

Interest on investments	201,808	128,430
Rent	20,267	45,610
Donations/ sponsorships	155,050	10,000
Special Charge Scheme	59,380	33,765
Reimbursements	45,330	44,410
Other	24,282	9,579
Total other income	506,117	271,794

Interest is recognised as it is earned.

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 3: Funding for the delivery of our services (continued)	2019	2018
	\$	\$
3.8 Found and gifted assets		
Infrastructure assets	125,893	1,279,924
Land assets	1,669,000	–
Building assets	1,245,534	–
Total found and gifted assets	3,040,427	1,279,924

Found assets arise as a result of Council's continuous inspection regime/asset management processes. Where an asset is identified as not being currently recorded in Council's asset management system, it is brought to account in accordance with Council's asset valuation methodology as per Note 6.2.

Note 4: The cost of delivering services

4.1 Employee costs

Wages and salaries	10,541,530	10,200,648
Long Service Leave	387,972	446,171
Superannuation	1,132,953	1,036,277
Fringe benefits tax	113,600	128,819
WorkCover insurance premium	175,550	148,666
Other employee related expenses	147,694	141,088
Total employee costs	12,499,299	12,101,669

Superannuation

Council made contributions to the following funds:

Defined benefit fund

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	89,874	93,598
	89,874	93,598

Defined benefits employer contributions payable at reporting date.

	–	–
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Accumulation funds

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	613,353	551,767
Employer contributions – other funds	352,665	316,003
	966,018	867,770

Employer contributions payable at reporting date.	77,061	74,909
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Refer to note 9.3 for further information relating to Council's superannuation obligations.

4.2 Materials and services

Contractors	6,687,358	6,431,126
Operating lease payments	103,401	117,483
Grants and contributions	153,428	146,243
Event support – Energy Breakthrough	313,630	345,100
Section 86 committees of management	153,303	116,594
Other materials and services	772,245	1,205,831
Total materials and services	8,183,365	8,362,377

	2019 \$	2018 \$
4.3 Bad and doubtful debts		
Other debtors	47,702	24,268
Total bad and doubtful debts	47,702	24,268
Movement in provision for doubtful debts		
Balance at the beginning of the year	(45,212)	(25,635)
New provisions recognised during the year	(36,412)	(22,360)
Amounts already provided for and written off as uncollectable	33,586	2,783
Balance at end of year	(48,038)	(45,212)

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

4.4 Depreciation

Property – buildings	1,466,888	1,266,075
Plant, machinery and equipment	308,760	415,555
Fixtures, fittings and furniture	114,470	131,585
Infrastructure	6,340,715	5,409,153
Total depreciation	8,230,833	7,222,368

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

4.5 Borrowing costs

Interest on borrowings	146,115	157,279
Total borrowing costs	146,115	157,279

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

4.6 Other expenses

Councillors' allowances	372,207	303,913
Auditors' remuneration – internal auditor	64,516	50,987
Auditors' remuneration – audit of the financial statements, performance statements and grant acquittals by the Victorian Auditor General's Office (VAGO)	44,300	43,200
Total other expenses	481,023	398,100

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Note 5: Our financial position		
5.1 Financial assets		
(a) Cash and cash equivalents		
Term deposits	–	5,000,000
Cash at bank	1,867,025	2,463,846
Cash on hand	1,350	1,000
Total cash and cash equivalents	<u>1,868,375</u>	<u>7,464,846</u>
(b) Other financial assets		
Term deposits – current	10,250,000	1,520,965
Total other financial assets	<u>10,250,000</u>	<u>1,520,965</u>
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
– Trust funds and deposits (Note 5.4)	303,880	436,138
– Unexpended grants (Note 3.4)	2,548,084	333,242
Total restricted funds	<u>2,851,964</u>	<u>769,380</u>
Total unrestricted cash and cash equivalents	<u>(983,590)</u>	<u>6,695,466</u>
Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less.		
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.		
(c) Trade and other receivables		
Current Statutory receivables		
Rates debtors	1,342,698	1,182,745
Net Australian Tax Office – GST receivable	186,183	178,778
Total statutory receivables	<u>1,528,882</u>	<u>1,361,523</u>
Others		
Victorian Government Grant Debtors	1,381,094	369,213
Infringements	11,694	10,230
Employee Related debtors	5,464	14,524
Families and Child care	92,989	69,823
Private works	12,777	18,830
Aged care	44,872	47,277
Special Charge Scheme	–	11,302
Sundry debtors	75,843	129,214
Total other receivables	<u>1,624,733</u>	<u>670,413</u>
Provision for doubtful debts – other debtors	(48,038)	(45,212)
Total current trade and other receivables	<u>3,105,576</u>	<u>1,986,724</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.

	2019	2018
	\$	\$
5.1 Financial assets (continued)		
(c) Trade and other receivables (continued)		
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)	1,509,680	583,618
Past due by up to 30 days	182,631	117,892
Past due between 31 and 180 days	57,467	95,983
Past due between 181 and 365 days	41,511	51,698
Past due by more than 1 year	19,627	–
Total trade and other receivables	1,810,916	849,191
5.2 Non-financial assets		
(a) Inventories		
Inventories held for sale	119,114	98,191
Total inventories	119,114	98,191
Inventories held for sale are measured at the lower of cost and net realisable value.		
(b) Other assets		
Prepayments	151,404	264,777
Accrued Income	65,625	18,116
Total other assets	217,029	282,893
5.3 Interest-bearing loans and borrowings		
Current		
Borrowings – secured (1)	3,841,163	2,846,293
Finance lease	5,630	11,260
	3,846,793	2,857,553
Non-current		
Borrowings – secured (1)	38,520	1,596,934
Finance lease	–	5,630
	38,520	1,602,564
Total	3,885,313	4,460,117
(1) Borrowings are secured by a charge over the general rates of the Council.		
(a) The maturity profile for Council's borrowings is:		
Not later than one year	3,841,163	2,846,293
Later than one year and not later than five years	38,520	1,596,934
Total	3,879,683	4,443,227

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 5: Our financial position 2019
\$ 2018
\$

5.3 Interest-bearing loans and borrowings (continued)

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

(b) The maturity profile for Council's finance lease liability is:

Not later than one year	5,630	11,260
Later than one year and not later than five years	–	5,630
Total	5,630	16,890

5.4 Payables

Trade and other payables

Trade payables	2,704,770	2,335,161
Accrued salaries and wages	233,454	234,804
Unearned revenue	7,279	7,136
Accrued interest	9,724	10,359
Total trade and other payables	2,955,227	2,587,460

Trust funds and deposits

Refundable deposits	62,300	73,300
Retention amounts	225,519	346,626
Fire Services Property Levy	16,061	16,212
Total trust funds and deposits	303,880	436,138

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

Purpose and nature of items

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

Fire Services Property 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.

5.5 Provisions

	Employee provisions	Gravel Pit rehabilitation	Total
2019			
Balance at beginning of the financial year	3,032,051	69,115	3,101,166
Additional provisions	996,289	–	996,289
Amounts used	(1,148,182)	–	(1,148,182)
Increase in the discounted amount arising because of time and the effect of any change in the discount rate	22,258	19,683	41,941
Balance at the end of the financial year	2,902,416	88,798	2,991,214
2018			
Balance at beginning of the financial year	3,095,233	79,190	3,174,423
Additional provisions	904,346	–	904,346
Amounts used	(983,405)	–	(983,405)
Increase/(Decrease) in the discounted amount arising because of time and the effect of any change in the discount rate	15,877	(10,075)	5,802
Balance at the end of the financial year	3,032,051	69,115	3,101,166
Employee provisions		2019	2018
Current provisions expected to be wholly settled within 12 months		\$	\$
Annual leave		598,926	701,021
Long service leave		1,931,486	1,807,222
Total current provisions expected to be wholly settled within 12 months		2,530,412	2,508,243
Current provisions expected to be wholly settled after 12 months			
Annual leave		110,028	167,357
Total current provisions expected to be wholly settled after 12 months		110,028	167,357
Total current employee provisions		2,640,440	2,675,600
Non-current provisions			
Long service leave		261,976	356,451
Total non-current employee provisions		261,976	356,451
Aggregate carrying amount of employee provisions			
Current		2,640,440	2,675,600
Non-current		261,976	356,451
Total aggregate carrying amount of employee provisions		2,902,416	3,032,051

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

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Note 5: Our financial position		
5.5 Provisions (continued)		
<i>Long service leave</i>		
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.		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.313%	3.875%
Weighted average discount rates	1.324%	2.647%
Weighted average long service leave settlement period	15 years	15 years
Gravel pit rehabilitation		
Current provisions		
Gravel pit rehabilitation	20,326	–
Total current gravel pit rehabilitation provision	20,326	–
Non-current provisions		
Gravel pit rehabilitation	68,472	69,115
Total non-current gravel pit rehabilitation provision	68,472	69,115
Aggregate carrying amount of gravel provisions		
Current	20,326	–
Non-current	68,472	69,115
Total aggregate carrying amount of gravel provisions	88,798	69,115
Council is obligated to restore the Dunolly and Daisy Hill Gravel Pit sites to a particular standard once all gravel has been exhausted. The provision for Gravel pit restoration is based on liability calculations performed by the Manager Infrastructure Services, approved by DELWP. The liability is based on discounted values as the majority of works are expected to be undertaken beyond the next 12 months. Council does not expect to receive reimbursement from a third party.		
Aggregate carrying amount of provisions:		
Current	2,660,766	2,675,600
Non-current	330,448	425,566
Total aggregate carrying amount of provisions	2,991,214	3,101,166
5.6 Financing arrangements		
Credit card facilities	50,000	50,000
Interest bearing loans and borrowings	3,885,313	4,460,117
Total facilities	3,935,313	4,510,117
Used credit card facilities	15,447	11,425
Unused credit card facilities	3,919,866	4,498,692

5.7 Commitments

(a) Contractual 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.

	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 \$
2019					
Operating					
Management of Council facilities	673,000	687,000	–	–	1,360,000
Waste services	1,980,000	2,030,000	4,214,000	–	8,224,000
Total operating commitments	2,653,000	2,717,000	4,214,000	–	9,584,000
2018					
Operating					
Management of Council facilities	673,000	673,000	687,000	–	2,033,000
Waste services	1,961,000	2,038,000	6,602,000	–	10,601,000
Total operating commitments	2,634,000	2,711,000	7,289,000	–	12,634,000

(b) Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):

	2019 \$	2018 \$
Not later than one year	93,939	93,602
Later than one year and not later than five years	399,239	397,999
Later than five years	410,704	496,975
Total operating lease commitments	903,882	988,576

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

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

	2019	2018
	\$	\$
Note 6: Assets we manage		
6.1 Non-current assets classified as held for sale		
Industrial land held for sale	245,223	573,394
Total non-current assets classified as held for sale	245,223	573,394
Movement in non-current assets classified as held for sale		
Balance at beginning of financial year	573,394	245,223
Disposals	(328,171)	–
Transfers (to)/from property, infrastructure, plant and equipment	–	328,171
Balance at end of financial year	245,223	573,394

Valuation of industrial land held for sale

Non-current assets classified as held for sale (including disposal groups) are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets, disposal groups and related liabilities and assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value		Additions		Found assets / Contributions		Revaluation		Depreciation		Disposal		Transfers		At Fair Value	
	\$	30 June 2018	\$		\$		\$		\$		\$		\$		\$	30 June 2019
Land	9,378,907	–	–	1,669,000	798,041	–	–	–	–	–	(225,000)	52,538	11,673,486			
Buildings	37,013,047	–	–	1,245,534	(3,637,379)	(1,466,888)	–	–	–	–	(61,033)	372,785	33,466,066			
Plant and Equipment	4,719,556	–	–	111,693	(20,241)	(423,230)	–	–	–	–	(249,236)	684,982	4,823,524			
Infrastructure	266,524,884	–	–	125,893	173,745	(6,340,715)	–	–	–	–	(53,188)	2,935,193	263,365,812			
Work in progress	390,177	4,944,542	–	–	–	–	–	–	–	–	–	(4,047,403)	1,287,316			
TOTAL	318,026,571	4,944,542	4,944,542	3,152,120	(2,685,833)	(8,230,833)	(2,685,833)	(1,905)	(588,457)	(1,905)	(1,905)	(1,905)	314,616,204			

Summary of Work in Progress (WIP)

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
Land	–	52,538	(52,538)	–	–
Buildings	21,048	453,410	(372,785)	(290)	101,383
Plant and Equipment	–	684,982	(684,982)	–	–
Infrastructure	369,129	3,753,612	(2,935,193)	(1,615)	1,185,933
TOTAL	390,177	4,944,542	(4,045,498)	(1,905)	1,287,316

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

6.2 Property, infrastructure, plant and equipment (continued)

Asset recognition thresholds and depreciation periods

Asset category	Depreciation Period (years)		Threshold Limit \$
	2019	For the year ended 30 June: 2018	
Property			
land	–	–	1
land improvements	5–100 years	5–100 years	2,000
Buildings			
buildings	25–250 years	2–70 years	5,000
building improvements	15–125 years	5–100 years	2,000
Plant and Equipment			
plant, machinery and equipment	2–40 years	2–40 years	2,000
fixtures, fittings and furniture	2–20 years	2–20 years	2,000
computers and telecommunications	2–10 years	2–10 years	2,000
artworks	–	–	1
Infrastructure			
road pavements and seals	15–60 years	15–60 years	10,000
kerb and channel	20–50 years	20–50 years	1,000
pathways	30–50 years	30–50 years	1,000
bridges and major culverts	70–100 years	70–100 years	10,000
drainage	40–100 years	40–100 years	3,000
minor culverts	80 years	80 years	600
monuments	200 years	200 years	2,000
waste water assets	20–60 years	20–60 years	10,000
traffic control facilities	50 years	50 years	5,000

6.2 Property, infrastructure, plant and equipment (continued)

	Land under Roads specialised		Total Land	Buildings		Total Buildings	Work In Progress	Total Property
	\$	\$		\$	\$			
At fair value 1 July 2018	381,486	8,997,421	9,378,907	83,751,900	83,751,900	21,048	93,151,855	
Accumulated depreciation at 1 July 2018	-	-	-	(46,738,853)	(46,738,853)	-	(46,738,853)	
Written down value at 1 July 2018	381,486	8,997,421	9,378,907	37,013,047	37,013,047	21,048	46,413,002	
Movements in fair value								
Additions	-	-	-	-	-	505,948	505,948	
Revaluation	-	1,072,041	1,072,041	4,789,795	4,789,795	-	5,861,836	
Gifted assets	-	1,669,000	1,669,000	4,308,386	4,308,386	-	5,977,386	
Disposals	-	(225,000)	(225,000)	(2,985,112)	(2,985,112)	-	(3,210,112)	
Disposals recognised against revaluation reserve	-	(274,000)	(274,000)	(1,488,253)	(1,488,253)	-	(1,762,253)	
Transfers	-	52,538	52,538	372,785	372,785	(425,613)	(290)	
Movements in value for year	-	2,294,579	2,294,579	4,997,601	4,997,601	80,335	7,372,515	
Movements in accumulated depreciation								
Depreciation	-	-	-	(1,466,888)	(1,466,888)	-	(1,466,888)	
Accumulated depreciation of gifted assets	-	-	-	(3,062,852)	(3,062,852)	-	(3,062,852)	
Accumulated depreciation of disposals	-	-	-	2,924,079	2,924,079	-	2,924,079	
Revaluation	-	-	-	(6,938,921)	(6,938,921)	-	(6,938,921)	
Movements in accumulated depreciation for year	-	-	-	(8,544,582)	(8,544,582)	-	(8,544,582)	
At fair value 30 June 2019	381,486	11,292,000	11,673,486	88,749,501	88,749,501	101,383	100,524,370	
Accumulated depreciation at 30 June 2019	-	-	-	(55,283,435)	(55,283,435)	-	(55,283,435)	
Written down value at 30 June 2019	381,486	11,292,000	11,673,486	33,466,066	33,466,066	101,383	45,240,935	

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

6.2 Property, infrastructure, plant and equipment (continued)

(b) Plant and Equipment

	Plant, machinery and equipment \$	Fixtures, fittings and furniture \$	Artwork collection \$	Library collection \$	Work In Progress \$	Total plant and equipment \$
At fair value 1 July 2018	7,313,780	3,559,422	210,990	349,277	-	11,433,469
Accumulated depreciation at 1 July 2018	(3,363,603)	(3,350,310)	-	-	-	(6,713,913)
Written down value at 1 July 2018	3,950,177	209,112	210,990	349,277	-	4,719,556
Movements in fair value						
Additions	-	-	-	-	684,982	684,982
Revaluation increments/decrements	-	-	-	(20,241)	-	(20,241)
Disposals	(249,236)	-	-	-	-	(249,236)
Transfers	508,505	276,477	11,693	-	(684,982)	111,693
Movements in value for year	259,269	276,477	11,693	(20,241)	-	527,198
Movements in accumulated depreciation						
Depreciation	(308,760)	(114,470)	-	-	-	(423,230)
Accumulated depreciation of disposals	-	-	-	-	-	-
Movements in accumulated depreciation for year	(308,760)	(114,470)	-	-	-	(423,230)
At fair value 30 June 2019	7,573,049	3,835,899	222,683	329,036	-	11,960,667
Accumulated depreciation at 30 June 2019	(3,672,363)	(3,464,780)	-	-	-	(7,137,143)
Written down value at 30 June 2019	3,900,686	371,119	222,683	329,036	-	4,823,524

6.2 Property, infrastructure, plant and equipment

6.2 Property, infrastructure, plant and equipment (continued)

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Other structures	Work In Progress	Total Infrastructure
	\$	\$	\$	\$	\$	\$	\$
At fair value 1 July 2018	244,491,368	42,474,491	9,055,262	21,556,522	31,845,147	369,129	349,791,919
Accumulated depreciation at 1 July 2018	(51,939,497)	(13,321,480)	(2,531,538)	(6,271,890)	(8,833,501)	–	(82,897,906)
Written down value at 1 July 2018	192,551,871	29,153,011	6,523,724	15,284,632	23,011,646	369,129	266,894,013
Movements in fair value							
Additions	–	–	–	–	–	3,753,612	3,753,612
Gifted assets	116,773	–	6,375	–	2,745	–	125,893
Revaluation	–	–	–	171,302	2,443	–	173,745
Disposals	(29,555)	–	(457)	–	(23,176)	–	(53,188)
Transfers	2,090,863	231,357	166,330	56,660	389,983	(2,936,808)	(1,615)
Movements in value for year	2,178,081	231,357	172,248	227,962	371,995	816,804	3,998,447
Movements in accumulated depreciation							
Depreciation	(3,610,892)	(430,981)	(964,601)	(216,565)	(1,117,676)	–	(6,340,715)
Accumulated depreciation of disposals	–	–	–	–	–	–	–
Movements in accumulated depreciation for year	(3,610,892)	(430,981)	(964,601)	(216,565)	(1,117,676)	–	(6,340,715)
At fair value 30 June 2019	246,669,449	42,705,848	9,227,510	21,784,484	32,217,142	1,185,933	353,790,366
Accumulated depreciation at 30 June 2019	(55,550,389)	(13,752,461)	(3,496,139)	(6,488,455)	(9,951,177)	–	(89,238,621)
Written down value at 30 June 2019	191,119,060	28,953,387	5,731,371	15,296,029	22,265,965	1,185,933	264,551,745

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Recognition and measurement of property, infrastructure, plant and equipment

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

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

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Council recognises land under roads that it owns at fair value.

Depreciation

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

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

Road 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 previously and are consistent with the prior year unless otherwise stated.

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated on a straight line basis over their estimated useful lives to the Council where it is likely that Council will obtain ownership of the asset or over the term of the lease, whichever is shorter. Leased assets are currently being amortised over a 10 year period.

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, VRC Property Service (Michael Marsiglio Certified Practising Valuer API Member No. 63349), as at 30 June 2019. 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 will have a significant impact on the fair value of these assets.

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

	Date of Valuation	Level 1	Level 2	Level 3
Specialised land	30.06.2018	–	–	381,486
Land	30.06.2014	–	–	4,318,000
Land	30.06.2019	–	–	6,974,000
Buildings	30.06.2019	–	–	33,466,066
Total property		–	–	45,139,552

6.2 Property, infrastructure, plant and equipment (continued)

Valuation of infrastructure

The valuation of infrastructure assets has been determined as at 30 June 2018 in accordance with work undertaken by Council's Asset Coordinator William Scott (B Eng/Bus).

The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation. Those asset groups recorded at Council valuation are subject to an annual indexation process based on the consumer price index movement.

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

	Date of Valuation	Level 1	Level 2	Level 3
Roads	30.06.2018	–	–	191,119,060
Footpaths and cycleways	30.06.2018	–	–	5,731,371
Drainage	30.06.2019	–	–	15,296,029
Bridges	30.06.2018	–	–	28,953,387
Other structures	30.06.2018	–	–	22,265,965
Total infrastructure		–	–	263,365,812

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 6: Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$71 and \$117 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$250 to \$5,000 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 15 years to 250 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 2 years to 200 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.

Reconciliation of specialised land	2019	2018
	\$	\$
Land under roads	381,486	381,486
Total specialised land	381,486	381,486

6.3 Investments in associates, joint arrangements and subsidiaries

Council does not have any investments in associates, joint arrangements or subsidiaries.

Committees of management

All entities controlled by Council that have material revenues, expenses, assets and 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.

The following *Local Government Act 1989* Section 86 Committees of Council has been consolidated into this financial report:

Energy Breakthrough and the Tullaroop Leisure Centre.

Note 7: People and relationships

7.1 Council and key management remuneration

(a) Related Parties

Parent entity

Central Goldfields Shire Council is the parent entity.

Subsidiaries and Associates

As at 30 June 2019 Council does not have any interests in any subsidiaries and/or associates.

(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/ Administrators

Chair of Administrators Noel Harvey

Administrator Hugh Delahunty

Administrator Karen Douglas

Chief Executive Officer and other Key Management Personnel

Lucy Roffey – Chief Executive Officer

Rebecca Stockfeld – General Manager Infrastructure Assets & Planning

Paul Brumby – General Manager Corporate Performance

Brenton West – General Manager Community Wellbeing (01.07.2018 to 10.04.2019)

Martin Collins – General Manager Community Wellbeing (03.06.2019 to 30.06.2019)

Melanie Rogers – Director Business Transformation (01.07.2018 to 26.10.2018)

	2019	2018
	No.	No.
Total Number of Councillors/Administrators	3	11
Chief Executive Officer and other Key Management Personnel	6	11
Other people who have acted as Key Management Personnel throughout the year	–	1
Total Key Management Personnel	9	23

(c) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2019	2018
	\$	\$
Short-term benefits	1,123,961	1,245,787
Termination benefits	–	250,949
Long-term benefits	31,745	56,645
Total Remuneration of Key Management Personnel	1,155,706	1,553,381

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 7: People and relationships (continued)

7.1 Council and key management remuneration (continued)

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

Income Range:	2019 No.	2018 No.
\$1 – \$9,999	–	6
\$10,000 – \$19,999	1	5
\$40,000 – \$49,999	1	4
\$70,000 – \$79,999	–	1
\$80,000 – \$89,999	2	2
\$90,000 – \$99,999	–	1
\$100,000 – \$109,999	–	1
\$130,000 – \$139,999	1	–
\$160,000 – \$169,999	1	1
\$180,000 – \$189,999	1	–
\$190,000 – \$199,999	1	–
\$240,000 – \$249,999	1	–
\$280,000 – \$289,999	–	1
\$320,000 – \$329,999	–	1
Total Key Management Personnel	9	23

(d) Senior Officers Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$148,000

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

Income Range:	2019 No.	2018 No.
\$30,000 – \$39,999	–	1
\$110,000 – \$119,999	–	1
\$145,000 – \$149,999	1	1
\$150,000 – \$159,999	1	–
\$180,000 – \$189,999	1	–
\$200,000 – \$209,999	1	–
\$220,000 – \$229,999	1	–
	<u>5</u>	<u>3</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	915,396	300,012

7.2 Related party disclosure	2019	2018
	\$	\$
(a) Transactions with related parties		
During the period Council entered into the following transactions with related parties.		
Purchase of goods and services under normal trading terms		
– Payments to Asteria Services Inc (Cr Chris Meddows-Taylor was a Director)	–	231
– Payments to Bendigo Tourism Board associated with Victorian Goldfields Tourism Executive Inc (Cr Chris Meddows-Taylor was Chairman)	–	750
– Payments to Unified Community Sports & Leisure Centre Pty Ltd (Cr Gerard Murphy was a Director)	–	109,833
– Payments to Coliban Water (Lucy Roffey is Chair of the Board)	28,210	8,521
Total transactions with related parties	28,210	119,335

All of the above transactions were at arms length and in the normal course of Council's business.

(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

	2019	2018
	\$	\$
Purchase of goods and services under normal trading terms	–	–
Total outstanding balances with related parties as at 30 June	–	–

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**

Note 8: Managing uncertainties

8.1 Contingent assets and liabilities

Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

In addition to the disclosed contributions, Central Goldfields Shire Council has paid unfunded liability payments to Vision Super totalling \$0 paid during the 2018/19 year (\$0 paid during the 2017/18 year). There were no contributions outstanding and no loans issued from or to the above scheme as at 30 June 2019. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2020 are \$90,000.

Liability Mutual Insurance

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

Contingent liabilities

Guarantees

(a) Reinstatement of quarries

Council has provided a bank guarantee to DELWP for the reinstatement of quarries.

At balance date the Council's exposure as a result of these guarantees is:

Bank guarantee – Department of Environment, Land, Water and Planning	60,500	60,500
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(b) Waste disposal site rehabilitation

The Council operated a waste disposal site at the Carisbrook landfill.

This has now been rehabilitated in accordance with EPA requirements.

A separate bank guarantee is provided for any remedial works if they are required in the future.	460,000	460,000
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The Council is not aware of any other contingent liabilities as at the date of this report.

Contingent assets

Developer contributions are to be received in respect of land currently under development. At this point in time their timing and potential amount can not be reliably assessed.

8.2 Change in accounting standards

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

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

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

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

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

Leases (AASB 16) (applies 2019/20)

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

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Based on our current lease commitments and an assumption of a continuation of the current leasing arrangements Council expects that the transition to the new standard will see the initial recognition of \$901,237 in lease related assets and an equivalent liability

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

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

8.3 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables). 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.

(c) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

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

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

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

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

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 8: Managing uncertainties (continued)

8.3 Financial Instruments (continued)

(d) 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. To help manage this risk:

- Council has a policy for establishing credit limits for the entities it deals with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have the recognised credit rating specified in its 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. At balance date Council has not provided any guarantees to any third parties.

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.

(e) Liquidity risk

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

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis.

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 5.3.

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

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +2.0% and -1.0% in market interest rates (AUD) from year-end cash rates of 2.2% (2.65% at 30 June 2018).

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

8.4 Fair value measurement

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

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

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

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

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

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

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from three to five 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.

**NOTES TO THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2019**
Note 9: Other matters
9.1 Reserves
(a) Asset revaluation reserve

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
2019			
Plant and equipment			
Library book stock	49,259	(20,241)	29,018
	49,259	(20,241)	29,018
Property			
Land	4,015,354	798,041	4,813,395
Buildings	16,605,590	(3,637,378)	12,968,212
Total property revaluation reserve	20,620,944	(2,839,337)	17,781,607
Infrastructure			
Roads	127,537,147	–	127,537,147
Kerb and channel	10,192,832	–	10,192,832
Pathways	4,234,432	–	4,234,432
Bridges and major culverts	20,336,268	–	20,336,268
Drainage	5,544,925	171,302	5,716,227
Minor culverts	7,198,143	–	7,198,143
Monuments	323,186	–	323,186
Waste water assets	260,492	2,443	262,935
Traffic control facilities	89,918	–	89,918
Total infrastructure revaluation reserve	175,717,343	173,745	175,891,088
Total asset revaluation reserves	196,387,546	(2,685,833)	193,701,713
2018			
Plant and equipment			
Library book stock	29,729	19,530	49,259
	29,729	19,530	49,259
Property			
Land	4,015,354	–	4,015,354
Buildings	16,605,590	–	16,605,590
Total property revaluation reserve	20,620,944	–	20,620,944
Infrastructure			
Roads	119,945,070	7,592,077	127,537,147
Kerb and channel	10,128,284	64,548	10,192,832
Pathways	4,213,591	20,841	4,234,432
Bridges and major culverts	18,698,536	1,637,732	20,336,268
Drainage	5,325,022	219,903	5,544,925
Minor culverts	1,866,124	5,332,019	7,198,143
Monuments	321,371	1,815	323,186
Waste water assets	255,678	4,814	260,492
Traffic control facilities	33,591	56,327	89,918
Total infrastructure revaluation reserve	160,787,267	14,930,076	175,717,343
Total asset revaluation reserves	181,437,940	14,949,606	196,387,546

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

9.1 Reserves (continued)

	Balance at beginning of reporting period \$	Transfer from accumulated surplus \$	Balance at end of reporting period \$
(b) Other reserves			
2019			
Unfunded superannuation	450,000	–	450,000
Open space	10,600	8,500	19,100
Total other reserves	460,600	8,500	469,100
2018			
Unfunded superannuation	350,000	100,000	450,000
Open space	–	10,600	10,600
Total other reserves	350,000	110,600	460,600

The nature and purpose of each reserve is listed below:

Unfunded Superannuation

This reserve is used to assist in funding future liabilities related to Defined Benefits Superannuation. Transfers to and from the reserve are based on the budgeted reserve position at the end of the reporting period.

Open Space

This reserve contains contributions paid by developers undertaking the subdivision of residential land. These funds are required to be expended on the creation or expansion of recreational opportunities for the community, and are held until such time the relevant expenditure is incurred.

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

	2019 \$	2018 \$
Surplus for the year	3,603,017	3,688,404
Depreciation	8,230,833	7,222,368
Net loss on disposal of property, infrastructure, plant and equipment	319,368	1,722,296
Works in progress expensed during the year	1,905	–
Borrowing costs	146,115	157,279
Contributions – non monetary assets	(174,245)	(387,402)
Found assets	(3,040,427)	(1,279,924)
Change in assets and liabilities:		
(Increase)/Decrease in trade and other receivables	(1,118,852)	(51,154)
Decrease in inventories	(20,923)	(27,248)
Decrease in prepayments	113,373	825
(Increase)Decrease in accrued income	(47,509)	1,509,415
Increase in trade and other payables	430,955	345,498
Decrease in provisions	(109,952)	(73,257)
Increase/(Decrease) in trust funds and deposits	(132,258)	81,917
Net cash provided by operating activities	8,201,400	12,909,017

NOTES TO THE FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2019

Note 9: Other matters (continued)

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 Income 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 2019, 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 Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Funding arrangements

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

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

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

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

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

Employer contributions

(a) Regular contributions

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

(b) Funding calls

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

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

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

2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

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

A VBI surplus of \$131.9 million
A total service liability surplus of \$218.3 million.
A discounted accrued benefits surplus of \$249.1 million.

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

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 2018. 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 2018.

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

2019 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2019 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2019.

CERTIFICATION OF THE FINANCIAL STATEMENTS

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



Paul Brumby

Principal Accounting Officer

Date: 24 September 2019

Maryborough

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

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

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



Noel Harvey

Chair of Administrators

Date: 24 September 2019

Maryborough



Karen Douglas

Administrator

Date: 24 September 2019

Maryborough



Lucy Roffey

Chief Executive Officer

Date: 24 September 2019

Maryborough



Independent Auditor's Report

To the Councillors of Central Goldfields Shire Council

Opinion	<p>I have audited the financial report of Central Goldfields Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2019 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including significant accounting policies • certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

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
30 September 2019



Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria



PERFORMANCE STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Located at the geographical centre of Victoria, Central Goldfields Shire covers 1,532 square kilometres and has an approximate population of 13,000 people.

Maryborough is the shire's major business centre with a population of around 7,900. Maryborough has gained recognition in recent years as having some of the finest sporting facilities in regional Victoria, together with significant historical buildings dating back to the goldmining era of the 1850s.

Other towns in the Shire include, Bealiba, Carisbrook, Dunolly, Majorca, Talbot and Timor-Bowenvale and the rural districts surrounding these centres. All are famous for their heritage architecture and significant agricultural industries.

The Shire is currently experiencing significant growth with key infrastructure projects and residential developments reaching fruition.

The State Government's commitment to the Shire has seen investments in the areas of health, education, and law and order, together with assistance to economic development activities initiated by Council.

The Shire is located within one hour's drive from main provincial centres of Ballarat and Bendigo and just two hours from Melbourne.

The first democratically elected council for Central Goldfields Shire was elected on 15 March, 1997. In 2005, the Minister for Local Government determined that the number of Councillors to represent the Shire be increased from five to seven.

Central Goldfields Shire Council, by virtue of an Order in Council provided for under the Local Government (Central Goldfields Shire Council) Act 2017, currently has three appointed Administrators.

The next election will be held in October 2020 with Councillors being elected for a four year term.

SUSTAINABLE CAPACITY INDICATORS FOR THE YEAR ENDED 30 JUNE 2019

Sustainable Capacity Indicators <i>Indicator/measure</i>	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Population					
<i>Expenses per head of municipal population</i>	\$2,066.32	\$2,239.01	\$2,293.89	\$2,287.69	No material change.
[Total expenses / Municipal population]					
<i>Infrastructure per head of municipal population</i>	\$21,759.13	\$22,877.53	\$23,609.58	\$23,173.26	No material change.
[Value of infrastructure / Municipal population]					
<i>Population density per length of road</i>	9.54	9.60	10.25	10.22	No material change.
[Municipal population / Kilometres of local roads]					
Own-source revenue					
<i>Own-source revenue per head of municipal population</i>	\$1,289.38	\$1,326.14	\$1,297.94	\$1,586.78	2018-2019 result includes \$3,040,427 in found asset income. When this is removed the result is actually \$1,354.24 per head which is consistent with the prior year.
[Own-source revenue / Municipal population]					
Recurrent grants					
<i>Recurrent grants per head of municipal population</i>	\$604.93	\$863.85	\$737.24	\$704.20	No material change.
[Recurrent grants / Municipal population]					
Disadvantage					
<i>Relative Socio-Economic Disadvantage</i>	1.00	1.00	1.00	1.00	No change.
[Index of Relative Socio-Economic Disadvantage by decile]					

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 2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Aquatic Facilities					
Utilisation					
<i>Utilisation of aquatic facilities</i>	6.82	7.29	7.58	7.55	No material change.
[Number of visits to aquatic facilities / Municipal population]					
Animal Management					
Health and safety					
<i>Animal management prosecutions</i>	0.00	0.00	0.00	0.00	There were no animal management prosecutions during the reporting period.
[Number of successful animal management prosecutions]					
Food Safety					
Health and safety					
<i>Critical and major non-compliance outcome notifications</i>	80.00%	100.00%	0.00%	0.00%	As no food safety assessment were undertaken during the reporting period, no critical or major non-compliant outcomes were identified. Subsequent to 30 June 2019 51% of food safety assessments have been completed. Following these assessments 3 critical or major non-compliant outcomes were identified and have been followed up.
[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] ×100					

SERVICE PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
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Governance

Satisfaction

<i>Satisfaction with council decisions</i>	58.00	51.00	42.00	52.00	Council adopted a Community Engagement Framework and improved its methods of engaging with the community at the end of 2017. These changes and the large amount of work undertaken to improve community and stakeholder engagement has been reflected in a significant increase in the community satisfaction survey results in relation to council making decisions in the interest of the community.
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[Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]

Home and Community Care (HACC)

Participation

<i>Participation in HACC service</i>	23.14%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
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[Number of people that received a HACC service / Municipal target population for HACC services] ×100

Participation

<i>Participation in HACC service by CALD people</i>	12.50%	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
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[Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] ×100

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Libraries					
Participation					
<i>Active library members</i>	30.80%	15.22%	13.98%	14.87%	The significant decrease in active library members from 2015-2016 to 2016-2017 was due to a change in the definition of active library members and how this indicator was calculated.
[Number of active library members / Municipal population] ×100					
Maternal and Child Health (MCH)					
Participation					
<i>Participation in the MCH service</i>	83.28%	79.26%	86.14%	84.20%	No material change.
[Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] ×100					
Participation					
<i>Participation in the MCH service by Aboriginal children</i>	75.00%	69.23%	96.61%	87.32%	There has been a significant improvement over the last 4 years of participation in the MCH service by Aboriginal children. A Service Improvement Plan is in place to endeavour to continue to increase participation for Aboriginal children in the Shire. As the overall numbers of Aboriginal children enrolled in the MCH service is quite low, any changes in participation result in a large percentage fluctuation for this indicator.
[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] ×100					
Roads					
Satisfaction					
<i>Satisfaction with sealed local roads</i>	54.00	51.00	48.00	48.00	No change.
[Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]					

SERVICE PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2019

Service Performance Indicators Service/indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Material Variations and Comments
Statutory Planning					
Decision making					
<i>Council planning decisions upheld at VCAT</i>	0.00%	0.00%	0.00%	100.00%	One planning application went to VCAT during the data reporting period. VCAT upheld Councils decision of refusal in this particular matter.
[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] ×100					
Waste Collection					
Waste diversion					
<i>Kerbside collection waste diverted from landfill</i>	41.36%	42.88%	42.70%	42.96%	No material change.
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] ×100					
Economic Development (optional)					
Economic activity					
<i>Change in number of businesses</i>	0.00%	0.00%	0.00%	0.00%	
[Number of businesses with an ABN in the municipality at the end of the financial year less the number of businesses at the start of the financial year / Number of businesses with an ABN in the municipality at the start of the financial year] ×100					
Immunisation (optional)					
Participation					
<i>Vaccination of children</i>	0.00%	0.00%	0.00%	0.00%	
[Percentage of children who are fully vaccinated in each age group]					
<i>Vaccination of secondary school children</i>	0.00%	0.00%	0.00%	0.00%	
[Number of secondary school children fully vaccinated by council / Total number of secondary school children] ×100					
Sports Grounds (optional)					
Availability					
<i>Population per sports field</i>	0.00	0.00	0.00	0.00	
[Municipal population / Total number of sports fields]					
Street Sweeping (optional)					
Environmental and flooding risk					
<i>Routine cleaning of sealed local road pits</i>	0.00%	0.00%	0.00%	0.00%	
[Number of sealed local road pits requiring cleaning following routine inspection / Total number of sealed local road pits inspected] ×100					

Definitions

- “Aboriginal child” means a child who is an Aboriginal person
- “Aboriginal person” has the same meaning as in the Aboriginal Heritage Act 2006
- “Active library member” means a member of a library who has borrowed a book from the library
- “Annual report” means an annual report prepared by a council under sections 131, 132 and 133 of the Act
- “CALD” means culturally and linguistically diverse and refers to persons born outside Australia in a country whose national language is not English
- “Class 1 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 1 food premises under section 19C of that Act
- “Class 2 food premises” means food premises, within the meaning of the Food Act 1984, that have been declared as class 2 food premises under section 19C of that Act
- “Community Care Common Standards” means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth
- “Critical non-compliance outcome notification” means a notification received by council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- “Food premises” has the same meaning as in the Food Act 1984
- “HACC program” means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth
- “HACC service” means home help, personal care or community respite provided under the HACC program
- “Local road” means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
- “Major non-compliance outcome notification” means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
- “MCH” means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
- “Population” means the resident population estimated by council
- “Target population” has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth
- “WorkSafe reportable aquatic facility safety incident” means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the Occupational Health and Safety Act 2004.



FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2019

Dimension/ indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Forecasts 2020	2021	2022	2023	Material Variations and Comments
Efficiency									
Revenue level									
Average residential rate per residential property assessment	\$1,122.14	\$1,160.71	\$1,484.46	\$1,516.46	\$1,568.61	\$1,599.98	\$1,631.98	\$1,664.62	In 2015-2016 and 2016-2017 residential garbage charges were excluded from the calculation, this was corrected in 2017-2018.
[Residential rate revenue / Number of residential property assessments]									
Expenditure level									
Expenses per property assessment	\$3,130.25	\$3,539.88	\$3,748.50	\$3,738.38	\$3,794.25	\$3,673.88	\$3,744.00	\$3,815.63	No material change.
[Total expenses / Number of property assessments]									
Workforce turnover									
Resignations and terminations compared to average staff	5.37%	7.91%	12.42%	17.57%	6.71%	6.71%	6.71%	6.71%	Material variation partly due to an organisational restructure which occurred during the year, and a number of staff retirements.
[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] ×100									
Liquidity									
Working capital									
Current assets compared to current liabilities	151.68%	145.77%	139.38%	161.82%	164.72%	166.58%	170.42%	174.45%	Cash and term deposits are higher due to the timing of grants received in 2018-2019 which has resulted in unspent grants increasing by \$2.23 million.
[Current assets / Current liabilities] ×100									

Dimension/ indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Forecasts 2020	2021	2022	2023	Material Variations and Comments
Liquidity									
Unrestricted cash									
Unrestricted cash compared to current liabilities	97.57%	57.90%	78.12%	-10.07%	112.27%	113.06%	115.91%	118.60%	Council has improved investment practices in accordance with its Investment policy, resulting in most investment terms being beyond 90 days. Term deposits with a maturity of over 90 days are not included in the calculation of unrestricted cash. If they were this ratio would be 94.87%
[Unrestricted cash / Current liabilities] × 100									
Obligations									
Asset renewal									
Asset renewal compared to depreciation	40.62%	43.93%	142.20%	47.43%	119.36%	66.03%	66.02%	66.02%	This ratio was over inflated in 2017-2018 as a result of capitalised flood recovery works, and returns to the normal range this year.
[Asset renewal expense / Asset depreciation] × 100									
Loans and borrowings									
Loans and borrowings compared to rates	57.25%	45.65%	31.86%	26.45%	21.84%	17.94%	14.43%	11.05%	This ratio has decreased due to the \$574,804 in borrowings repaid during the year in accordance with Council's adopted budget.
[Interest bearing loans and borrowings / Rate revenue] × 100									
Loans and borrowings repayments compared to rates	5.87%	11.63%	5.22%	4.91%	14.62%	4.35%	3.87%	3.65%	This ratio has decreased due to the \$574,804 in borrowings repaid during the year in accordance with Council's adopted budget.
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] × 100									

FINANCIAL PERFORMANCE INDICATORS
FOR THE YEAR ENDED 30 JUNE 2019

Dimension/ indicator/measure	Results 2016	Results 2017	Results 2018	Results 2019	Forecasts 2020	2021	2022	2023	Material Variations and Comments
Obligations									
Indebtedness									
Non-current liabilities compared to own source revenue	28.65%	12.08%	11.95%	1.78%	17.38%	14.57%	12.11%	9.73%	Due to a \$1,500,000 loan due for repayment in November 2019 which is recorded as a current liability as at 30 June 2019 (was a non-current liability in the prior year). Council has budgeted to re-finance this loan.
[Non-current liabilities / Own source revenue] × 100									
Operating position									
Adjusted underlying result									
Adjusted underlying surplus (or deficit)	-6.99%	-1.01%	-11.10%	1.08%	-12.45%	-0.15%	0.05%	0.25%	2018-2019 result includes \$3,040,427 in found asset income. When this is removed the result is actually -9.97% which is consistent with the prior year.
[Adjusted underlying surplus (deficit) / Adjusted underlying revenue] × 100									
Stability									
Rates concentration									
Rates compared to adjusted underlying revenue	45.49%	39.30%	51.86%	48.59%	56.33%	52.85%	52.79%	52.73%	No material change.
[Rate revenue / Adjusted underlying revenue] × 100									
Rates effort									
Rates compared to property values	0.65%	0.63%	0.79%	0.76%	0.72%	0.74%	0.75%	0.77%	No material change.
[Rate revenue / Capital improved value of rateable properties in the municipality] × 100									

Definitions

- “Adjusted underlying revenue” means total income other than:
 - a) non-recurrent grants used to fund capital expenditure; and
 - b) non-monetary asset contributions; and
 - c) contributions to fund capital expenditure from sources other than those referred to above
 - “Adjusted underlying surplus (or deficit)” means adjusted underlying revenue less total expenditure
 - “Asset renewal expenditure” means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
 - “Current assets” has the same meaning as in the AAS
 - “Current liabilities” has the same meaning as in the AAS
 - “Non-current assets” means all assets other than current assets
 - “Non-current liabilities” means all liabilities other than current liabilities
 - “Non-recurrent grant” means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council’s Strategic Resource Plan
- “Own-source revenue” means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
 - “Population” means the resident population estimated by council
 - “Rate revenue” means revenue from general rates, municipal charges, service rates and service charges
 - “Recurrent grant” means a grant other than a non-recurrent grant
 - “Residential rates” means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
 - “Restricted cash” means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
 - “Unrestricted cash” means all cash and cash equivalents other than restricted cash.

OTHER INFORMATION FOR THE YEAR ENDED 30 JUNE 2019

Basis of preparation

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

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

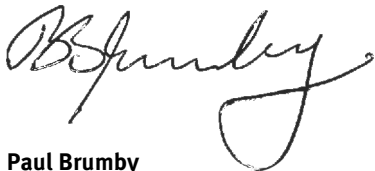
The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material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

The forecast figures included in the performance statement are those adopted by council in its strategic resource plan, and which forms part of the council plan. The strategic resource plan includes estimates based on

key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

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.



Paul Brumby

Principal Accounting Officer

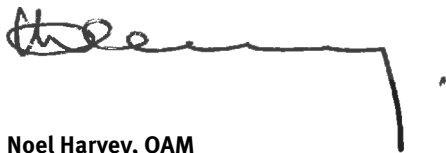
Dated: 24 September 2019

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

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



Noel Harvey, OAM

Chairperson of the panel of Administrators

Dated: 24 September 2019



Karen Douglas

Administrator

Dated: 24 September 2019



Lucy Roffey

Chief Executive Officer

Dated: 24 September 2019

Independent Auditor’s Report

To the Councillors of Central Goldfields Shire Council

Opinion	<p>I have audited the accompanying performance statement of Central Goldfields Shire Council (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2019 • sustainable capacity indicators for the year ended 30 June 2019 • service performance indicators for the year ended 30 June 2019 • financial performance indicators for the year ended 30 June 2019 • other information for the year ended 30 June 2019 (basis of preparation) • certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor’s Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. 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 performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <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 the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor’s responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</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 the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

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

MELBOURNE
30 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

