



**MINUTES OF THE COUNCIL MEETING OF THE HINDMARSH SHIRE COUNCIL HELD  
5 SEPTEMBER 2018 AT THE HEALTH AND FITNESS CENTRE, DIMBOOLA  
COMMENCING AT 3:00PM.**

---

**AGENDA**

**1. Acknowledgement of the Indigenous Community and Opening Prayer**

**2. Apologies**

**3. Confirmation of Minutes**

**4. Declaration of Interests**

**5. Public Question Time**

**6. Deputations**

**7. Correspondence**

**8. Assembly of Councillors**

8.1 Record of Assembly

**9. Planning Permit Reports**

No report

**10. Reports Requiring a Decision**

10.1 Former Rainbow Primary School

**11. Special Committees**

- 11.1 Nhill Town Committee
- 11.2 Rainbow Town Committee

**12. Late Reports**

No report

**13. Other Business**

---

**14. Confidential Matters**

- 14.1 Contract No 2018-19/01 - Tender for Construction of Nhill Skate Park
- 14.2 Change in Contract Award – 2017-2018/11 - Restoration of Flood Affected Roads - Package 1 Revised
- 14.3 Business Assistance Grants Program 2018/19 – Round 1

**15. Meeting Close**

---

**Present:**

Crs R Ismay (Mayor), R Lowe (Deputy Mayor), R Gersch, D Nelson, D Colbert

**In Attendance:**

Mr Greg Wood, (Chief Executive Officer), Ms Monica Revell (Director Corporate and Community Services), Mr Shane Power (Director Infrastructure Services), Ms Shelley Gersch (Executive Assistant)

**1. ACKNOWLEDGEMENT OF THE INDIGENOUS COMMUNITY AND OPENING PRAYER**

Cr R Ismay opened the meeting at 3:00pm by acknowledging the Indigenous Community and offering the opening prayer.

---

**2. APOLOGIES**

Cr T Schneider (leave of absence)

**MOVED: Crs R Gersch/R Lowe**

***That Council accepts the apologies.***

**CARRIED**

**3. CONFIRMATION OF MINUTES**

**RECOMMENDATION:**

***That the Minutes of the Ordinary Council Meeting held on Wednesday 15 August 2018 at the Council Chambers, 92 Nelson Street, Nhill as circulated to Councillors be taken as read and confirmed.***

**MOVED: Crs D Colbert/D Nelson**

***That the Minutes of the Ordinary Council Meeting held on Wednesday 15 August 2018 at the Council Chambers, 92 Nelson Street, Nhill as circulated to Councillors be taken as read and confirmed.***

**CARRIED**

**Attachment: 1**

---

**4. DECLARATION BY COUNCILLORS OR OFFICERS OF ANY DIRECT OR INDIRECT INTEREST IN ANY ITEM ON THE AGENDA.**

- Direct; or
- Indirect interest
  - a ) by close association;
  - b ) that is an indirect financial interest;
  - c ) because of conflicting duties;
  - d ) because of receipt of an applicable gift;
  - e ) as a consequence of becoming an interested party; or
  - f ) because of an impact on residential amenity.

Declaration of direct or indirect interest must also be advised by Councillors at the commencement of discussion of the specific item.

Cr R Ismay declared an indirect interest because of conflicting duties in item 10.1 Former Rainbow Primary School Site.

---

**5. PUBLIC QUESTION TIME**

---

---

**6. DEPUTATIONS**

---

No deputations

---

## 7. CORRESPONDENCE

### 7.1 GENERAL CORRESPONDENCE

**Responsible Officer:** Chief Executive Officer

**Attachment:** 2

**Introduction:**

The following correspondence is tabled for noting by Council:

- Ken Lehmann
  - *Congratulating him on his service to bands in the Wimmera*

**RECOMMENDATION:**

*That Council notes the attached correspondence.*

**MOVED: Crs R Gersch/R Lowe**

*That Council notes the attached correspondence.*

**CARRIED**

*Attachment: 2*

## 8. ASSEMBLY OF COUNCILLORS

**Responsible Officer:** Chief Executive Officer

**Attachment:** 3

**Introduction:**

The attached Assembly of Councillors Records are presented as an attachment to the Council agenda for the information of Councillors and recorded at the Council meeting as required under s80A Local Government Act 1989.

**Options:**

1. That Council accepts the Assembly of Councillors Records as presented.

**RECOMMENDATION:**

*That Council accepts the Assembly of Councillors Records as presented.*

**MOVED: Crs R Lowe/D Nelson**

*That Council accepts the Assembly of Councillors Records as presented.*

**CARRIED**

*Attachment: 3*

---

<b>9. PLANNING PERMITS</b>
----------------------------

No planning permits.

---

<b>10. REPORTS REQUIRING A DECISION</b>
---

Cr R Ismay declared an indirect interest because of conflicting duties and left the room at 3:03pm.

Deputy Mayor, Cr R Lowe assumed the role of Chairperson in Cr R Ismay's absence.

### **10.1 FORMER RAINBOW PRIMARY SCHOOL SITE**

**Responsible Officer:** Chief Executive Officer

**Introduction:**

The purpose of this report is to enter into a lease with the Rainbow Progress Association at the Former Rainbow Primary School Site, 30 Bow Street, Rainbow.

**Discussion:**

At the Council meeting on 6 June 2018, Council resolved to:

1. retain ownership of the property formerly known as the Rainbow Primary School.
2. propose a \$15,000 upfront payment from the Rainbow Progress Association and enter a 15 year lease with annual lease payments of \$1,000 per year for 10 years, then \$100 per year for the following five years.
3. authorise the CEO to discuss Council's proposal with the Rainbow Progress Association and negotiate an outcome ensuring Council are not liable for any expenses on the property (other than Rainbow Skate Park associated expenses).

Under section 190(3)(b) of the Local Government Act if a lease is to be more than 10 years Council must at least 4 weeks before the lease is made, publish a public notice of the proposed lease. Any person wishing to make a submission in relation to Council's intention to lease land. Under section 190(4) a person has a right to make a submission under section 223 on the proposed lease.

Council's intention to enter into a fifteen year lease with Rainbow Progress Association Inc. for the former Rainbow Primary School Site located at 30 Bow Street, Rainbow was advertised in the Rainbow Jeparit Argus on 19 July 2018, Wimmera Mail Times 20 July 2018 and on Council's website with any person proposing to make a written submission in relation to Council's intention having until close of business on Friday 24 August 2018 to make the submission.

At the time of closing no submissions were received in relation to Council's intention to enter into the lease with Rainbow Progress Association.

Negotiations between the CEO and Rainbow Progress Association in relation to the lease are currently being finalised. Upon discussions with Rainbow Progress Association a clause in relation to sale of the property will be included to allow Rainbow Progress Association

first option to purchase the property if Council decide to sell, with the upfront payment of \$15,000 being the deposit.

**Options:**

1. Enter into lease arrangements with Rainbow Progress Association for a period of 15 years.

**Link to Council Plan:**

- 1.1 An actively engaged community.
- 1.1.4 Support and celebrate volunteering and work collaboratively with volunteer groups.
- 3.2 A thriving tourism Industry.
- 3.2.3 Support innovative community-driven events and festivals that stimulate tourism growth in the region.
- 3.2.7 Promote and support local historic assets and heritage groups

**Financial Implications:**

There are financial implications for Council incurring costs associated with the lease agreement preparation.

**Risk Management Implications:**

There are risk management implications from retaining ownership. Council will need to ensure adequate insurance coverage over the property.

**Conflict of Interest:**

Under section 80C of the LGA officers providing advice to Council must disclose any interests, including the type of interest.

Officer Responsible & Author: Monica Revell, Director Corporate & Community Services  
In providing this advice as the Officer Responsible & Author, I have no interests to disclose.

**Communications Strategy:**

Council notify the Rainbow Progress Association of its intentions to finalise the lease arrangement.

**RECOMMENDATION:**

***That Council:***

1. ***Enters into a lease arrangement with Rainbow Progress Association.***
2. ***Lease terms include a \$15,000 upfront payment from the Rainbow Progress Association and a 15 year lease with annual lease payments of \$1,000 per year for 10 years, then \$100 per year for the following five years.***
3. ***Gives first option to purchase the property Rainbow Progress Association should Council decide to sell the property, with the \$15,000 upfront payment being used as the deposit for the purchase.***



- 4. Authorises the CEO to finalise and sign the lease arrangements with the Rainbow Progress Association.***

***MOVED: Crs R Gersch/D Colbert***

***That Council:***

- 1. Enters into a lease arrangement with Rainbow Progress Association for the property known as the former Rainbow Primary School.***
- 2. Lease terms include a \$15,000 upfront payment from the Rainbow Progress Association and a 15 year lease with annual lease payments of \$1,000 per year for 10 years, then \$100 per year for the following five years.***
- 3. Gives first option to purchase the property Rainbow Progress Association should Council decide to sell the property, with the \$15,000 upfront payment being used as the deposit for the purchase.***
- 4. Authorises the CEO to finalise and sign the lease arrangements with the Rainbow Progress Association.***

***CARRIED***

---

Mayor, Cr R Ismay returned to the room at 3:05pm and resumed the role of Chairperson.

---

## 11. SPECIAL COMMITTEES

### 11.1 NHILL TOWN COMMITTEE

**Responsible Officer:** Director Corporate and Community Services  
**Attachment:** 4

**Introduction:**

The Nhill Town Committee held its general meeting on 16 July 2018. The purpose of this report is to note the minutes from this meeting. A copy of the minutes is included as an attachment for the information of Council.

**RECOMMENDATION:**

***That Council notes the minutes of the Nhill Town Committee general meeting held on 16 July 2018.***

***MOVED: Crs R Gersch/D Nelson***

***That Council notes the minutes of the Nhill Town Committee general meeting held on 16 July 2018.***

**CARRIED**

*Attachment: 4*

---

### 11.2 RAINBOW TOWN COMMITTEE

**Responsible Officer:** Director Corporate and Community Services  
**Attachment:** 5

**Introduction:**

The Rainbow Town Committee held its general meeting on 23 July 2018. The purpose of this report is to note the minutes from this meeting. A copy of the minutes is included as an attachment for the information of Council.

**RECOMMENDATION:**

***That Council:***

- 1. notes the minutes of the Rainbow Town Committee general meeting held on 23 July 2018;***
- 2. notes that the Rainbow Town Committee will require Council approval prior to spending the \$7,400 allocated to the Silo Art Trail***

***MOVED: Crs R Lowe/D Nelson***

***That Council:***

- 1. notes the minutes of the Rainbow Town Committee general meeting held on 23 July 2018;***
- 2. notes that the Rainbow Town Committee will require Council approval prior to spending the \$7,400 allocated to the Silo Art Trail***

***CARRIED***

***Attachment: 5***

---

**12. LATE REPORTS**

No report

**13. OTHER BUSINESS**

**14. CONFIDENTIAL REPORTS**

In accordance with Section 89 (2) of the *Local Government Act 1989*, Council may close the meeting to the public if items to be discussed are deemed confidential, that is, if the items to be discussed relate to:

- a) Personnel matters;
- b) The personal hardship of any resident or ratepayer;
- c) Industrial matters;
- d) Contractual matters;
- e) Proposed developments;
- f) Legal advice;
- g) Matters affecting the security of Council property;
- h) Any other matter which the Council or Special Committee considers would prejudice the Council or any person;
- (i) a resolution to close the meeting to members of the public.

**RECOMMENDATION:**

***That the meeting be closed in accordance with Section 89 of the Local Government Act 1989, to consider:***

- 14.1 *Contract No 2018-19/01 - Tender for Construction of Nhill Skate Park***
- 14.2 *Change in Contract Award – 2017-2018/11 - Restoration of Flood Affected Roads - Package 1 Revised***
- 14.3 *Business Assistance Grants 2018/19 Round 1***

**MOVED: Crs R Gersch/R Lowe**

***That the meeting be closed in accordance with Section 89 of the Local Government Act 1989, to consider:***

- 14.1 *Contract No 2018-19/01 - Tender for Construction of Nhill Skate Park***
- 14.2 *Change in Contract Award – 2017-2018/11 - Restoration of Flood Affected Roads - Package 1 Revised***
- 14.3 *Business Assistance Grants 2018/19 Round 1***

**CARRIED**

Council resumed in open session at 3:30pm.

<b>15. MEETING CLOSE</b>
--------------------------

***MOVED: Crs D Colbert***

***That Council remains a member of the Rail Freight Alliance.***

***MOTION LAPSED (no seconder)***

The CEO agreed that officers would present a report to a future Council meeting regarding the Rail Freight Alliance membership.

There being no further business, Cr R Ismay declared the meeting closed at 3:46pm.

---

30<sup>th</sup> July, 2018

Hindmarsh Shire,

I wish to object to a council decision made on 18<sup>th</sup> April, 2018 relating to the opening of the northern section of Nhill-Rainbow Road, between Detpa and Rainbow, as recorded in the council minutes from that meeting (part 11.1).

It is noted in the minutes a request to reopen the road from local farmers who claim they are experiencing financial losses to their businesses, due to extended travel distances by not being able to use the road with heavy vehicles (trucks).

It is noted in the minutes that council has the power to restrict truck access for the following,

- (a) endanger public safety; or (b) damage road infrastructure; or (c) adversely affect public amenity.

The minutes talk about the added distance (11-33 kms) for farmers to haul gypsum from Yanac to Rainbow.

The minutes talk about financial implications (road improvements) with a rare possibility of money being made in the next financial year or more definitely in the 2019-2020 financial year.

What is not noted is that most trucks travelling the Nhill-Rainbow Road have to use the built up street of Lake Street to access same.

Well Hindmarsh Shire I wish to ask the following,

1. What consultation did you do with residents affected by this decision (Lake Street Rainbow as an example?)
2. What consultation did the Shire do with any other affected persons/businesses/emergency services affected by this decision?
3. What testing/recording has the shire done of how many trucks will now use this route?
4. What record has the Shire done of times these trucks will use this route?
5. What will council do to eliminate noise/dust of trucks that are required to start and stop at each end of Lake Street, Rainbow? (T-intersection/railway crossing)
6. What will the Shire do to make it safe for Rainbow residents to use Lake Street on foot/bicycle/wheelie walker/etc?
7. Where did the money 'suddenly' come from to do the gravel sides of the Nhill-Rainbow Road for its entirety?
8. Where did the money 'suddenly' come from to completely resurface approximately three kilometres of this road?
9. What will now happen to the remaining single width section of the Jeparit-Lorquon Road where the Shire spent copious time and money improving for these local farmers?
10. Since when has Yanac been a local farmer to the Rainbow District?

11. How will the Shire fund the maintenance/improvement of this road when it cannot maintain/improve the main gypsum feeder road, Albacutya and Kurnbrunin Roads?
12. Where does the distances quoted come from, google maps show that it is 11 kilometres and 11 minutes extra to go via Jeparit (using truck made roads)?

All in all this decision of the Shire has the power to continue the truck restriction and when one looks at the total truck safety issue, road infrastructure damage and public amenity (as recorded by them) it is no contest against saving a farmer (business) a few dollars.

I demand the Shire immediately place this decision on hold until they convene an open and frank set of community meetings so that all affected persons can have a say in the decision that affects their lives and well-being. After all, in the same minutes (11.3), you were able to consult with all persons about a non-life threatening, non-damage threatening issue of a minor street name change.

Regards,

Tony Clark

23 Lake Street,

Rainbow, 3424



Hindmarsh  
Shire Council

**Administration  
Centre**

PO Box 250  
92 Nelson Street  
NHILL VIC 3418  
Ph: (03) 5391 4444  
Fax: (03) 5391 1376

email:  
info@hindmarsh.vic.gov.au

website:  
www.hindmarsh.vic.gov.au

ABN 26 550 541 746

**Customer Service  
Centres**

**Jeparit**

10 Roy Street  
JEPARIT VIC 3423  
Ph: (03) 5391 4450  
Fax: (03) 5397 2263

**Dimboola**

101 Lloyd Street  
DIMBOOLA VIC 3414  
Ph: (03) 5391 4452  
Fax: (03) 5389 1734

**Rainbow**

15 Federal Street  
RAINBOW VIC 3424  
Ph: (03) 5391 4451  
Fax: (03) 5395 1436

Doc ID: 238142

13 August 2018

Tony Clark  
23 Lake Street  
RAINBOW VIC 3424  
[hotwheels13@optusnet.com.au](mailto:hotwheels13@optusnet.com.au)

Dear Tony

**Re: Rainbow-Nhill Road – Truck access**

Thank you for your letter received 30 July 2018, objecting to the Council decision on 18 April 2018, to remove the truck restrictions on the Rainbow-Nhill Road.

Prior to Council making the decision to remove truck restrictions on the Rainbow-Nhill Road, consultation was undertaken with the farming community, the Rainbow P-12 College, Wimmera Mallee Bus Service, the Rainbow Town Committee and the broader community by way of 'Community Conversations' held at various locations throughout the Shire as part the 2018/2019 budget process.

All works (completed and planned) on the Rainbow-Nhill Road were identified prior to Council's decision and listed on Council's ten-year infrastructure works program.

In relation to your question about recent shoulder maintenance work I can advise that this work was identified through our proactive asset inspections early in 2018 and funded through Council's annual sealed road maintenance budget.

Council maintains an asset database, which includes data on traffic volumes and types across its road network. Rainbow-Nhill Road has been identified as a priority North-South connector road to facilitate the movement of vehicles associated with local agricultural and industrial activities. The State Government has provided Council with significant funds to undertake upgrade works along Rainbow-Nhill Road, in recognition of the importance of this route to the local economy.

Lake Street is classified as a transport route which is to accommodate private and commercial traffic. Officers will continue to monitor the road network as



defined within Councils Road Management Plan, and address any impacts with regard to safety as required.

A copy of your letter and this response will be provided to Councillors for their information.

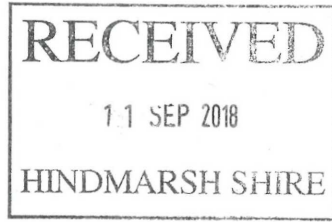
Should you have any further queries relating to this matter, I invite you to contact Shane Power, Director Infrastructure Services on 5391 4444.

Yours sincerely

A handwritten signature in black ink, appearing to read 'gwood', with a large, sweeping horizontal stroke underneath.

Greg Wood  
**Chief Executive Officer**

Tony Clark  
23 Lake Street,  
Rainbow,  
3424.



ASSESS #	
ACTION	DIS
INFO	EA
X REF	

5<sup>th</sup> September, 2018

Hindmarsh Shire Council,

On 30<sup>th</sup> July, 2018 I emailed your office in relation to the removal of truck restrictions on the Nhill-Rainbow Road. In that letter I lodged an objection and raised several issues, of which I have multiple more. On 13<sup>th</sup> August, 2018 you replied to me where you covered off on very few of the issues and generalised on a lot of the others.

In my previous letter I spoke of the quantity of trucks that will use this road, your reply related to a comprehensive vehicle surveys being constantly conducted by the Council. Of this I agree, but, what are councils forward projections of trucks using this road. I feel that once word spreads of the opening of the road, the residents of Lake Street will be subjected to trucks coming from Narracoorte (SA), Bordertown (SA), Harrow/Balmoral, Kaniva and a host of other areas to use this road to save themselves a few dollars, more so during gypsum season. One must remember this is the only reason council was asked to open this road.

What will council be doing to make pedestrians safe along Lake Street, especially our elderly residents that use a walking frame and are required to use the roadway due to no footpaths?

What will council be doing to assist our younger children who currently enjoy 'playing' games in the street?

What will council do to limit the noise/dust of these trucks taking into account these trucks would need to accelerate /brake at each end of Lake Street, Rainbow?

With the above question, what will council do to enforce same out of hours as during gypsum season, trucks travel through Rainbow, via the current route, nearly 24 hours a day?

What will council do to assist the elderly residents and workers from the Rainbow Hospital/Hospice centre to cross the road whilst taking a leisurely walk up to Federal Street, supposedly enjoying the peace and quiet of Rainbow?

What will council do to guarantee the safety of the daily school bus, and it's occupants?

As a heavy users of council roads privately and in my work capacity, I am finding the Shire seriously lacking in the maintenance of your sealed roads. I am aware that there are numerous others that have input into this (Federal Government funding for example) but still, as a road user I find the roads are the becoming potholed and undulating. This is mostly caused by trucks, the Nhill-Rainbow Road surface is currently in good condition but as history shows this will quickly deteriorate once openly used by trucks.

I am reliably informed numerous Rainbow residents travel via this road to reach Nhill/Kaniva and beyond, rather than the Dimboola-Rainbow Road, simply because there are no trucks using this route and therefore they avoid all their inherent dangers. Even some of your employees travel this route to get to work, simply to avoid trucks.

One issue I raised in my previous letter was the lack of community consultation and I found your response seriously lacking in the effort made by council to consult with all affected parties. Especially as at the same meeting

councillors decided to remove the restriction, council had been able to consult with all, and more, affected parties to in relation to a name change of a minor street in Dimboola. As such, I did your job for you and started consulting with some residents of Lake Street, Rainbow (where all trucks will travel at the northern end of Nhill-Rainbow Road) and I found a 100% disagreement with council's decision. As such I started a petition and was overwhelmed by the results. See attached. 100% of all residents of Lake Street, Rainbow objected to council's decision. That is right, 100%. Numerous others, on hearing I had this petition running, sought me out to sign such. This was no comprehensive petition; it was only open by me for a short time. I was surprised by the variance of persons keen to sign the petition objecting to the opening of this road for trucks.

Taking into account all of the above, and on behalf of all those that signed the petition, I demand, for the second time, that Hindmarsh Shire Council review the decision to open the Nhill-Rainbow Road to trucks and that the Shire revert to what was the current status quo of no trucks except for local deliveries.

After all, the Shire definitely should not be putting money before safety and in this case, it appears that is what is occurring.

Regards,

A handwritten signature in black ink, appearing to be 'Anthony Clark', written in a cursive style.

Anthony Clark








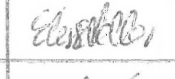
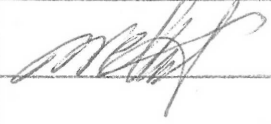
Unofficial

We, the undersigned, wish to object to the decision by the Hindmarsh Shire Council to reopen the Nhill-Rainbow Road between Jeparit-Lorquon Road (Pipkorn Corner) and Russell Street for the unlimited use of heavy vehicles. We object on the grounds this decision will seriously affect the amenity, and more importantly, the safety of Rainbow residents in numerous ways.

Name	Address	Contact	Signature
Mary Zadow			Mary Zadow
Wayne Zadow			Wayne Zadow
Drake Hayden			Drake Hayden
Dawn Saal			Dawn Saal
Suzanne Clarke			Suzanne Clarke
Kerik Thomas			Kerik Thomas
Alan Coffey			Alan Coffey
Leonie Clarke			Leonie Clarke
Belinda Eckermann			Belinda Eckermann
Michelle Ismay			Michelle Ismay
M. Downes			M. Downes
ADRIAN BENNETT			Adrian Bennett
Kerby Klemm			Kerby Klemm
Mal Wotherham			Mal Wotherham
DALE ROGASCH			Dale Rogasch
TANNA SULTANA			Tanna Sultana
Les Gault			Les Gault
DAVID L JAMES			David L James
SAM McLAREN			Sam McLaren
Kate Goodall			Kate Goodall

Unofficial

We, the undersigned, wish to object to the decision by the Hindmarsh Shire Council to reopen the Nhill-Rainbow Road between Jeparit-Lorquon Road (Pipkorn Corner) and Russell Street for the unlimited use of heavy vehicles. We object on the grounds this decision will seriously affect the amenity, and more importantly, the safety of Rainbow residents in numerous ways.

Name	Address	Contact	Signature
Samantha Smith			
Shaun Roberts			
Scott Keller			
Rowena Keller			RO. Keller
Rob Koning			
Karen Koning			Ken Koning
Barry ROENWELDS			Barry Roenwelds
Marg Kuelle			Marg Kuelle
Lauer Heinrich			
Joanne Thomas			
Col DRENDIEN			
Craeme Summerhayes			Craeme Summerhayes
GARETH LYNCH			G. Lynch
Don Pedmen			
Elissa Keller			Elissa Keller
F COOKE			F. Cooke
Jacinta Cocks			Jacinta Cocks
Shirley Treese			S. Treese
Rebecca Lowe			Rebecca Lowe
W. MARTIN			





17 Albert Street  
PO Box 223  
Rainbow Vic 3424

Phone: 03 5395 1063

Fax: 03 5395 1192

ABN: 80 483 828 213

17<sup>th</sup> September 2018

Mr. Shane Power  
Director Infrastructure Services  
Hindmarsh Shire Council  
PO Box 250  
Nhill  
Victoria  
3418

**Re: Hindmarsh Shire Council decision on Truck Access Rainbow-Nhill Road**

Dear Shane,

I am once again writing to you on behalf of the staff, parents and the students of Rainbow P-12 College.

I would like to firstly thank you and Councilor Ron Lowe for meeting with me on Friday the 15<sup>th</sup> of June to discuss the important issue regarding the change in restrictions on the Rainbow-Nhill Road. Since that meeting School Council has convened and discussed our collective view on what action to take next.

As a School Council who is responsible for the safety and security of our students and their families we wish to implore the Hindmarsh Shire Council to review their decision, made at the Wednesday the 18<sup>th</sup> of April 2018 meeting, to remove the current truck restrictions.

We seek your review of the decision due to the limited public consultation with those residents who may be impacted by the change in conditions on the Rainbow – Nhill Road.

We suggest that perhaps a community meeting be held in Jeparit to capture the thoughts and feelings of the families whose children currently travel on the bus and the parents of children who may travel on the bus route in the future. This meeting could also include other community members to provide them with an opportunity to express their views both for and against the decision.

We also recommend a similar meeting to be held in Rainbow for school families to forward their ideas as well as the residents on Lake Street and other interested stakeholders.

We believe if greater consultation occurs then a safe and suitable decision can be achieved.

We thank you in anticipation of your consideration of our request and are eager to find a safe, sustainable and appropriate solution to the safety of road users on the Rainbow –Nhill Road.

If you would like to discuss this matter further please contact me at the school.

Yours sincerely

Alan Coffey  
Principal



## ASSEMBLY OF COUNCILLORS RECORD

*Assembly of Councillors means a planned or scheduled meeting of at least 3 councillors and one member of council staff which considers matters that are intended or likely to be:*

- a) the subject of a decision of the Council; or*
- b) subject to the exercise of a function, duty of power of the council that has been delegated to a person or committee; but does not include a meeting of the Council, a special committee of the Council, a club, association, peak body, political party or other organisation.*

Requirements to be observed by an assembly of Councillors (Section 80A Local Government Act, 1989)

**Title of Meeting:** Council Briefing Session

**Date:** Wednesday 5 September 2018      **Time:** 1:00pm – 3:00pm

**Assembly Location:** Health and Fitness Centre, Dimboola

**Present:**

Crs. Ronald Ismay (Mayor), Debra Nelson, Ronald Lowe, David Colbert

**Apologies:**

Cr Tony Schneider (leave of absence), Robert Gersch

**In Attendance:**

Mr. Greg Wood (Chief Executive Officer), Mr Shane Power (Director Infrastructure Services) (items 2-4), Ms Monica Revell (Director of Corporate and Community Services) (items 2-4), Ms Shelley Gersch (Executive Assistant) (items 2-4)

**Conflict of Interest Disclosures**

1. Direct; or
2. Indirect interest
  - (a) by close association;
  - (b) that is an indirect financial interest;
  - (c) because of conflicting duties;
  - (d) because of receipt of an applicable gift;
  - (e) as a consequence of becoming an interested party; or
  - (f) because of an impact on residential amenity.

Declaration of direct or indirect interest must also be advised by Councillors at the commencement of discussion of the specific item.



**Councillors:**

Nil

**Officers:**

Nil

**Matters Discussed:**

<b>No.</b>	<b>Detail</b>	<b>Presenter</b>
1.	<b>CEO Update</b>	Greg Wood
2.	<b>Rail Freight Alliance Update</b>	Reid Mather
3.	<b>Former Rainbow Primary School</b>	Monica Revell
4.	<b>Councillor Question Time</b>	Greg Wood

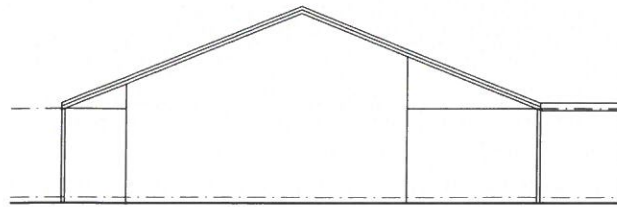
Completed by: Greg Wood



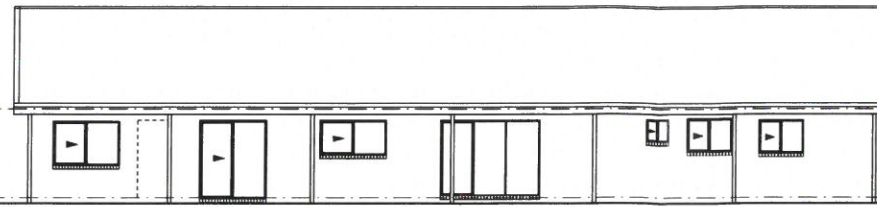
Signed:

Date: 05/09/2018

*Must be kept for four years from date of the assembly. Available for public inspection at Council Offices for 12 months after date of assembly.*



**NORTH ELEVATION**  
SCALE 1:100



**WEST ELEVATION**  
SCALE 1:100



**EAST ELEVATION**  
SCALE 1:100

**LEGEND**

- TRIM FACE BRICKWORK
- NEW 100mm HD MSPH TIMBER WALL FRAMING
- EXISTING WALLS TO REMAIN

**WINDOW SCHEDULE**

WINDOW IDENTIFICATION	ROOM	SIZE	BASH TYPE	GLAZING TYPE	FRAME TYPE	HEAD HT	ROOM SIZE	OPENING BASH BZX	Uw	SWGC
W1	MASTER BEDROOM	1800h x 500w	SLEWNG	SINGLE GLAZED	ALUMN	2000h	15.8sqm	0.9sqm	6.7	0.7

**DOOR SCHEDULE**

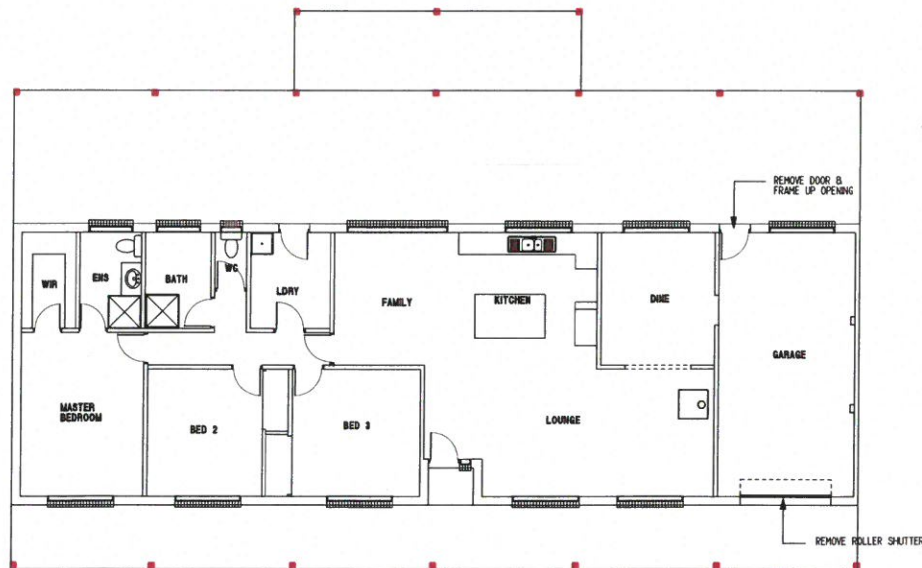
DOOR IDENTIFICATION	SIZE	TYPE	SWING	FRAME TYPE
D1	2040h x 820w	FLUSH PANEL HOLLOW CORE	HUNG	TIMBER

**AUTHORITIES / CONSULTANTS**

Municipality	Name: <u>HOBBHAM BURIAL CITY</u>	Ph:
Sewerage Authority	Name: <u>GWV WATER</u>	Ph: <u>6388709</u>
Relevant Building Surveyor	Name: <u>TJA</u>	Ph: <u>909 869 881</u>
Consulting Structural Engineer	Name: <u>BRUCE HOLLIAKE &amp; ASSOC</u>	Ph: <u>63888279</u>
Geotechnical Engineer	Name: <u>PM DESIGN</u>	Ph: <u>6219222</u>
Thermal Performance Assessor	Name: <u>DAVID HOCKING</u>	Ph: <u>0418552801</u>

**NOTES**

- All materials and work practices shall comply with, but not limited to the Building Information Regulations 2007, National Construction Code Building Code of Australia Vol 2 and all relevant current Australian Standards (as amended) referred to therein.
- All timber wall and roof framing including bracing to comply with AS 1604 light timber framing code.
- Studs - 90x35 MSPD H2 pine @ 450c/c.
- Rafters - 90x45 MSPD H2 pine (top and bottom).
- Joists - 90x35 MSPD H2 pine @350c/c.
- Bracing to comply with AS 1604.
- Lintels to comply with AS 1604.
- Provide termite treatment to AS 3660J - 2000 for the protection of building from termites.
- Glazing including safety glazing shall be installed to a size, type and thickness as to comply with:
  - BCA Part 3.6 for Class 1 and 10 Buildings within a design wind speed of not more than 115, and
  - NCC 2003 BCA Vol 1 Part B4 for Class 2 and 9 Buildings.
- All bathroom, ensuite, spa room or the like of, including shower doors, shower screens, bath enclosures and associated windows, where the lowest light line is less than 2.0m above the highest finishing level of the floor, bottom of bath, or shower base must:
  - If framed panels be glazed with:
    - Grade A safety glazing material in accordance with Table 3.6.5 of the BCA
    - Grade B safety glazing material in accordance with Table 3.6.5 of the BCA
- For panels or doors with an exposed edge be toughened in accordance with Table 3.6.5 of the BCA with a minimum nominal thickness of 6mm.
- Windows referred to above may incorporate annealed glass panels of not less than 4mm thickness, provided that they are not more than 0.8sqm in area.
- Ordinary annealed glass, including mirror, may be used provided a fixed vanity or bench with a height of not less than 700mm, depth of not less than 300mm and extending the full width of the glass or mirror is located in front of the glass or mirror.
- Window sizes nominated are nominal only, actual size may vary according to manufacturer, windows shall be fixed all around.
- Waterproofing of wet area being bathrooms, showers, shower rooms, laundries, sanitary compartments and the like or shall be provided in accordance with AS 3740-2003 Waterproofing of Domestic Wet Areas.
- The builder shall take all steps necessary to ensure the stability and general water tightness of all new and/or existing structures during all works.
- GENERAL COMPLIANCE**
- Exit doors to comply with NCC D2.9
- Fire Rated Walls to be in acc. with Spec. C1 Hazard Properties to NCC C10
- Fire Rated Windows to comply with NCC D2.5
- Fire Rated Doors to comply with NCC D2.5
- Tackle indicators to all stairs, ramps and landings in acc. with H2B1
- Signage to be provided in acc. with AS 4281
- Bonding to be provided to fully glazed doors and sashes in acc. with NCC D2.9
- Operation of exit doors to comply with NCC D2.9
- Discharge from Exits to comply with NCC D10
- Portable Fire Extinguishers to E16 to be located between 2 metres and 20 metres of a switchboard
- Site construction to NCC D2.3
- Landings to NCC C4
- Stormwater drainage to AS/NZS 3500.3
- Roof Metal Roof sheeting to AS 5621
- Gazed assemblies to comply with AS 2888 & AS 2047
- The builder and sub-contractors shall check and verify all dimensions, setbacks, levels, specifications and all other relevant documentation prior to the commencement of any works. Report all discrepancies to this office for clarification.
- Installation of all the services shall comply with the respective supply authority requirements.
- The builder and sub-contractors shall ensure that all stormwater drains, sewer pipes and the like are located at a sufficient distance from any building footing and/or slab edge beam so as to prevent general moisture penetration, dampness, seepage and undermining of any building and if footing system.
- These plans have been prepared for the exclusive use by the client of Robin Barber Building Design (The Designer) for the purpose expressly notified to the Designer, any other person who uses or relies on these plans without the Designer's written consent does so at their own risk and no responsibility is accepted by the Designer for such use and/or reliance.
- The client and/or the client's Builder shall not modify or amend the plans without the knowledge and consent of Robin Barber Building Design except where a registered building surveyor makes minor necessary changes to facilitate the building permit application and that such changes are promptly reported back to Robin Barber Building Design.
- The approval by this office of a substitute material, work practice, variation or the like is not an authorisation for its use or a contract variation. All variations must be accepted by all parties to the agreement and where applicable the relevant building surveyor prior to implementing any variation.
- These drawings shall be read in conjunction with any House Energy Rating (HERS) report and shall be constructed in accordance with the stipulated plans endorsed by the accredited Thermal Performance Assessor without alteration.
- Buildings in marine or other exposure environments shall have masonry units, mortar and all built in components and the like complying with the durability requirements of Table 4.1 of AS 1713-2000 Masonry in small building Part 1 Design.
- All stormwater to be taken to the legal point of discharge to the relevant authorities approval.
- These drawings shall be read in conjunction with all relevant structural and all other consultants drawings/details and with any other written instructions issued in the course of the contract.
- Site plan measurements in metres - all other measurements in millimetres unless noted otherwise.
- Figures dimensions take precedence over scaled dimensions.



**EXISTING CONDITIONS PLAN**  
**DEMOLITION PLAN**  
SCALE 1:100

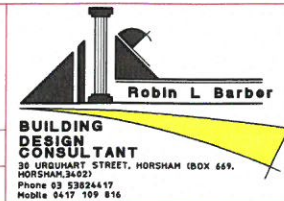


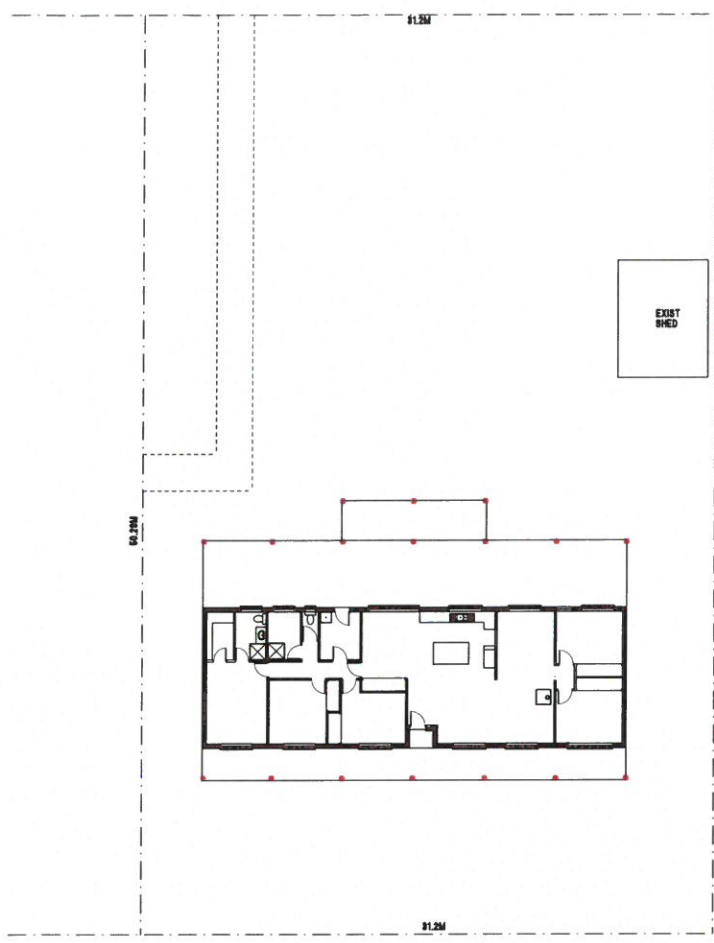
**NEW GROUND FLOOR PLAN**  
SCALE 1:100



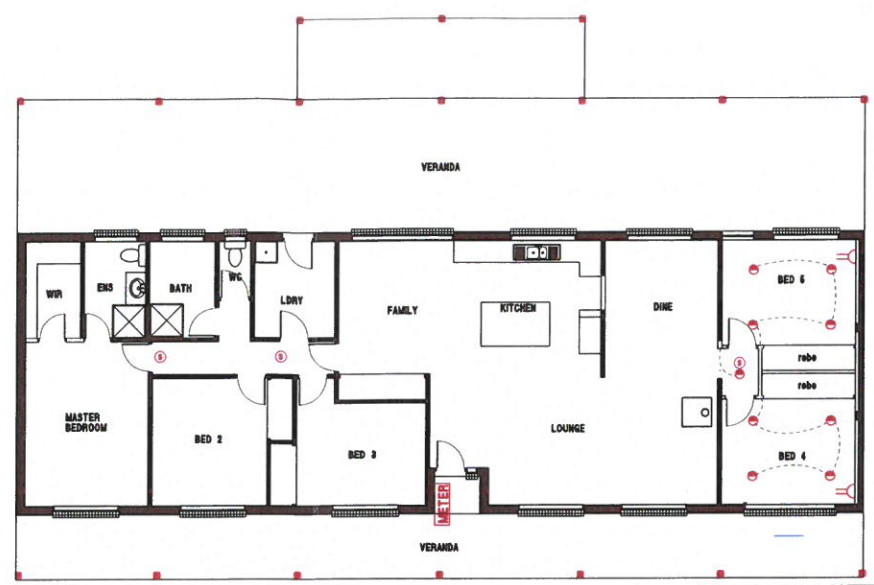
**JOB TITLE**  
PROPOSED ALTERATIONS TO EXISTING DWELLING  
**SITE ADDRESS**  
58 LLOYD STREET, DIMBOOLA  
**PROPRIETOR**  
VICTORIA POLICE

**DRAWING TITLE**  
EXIST CONDITIONS, NEW FLOOR PLAN, ELEVATIONS, SECTIONS  
**JOB NO**  
17-0318  
**DRAWING NO**  
01-02  
**SCALE**  
SHOWN  
**DATE**  
07-06-18  
**SHEET SIZE**  
A1  
**AMENDMENTS**





LLOYD STREET  
**SITE PLAN**  
 SCALE 1:200

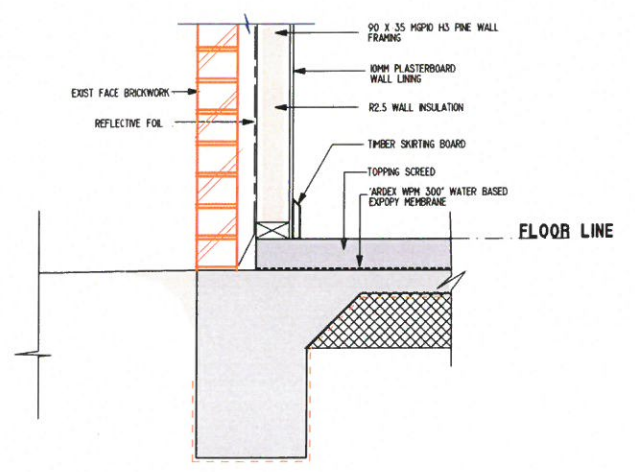


**NEW GROUND FLOOR ELECTRICAL PLAN**  
 SCALE 1:100

**ELECTRICAL LEGEND**

- SINGLE 10 amp GPO
- DOUBLE 10 amp GPO
- COMPACT FLURO CEILING BATTEN
- COMPACT FLURO WALL BATTEN
- COMPACT FLURO WALL BATTEN ON SENSOR SWITCH
- SELECTED 4W LED DOWNLIGHT LUMINAIRE
- T.V. OUTLET
- 1 x 18W FLUORESCENT BATTEN
- HARD WIRED SMOKE ALARM INTERCONNECTED WITH MORE THAN 1 DETECTOR 2 TO COMPLY WITH THE BCA
- EXIST METERBOARD

ROOM	AREA	MAX PERMISSABLE W/eqm
BED 4	12.2sqm	#1 W
BED 5	12.2sqm	#1 W



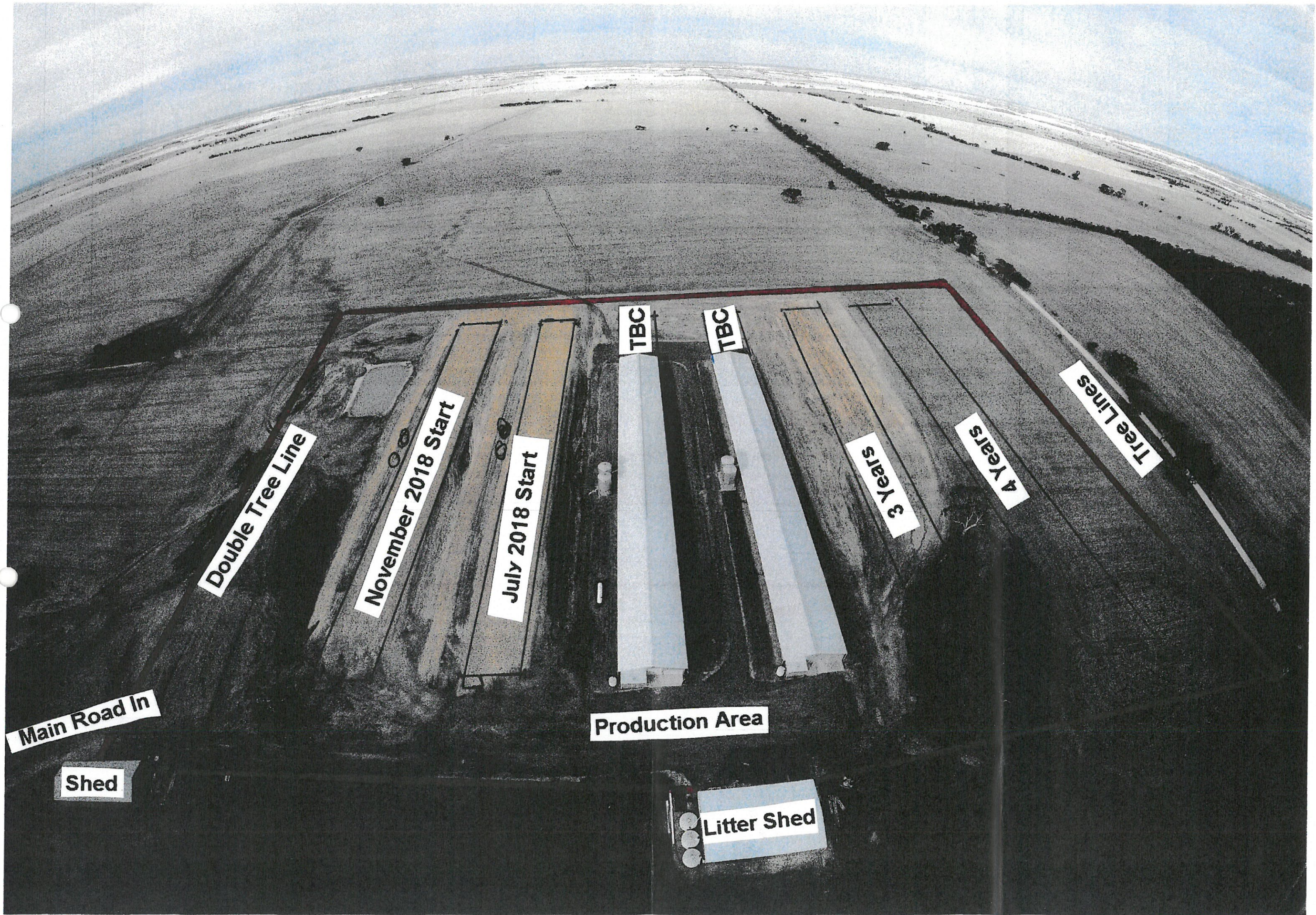
**SECTION AA**  
 SCALE 1:10



JOB TITLE  
**PROPOSED ALTERATIONS TO EXISTING DWELLING**  
 SITE ADDRESS  
**59 LLOYD STREET, DIMBOOLA**  
 PROPRIETOR  
**VICTORIA POLICE**

DRAWING TITLE  
**ELECTRICAL PLAN, SITE PLAN, DETAILS**  
 JOB No  
**17-0318**  
 DRAWING No  
**02-02**  
 SCALE  
**SHOWN**  
 DATE  
**07-05-18**  
 COPYRIGHT

**Robin L Barber**  
**BUILDING DESIGN CONSULTANT**  
 35 UNGUARY STREET, HORSNASH (BOX 649, HORSNASH, 3452)  
 PHONE 03 53824417  
 Mobile 0417 109 816



Double Tree Line

November 2018 Start

July 2018 Start

TBC

TBC

3 Years

4 Years

Tree Lines

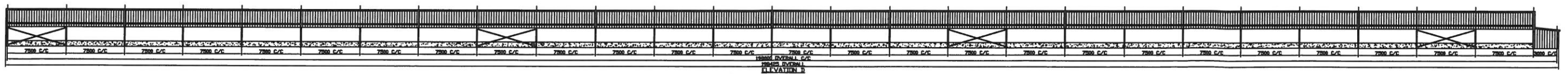
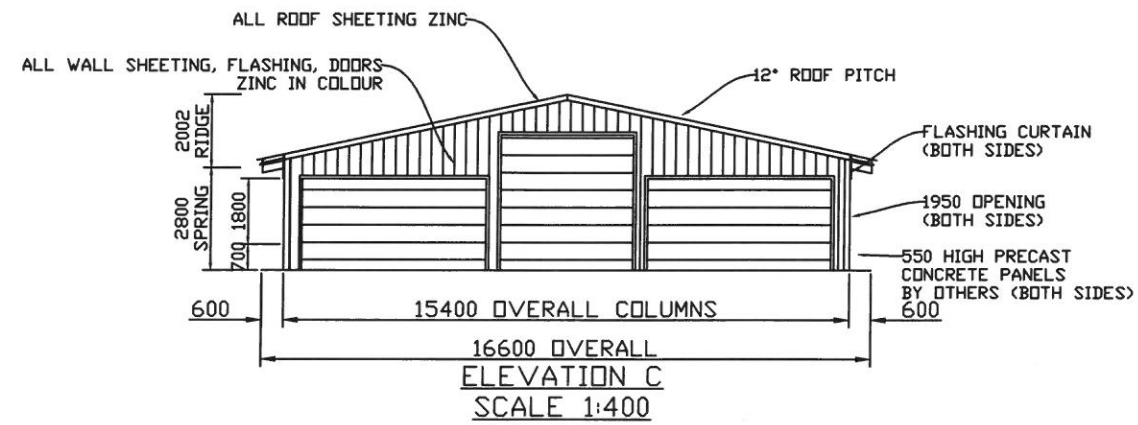
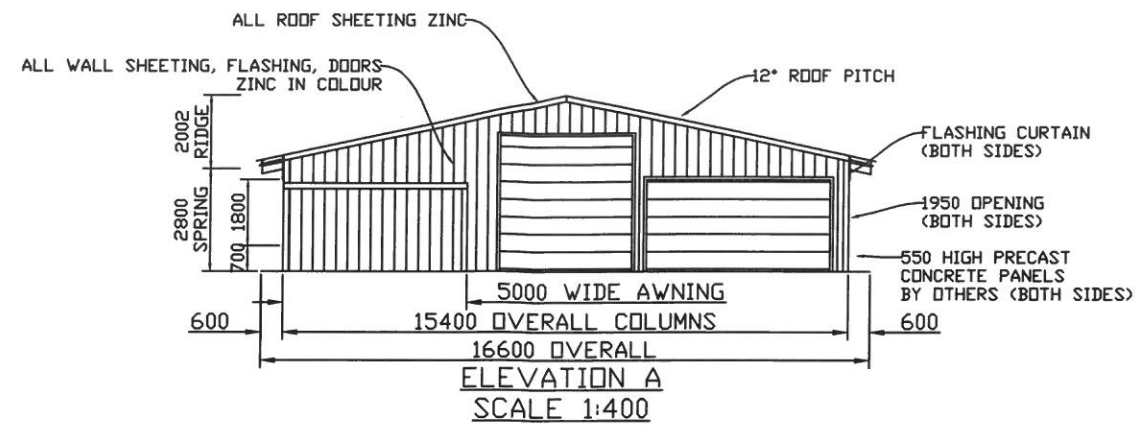
Main Road In

Shed

Production Area

Litter Shed





REVISIONS				
REV	BY	DATE	DESCRIPTION OF CHANGE	CHKD.

**SAFETY STEEL STRUCTURES**  
 34-50 NATHAN ROAD DANDENONG SOUTH VIC 3175  
 TELEPHONE (03)9706 7711 FACSIMILE (03)9706 7992

THIS DRAWING IS AND REMAINS THE PROPERTY OF SAFETY STEEL STRUCTURES AND SHALL BE USED ONLY AS AUTHORISED BY SAFETY STEEL STRUCTURES.

CLIENT: JMAK DUCKS AND BIKES

ADDRESS: 760 GERANG GLENLEE ROAD,  
 GERANG GERUNG, 3418

DRAFT BY  
 ROB J

CHECKED BY

DATE  
 14/3/18

SCALE  
 NTS

TITLE: 195m X 16.6m X 2.8m ELEVATION

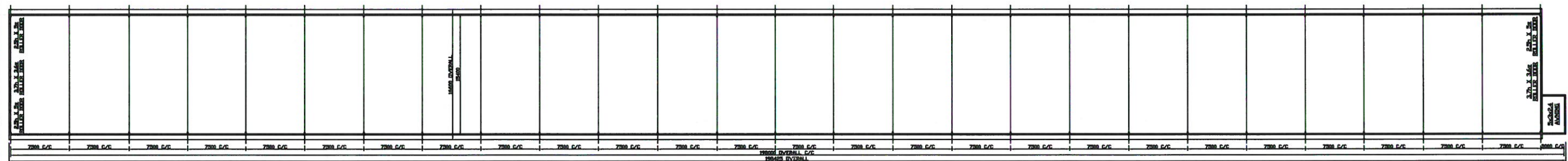
SITE: 760 GERANG GLENLEE ROAD,  
 GERANG GERUNG, 3418

PROJECT No


SHEET No  
 1 OF 1

REVISION

A3



REV	BY	DATE	DESCRIPTION OF CHANGE	CHKD.


**SAFETY STEEL STRUCTURES**  
 34-50 NATHAN ROAD DANDENONG SOUTH VIC 3175  
 TELEPHONE (03)9706 7711 FACSIMILE (03)9706 7992

THIS DRAWING IS AND REMAINS THE PROPERTY OF SAFETY STEEL STRUCTURES AND SHALL BE USED ONLY AS AUTHORISED BY SAFETY STEEL STRUCTURES.

CLIENT: JMAK DUCKS AND BIKES  
 ADDRESS: 760 GERANG GLENLEE ROAD,  
 GERANG GERUNG, 3418

DRAFT BY: ROB J  
 CHECKED BY:   
 DATE: 14/3/18  
 SCALE: NTS

TITLE: 195m X 16.6m X 2.8m FLOOR PLAN  
 SITE: 760 GERANG GLENLEE ROAD,  
 GERANG GERUNG, 3418

PROJECT No:   
 SHEET No: 1 OF 1  
 REVISION: -  
 A3

A scenic landscape photograph of a river or lake. In the foreground, a paved path leads to a white metal bench with a green post. The river flows through the middle ground, bordered by green grass and various trees, including a large, gnarled tree on the left. The background shows a line of trees under a blue sky with scattered white clouds.

# **Hindmarsh Shire Council Annual Financial Report**

**For the Year Ended  
30 June 2018**



## Hindmarsh Shire Council Financial Report Table of Contents

<b>FINANCIAL REPORT</b>	<b>Page</b>
Certification of the Financial Statements	3
Victorian Auditor-General's Office Report	4
<b>Financial Statements</b>	
Comprehensive Income Statement	6
Balance Sheet	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Statement of Capital Works	10
<b>Overview</b>	11
<b>Notes to Financial Statements</b>	
Note 1	12
Performance against budget	
1.1. Income and expenditure	12
1.2. Capital works	14
Note 2	16
Funding for the delivery of our services	
2.1. Rates and charges	16
2.2. Statutory fees and fines	16
2.3. User fees	16
2.4. Funding from other levels of government	17
2.5. Contributions	19
2.6. Net gain/(loss) on disposal of property, infrastructure, plant and equipment	19
2.7. Other income	19
Note 3	20
The cost of delivering services	
3.1. Employee costs	20
3.2. Materials and services	20
3.3. Depreciation	21
3.4. Bad and doubtful debts	21
3.5. Other expenses	21
Note 4	22
Our financial position	
4.1. Financial assets	22
4.2. Non-financial assets	24
4.3. Payables	24
4.4. Provisions	25
4.5. Financing arrangements	27
4.6. Commitments	27
Note 5	28
Assets we manage	
5.1. Property infrastructure plant and equipment	28
5.2. Investments in associates, joint arrangements and subsidiaries	35
Note 6	36
People and relationships	
6.1. Council and key management remuneration	36
6.2. Related party disclosure	37
Note 7	38
Managing uncertainties	
7.1. Contingent assets and liabilities	38
7.2. Change in accounting standards	38
7.3. Financial instruments	39
7.4. Fair value measurement	40
7.5. Events occurring after balance date	41
Note 8	41
Other matters	
8.1 Reserves	41
8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	42
8.3 Superannuation	42

## 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.

*Mrs Monica Revell*  
**Director Corporate &  
Community Services**

**Date :** 19-Sep-18  
*Nhill*

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

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

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

*Cr Ron Ismay*  
**Councillor**  
**Date :** 19-Sep-18  
*Nhill*

*Cr Ron Lowe*  
**Councillor**  
**Date :** 19-Sep-18  
*Nhill*

*Mr Greg Wood*  
**Chief Executive Officer**  
**Date :** 19-Sep-18  
*Nhill*

<INSERT VAGO REPORT - PAGE 1>

*<INSERT VAGO REPORT - PAGE 2>*

## Comprehensive Income Statement For the Year Ended 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Income</b>			
Rates and charges	2.1	8,350	8,015
Statutory fees and fines	2.2	180	151
User fees	2.3	856	744
Grants - operating	2.4	5,515	7,140
Grants - capital	2.4	1,903	4,193
Contributions - monetary	2.5	41	127
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	2.6	47	(36)
Share of net profits (or loss) of associates and joint ventures	5.2	29	(9)
Other income	2.7	1,273	1,375
<b>Total income</b>		<b>18,194</b>	<b>21,700</b>
<b>Expenses</b>			
Employee costs	3.1	(6,559)	(6,150)
Materials and services	3.2	(4,563)	(4,382)
Depreciation and amortisation	3.3	(4,836)	(5,289)
Other expenses	3.5	(1,345)	(1,341)
<b>Total expenses</b>		<b>(17,303)</b>	<b>(17,162)</b>
<b>Surplus for the year</b>		<b>891</b>	<b>4,538</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to surplus or deficit in future periods</b>			
Net asset revaluation (decrement)/increment	5.1	(760)	44,863
<b>Total comprehensive result</b>		<b>131</b>	<b>49,401</b>

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

## Balance Sheet As at 30 June 2018

	Note	2018 \$'000	2017 \$'000
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	4.1	11,228	9,694
Trade and other receivables	4.1	704	839
Inventories	4.2	292	201
Other assets	4.2	66	75
<b>Total current assets</b>		<u>12,290</u>	<u>10,809</u>
<b>Non-current assets</b>			
Trade and other receivables	4.1	2	2
Investments in associates, joint arrangements and subsidiaries	5.2	480	450
Property, infrastructure, plant and equipment	5.1	157,201	158,382
<b>Total non-current assets</b>		<u>157,683</u>	<u>158,834</u>
<b>Total assets</b>		<u>169,973</u>	<u>169,643</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	4.3	985	1,057
Trust funds and deposits	4.3	182	12
Provisions	4.4	1,682	1,543
<b>Total current liabilities</b>		<u>2,849</u>	<u>2,612</u>
<b>Non-current liabilities</b>			
Provisions	4.4	253	292
<b>Total non-current liabilities</b>		<u>253</u>	<u>292</u>
<b>Total liabilities</b>		<u>3,102</u>	<u>2,904</u>
<b>Net assets</b>		<u>166,871</u>	<u>166,739</u>
<b>Equity</b>			
Accumulated surplus		64,218	63,327
Reserves	8.1	102,652	103,412
<b>Total Equity</b>		<u>166,870</u>	<u>166,739</u>

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

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

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

2017		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000
Balance at beginning of the financial year		117,338	58,789	58,549
Surplus/(deficit) for the year		4,538	4,538	-
Net asset revaluation increment/(decrement)		44,863	-	44,863
<b>Balance at end of the financial year</b>		<b>166,739</b>	<b>63,327</b>	<b>103,412</b>

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 2018**

	Note	2018 Inflows/ (Outflows) \$'000	2017 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		8,433	8,095
Statutory fees and fines		10	15
User fees		1,022	936
Grants - operating		5,516	7,140
Grants - capital		1,903	4,193
Contributions - monetary		41	127
Interest received		167	216
Trust funds and deposits taken		175	(6)
Other receipts		1,169	1,177
Net GST refund/(payment)		52	47
Employee costs		(6,445)	(6,163)
Materials and services		(4,647)	(4,482)
Other payments		(1,494)	(1,331)
<b>Net cash provided by/(used in) operating activities</b>		<b>5,902</b>	<b>9,964</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	5.1	(4,537)	(6,976)
Proceeds from sale of property, infrastructure, plant and equipment		169	93
Contribution in an Associate		-	18
<b>Net cash provided by/(used in) investing activities</b>		<b>(4,368)</b>	<b>(6,865)</b>
Net increase/(decrease) in cash and cash equivalents		1,534	3,099
Cash and cash equivalents at the beginning of the financial year		9,694	6,595
<b>Cash and cash equivalents at the end of the financial year</b>		<b>11,228</b>	<b>9,694</b>
Restrictions on cash assets	4.1		

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



**Statement of Capital Works  
For the Year Ended 30 June 2018**

	Note	2018 \$'000	2017 \$'000
<b>Property</b>			
Buildings		272	2,838
<b>Total property</b>		<u>272</u>	<u>2,838</u>
<b>Plant and equipment</b>			
Plant, machinery and equipment		598	438
Fixtures, fittings and furniture		99	29
Computers and telecommunications		-	69
<b>Total plant and equipment</b>		<u>697</u>	<u>536</u>
<b>Infrastructure</b>			
Roads		2,352	2,972
Bridges		-	9
Footpaths and cycleways		223	182
Drainage		83	22
Kerb & Channel		236	126
Other infrastructure		674	290
<b>Total infrastructure</b>		<u>3,568</u>	<u>3,601</u>
<b>Total capital works expenditure</b>		<u>4,537</u>	<u>6,975</u>
<b>Represented by:</b>			
New asset expenditure		1,063	2,529
Asset renewal expenditure		2,760	2,941
Asset upgrade expenditure		714	1,505
<b>Total capital works expenditure</b>		<u>4,537</u>	<u>6,975</u>

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

## OVERVIEW

### Introduction

The Hindmarsh Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate.

The Council's main office is located at 92 Nelson Street, Nhill, Victoria.

### Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

### Significant accounting policies

#### (a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 5.1)
- the determination of employee provisions (refer to Note 4.4)
- the determination of landfill provisions (refer to Note 4.4)

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

**Note 1 Performance against budget**

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

The budget figures detailed below are those adopted by Council on 23 August, 2017. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

**1.1 Income and expenditure**

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Income</b>				
Rates and charges	8,322	8,350	28	1
Statutory fees and fines	139	180	41	2
User fees	817	856	39	3
Grants - operating	2,973	5,515	2,542	4
Grants - capital	2,219	1,903	(316)	5
Contributions - monetary	5	41	36	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	128	47	(81)	
Share of net profits/(losses) of associates and joint ventures	-	29	29	
Other income	1,915	1,273	(642)	7
<b>Total income</b>	<b>16,518</b>	<b>18,194</b>	<b>1,676</b>	
<b>Expenses</b>				
Employee costs	6,842	6,559	(283)	8
Materials and services	4,158	4,563	405	9
Depreciation and amortisation	5,034	4,836	(198)	10
Other expenses	1,876	1,345	(531)	11
<b>Total expenses</b>	<b>17,910</b>	<b>17,303</b>	<b>(607)</b>	
<b>Surplus/(deficit) for the year</b>	<b>(1,392)</b>	<b>891</b>	<b>2,283</b>	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Rates & Charges	Rates & Charges are slightly higher than budget due to supplementary valuations being included, along with windfarm in lieu of rates.
2	Statutory fees and fines	Statutory fees and fines are higher than budgeted due to a large number of fines being issued.
3	User fees	User fees & Reimbursements are higher than budgeted due to Income received from the Caravan Parks being much higher than budgeted.
4	Grants - Operating	Recurrent operating grants are higher than budget due to the early payment of the 2018/19 Financial Assistance Grant. Non-recurrent operating grants are higher than budget due to Council receiving a number of grants that were not in the 2017/18 budget. These includes a grant for a Facilitated Playgroup Coordinator, Community Safety Grant, National Youth Week Grant, and Disaster Recovery Grant.
5	Grants - Capital	Non-recurrent capital grants is under budget due to the early payment of the Dimboola Civic Precinct Grant and Skate Park Grant in 2016/17 that was budgeted in 2017/18. Council received a number of grants that were not in the 2017/18 budget. This included Public Safety Infrastructure, Building Our Regions, Stronger Communities Walking Track - Dimboola, Final payment of the Recreational Fishing Grant, National Livestock Identification Scheme Grant and Variable Message Sign Grant.
6	Contributions - monetary	Contributions are higher than budgeted due to the recognition of the income raised by the Nhill Integrated Early Years Fundraising Committee.
7	Other Income	Other income is below budget due a reduction in Quarry Materials used on jobs and Plant recovery.
8	Employee Costs	Employee costs are currently under expenditure due to a number of vacant positions throughout 2017/18 not being filled for quite some time.
9	Materials & Services	Materials and Services are over budget due to a large number of areas with small over expenditure. There was increased expenditure in building and infrastructure maintenance, and the timing of crushing a supply of concrete for road maintenance works also contributed to the variance.
10	Depreciation	Depreciation is under budget due to a number of large projects either not being completed in 2017/18 or being completed late in the year.
11	Other Expenses	Other expenses are under budget due to a under expenditure in Advertising, Audit Fees, Council Contributions, Memberships and Subscriptions, and Postage.

Note 1 Performance against budget (cont'd)

1.2 Capital works

	Budget 2018 \$'000	Actual 2018 \$'000	Variance 2018 \$'000	Ref
<b>Property</b>				
Buildings	715	272	(443)	1
<b>Total Property</b>	<u>715</u>	<u>272</u>	<u>(443)</u>	
<b>Plant and Equipment</b>				
Plant, machinery and equipment	885	697	(188)	2
<b>Total Plant and Equipment</b>	<u>885</u>	<u>697</u>	<u>(188)</u>	
<b>Infrastructure</b>				
Roads	2,850	2,352	(498)	3
Bridges	325	-	(325)	4
Footpaths and cycleways	155	223	68	
Drainage	147	83	(64)	5
Kerb & Channel	387	236	(151)	6
Other infrastructure	368	674	306	7
<b>Total Infrastructure</b>	<u>4,232</u>	<u>3,568</u>	<u>(664)</u>	
<b>Total Capital Works Expenditure</b>	<u>5,832</u>	<u>4,537</u>	<u>(1,295)</u>	
<b>Represented by:</b>				
New asset expenditure	377	1,063	686	
Asset renewal expenditure	3,565	2,760	(805)	
Asset upgrade expenditure	1,890	714	(1,176)	
<b>Total Capital Works Expenditure</b>	<u>5,832</u>	<u>4,537</u>	<u>(1,295)</u>	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	Expenditure on buildings during 2017/18 was carried forward from 2016/17 to complete the Nhill Early Years Centre and Riverside Holiday Park Cabins. Work on the Dimboola Library Incorporating the Civic Hub did not commence in 2017/18 and will be carried forward to 2018/19.
2	Plant, machinery and equipment	There were a couple of items of Plant that were not purchased in 2017/18. This includes, the woodchipper, two replacement trailers and the replacement Nhill Town truck which will be purchased in 2018/19.
3	Roads	Works on the Rainbow Nhill Road were delayed, but will be finalised in early 2018/19.
4	Bridges	Work on the Albacutya Bridge has not yet commenced.
5	Drainage	Work on the Dimboola Drainage project was delayed during 2017/18. This project will be completed in 2018/19
6	Kerb & Chanel	Work on Victoria Street Dimboola was not completed in 2017/18 and will be carried forward to 201/19
7	Other Infrastructure	Over expenditure in Other Infrastructure to date is a reflection of the final payments being made for the skate parks which exceeded budget as approved by council in October 2017.

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

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all of its improvements.

The valuation base used to calculate general rates for 2017/18 was \$1,237.08 million (2016/17 \$1,230.92 million).

General Rates	6,710	6,453
Municipal charge	737	709
Waste management charge	874	853
Revenue in lieu of rates	29	-
<b>Total rates and charges</b>	<b>8,350</b>	<b>8,015</b>

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

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

## 2.2 Statutory fees and fines

Animal registration fees	71	66
Building fees	50	42
Infringements and costs	31	15
Town planning fees	28	28
<b>Total statutory fees and fines</b>	<b>180</b>	<b>151</b>

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

## 2.3 User fees

Aged and health services	288	326
Private works	53	54
Caravan parks & camping fees	302	151
Transfer station fees	55	51
Commercial garbage collection fees	40	43
Film screenings and hall hire	32	42
Other fees and charges	86	77
<b>Total user fees</b>	<b>856</b>	<b>744</b>

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

	2018	2017
	\$'000	\$'000
<b>2.4 Funding from other levels of government</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Commonwealth funded grants	6,409	8,326
State funded grants	1,009	3,007
<b>Total grants received</b>	<b>7,418</b>	<b>11,333</b>
<b>(a) Operating Grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Financial Assistance Grants	4,410	6,147
General home care	480	432
<i>Recurrent - State Government</i>		
Delivered meals	1	1
Home care services	82	131
Home maintenance	6	8
Senior citizens	19	17
School crossing supervisors	7	5
Libraries	104	102
Volunteer Week	-	6
Youth participation program	39	24
Roadside weeds and pest management	124	74
Other	21	25
<b>Total recurrent operating grants</b>	<b>5,293</b>	<b>6,972</b>
<i>Non-recurrent - State Government</i>		
Karen community capacity building & migration project	70	90
Community Safety Fund	10	4
Walk to school	11	10
Youth participation program	3	26
Mosquito management	2	22
Other	14	16
Facilitated Playgroup	41	-
Disaster Recovery	71	-
<b>Total non-recurrent operating grants</b>	<b>222</b>	<b>168</b>
<b>Total operating grants</b>	<b>5,515</b>	<b>7,140</b>



	2018	2017
	\$'000	\$'000
<b>(b) Capital Grants</b>		
<i>Recurrent - Commonwealth Government</i>		
Roads to recovery	1,519	1,747
<b>Total recurrent capital grants</b>	<u>1,519</u>	<u>1,747</u>
<i>Non-recurrent - State Government</i>		
Nhill early years centre	22	780
Dimboola civic precinct	100	510
Dimboola caravan park	-	320
Disaster recovery	-	382
Menzies square redevelopment	-	16
Rainbow recreation reserve changerooms	-	180
Recreational fishing	10	14
Skate parks	90	180
Other	11	63
Public safety infrastructure	19	-
Building or regions	75	-
Stronger communities walking track	20	-
National Livestock Identification Scheme	19	-
Variable Message Sign	18	-
<b>Total non-recurrent capital grants</b>	<u>384</u>	<u>2,445</u>
<b>Total capital grants</b>	<u><u>1,903</u></u>	<u><u>4,192</u></u>
<b>(c) Unspent grants received on condition that they be spent in a specific manner</b>		
Balance at start of year	1,125	626
Received during the financial year and remained unspent at balance date	321	820
Received in prior years and spent during the financial year	443	321
Balance at year end	<u>1,003</u>	<u>1,125</u>

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

	2018	2017
	\$'000	\$'000
<b>2.5 Contributions</b>		
Monetary	41	127
<b>Total contributions</b>	<u>41</u>	<u>127</u>

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

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

Proceeds of sale	213	92
Written down value of assets disposed	(166)	(128)
<b>Total net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>	<u>47</u>	<u>(36)</u>

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

**2.7 Other income**

Plant operations	596	620
Quarry operations	386	397
Interest	167	216
Recoupments	53	78
Fire services levy administration	41	40
Scrap metal and transfer station sales	26	21
Microroads agency administration	3	2
Other	1	1
<b>Total other income</b>	<u>1,273</u>	<u>1,375</u>

Interest is recognised as it is earned.

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

	2018	2017
	\$'000	\$'000
<b>Note 3 The cost of delivering services</b>		
<b>3.1 Employee costs</b>		
Wages and salaries	4,981	4,830
WorkCover	159	114
Annual leave, sick leave and long service leave	616	411
Superannuation	556	540
Fringe benefits tax	87	83
Training	129	134
Other	31	38
<b>Total employee costs</b>	<b>6,559</b>	<b>6,150</b>

**(b) Superannuation**

Council made contributions to the following funds:

**Defined benefit fund**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	74	129
	<b>74</b>	<b>129</b>
Employer contributions payable at reporting date.	nil	nil

**Accumulation funds**

Employer contributions to Local Authorities Superannuation Fund (Vision Super)	254	194
Employer contributions - other funds	228	216
	<b>482</b>	<b>410</b>
Employer contributions payable at reporting date.	nil	nil

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

**3.2 Materials and services**

Contract payments	216	257
Building maintenance	100	180
Bushfire, drought and flood recovery expenditure	-	40
Depots and workshops	45	46
Electoral services	-	82
Emergency assistance and fire prevention	13	23
Health promotion	8	93
Home and community care	104	94
Community development, tourism and youth activities	254	202
Garbage and recycling collection and waste disposal	452	435
Utilities	316	258
Office administration	47	48
Information technology	310	258
Parks, reserves and aerodromes	104	99
Plant and fleet operations	951	821
Printing stationery and advertising	33	36
Quarry operations	240	225
Rating and valuation	74	75
Roads, footpaths, bridges and drainage management	665	443
Swimming pool maintenance and management	316	270
Town beautification	18	16
Consultants and labour hire	134	190
Other	163	191
<b>Total materials and services</b>	<b>4,563</b>	<b>4,382</b>

	2018	2017
	\$'000	\$'000
<b>3.3 Depreciation</b>		
Property	424	363
Plant and equipment	794	766
Infrastructure	3,618	4,160
<b>Total depreciation</b>	<u>4,836</u>	<u>5,289</u>

Refer to note 5.1 for a more detailed breakdown of depreciation charges.

### 3.4 Bad and doubtful debts

#### Movement in provisions for doubtful debts

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

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

### 3.5 Other expenses

Advertising	41	26
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	43	45
Auditors' remuneration - Internal	-	17
Bank charges	31	29
Community action grants	20	29
Council contributions - other	28	25
Councillors' allowances	174	164
Fire services levy	23	23
Hindmarsh landcare network contribution	-	10
Insurance	256	232
Kindergartens	87	22
Landfill charges	238	226
Legal costs	-	3
Postage	23	23
Regional library contribution	259	254
State emergency service contribution	-	12
Subscriptions	88	82
Telecommunications	24	69
Town committees	30	33
Others	(20)	17
<b>Total other expenses</b>	<u>1,345</u>	<u>1,341</u>

<b>Note 4 Our financial position</b>	<b>2018</b>	<b>2017</b>
<b>4.1 Financial assets</b>	<b>\$'000</b>	<b>\$'000</b>
<b>(a) Cash and cash equivalents</b>		
Cash at bank	7,228	5,694
Term deposits	4,000	4,000
<b>Total cash and cash equivalents</b>	<b>11,228</b>	<b>9,694</b>

**Intended allocations**

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward capital works	1,788	723
- Grants unspent	1,003	820
<b>Total funds subject to intended allocations</b>	<b>2,791</b>	<b>1,543</b>

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

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

	2018 \$'000	2017 \$'000
<b>(b) Trade and other receivables</b>		
<b>Current</b>		
<i>Statutory receivables</i>		
Rates debtors	445	528
Building permit debtors	7	6
Infringement debtors	73	52
GST receivable	97	149
<i>Non statutory receivables</i>		
Other debtors	31	54
Sundry debtors	65	59
Street scheme debtors	2	7
Provision for doubtful debts - other debtors	(16)	(16)
Total current trade and other receivables	<u>704</u>	<u>839</u>
<b>Non-current</b>		
<i>Non statutory receivables</i>		
Street scheme debtors	2	2
Total non-current trade and other receivables	<u>2</u>	<u>2</u>
<b>Total trade and other receivables</b>	<u>706</u>	<u>841</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.

**(a) Ageing of Receivables**

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

Current (not yet due)	65	39
Past due by up to 30 days	8	2
Past due between 31 and 180 days	-	25
Past due between 181 and 365 days	3	8
Past due by more than 1 year	29	32
Total trade & other receivables	<u>105</u>	<u>106</u>

**(b) Ageing of individually impaired Receivables**

At balance date, other debtors representing financial assets with a nominal value of \$16,649 (2017: \$16,649) were impaired. The amount of the provision raised against these debtors was \$16,649 (2017: \$16,649). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

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

<b>4.2 Non-financial assets</b>	<b>2018</b>	<b>2017</b>
<b>(a) Inventories</b>	<b>\$'000</b>	<b>\$'000</b>
Inventories held for distribution	292	201
<b>Total inventories</b>	<b>292</b>	<b>201</b>

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

**(b) Other assets**

Prepayments	65	9
Accrued income	1	65
<b>Total other assets</b>	<b>66</b>	<b>74</b>

**4.3 Payables**

**(a) Trade and other payables**

Trade payables	666	749
Accrued expenses	319	308
<b>Total trade and other payables</b>	<b>985</b>	<b>1,057</b>

**(b) Trust funds and deposits**

Refundable deposits	12	12
Fire services levy	170	-
<b>Total trust funds and deposits</b>	<b>182</b>	<b>12</b>

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

*Purpose and nature of items*

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

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

4.4 Provisions

	Employee	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000
<b>2018</b>				
Balance at beginning of the financial year	1,668	21	145	1,834
Additional provisions	623	-	-	623
Amounts used	(522)	-	-	(522)
Balance at the end of the financial year	<u>1,769</u>	<u>21</u>	<u>145</u>	<u>1,935</u>
<b>2017</b>				
Balance at beginning of the financial year	1,691	21	134	1,846
Additional provisions	373	-	11	384
Amounts used	(396)	-	-	(396)
Balance at the end of the financial year	<u>1,668</u>	<u>21</u>	<u>145</u>	<u>1,834</u>



	2018	2017
	\$'000	\$'000
<b>(a) Employee provisions</b>		
<b>Current provisions expected to be wholly settled within 12 months</b>		
Annual leave and rostered day off	561	531
Long service leave	102	93
	<u>663</u>	<u>624</u>
<b>Current provisions expected to be wholly settled after 12 months</b>		
Annual leave	93	58
Long service leave	861	795
	<u>954</u>	<u>853</u>
<b>Total current employee provisions</b>	<u>1,617</u>	<u>1,477</u>
<b>Non-current</b>		
Long service leave	152	191
Annual leave	-	-
<b>Total non-current employee provisions</b>	<u>152</u>	<u>191</u>
<b>Aggregate carrying amount of employee provisions:</b>		
Current	1,617	1,477
Non-current	152	191
<b>Total aggregate carrying amount of employee provisions</b>	<u>1,769</u>	<u>1,668</u>

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

*Wages and salaries and annual leave*

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

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

*Long service leave*

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

Key assumptions:

- average discount rate	2.327%	2.224%
- inflation rate	3.875%	3.813%

**(b) Landfill restoration**

Current	21	21
Non-current	-	-
	<u>21</u>	<u>21</u>

Key assumptions:

- estimated cost to rehabilitate	21	21
----------------------------------	----	----

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

**(c) Quarry restoration**

Current	44	44
Non-current	101	101
	<u>145</u>	<u>145</u>

Key assumptions:

- estimated cost to rehabilitate	145	145
----------------------------------	-----	-----

	2018	2017
	\$'000	\$'000

#### 4.5 Financing arrangements

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

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

#### 4.6 Commitments

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

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

2017	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Building services	25				25
Kerbside recycling collection	162	166	340	-	668
Kerbside waste collection	263	270	554	-	1,087
Transport waste and recycling to Dooen	55	57	116	-	228
Swimming pool management	249	254	-	-	503
Meals for delivery	23	-	-	-	23
<b>Total</b>	<b>777</b>	<b>747</b>	<b>1,010</b>	<b>-</b>	<b>2,534</b>

5.1 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2017	Additions	Revaluation	Depreciation	Disposal	Transfers	At Fair Value 30 June 2018
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	2,370	-	-	-	-	-	2,370
Buildings	21,477	33	-	(424)	(18)	520	21,588
Plant and equipment	5,483	694	-	(794)	(103)	37	5,317
Infrastructure	125,091	3,486	(760)	(3,618)	-	609	124,808
Work in progress	3,960	324	-	-	-	(1,166)	3,118
	158,381	4,537	(760)	(4,836)	(121)	-	157,201

Summary of Work in Progress

	Opening WIP	Additions	Transfers	Closing WIP
	\$'000	\$'000	\$'000	\$'000
Buildings	2,946	238	(520)	2,664
Plant and equipment	37	3	(37)	3
Infrastructure	978	82	(609)	451
Total	3,961	323	(1,166)	3,118

*Asset recognition thresholds and depreciation periods*

	Depreciation Period	Threshold Limit \$'000
Land & land improvements		
land	-	1
Buildings		
buildings	30 - 100 years	1
Plant and Equipment		
plant, machinery and equipment	2 - 20 years	1
fixtures, fittings and furniture	2 - 50 years	1
Infrastructure		
roads - unsealed pavements	15 - 40 years	1
roads - sealed surface	15 - 40 years	1
roads - sealed road pavements	70 - 110 years	1
roads - substructure	100 years	1
roads - kerb, channel and minor culverts and other	60 -100 years	1
bridges	70 - 120 years	1
footpaths and cycleways	15 - 80 years	1
drainage	80 - 120 years	1
other infrastructure	5 - 100 years	1

(a) Property

	Land - specialised	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	2,370	2,370	215	24,494	24,709	2,946	30,025
Accumulated depreciation at 1 July 2017	-	-	(31)	(3,200)	(3,231)	-	(3,231)
	2,370	2,370	184	21,294	21,478	2,946	26,794
<b>Movements in fair value</b>							
Additions	-	-	-	33	33	238	271
Disposal	-	-	-	(18)	(18)	-	(18)
Transfers	-	-	-	520	520	(520)	-
	-	-	-	535	535	(282)	253
<b>Movements in accumulated depreciation</b>							
Depreciation	-	-	(9)	(415)	(424)	-	(424)
	-	-	(9)	(415)	(424)	-	(424)
At fair value 30 June 2018	2,370	2,370	215	25,029	25,244	2,664	30,278
Accumulated depreciation at 30 June 2018	-	-	(40)	(3,615)	(3,655)	-	(3,655)
	2,370	2,370	175	21,414	21,589	2,664	26,623

(b) Plant and Equipment

	Plant machinery and equipment	Fixtures fittings and furniture	Work in Progress	Total plant and equipment
	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	9,404	993	37	10,434
Accumulated depreciation at 1 July 2017	(4,177)	(737)	-	(4,914)
	5,227	256	37	5,520
<b>Movements in fair value</b>				
Additions	598	96	3	697
Disposal	(457)	-	-	(457)
Transfers	-	37	(37)	-
	141	133	(34)	240
<b>Movements in accumulated depreciation</b>				
Depreciation	(700)	(94)	-	(794)
Accumulated depreciation of disposals	354	-	-	354
	(346)	(94)	-	(440)
At fair value 30 June 2018	9,545	1,126	3	10,674
Accumulated depreciation at 30 June 2018	(4,523)	(831)	-	(5,354)
	5,022	295	3	5,320

(c) Infrastructure

	Roads	Bridges	Footpaths and cycleways	Drainage	Kerb & Channel	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2017	120,281	6,546	6,475	6,220	18,802	9,883	978	169,185
Accumulated depreciation at 1 July 2017	(30,482)	(873)	(3,168)	(1,996)	(4,219)	(2,378)	-	(43,116)
	89,799	5,673	3,307	4,224	14,583	7,505	978	126,069
<b>Movements in fair value</b>								
Additions	2,339	-	223	75	217	632	82	3,568
Revaluation	-	523	-	-	-	-	-	523
Transfers	140	-	-	-	-	469	(609)	-
	2,479	523	223	75	217	1,101	(527)	4,091
<b>Movements in accumulated depreciation</b>								
Depreciation	(2,664)	(70)	(157)	(78)	(236)	(413)	-	(3,618)
Impairment losses recognised in operating result by reduction of the asset revaluation reserve	-	(1,283)	-	-	-	-	-	(1,283)
	(2,664)	(1,353)	(157)	(78)	(236)	(413)	-	(4,901)
At fair value 30 June 2018	122,760	7,069	6,698	6,295	19,019	10,984	451	173,276
Accumulated depreciation at 30 June 2018	(33,146)	(2,226)	(3,325)	(2,074)	(4,455)	(2,791)	-	(48,017)
	89,614	4,843	3,373	4,221	14,564	8,193	451	125,259

*Acquisition*

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

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

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

*Land under roads*

Council recognises land under roads it controls, acquired after 1 July 2008, at fair value.

*Depreciation and amortisation*

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

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

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

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

Depreciation periods used are listed 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 the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. At balance date Council has no finance leases.

*Repairs and maintenance*

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

*Leasehold improvements*

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

**Valuation of land and buildings**

Valuation of land and buildings were undertaken by a qualified independent valuer Ben Sawyer, certified practicing valuer AAPI Registration 63163 from Preston Rowe Patterson Horsham & Wimmera Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

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

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

The date of the current valuation is detailed in the following table. A full revaluation of these assets will be conducted in 2018/19.

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Land	-	2,370	-	Jun-15
Specialised land	-	-	-	Jun-15
Land Improvements	-	-	-	Jun-15
Heritage Buildings	-	-	197	Jun-15
Buildings	-	-	21,409	Jun-15
Building improvements	-	-	-	Jun-15
<b>Total</b>	-	<b>2,370</b>	<b>21,606</b>	



**Valuation of infrastructure**

Valuation of road and kerb and channel assets has been determined in accordance with an independent valuation undertaken by Talis Consultants Pty Ltd. An independent valuation of bridges has been undertaken, by Pitt & Sherry. The valuation of all other infrastructure assets has been determined by Mr Shane Power, Director of Infrastructure Services.

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

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

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

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Date of Valuation
Roads	-	-	89,613	Jun-17
Bridges	-	-	4,841	Jun-18
Footpaths and cycleways	-	-	3,373	Jun-18
Drainage	-	-	4,221	Jun-18
Kerb & Channel	-	-	14,565	Jun-17
Other infrastructure	-	-	8,193	Jun-18
Total	-	-	124,806	

**Description of significant unobservable inputs into level 3 valuations**

**Specialised buildings** are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs is calculated on a square metre basis and ranges from \$300 to \$2,600 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 5 years to 75 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

**Infrastructure assets** are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 10 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2018 \$'000	2017 \$'000
<b>5.2 Investments in associates, joint arrangements and subsidiaries</b>		
<b>(a) Investments in associates</b>		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation	378	386
- Wimmera Development Association	102	65
<b>Wimmera Regional Library Corporation</b>		
<i>Background</i>		
Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Buloke Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Regional Library Corporation		
Hindmarsh Shire has a 13.16% interest in equity (13.19% in 2016/17)		
<b>Fair value of Council's investment in Wimmera Regional Library Corporation</b>	<b>378</b>	<b>386</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	159	172
Change in equity share apportionment	-	13
Reported surplus/(deficit) for year	(8)	(25)
Transfers (to) from reserves	-	(1)
Council's share of accumulated surplus/(deficit) at end of year	<b>151</b>	<b>159</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	227	208
Change in equity share apportionment	(1)	18
Transfers (to) from reserves	-	1
Council's share of reserves at end of year	<b>226</b>	<b>227</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	387	385
Change in equity share apportionment	-	27
Share of surplus/(deficit) for year	(9)	(25)
Carrying value of investment at end of year	<b>378</b>	<b>387</b>
<b>Wimmera Development Association</b>		
<i>Background</i>		
Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council and Yarriambiack Shire Council, have an interest in the Wimmera Development Association		
Hindmarsh Shire has a 10.34% interest in equity (10.34% in 2016/17)		
<b>Fair value of Council's investment in Wimmera Development Association</b>	<b>102</b>	<b>65</b>
<b>Council's share of accumulated surplus/(deficit)</b>		
Council's share of accumulated surplus/(deficit) at start of year	41	34
Change in equity share apportionment	-	(2)
Reported surplus/(deficit) for year	37	16
Transfers (to) from reserves	-	(7)
Council's share of accumulated surplus/(deficit) at end of year	<b>78</b>	<b>41</b>
<b>Council's share of reserves</b>		
Council's share of reserves at start of year	23	14
Change in equity share apportionment	1	2
Transfers (to) from reserves	-	7
Council's share of reserves at end of year	<b>24</b>	<b>23</b>
<b>Movement in carrying value of specific investment</b>		
Carrying value of investment at start of year	64	48
Share of surplus/(deficit) for year	38	16
Carrying value of investment at end of year	<b>102</b>	<b>64</b>

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

	2018	2017
	No.	No.
<b>Note 6 People and relationships</b>		
<b>6.1 Council and key management remuneration</b>		
<b>(a) Related Parties</b>		
<i>Parent entity</i>		
Hindmarsh Shire Council is the parent entity.		
<i>Subsidiaries and Associates</i>		
Interests in subsidiaries and associates are detailed in Note 5.2.		
<b>(b) Key Management Personnel</b>		
Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:		
<b>Councillors</b>		
Councillor D.Nelson (Mayor July-October 2017)		
Councillor R.Ismay (Mayor November-June 2018)		
Councillor R.Lowe (Deputy Mayor)		
Councillor R. Gersch		
Councillor T.Schneider		
Councillor D.Colbert		
<b>Total Number of Councillors</b>	6	7
<b>Chief Executive Officer and other Key Management Personnel</b>	4	3
<b>Total Key Management Personnel</b>	<u>10</u>	<u>10</u>
<b>(c) Remuneration of Key Management Personnel</b>	<b>\$ '000</b>	<b>\$ '000</b>
Total remuneration of key management personnel was as follows:		
Short-term benefits	716	625
Long-term benefits	-	14
Termination benefits	22	-
<b>Total</b>	<u>738</u>	<u>639</u>
The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:		
	<b>No.</b>	<b>No.</b>
\$1 - \$9,999	-	1
\$10,000 - \$19,999	-	1
\$20,000 - \$29,999	4	4
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	1	-
\$60,000 - \$69,999	-	1
\$70,000 - \$79,999	1	-
\$130,000 - \$139,999	1	-
\$140,000 - \$149,999	-	-
\$150,000 - \$159,999	1	2
\$160,000 - \$169,999	-	1
\$170,000 - \$199,999	-	-
\$200,000 - \$229,999	-	-
\$230,000 - \$239,999	1	-
	<u>10</u>	<u>10</u>

**6.2 Related party disclosure**

**(a) Transactions with related parties**

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

*Council entered into purchases of materials and services on normal commercial terms and arrangements with the following businesses:*

*T. Ismay & Co (a related party to Cr R. Ismay) - \$4,052 during the 2017/18 financial year (\$6,624 in 2016/17).*

*Jim's Butchery (a related party to Cr R. Gersch) - \$1,369 during the 2017/18 financial year (\$781 in 2016/17).*

**(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

*There are no outstanding balances with related parties at 30 June 2018.*

**Note 7 Managing uncertainties**

**7.1 Contingent assets and liabilities**

*Operating lease receivables*

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

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

	2018 \$'000	2017 \$'000
Not later than one year	55	60
Later than one year and not later than five years	130	171
Later than five years	113	95
	298	326

**(b) Contingent liabilities**

**Superannuation**

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

*Future superannuation contributions*

In addition to the disclosed contributions, Council has paid unfunded liability payments to Vision Super totalling \$0 during the 2017/18 year (2016/17 \$0 paid). There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2018. The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2019 are \$71,000.

**(c) Guarantees for loans to other entities**

Council holds financial guarantees totalling \$131,000 held with the National Australia Bank on behalf of the Minister for Energy and resources for the purpose of ensuring quarry sites are restored to an environmentally satisfactory condition. If Council fail to meet the conditions of these The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

**7.2 Change in accounting standards**

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

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

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

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

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

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

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

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

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

*Leases (AASB 16) (applies 2019/20)*

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

*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.

### 7.3 Financial instruments

#### (a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the Notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

#### (b) Market risk

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

##### *Interest rate risk*

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

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

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

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

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

#### (c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. To help manage this risk:

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

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

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

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 7.1(b).

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

**(d) Liquidity risk**

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

To help reduce these risks Council:

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

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 7.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

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

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade.

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

**(e) Sensitivity disclosure analysis**

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

- A parallel shift of +2.0% and -1.0% in market interest rates (AUD) from year-end rates of 2.4%.

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

**7.4 Fair value measurement**

*Fair value hierarchy*

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

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

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

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*

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.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 4 years. The valuation is performed either by experienced council officers or independent experts.

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

*Impairment of assets*

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

**7.5 Events occurring after balance date**

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

**Note 8 Other matters**

8.1 Reserves	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation by an associate	Balance at end of reporting period
(a) Asset revaluation reserves	\$'000	\$'000	\$'000	\$'000
<b>2018</b>				
<b>Property</b>				
Land & land improvements	1,639	-	-	1,639
Buildings	9,827	-	-	9,827
	11,466	-	-	11,466
<b>Infrastructure</b>				
Roads	86,443	-	-	86,443
Bridges	978	(760)	-	218
Footpaths and cycleways	1,479	-	-	1,479
Drainage	2,416	-	-	2,416
Other infrastructure	602	-	-	602
Share of Asset Revaluation in Associates	28	-	-	28
	91,946	(760)	-	91,186
<b>Total asset revaluation reserves</b>	<b>103,412</b>	<b>(760)</b>	<b>-</b>	<b>102,652</b>
<b>2017</b>				
<b>Property</b>				
Land & land improvements	1,639	-	-	1,639
Buildings	9,827	-	-	9,827
	11,466	-	-	11,466
<b>Infrastructure</b>				
Roads	41,580	44,863	-	86,443
Bridges	978	-	-	978
Footpaths and cycleways	1,479	-	-	1,479
Drainage	2,416	-	-	2,416
Other infrastructure	602	-	-	602
Share of Asset Revaluation in Associates	28	-	-	28
	47,083	44,863	-	91,946
<b>Total asset revaluation reserves</b>	<b>58,549</b>	<b>44,863</b>	<b>-</b>	<b>103,412</b>

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



	2018	2017
<b>8.2 Reconciliation of cash flows from operating activities to surplus/(deficit)</b>	<b>\$'000</b>	<b>\$'000</b>
Surplus/(deficit) for the year	891	4,538
Depreciation/amortisation	4,836	5,288
Profit on disposal of property, infrastructure, plant and equipment	(47)	36
Other	(30)	9
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	135	179
(Increase)/decrease in prepayments	(56)	(20)
Increase/(decrease) in accrued income	64	-
Increase/(decrease) in trade and other payables	(83)	(14)
(Increase)/decrease in inventories	(90)	(5)
Increase/(decrease) in provisions	101	(11)
Increase/(Decrease) in trust funds and deposits	170	5
Increase/(Decrease) in accrued expenses	11	(41)
Net cash provided by/(used in) operating activities	<b>5,902</b>	<b>9,964</b>

### 8.3 Superannuation

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

#### Accumulation

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

#### Defined Benefit

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

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

#### Funding arrangements

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

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

Net investment returns 6.5% pa

Salary information 3.5% pa

Price inflation (CPI) 2.5% pa.

Vision Super has advised that the estimated VBI at 30 June 2018 was 106.0%.

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

**Employer contributions**

**Regular contributions**

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

**Funding calls**

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

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

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

**2017 triennial actuarial investigation surplus amounts**

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

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

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the

**2018 interim actuarial investigation**

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

# HINDMARSH SHIRE COUNCIL

## Performance Statement

For the year ended 30 June 2018

### **Our Municipality**

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527km<sup>2</sup>. Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

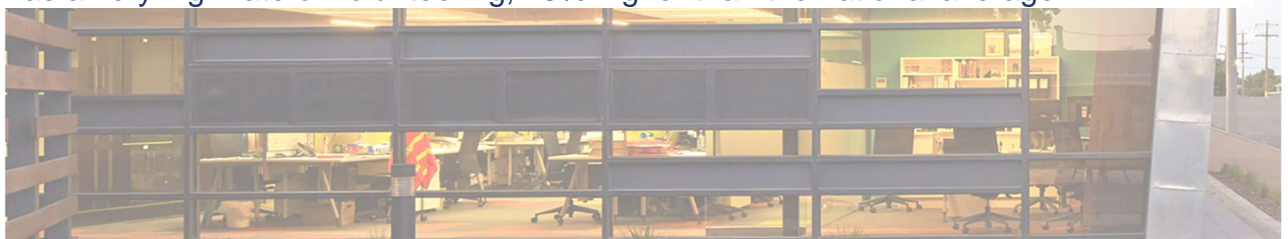
Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily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

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

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

Today it is estimated, 5,677 people live in Hindmarsh Shire, with a median age of 50 years. 83% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 88% of homes. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 190 calling Nhill home.

The median weekly household income is \$1,131, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 18% higher than the national average.



# Sustainable Capacity Indicators

For the year ended 30 June 2018

<i>Indicator/measure</i>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material Variations</b>
<b><i>Own-source revenue</i></b>					
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,661	\$1,811	\$1,880	\$1,891	No material variation
<b><i>Recurrent grants</i></b>					
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$1,330	\$916	\$1,601	\$1,200	The variation is due to a reduction in commonwealth recurrent grants.
<b><i>Population</i></b>					
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$2,890	\$3,089	\$3,151	\$3,048	No material variations
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$18,805	\$19,938	\$28,647	\$27,273	A reduction in the municipal population, along with investment in Council Infrastructure and revaluation of assets alters the value of infrastructure per municipal population.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	1.83	1.73	1.71	1.79	No material variations.
<b><i>Disadvantage</i></b>					
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	3	2	2	2	No material variations.

## Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

"population" means the resident population estimated by council

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

"relative socio-economic disadvantage", in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

"SEIFA" means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

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

# Service Performance Indicators

For the year ended 30 June 2018

<b>Service/indicator/measure</b>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material Variations</b>
<b>Governance</b> <b>Satisfaction</b> <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	60	57	58	60	No material variations.
<b>Statutory Planning</b> <b>Decision making</b> <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	n/a	100%	n/a	50%	2 planning matters were taken to VCAT during 2017/18. VCAT upheld 1 of Council's decisions.
<b>Roads</b> <b>Satisfaction</b> <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	47	45	52	48	No material variations.
<b>Libraries</b> <b>Participation</b> <i>Active library members</i> [Number of active library members / Municipal population] x100	14%	11%	10%	9%	No material variations.
<b>Waste Collection</b> <b>Waste diversion</b> <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	24%	22%	23%	34%	A reduction in kerbside garbage collected in 2017/18 has resulted in the variation. Recycling collection tonnage in 2017/18 has remained similar to 2016/17.
<b>Aquatic facilities</b> <b>Utilisation</b> <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	3	3	3	3	Aquatic facilities for the period November to March.

<b>Service/indicator/measure</b>	<b>Results 2015</b>	<b>Results 2016</b>	<b>Results 2017</b>	<b>Results 2018</b>	<b>Material Variations</b>
<b>Animal management</b> <b>Health and safety</b> <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	n/a	n/a	n/a	n/a	No animal prosecutions during 2017/18.
<b>Food safety</b> <b>Health and safety</b> <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x100	100%	100%	n/a	n/a	Council did not receive any notifications of non-compliance during 2017/18.
<b>Home and community care</b> <b>Participation</b> <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	30%	61%	n/a	n/a	Reporting ceased on 1 July 2016.
<b>Participation</b> <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	31%	60%	n/a	n/a	Reporting ceased on 1 July 2016
<b>Maternal and child health</b> <b>Participation</b> <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.
<b>Participation</b> <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	n/a	n/a	n/a	n/a	Not applicable. Council has no operational control over MCH services.

## Definitions

"Aboriginal child" means a child who is an Aboriginal person

"Aboriginal person" has the same meaning as in the Aboriginal Heritage Act 2006

"active library member" means a member of a library who has borrowed a book from the library

"annual report" means an annual report prepared by a council under sections 131, 132 and 133 of the Act

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

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

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

"critical non-compliance outcome notification" means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health

"food premises" has the same meaning as in the *Food Act 1984*

"HACC program" means the Home and Community Care program established under the Agreement entered into for the purpose of the Home and Community Care Act 1985 of the Commonwealth

"HACC service" means home help, personal care or community respite provided under the HACC program

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

"major non-compliance outcome notification" means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

"MCH" means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

"population" means the resident population estimated by council

"target population" has the same meaning as in the Agreement entered into for the purposes of the Home and Community Care Act 1985 of the Commonwealth

"WorkSafe reportable aquatic facility safety incident" means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.



# Financial Performance Indicators

For the year ended 30 June 2018

Dimension/ <i>indicator/measure</i>	Results	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Operating position</b>									
<b>Adjusted underlying result</b>									
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	5.9%	-10.4%	10.8%	2.7%	-20.4%	-5.5%	-10.8%	-9.2%	The result for this measure is expected to decrease over the 4 years to 2022. The decreasing trend is mainly due to the introduction of rates capping.
<b>Liquidity</b>									
<b>Working capital</b>									
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	356.1%	287.9%	414.1%	431.23%	130.0%	94.7%	35.5%	-10.2%	At 30 June 2018 Council held a higher cash balance due to the early payment of the Financial Assistance Grant and a number of capital works projects not commencing.
<b>Unrestricted cash</b>									
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	204.2%	94.3%	371.4%	393.96%	92.0%	42.0%	-16.1%	-64.0%	At 30 June 2018 Council held cash at bank of \$11.2m and current liabilities of \$2.8m; 2016/17 cash at bank \$9.6m and current liabilities \$2.6m.
<b>Obligations</b>									
<b>Loans and borrowings</b>									
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council do not hold any loans or borrowings.

<b>Dimension/indicator/measure</b>	<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Results</b>	<b>Forecasts</b>				<b>Material Variations</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	
<b>Loans and borrowings</b> <i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	n/a	n/a	n/a	n/a	0.0%	0.0%	0.0%	0.0%	Council do not hold any loans or borrowings.
<b>Indebtedness</b> <i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	1.2%	2.3%	2.8%	2.3%	1.7%	1.7%	1.7%	1.7%	No material variations.
<b>Asset renewal</b> <i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	50.8%	66.0%	55.6%	57.0%	110.3%	101.3%	86.3%	82.4%	Expenditure on Asset renewal remains a high priority for Council.
<b>Stability</b> <b>Rates concentration</b> <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	40.9%	50.5%	41.6%	46.9%	57.3%	50.7%	50.8%	50.8%	The variation is due to the reduction in grants received during 2017/18.
<b>Rates effort</b> <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality ] x100	0.6%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.6%	No material variations.
<b>Efficiency</b> <b>Expenditure level</b> <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,286	\$3,076	\$3,331	\$3,362	\$3,527	\$3,549	\$3,784	\$3,786	No material variations.

Dimension/indicator/measure	Results	Results	Results	Results	Forecasts				Material Variations
	2015	2016	2017	2018	2019	2020	2021	2022	
<b>Revenue level</b>									
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,059	\$1,107	\$1,202	\$1,154	\$1,181	\$1,198	\$1,221	\$1,238	No material variations.
<b>Workforce turnover</b>									
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	16%	13%	11%	18%	6.0%	6.0%	6.0%	6.0%	Due to Council's small FTE staff, any small increase in resignations will result in a material variation.

## Definitions

"adjusted underlying revenue" means total income other than—

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

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

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

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

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

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

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

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

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

"population "means the resident population estimated by council

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

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

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

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

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

# Other Information

For the year ended 30 June 2018

## **1. Basis of preparation**

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

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

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

The forecast figures included in the performance statement are those adopted by Council in its strategic resource plan on 27 June 2018 which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council at its municipal offices at 92 Nelson Street Nhill, by email to [info@hindmarsh.vic.gov.au](mailto:info@hindmarsh.vic.gov.au) or phone 03 5391 4444.

## Certification of the performance statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

---

Ms Monica Revell

**Director Corporate & Community Services**

**Dated:** 19 September 2018

In our opinion, the accompanying performance statement of the Hindmarsh Shire Council for the year ended 30 June 2018 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

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

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

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

---

Mr Ron Ismay

**Councillor**

**Dated:** 19 September 2018

---

Mr Ronald Lowe

**Councillor**

**Dated:** 19 September 2018

---

Mr Greg Wood

**Chief Executive Officer**

**Dated:** 19 September 2018

**RAINBOW TOWN COMMITTEE MEETING MONDAY 27<sup>TH</sup> AUGUST 2018**

Held at Civic Centre Small Meeting room @7.30pm

**Visiting:** Mayor Cr Ron Ismay and Liaison Officer Wayne Schulz,

**Members attending:** Michael Sullivan, Ross Heinrich, Bill Hutson, Greg Roberts, Adrian Bennet, Phillip Molesworth, Leonie Clarke.

**Chairperson:** declares meeting open and welcome to all attending.

**Apologies:** Peta Bennet, Ben Gosling and Dianne Dickson.

**Motion:** to accept apologies

**Moved:** Leonie Clarke / Phillip Molesworth - carried

*Declaration by members of any conflict of interest in any item of the agenda, either,*

- ) Direct; or
- ) Indirect interest of one of five types;
  1. a close association;
  2. an indirect financial interest;
  3. a conflicting duty;
  4. an applicable gift or
  5. a party to the matter in any term on the agenda
  6. An impact on residential amenity.

Chairman requests members declare any known conflicts of and/or pecuniary interests.

Minutes from July as circulated.

**Business arising:** from last meeting. No

**Motion:** to adopt circulated July minutes as correct

**Moved:** Michael Sullivan / Phillip Molesworth - carried

**Treasures report**

24/07/18 – 27/08/18

**Opening Balance**     **\$36,411.14**

**Income**                 **\$2,040.60**

**Payments**             **\$2,083.10**

**Closing Balance**     **\$36,368.64**

**Income**

Rainbow Desert Enduro \$2,040.60

**Payments**

Rainbow Desert Enduro \$2,003.10

Rainbow Civic Centre   \$ 80.00

**Rainbow Town Committee Projects & Commitments**

**Day on the Lake \$816.75**

**Lawn \$802.75**

**Pella Project \$282.29**

**Grave Seat \$50.00**

**Open Spaces project \$422.37**(reallocated to TV info station)  
**Town Traders \$3,017.38**  
**Men's Shed \$2600.00**  
**Historic Film Farming in the Mallee \$710.00** (Drought Response Funding)  
**Rainbow Desert Enduro \$6,998.50**  
**New Residence BBQ 2017 \$57.71**  
**Hindmarsh Shire Grant 2017:\$6,500.00** (Unallocated).

**Silo Art Trail \$7,400** (transferred from Pella Project)  
**Town Entrance Project \$3,000.00**  
**Project Funds \$30,057.75**

**Uncommitted funds \$6,310.89**

**Cheque Account \$36,344.74**  
**Petty Cash Account \$23.90**

**Account TV** when invoiced  
Rainbow Desert Enduro

***Motion:*** to receive treasures report and pass accounts for payment.

**Moved:** Adrian Bennet / Leonie Clarke – carried

**Cr Report:** Mayor Cr Ron Ismay

- ) Kinder garden has a new service.
- ) Was concerned that Lamatina Carrot Company were trying to get authorisation to run road trains on some roads
- ) Attended rail freight meeting Mayor stated the main reason for going was that Council has to make a decision re continuing membership or not, rail freight want to lift axle weights between Rainbow lines to Portland in some areas. They indicated that they were trying to get the Rainbow to Dimboola line network upgraded as well. This would result in to freight savings of up to \$10 per ton.
- ) Attended Western Highway action group meeting and complained about rumble strips again, also complained about the road near the salt flats out from Jeparit.

***Motion:*** to receive Cr Report

**Moved:** Adrian Bennet / Greg Roberts - carried

**Liaison Officer Report:** Wayne Schulz

- ) Public comments for tree strategy closed last Friday however if you did have any comments Janette would probably still take them.
- ) Seniors Month coming think it is 24<sup>th</sup> October with Jade Hurley there would be buses running to Nhill



- J Home Care area we are having trouble getting enough local workers so we are currently accessing them from Nhill & Dimboola, if you know of anyone available contact Karen Barton
- J Swimming school Contractor tenders have closed and have tenders in doing up reports for council.
- J It was raised recently about Disabled car park in Rainbow, Council staff have had a look and decided that it may be simpler than first thought, would have to liaise with cafe owners. to see if they would be interested regarding part use of their loading bay.

**Question from Greg Roberts:** re Cardboard bin being extremely difficult to get cardboard in and even worse if it is windy.

**Liaison Officer:** thought they had placed a lower skip there but would have a chat to the contractor.

**Motion:** to receive Liaison Officer report

**Moved:** Phillip Molesworth / Greg Roberts - carried

**Inwards correspondence:**

- J Email: from Phil King requesting date of AGM.
- J Email: from Pam Newton re Rainbow & District Secondary Education Centenary 1919 – 2019.

**Motion:** to receive inwards correspondence and endorse outwards correspondence.

**Moved:** Leonie Clarke / Phillip Molesworth - carried

### **General Business**

1. Attend to Adrian Bennett's motion / amendment from July meeting re silo funding.  
Proposed Motion/Amendment:

**Old Motion:**

**Motion:** to re allocate \$7,400.00 of mystery House project funds to silo Art Trail funding.

**Moved:** Leonie Clarke / Michael Sullivan – carried

In order for motion to be changed it was necessary for mover of the original motion to allow it to be changed.

**Motion:** to rescind old reallocation motion regarding Mystery House project funds allowing a new motion to be put forward.

**Moved:** Leonie Clarke / Phillip Molesworth – carried

***The Amendment/Motion would then read.***

**Motion:** I Move that The Rainbow Town Committee reallocate \$7,400.00 from the mystery House project funds. That a new Project be named the Rainbow Silo Art Trail Project and that the \$7,400.00 reallocated from the Mystery House Project are to be used for the purpose of silo art within the township of Rainbow.

**Moved:** Adrian Bennett / Phillip Molesworth – carried

**Chairperson Ross Heinrich:** then requested a show of hands for voting purposes.  
The vote was unanimous.

**Rainbow & District Secondary Education Centenary:**

After discussion it was decided that RTC were not adequately equipped to conduct the street festival part of the event, members suggested a letter be written to their committee advising them of this and for them to check with the Town Traders Working Group.

**AGM Date:** using next meeting date would be 24<sup>th</sup> September approval needed, the following arrangements were decided on.

***Motion:*** *meeting & dinner to be held at the Eureka if available or the Rainbow 50's Café if Eureka not. Dinner @ 6.30 pm Monday 24<sup>th</sup> September 2018*

*AGM at approximately 7.30 pm*

**Moved:** Michael Sullivan / Phillip Molesworth - carried

**As there was no further business Chairperson Ross Heinrich thanked all for their attendance and closed meeting@ 8.05pm**