
Annual Report 2005-2006



Northern Grampians Shire Council

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From the Mayor, Cr Kevin Erwin

This year has been one of the most challenging in the history of the Northern Grampians Shire, with the biggest events undoubtedly being the summer of 2006 Deep Lead and Grampians Region bushfires.

Council played a huge part in response and recovery, from operating the Municipal Emergency Coordination Centre (MECC), to carrying out recovery activities such as community care and re-housing, business support, stock burial, water cartage, and being involved in the Grampians Region Bushfire Appeal. Support will continue through our Community Development Officer and Business Recovery Officer for at least another 12 months.

Not only did Council staff spend huge additional hours carrying out roles as part of emergency response and fire recovery, they continued to meet the daily needs and expectations of our community. I would like to take this opportunity to formally thank all Shire staff for their efforts this year, no matter what scale their contribution.

It is pleasing that despite most of Council's

resources being tied up in bushfire recovery this year, exciting milestones were still achieved. This includes the opening of the new St Arnaud Library, and the renovation of two major buildings: the Kara Kara Shire Hall in St Arnaud and Grand Stand 1 and the new media room at Central Park, Stawell.

Other projects completed included Stage 2 of the Halls Gap bike path, and the launch of the SWANS stormwater project in Stawell in conjunction with students from Stawell Secondary College. In addition, Council upgraded major bridges and roads throughout the Shire, adding value to our infrastructure for years to come.

In November last year, Council welcomed four new Councillors and we farewelled their predecessors who contributed enormously during their terms. I would like to thank my fellow Councillors for their support throughout the year and for their continued hard work in the community representing the voices of our residents and being active on various committees and boards.

From the CEO, Glen Davis

Since I began my role as CEO at Northern Grampians Shire in May 2006, it has been a whirlwind of activity getting to know the different communities throughout our Shire. Coming off the tail of the bushfire, we needed to balance our workload. We had to assist recovery from the disaster, catch up with a backlog in Council services and bring new emphasis and energy to development of our economy.

I felt it was important to focus on the development of the 2006-2010 Council Plan and the 2006-2007 Council Budget to ensure the needs of the community were heard and prioritised for the future. My thanks go to the many individuals and associations who generously helped us collect and implement their ideas for how the Northern Grampians should develop.

There has been a lot of upheaval within the organisation in the past 12 months. My task has been to build upon the expertise of experienced staff, to complement them with new recruits and to align staff responsibilities to best deliver services to the Shire. Our customers have been very happy with our Council Plan, our Budget, and our frugal rates and fees.

The professionalism behind that popularity was highlighted this year when Taylor's Gully Children's Services scored 100% in its accreditation with the National Childcare Accreditation Coun-

cil and the After School Program in St Arnaud also received a highly commendable report. It's great to see Northern Grampians leading the way in child care and we look forward to taking this a step further when the 'one-stop-shop' Taylor's Gully Children's Precinct opens next year.

Progress has also been made on other major developments throughout the Shire, from mining prospects near St Arnaud, Banyena, Stawell and Glenorchy to the gas pipeline extension in Stawell. There was good news in terms of increased businesses moving to St Arnaud and the Grampians Gateway Industrial Estate started its sub-division works ready to add extra business activity to the Western Highway.

Ratepayers of Northern Grampians Shire can look forward to continued real value for money and residents can expect excellence in Council customer services to be more widespread. Local economies will benefit from numerous infrastructure improvements happening throughout the Shire.



Mayor
Cr Kevin Erwin
 Portfolio Councillor:
 Waste (Regional), Transport/Roads, Primary Industry
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008

2005 Election Results

Cr Wayne Rice: elected
 Cr Ray Hewitt: elected
 Cr Dorothy Patton: elected
 Cr Peter Byron: elected (resigned)
 Cr Ross Clementson: elected (following resignation of Cr Byron)
 Cr Karen Douglas: retired
 Cr Barry Kearman: retired
 Cr Rick Heinrich: not re-elected
 Cr Greg Robson: not re-elected

*After Nov 05 election
 ** Prior to Nov 5 election

Our Councillors



Cr Bryan Small
 Portfolio Councillor:
 Environment (incl. Heritage & Arts)
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Ray Hewitt
 Portfolio Councillor: Youth and Recreation, Tourism
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Wayne Rice
 Portfolio Councillor: Industrial & Retail
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Ross Clementson
 Portfolio Councillor: Community Care
 Elected: 27 January 2006
 Term Expires: 29 Nov 2008



Cr Dorothy Patton
 Portfolio Councillor: Industrial & Retail, Primary Industry
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Ian Nicholson
 Portfolio Councillor:
 Youth and Recreation
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Robyn Smith
 Portfolio Councillor:
 Open Space, Tourism
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008



Cr Greg Earle
 Elected: 26 Nov 2005
 Term Expires: 29 Nov 2008

Council attendance register

	Ordinary			Special		
No. of Meetings	11	6 *	5 * *	12	8 *	4 **
Cr Bryan Small	11			10		
Cr Kevin Erwin	11			12		
Cr Ian Nicholson	11			10		
Cr Greg Earle	8			10		
Cr Robyn Smith	9			11		
Cr Ray Hewitt		6			8	
Cr Dorothy Patton		6			7	
Cr Wayne Rice		5			8	
Cr Karen Douglas			4			1
Cr Rick Heinrich			4			2
Cr Barry Kearman			4			3
Cr Greg Robson			5			3
Cr Ross Clementson		4			4	
Cr Peter Byron					2	

Planning Committee			
No. of Meetings	6	4 *	2 **
Cr Bryan Small	5		
Cr Kevin Erwin	6		
Cr Ian Nicholson	6		
Cr Greg Earle	6		
Cr Wayne Rice		1	
Cr Ross Clementson		3	
Cr Rick Heinrich			2
Cr Barry Kearman			1
Cr Greg Robson			2

Audit Committee	
No. of Meetings	3
Cr Robyn Smith	3

Our Organisation

Northern Grampians Shire has an organisational structure that provides value for money services to the Shire's communities. Our team of professional and experienced staff across all areas deliver highly responsive services to our customers.

This was the organisation as of 30 June, 2006.



CEO
Glen Davis



**Director
Corporate Development**
Keith White

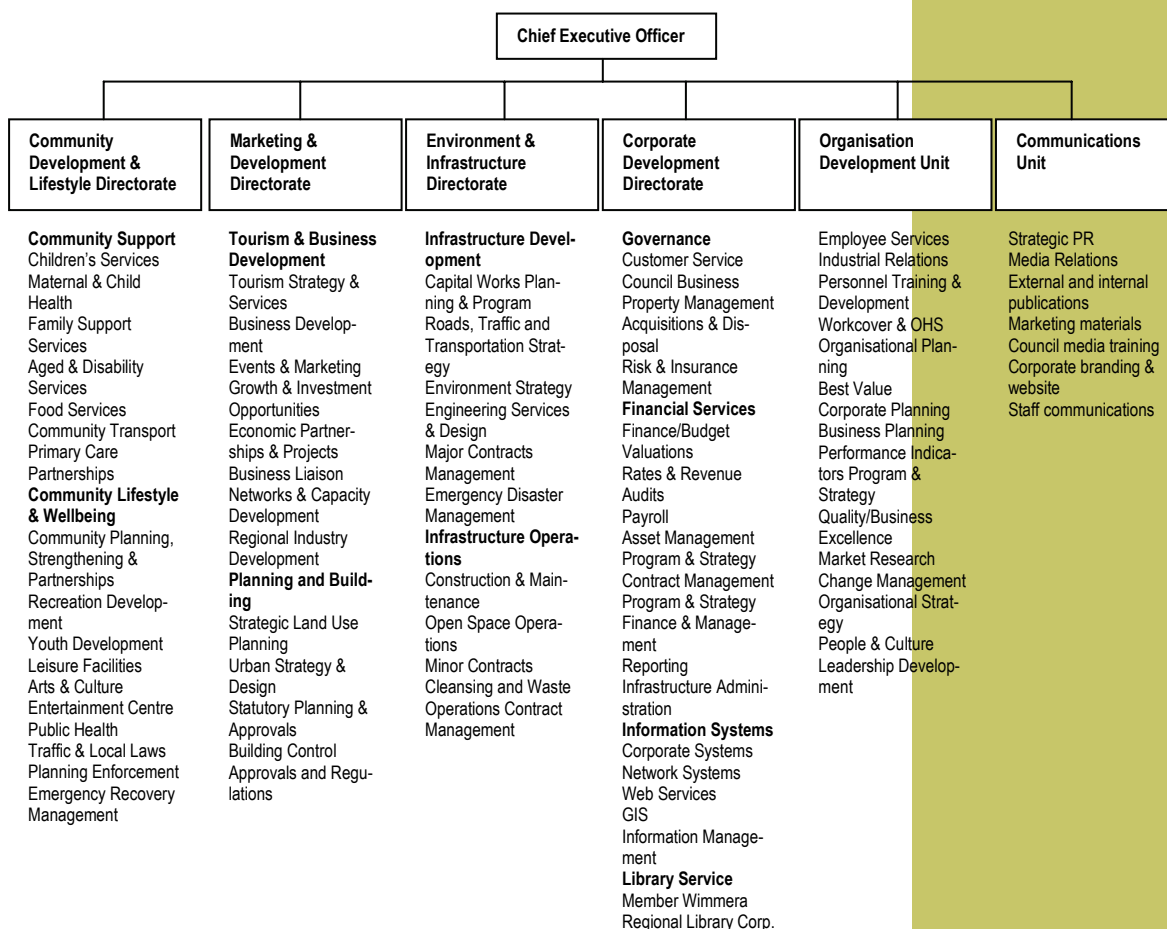


**Director
Community Development
& Lifestyle**
Jan Consedine



**Director
Marketing & Development
Environment &
Infrastructure**
Justine Linley

Organisational structure as at June 30, 2006





Our Achievements

Corporate Development

Financial management

Council has maintained a sound financial position in 2005/06, achieving an operating surplus of \$1.5 million on revenue of \$21.6 million. The Shire's cash position is \$1.5 million greater than what had been budgeted for, which was enhanced by the receipt of \$1.1 million of an additional Roads to Recovery grant.

The year was again very busy for the staff of Financial Services especially with the introduction and change in reporting as a result of the Australian equivalent to International Financial reporting Standards (IFRS) and the completion of the general revaluation. We continued to refine the monthly financial reports, improve the management reporting system and refine the budget process.

In addition, the team in Finance implemented the PowerBudget system and upgraded the Council's payroll system. Both systems will enable the team to be more efficient and cope with the demands of a changing organisation. The PowerBudget system will enable the delivery of budget processes to Managers' desktops which will enable the more efficient preparation of the Council's Budget.

The key to these changes is one of continuous improvement to ensure that as an organisation, we improve our systems and processes and provide the tools to enable management to discharge their duties.

The Council continues to prudently manage the financial resources to ensure that we live within our means and can manage the increasing demands on the limited resources.

Valuations

The revaluation of Council's property database was completed and the new valuations will be used for the 2006/2007 rating year. Since the revaluation undertaken in 2004, property values have increased by an average of 34% across the Shire.

Information Services

Work continued on the implementation of a three-year Information Services strategy. Projects completed this year included:

- Upgrade of the organisations GIS system
- Upgrade of the Aged Care system
- Replaced system used by Environmental Health staff
- Specified and sourced an asset management system
- Began improvements to the Council's internet system
- Improved communications between various-Council sites with the introduction of wireless technology
- Entered into a contract with Optus for the provision of fixed phone line/call services. It is anticipated that the switch will deliver in excess of 15% savings in the Council's fixed line call costs
- Upgraded the Council's PABX phone system

Audit Committee

The key change for the Audit Committee in 2005/2006 was the adoption of a new Audit Charter. The new charter more clearly defines the role of the Committee and also increased the membership of the committee from three to five members. The new Committee will consist of three externally appointed independent members and two Councillors. It's a milestone for a Council of our size to have an Audit Committee of this capacity.

During the year the Audit Committee received internal audit reports on the Road Management Plan, Review of Financial reporting and Fringe Benefits Tax review.

Community Services

Aged and Disability

It's been a year of achievement for Council, with the elimination of a home care waiting list. While the complete care of residents cannot be met solely by Council, it has developed strong networks with East Wimmera Health Service, Stawell Regional Health and generic aged and disability service providers.

Statistics at a glance:

9,276 hours of direct care support provided (home care, personal care and respite care)
93,000 kilometres travelled by workers
56 hours of essential home maintenance delivered
15,065 meals distributed by the Meals on Wheels program

Other highlights include the allocation of a \$5,000 grant to St Arnaud Senior Citizens towards installation of automatic doors to its hall entrance and the reforming of the Community Access Plan Reference group.

Veterans Home Care Program

The assessment of Veterans for Home Care in the Grampians Region, was contracted to the Northern Grampians Shire in December 2003. The tender for the contract for the next three years was submitted in June 2006.

Children's Services

Taylor's Gully Children's Services (Stawell)

A total of 93,340 hours of childcare were supplied by this service which scored 100% in its accreditation this year by the National Childcare Accreditation Council.

A \$2,000 minor capital grant was allocated by DHS to update the facilities and plans progressed to make the building into a one-stop-shop for all children's services including MCH and occasional care.

St Arnaud Children's Precinct

The enrolments at the long Day Care Centre are steadily increasing, with a total of 20,585 hours of care being provided in the past year.

The Precinct received a \$5,000 minor capital grant through DHS to upgrade facilities and is currently undergoing accreditation with the National Childcare Accreditation Council (NCAC) which should be validated by October 2006.

Outside School Hours Care (St Arnaud)

The Out of School Hours Care Program provided 7,772 hours of care and Vacation Care 8,095 hours. Both services have been Accredited by the NCAC achieving a high standard of care. The Kindergarten is now running at full capacity and will celebrate 50 years of service in 2006/2007.

Occasional Care

All child care places were filled during the year. Staff continued professional development, with two members completing their Certificate III in Children's Services, one member completing a Diploma of Business Management and all staff attending in-service training.

Family Day Care

A total of 71,165 hours of childcare was supplied and demand exceeded availability. The service also passed its accreditation during the year. FDC service providers Colene Matthews and Wendy Parry reached 15 years and 10 years of service respectively.

Maternal & Child Health

MCH staff conducted a client satisfaction survey of 200 families with children under two years, with the results to be announced next financial year, and research was undertaken for the re-establishment of an early parenting day-stay unit in the Shire.

MCH experienced joint promotional opportunities with local and national community groups and undertook IT training for a new data collection system to reflect DHS and Local Government reporting requirements.

Statistics at a glance:

106 new enrolments of 0-1yo children
93 birth notices received
38 new first time mothers
55 parenting group sessions held
50 families participating in enhanced MCH

MCH also completed Municipal Early Years Plan and Best Value requirements for 05-06 and, to meet State Government funding requirements, conducted activities to increase non-attendee participation.

Regular training and in-service sessions were provided for MCH nurses and two staff members completed re-accreditation as Nurse Immunisers via La Trobe University. One staff member represented the region on the REACT group, providing autism cross sector training of health professionals.

Community Development & Lifestyle

Environmental Health

Food Safety

All registered food premises were inspected with compliance checks carried out on all premises that are required to have food safety programs. Generally, food safety programs have been implemented, with main areas of non-compliance being lack of records being kept.

New registrations 180
New premises registered 15
Transfers 11

Food Samples

38 samples were obtained in this period with a compliance rate of 87%.

Swimming Pool Samples

A total of 11 samples were obtained with a compliance rate of 100%.

Environmental Samples

Two environmental samples were obtained for investigational purposes. One of these samples was positive as containing asbestos fibres.

Complaints

A total of 34 complaints were recorded by environmental health in this period including:

Food 13
Environment (stormwater) 6
Noise 6
Refuse 3
Septic 1
Odour 2
Flies 1
Infectious disease 2

Health Act Premises

A total of 74 accommodation premises were registered in this period with seven transfers. All premises were inspected.

There were 12 premises registered pursuant to the Health Act, being Hairdressers, Beauty Establishments and Skin Penetration Premises with one new premises registered. All premises were inspected.

Infectious Disease

There was one gastrointestinal outbreak which occurred with students from outside the municipality attending a camp. 10 people were reported affected. Source of the outbreak was not identified.

Immunisation

Total vaccinations for 2005-2006 were 652 with 488 in Stawell and 164 in St Arnaud:

Waste Water Program

A total of 35 applications to install a septic tank were received during this period.

Town Planning Referrals

A total of 65 referrals were received from Council's planning department for comment in this period.

Great Western Sewerage Innovation Project

Utilising a \$25,000 DSE grant, Council surveyed the status of sewerage systems in the township in light of introducing an innovative waste water method in the future. This will form the basis of a report to DSE, and if accepted, further funding will be allocated to GWM Water to develop a concept design.

Domestic Waste Water Management Plan

A Plan was completed in June which was funded by a \$5,000 MAV grant in 2005-06 on top of prior seed funding of \$10,000.

Municipal Public Health Plan

The 'Northern Grampians Municipal Health Action Plan 2005-2008' was completed during this period after community consultation.

Leisure Services

Recreation Boards of Management were initiated for Stawell and St Arnaud. Other events and achievements included:

Play it Safe by the Water Campaign

All primary schools within the Shire took part in the campaign which covered open water activities, Life Saver visits and displays.

Recreation Grants

\$20,000 (SRV) Stawell Warriors Football & Netball Club for new netball courts and \$10,000 (DSE bushfire community relief) for netball court safety.

\$50,000 (SRV) Navarre Football & Netball Club to renovate clubrooms and build toilets

\$18,022 (SRV) St Arnaud Netball Club to fit-out club rooms

\$23,000 (SRV) Stawell Great Western Cycling Club to renovate clubrooms at Old Lake Oval

Community Development

St Arnaud Community Capacity Building Initiative

The initiative received five grants under the Helen Macpherson Smith Trust for the Art Group, Community Newsletter, Community Cinema and Springtime Festival Committee.

St Arnaud RSL

The Northern Grampians Shire in partnership with the St Arnaud Returned Serviceman's League were successful in gaining funding to Celebrate VP Day on Monday 15 August 2005 in the form of a concert. The theme of the application was We Salute – Music through our Era.

2006 Commonwealth Games

Council worked with community groups to conduct a range of activities with Commonwealth Games funding. These included:

Run, Walk, Cycle to Navarre
Cycling Classics
Shooting Classic
Queens Baton Relay
Cato Lake Walking Path project, officially opened by Steve Moneghetti
Official Games Opening Picnic in the Park (Stawell & St Arnaud)
Cultural Activities for Young Mums

Youth

Youth Careers Week

Eight Council staff members addressed Stawell Secondary College Year 10 students about career options at Council and were given information packs and free passes to the Leisure Centre and movies.

Local Laws

After an extensive period of review and community consultation, Council adopted its General Law 2005 on 3 December 2005. This provides Council with a contemporary suite of local laws, which have the primary objective of protecting community lifestyle and well-being. The law provides controls in areas such as the environment, animals, roads and public places, livestock, protection of Council assets and building sites.

As a result of adopting its General Law 2005, it was necessary for Council to review and update its Footpath Policy, which is an integral reference document to facilitate the administration of roads and public places within the Shire. The policy, which is now ready for adoption, will cover areas such as: footpath trading, public transport, footpath design and construction, street furniture and fixtures, and street and open space activities.

During the past 12 months Council also appointed a new Local Laws Officer to specifically service the township of St Arnaud and its surrounding district.

Several staff have undertaken professional development and are continuing their formal training in Local Government (Certificate 4) - Local Laws.

When it came to responsible pet ownership in the Shire this year, there was a total of 4,024 animals registered with Council, comprising of 2,928 dogs and 1,096 cats.

With the assistance of a committee, which includes community members, the Local Laws Department continued to monitor and control European Wasp activity throughout the Shire.



Environment and Infrastructure

There was a big focus on stormwater recycling and environmental projects in the Infrastructure Department this year. Projects included the completion of the Federation Park Wetland project in Stawell, and the commencement of stage 1 of the SWANS stormwater project in Stawell, with ponds being developed on Council owned land adjacent to the Stawell Hospital. Plans also started on wetlands at Stawell Secondary College, in conjunction with students.

Emergency management

Emergency management planning in 2005 greatly assisted in effective response and recovery during the 2005/2006 summer bushfires in Deep Lead and the Grampians (Mt Lubra).

The Municipal Fire Prevention Committee focused on fire prevention works in Great Western, while the Halls Gap Community Safety Committee was very successful to integrate the fire management planning between Council, CFA, DSE, Parks Victoria and Police.

The Municipal Emergency Coordination Centre (MECC) at the Stawell Town Hall conducted trial set-ups prior to the fire season. When responding to the Deep Lead fire, the MECC ran for 24-hours and for the Grampians fire, approximately two weeks. Because of the scale of this emergency, Shire infrastructure staff ensured that roads were safe for use and signs were replaced.

Minor town projects

Some of these projects were funded through drought recovery money from the State Government and were successfully carried out in partnership with the community:

Navarre Recreation Reserve – new entrance sign
Emu Public Hall - new toilet & facilities
Stuart Mill Hall – upgrade to hall and surrounds
Rich Avon Cricket Club - clubroom extension
Marnoo - walkway, car park, pedestrian bridge & truck parking implemented
Stawell Tennis Club - courts resealed
Stawell Netball Club - court relocated and redeveloped
Great Western Streetscape - upgrade
Halls Gap Streetscape - upgrade commenced
Glenorchy Hall – upgrade to hall and surrounds
Western Highway, Stawell – flagpoles and beautification
St Arnaud Town Hall – streetscape
Queen Mary Gardens, St Arnaud - Marshall St

Arnaud statue installed, fountain revitalised
Pioneer Park St Arnaud - gateway restored and watering system installed
St Arnaud Court House - revitalisation of the gardens commenced
Lord Nelson Park, St Arnaud - hockey field regraded and netball court relocated
Cato Lake Park, Stawell – walking path

Waste management

The year saw an improvement to the aesthetics of the Hall Gap area by the removal of the previous open skip garbage collection system. This was replaced with a kerbside garbage and recyclable collection for all residences.

Building and bridges

Contract implementation processes were used to implement the following projects:

The building of the new St Arnaud Library
The restoration of the Kara Kara Shire Hall in St Arnaud
The verandah restoration at the Botanic Hotel, St Arnaud
Bridge replacements at Willaring Bridge and Six Mile Creek Bridge

Tree management and road works

The program of street tree planting in Stawell continued as well as annual town/rural tree canopy clearing for road safety.

The Council, through its works team, implemented its continuing asset replacement and improvement program for road works. Works included sealing of Harris Lane, Errington Road and Mossman Road in Stawell, as well as the rehabilitation of 1,000 metres of the Old Glenorchy Road, Glenorchy.

Council also continued its gravel road re-sheeting program to maintain and upgrade its gravel road network. Council received \$250,000 in State Government funding for the second stage of the Halls Gap bike path for VicRoads.

Road initiatives

Council continued to be a key player in regional roads planning as part of the Wimmera Regional Transport Group and the Western Highway Action Committee.

Cooperatively, regional projects have been planned and funding applications made to the Federal Government for a number of joint road projects in the future.

Marketing and Development

The Grampians Bushfire in January 2006 had a significant impact on the operation of Business and Tourism Development Unit. Immediate response included the convening and coordination of a Regional Tourism Recovery Group for the region and lobbying State Government to ensure appropriate resourcing for recovery efforts.

This was followed by a range of support activities including direct business support, research and marketing campaigns. Staff also played a big role in hosting visiting media and Government Ministers during this time. A staff member provided assistance with the coordination of fencing.

Funding achievements

The Business and Tourism Development Unit was responsible for securing a substantial level of funding through State Government grants for projects including:

Public Internet Access programs
Economic Development Recovery Officer
Business Evaluation Workshops
Grampians Gateway Industrial Precinct
Grampians Jazz Festival
125th Stawell Gift (Media Centre and Town Entrances)
Great Western Master Plan Implementation
Northern Grampians Shire Economic Investment Plan
St Arnaud Racing Club Promotion
Stage 1 and 2 of Halls Gap streetscape works
Stawell Gift Hall of Fame curatorial project
New Halls Gap Visitor Information Centre & Community Hub

Activities undertaken

Business

2005 Grampians Pyrenees Business Awards
Town Christmas decorations
Stawell Streetlife Industrial Project
Expressions of interest for the new Grampians Gateway Industrial Estate
Business Incentive Program
Economic Investment Plan
Joined with Horsham, Hindmarsh and Yarriambiak councils, together with Regional Arts Victoria, to appoint a Regional Arts Officer
Completion of the Arts and Cultural Strategy
Participated in the Grampians Wimmera Migration Strategy
Coordinated Stawell Business Expo and Web-a-thon
Town Renewal projects with Village Well
Installation of new entry signs in Stawell
Young Guns dinners at Stawell and St Arnaud

Redevelopment of 'New Residents Guide'
Grampians Pyrenees Regional Development Board jobs campaign
Provincial Victoria Campaign
Redevelopment of Seaby Street entrance

Tourism

Hosted trade Familiarisation Tours
Presence at NATAS Singapore, OzTalk North America and Australian Tourism Exchange Adelaide
Attended the Caravan and Camping Trade Shows Melbourne and Adelaide
Represented Council on the Grampians Marketing Inc, Great Southern Touring Route, Great Grape Touring Route and Great Murray Outback Touring Route
Assisted with the launch of the Grampians Jigsaw Brochure
Produced the Grampians Official Visitor Guide
Promotion at the Stawell Gift
Coordination of the Victorian Visitor Information Centre Summit
Provided strategic input into the development of a Post Fire Management Plan
Provided leadership for the establishment of the Regional Tourism Organisation

Support for events

St Arnaud 150th anniversary celebrations
Stawell Gift 2006
St Arnaud Dash in the Dust (inaugural event)
Festival of St Arnaud
Halls Gap Jazz Festival
Grampians Wildflower Show – Halls Gap
Day on the Green – Great Western
Stawell Farmers Market
Grampians Grape Escape





Donations and grants

The following donations or grants (amounts GST exclusive) were made during 2005-2006:

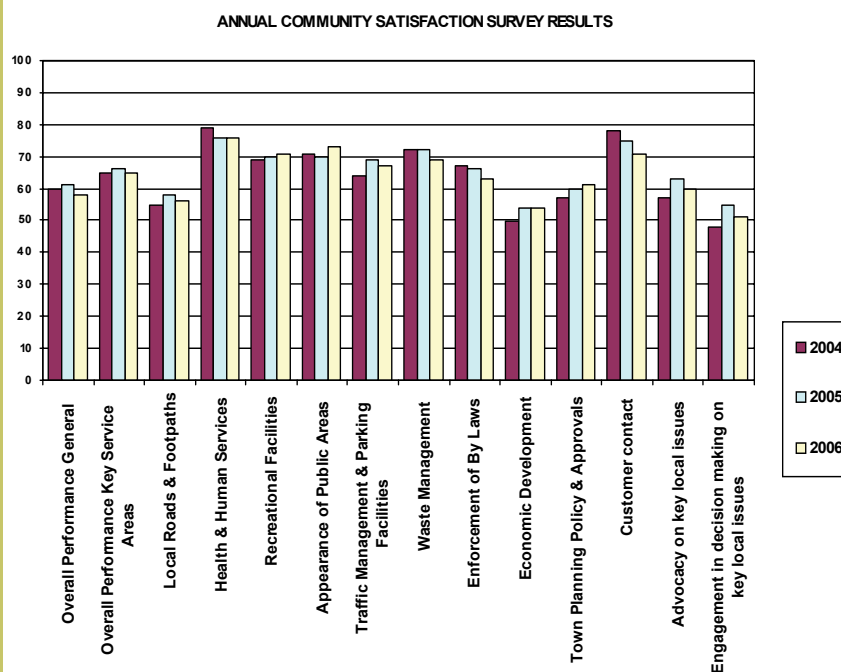
Stawell Athletic Club Inc	10,000.00
Stawell State Emergency Service	9,950.00
St Arnaud State Emergency Service	9,950.00
Central Grampians Local Learning & Employment Network	5,000.00
Grampians Grape Escape Inc	5,000.00
Stawell Football Netball Club	5,000.00
Stawell Bowling Club	5,000.00
Stawell Tennis Club	5,000.00
St Arnaud Neighbourhood House	5,000.00
Callawadda Gun Club	5,000.00
Marnoo Pool Committee Of Management	5,000.00
St Arnaud Camera Group	5,000.00
Stawell & District Pre School	5,000.00
Stawell City Brass Band Inc.	4,000.00
St Arnaud Community Resource Centre	4,000.00
Navarre Football Club	3,995.00
Grange Golf Club	3,694.00
Stawell Tennis Club	3,682.00
St Arnaud Gun Club Inc	3,520.28
Horsham Rural City Council	3,166.00
SSC Chaplaincy Committee	3,000.00
Grampians Cricket Association	3,000.00
St Arnaud Senior Citizens	3,000.00
St Arnaud Ladies Bowling Club	3,000.00
Stuart Mill Urban Design Framework	2,640.00
Stawell Yacht Club	2,500.00
Halls Gap Primary School Council	2,387.30
Community Assoc. Of Halls Gap	2,220.00
Stawell Orchid Society	2,200.00
North Central Local Learning & Employment Network	2,000.00
Stawell Agricultural Society	2,000.00
Great Western Progress Association	2,000.00
Festival Of St Arnaud	2,000.00
St Arnaud Senior Citizens	2,000.00
Ararat Rural City	1,600.00
Stawell Biarri Group For Genealogy	1,500.00
Community Assoc. Of Halls Gap	1,200.00
Stawell Urban Fire Brigade	1,090.91
Halls Gap Pool Committee	1,000.00
Marnoo Pool Committee Of Management.	1,000.00
Parkgate Resort	1,000.00
Marnoo Primary School	1,000.00
St Arnaud Community Resource Centre	1,000.00
St Arnaud Girl Guides	1,000.00
Stawell Gymnastics Club	1,000.00
Glenorchy Primary School	1,000.00
Budja Budja Aboriginal Cooperative	1,000.00
Stawell & Ararat Archers	1,000.00
St Arnaud Secondary College	1,000.00
St Arnaud Netball Club	1,000.00

Stawell Pony Club	1,000.00
St Arnaud Primary School	1,000.00
Halls Gap Tourism & Business Association	1,000.00
Stawell Orchid Society	1,000.00
Callawadda Gun Club	909.09
St Arnaud Country Kitchen	909.09
Stuart Mill Urban Design Framework	900.00
Great Western Public Hall	750.00
Community Assoc. Of Halls Gap	750.00
Stawell Golf Club	750.00
Grampians Petanque Club	728.00
St Arnaud Kindergarten	700.00
St Arnaud District Orchid Society	650.00
University Of Ballarat	600.00
Stawell Riding For The Disabled	600.00
Stawell Performing Arts Co.	590.00
P & L Watson Motors	555.00
North Central News	545.45
St Arnaud Clerical Services	530.00
Brass Band St Arnaud Citizens	500.00
Stawell City Brass Band Inc.	500.00
Norman Simpson Memorial Band	500.00
Great Western Production Kitchen	500.00
Stawell Tennis Club	500.00
Great Western Primary School	500.00
Halls Gap Primary School Council	500.00
 Donations & Grants Of Less Than \$500 (GST Exclusive) Total- ling	 5,818.33
\$5818.33 Were Granted To 36 Community Groups	<hr/> 181,080.45

Local Government Indicators

INDICATOR	2005/06	2004/05
Affordability/Cost of Governance		
Average rates and charges per assessment	\$904	\$811.05
Average rates and charges per residential assessment	\$870	\$466.81
Sustainability		
Average liabilities per assessment	\$640	\$632.34
Operating expenditure per assessment	\$2,210	\$2,130.36
Operating result per assessment	\$166	\$77.16
Working capital ratio (ie current assets as a ratio to current liabilities)	161%	154%
Community satisfaction rating for overall Council performance	58	61
Infrastructure		
Average capital expenditure per assessment	\$501	\$409.21
Renewal gap	66%	91%
Renewal and maintenance gap	79%	95%
Governance		
Community satisfaction rating for Council's advocacy and community representation	60	63
Community satisfaction rating for Council's engagement in decision making	51	55

Community Satisfaction Survey



Staffing levels

Number of staff employed at 30 June 2006

	Male	Female	Total
Full Time	61	33	94
Part Time/Casual	33	132	165 (EFT 51)
Total	94	165	259 (EFT 145)

Number of staff employed at 30 June 2006

Work Group Area	Actual No. of Staff (includes Part time and Casual)
Executive Services	4 (EFT 4)
Corporate Services	24 (EFT 21)
Infrastructure Services	49 (EFT 44)
Building and Planning	6 (EFT 4)
Community Services	103(EFT 47)
Recreation	42 (EFT 11)
Economic Development & Tourism	14 (EFT 10)
Local Laws (including crossing supervisors)	17 (EFT 5)
TOTAL	259 (EFT 145)

Memberships

Council was a member of the following organisations during the 2005-06 year:

Australian Fitness Network
Australian Institute of Building Surveyors
Central Victorian Greenhouse Alliance
Civil Contractors Federation
Family Day Care Incorporated
Fire Protection Association
Rail Freight Development
Grampians Winemakers Inc.
Great Southern Touring Route
Halls Gap Tourism & Business Association
Wimmera Regional Library Service
Meals Victoria
Municipal Association Of Victoria
Murray & Outback Touring Route
North West Municipalities Association
Grampians Pyrenees Regional Development Board
St Arnaud Development Association
Workplace Partnership Program
Victorian Country Basketball Association
Wimmera Mallee Rail Service
Wimmera Regional Transport Group
Western Highway Action Committee
Grampians Regional Waste Management Group



Committees

The following Committees have been established under Section 86 of the Local Government Act 1989 for the purpose of advising Council on specific matters. Meetings of these Committees are open to the public and Minutes of these meetings are available for public inspection.

- Audit Committee
- Batyo Catyo Committee of Management
- European Wasp Control Committee
- Finance Committee
- Northern Grampians Pyrenees Regional Development Board Committee
- Planning Committee
- Queen Mary Gardens Committee of Management
- Stawell Recreation Board of Management
- St Arnaud Recreation Board of Management
- Navarre Recreation Board of Management
- Halls Gap Public Hall Committee of Management
- Deep Lead Public Hall Committee of Management
- Rich Avon (Guthrie Park) Recreation Reserve Committee of Management

Contracts

Council did not enter into any contracts valued at \$100,000 or more during the year without first engaging in a competitive process and which are not contracts referred to in Section 186 (5) of the Local Government Act 1989.



Freedom of Information

The Freedom of Information Act provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. The Officer with authority to make a decision in relation to a request for access to documents under the Act is Mary Scully, Governance Co-ordinator. All requests for information must be in writing and require the payment of a \$21.50 application fee.

Council received six requests under Freedom of Information for the period 1 July 2005 to 30 June 2006. Council decided that two requests were not entitled to full access to a variety of documents because they affected personal privacy as defined in Section 33 of the Freedom of Information Act.

There was one application for review of a decision made. There was no disciplinary action taken against any person in respect of the administration of the Act. The amount of \$126 in charges was collected by Council.

A report of the operation of the Act is prepared each year and a copy of each report is available for public inspection during ordinary business hours at Council's Stawell Customer Service Centre at the Stawell Town Hall. Publications under Section 7 and 8 of the Freedom of Information Act are available to the public and can be obtained by contacting the Freedom of Information Officer.

Information available for Inspection

- Audited Finance Statements
- Details of current allowances fixed for the Mayor and Councillors under Section 74 of the Local Government Act 1989
- Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted returns

of interest during the financial year and the dates the returns were submitted

Agendas and Minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except where such Minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act

A list of all special committees established by the Council and the purpose for which each committee was established

A list of all special committees established by the Council which were abolished or ceased to function during the financial year

Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months except if the Minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act

Applications for enrolment on the voters' roll under Sections 12 and 13 of the Act for the immediate past roll and the next roll being prepared

Register of delegations kept under Sections 87, 88 and 98 of the Act

Submissions received in accordance with Section 223 of the Act during the previous 12 months

Agreements to establish regional libraries under Section 196 of the Act

Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease

A Register of authorised officers appointed under Section 224 of the Act

A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant

A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council

A list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) of the Act.

Policies and Laws

Equal opportunity

The Northern Grampians Shire Council is committed to the principles of Equal Employment Opportunity.

It supports a workplace free of discrimination where each person has the opportunity to progress to the full extent of his or her ability.

It expects all employees, independent contractors, Councillors and volunteers to conduct all the activities they undertake on behalf of the Council in a fair and non-discriminatory manner and without harassment.

Both harassment and discrimination in the provision of Council services are unlawful and will not be tolerated. Any allegations of harassment or discrimination by an employee, independent contractor, volunteer or Councillor will be immediately acted upon in accordance with Council's Discrimination and Harassment Complaints Investigation Procedure.

In undertaking its obligations to implement an equal employment opportunity program under Schedule 6 of the Local Government Act 1989, Council has adopted the following policy statement setting out the objectives of its EEO Program:

"All employees, independent contractors, volunteers and Councillors of the Northern Grampians Shire Council have the right to be treated fairly and with respect. The Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. It is the responsibility of every staff member, contractor, volunteer and Councillor not to discriminate against another employee, contractor, volunteer or Councillor."

Council has indicated its commitment to good employment practices by the:

"Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved."

It has adopted other policies on:

- the investigation of complaints of discrimination
- investigating complaints of harassment and bullying
- providing services in a non-discriminatory manner
- appointing a designated Equal Employment Opportunity Officer.

Occupational Health and Safety

Council has a commitment to the health and safety of all staff and maintains this commitment through:

- The Occupational Health and Safety Committee which has elected representatives from all parts of the organization
- Implementing activities and policies to meet the requirements of the Occupational Health and Safety Act 2004
- Training and skilling staff to ensure the prevention and management of risks in the workplace.

Whistleblowers Protection Act

Council has adopted guidelines and procedures in accordance with the requirements of the Whistleblowers Protection Act 2001 (the Act) which came into operation on 1 January 2002.

The purpose of the Act is to encourage and facilitate the making of disclosures of improper conduct by public officers and public bodies.

No applications or submissions were received in relation to the Act during the year.

Local Laws

The Local Laws current as at 30 June 2006 were:

Local Law 9 - Use of the Common Seal General Law 2005

Local Law 4 - Meeting Procedure

Local Law 5 - Meeting Procedure Amendment

Council's Local Laws are available for public viewing by contacting the Shire Offices.

Contact Us

Postal Address

All correspondence
PO Box 580, Stawell Vic 3380

E-mail

ngshire@ngshire.vic.gov.au

Website

www.ngshire.vic.gov.au

Stawell

Main Street
Phone: (03) 5358 8700
Facsimile: (03) 5358 4151

St Arnaud

Napier Street
Phone: 5495 1500
Facsimile: 5495 1026

Tourism Offices

Stawell
Freecall 1800 330 080

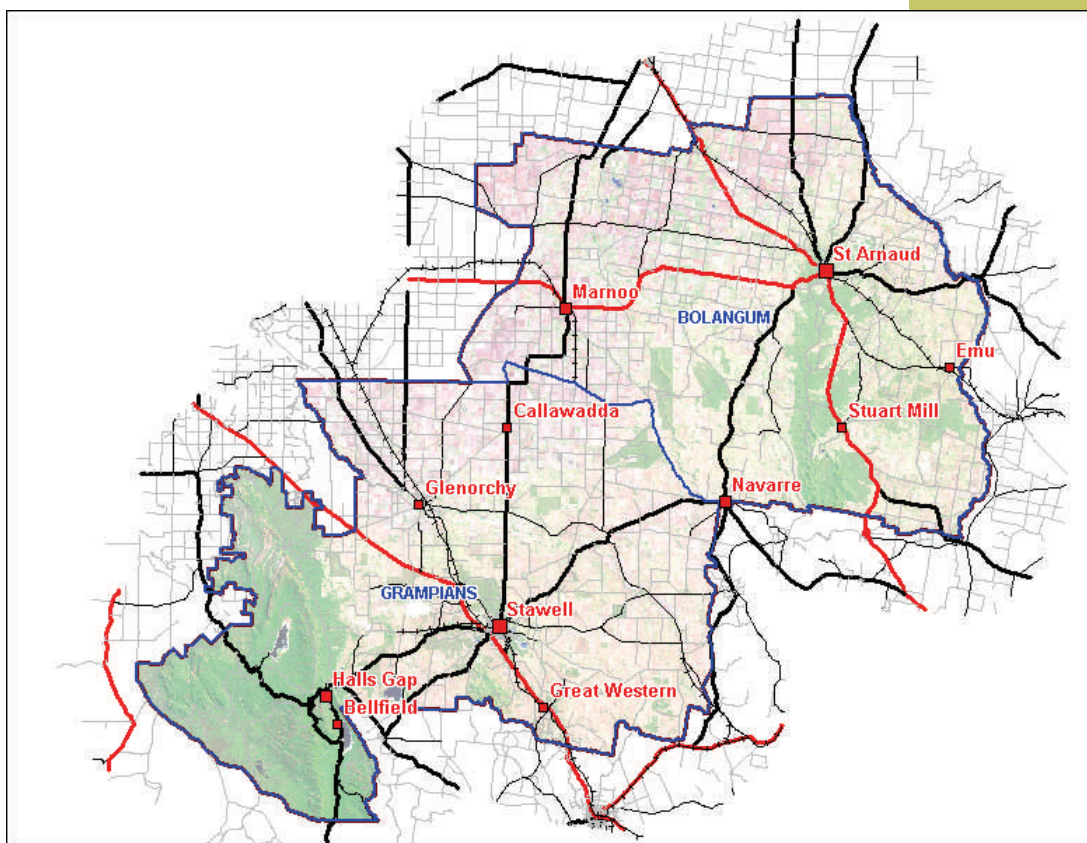
St Arnaud
Freecall 1800 014 455

Halls Gap
Freecall 1800 065 599

Emergency after hours (All areas)

Phone: (03) 5358 8700

Northern Grampians Shire Council boundaries



*"We honour those whose land we all now share;
The pioneers whose toil inspires us still;
And those who gave their lives, that we may now
On this proud past a vibrant future build."*

Northern Grampians Shire Council
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2006



Northern Grampians Shire Council

Financial Report

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Income Statement For the Year Ended 30 June 2006

	Note	2,006 \$'000	2,005 \$'000
Revenue			
Rates and charges	3	8,329	7,410
User fees	4	2,689	2,677
Contributions	6	480	411
Grants - Operating	5	6,570	6,265
Grants - Capital	5	3,327	1,214
Other revenue	7	214	234
Total revenue		21,609	18,211
Expenses			
Employee benefits	8	(7,985)	(6,977)
Materials and services	9	(7,861)	(7,351)
Bad and doubtful debts	10	0	(64)
Depreciation and amortisation	11	(4,127)	(3,977)
Finance costs	12	(175)	(192)
Total expenses		(20,148)	(18,561)
Net gain(loss) on disposal of property, infrastructure, plant and equipment		(2)	(228)
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	13	50	36
Decrement on asset revaluation		0	(160)
Surplus(deficit) for the period		1,509	(702)

The accompanying notes form part of this financial report

Balance Sheet As at 30 June 2006

	Note	2006 \$'000	2005 \$'000
Assets			
Current assets			
Cash and cash equivalents	14	3,913	2,980
Trade and other receivables	15	1,533	940
Accrued income		120	0
Prepayments		353	290
Inventories	16	286	287
Total current assets		6,205	4,497
Non-current assets			
Trade and other receivables	15	193	212
Investments in associates accounted for using the equity method	13	552	502
Property, plant and equipment, infrastructure	17	169,022	158,355
Total non-current assets		169,767	159,069
Total assets		175,972	163,566
Liabilities			
Current liabilities			
Trade and other payables	18	1,584	750
Trust funds and deposits	19	96	77
Provisions	20	1,462	1,421
Interest-bearing loans and borrowings	21	714	671
Total current liabilities		3,856	2,919
Non-current liabilities			
Provisions	20	249	298
Interest-bearing loans and borrowings	21	1,826	2,541
Total non-current liabilities		2,075	2,839
Total liabilities		5,931	5,758
Net Assets		170,041	157,808
Equity			
Accumulated surplus		106,880	106,037
Reserves	22	63,161	51,771
Total Equity		170,041	157,808

The accompanying notes form part of this financial report

Statement of Changes in Equity For the Year Ended 30 June 2006

	Note	Total 2006 \$'000	Accumulated Surplus 2006 \$'000	Asset Revaluation Reserve 2006 \$'000	Other Reserves 2006 \$'000
2006					
Balance at beginning of the financial year	2	157,808	106,037	50,419	1,352
Surplus(deficit) for the year		1,509	1,509	0	0
Net asset revaluation increment(decrement)	22(a)	10,724	0	10,724	0
Transfers to other reserves	22(b)	0	(1,280)	0	1,280
Transfers from other reserves	22(b)	0	614	0	(614)
Balance at end of the financial year		170,041	106,880	61,143	2,018

		Total 2005 \$'000	Accumulated Surplus 2005 \$'000	Asset Revaluation Reserve 2005 \$'000	Other Reserves 2005 \$'000
2005					
Balance at beginning of the financial year	2	121,997	107,214	13,906	877
Surplus(deficit) for the year		(702)	(702)	0	0
Net asset revaluation increment(decrement)	22(a)	36,513	0	36,513	0
Transfers to other reserves	22(b)	0	(663)	0	663
Transfers from other reserves	22(b)	0	188	0	(188)
Balance at end of the financial year		157,808	106,037	50,419	1,352

The accompanying notes form part of this financial report

Cash Flow Statement
For the Year Ended 30 June 2006

	Note	2006 Inflows/ (Outflows) \$'000	2005 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		8,254	7,364
User fees		2,454	2,950
Grants		10,219	7,756
Contributions		480	469
Other revenue		156	249
GST Refunded from ATO		876	969
Employee benefits		(7,993)	(9,375)
Materials and services		(8,417)	(6,916)
Finance costs		(175)	(192)
Payments to ATO for GST		(385)	(462)
Net cash provided by (used in) operating activities	24	5,469	2,812
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(4,118)	(3,609)
Proceeds from sale of property, infrastructure, plant and equipment		235	433
Net cash provided by (used in) investing activities		(3,883)	(3,176)
Cash flows from financing activities			
Trust funds and deposits		19	17
Proceeds from interest bearing loans and borrowings		0	650
Repayment of interest bearing loans and borrowings		(672)	(585)
Net cash provided by (used in) financing activities		(653)	82
Net increase (decrease) in cash and cash equivalents		933	(282)
Cash and cash equivalents at the beginning of the financial year		2,980	3,262
Cash and cash equivalents at the end of the financial year	25	3,913	2,980
Financing arrangements	26	1,000	1,000
Restrictions on cash assets	27	2,912	2,196

The accompanying notes form part of this financial report

Introduction

- (a) The Northern Grampians 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 Main St Stawell.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - AFS & Associates Pty Ltd

Bankers - CBA

Website address - www.ngshire.vic.gov.au

This financial report is a general purpose financial report that consists of an Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations, the *Local Government Act 1989*, and the Local Government (Finance and Reporting) Regulations 2004.

Financial report complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). This Financial Report complies with the Australian equivalents to IFRS (AIFRS).

The Council is an entity to which AAS 27 "Financial Reporting by Local Governments" applies and the entity has applied a requirement in that Standard that overrides the requirements in an Australian equivalent to IFRS.

The Council has elected not to restate comparative information of financial instruments within the scope of AASB132 "Financial Instruments Disclosure and Presentation" and AASB139 "Financial Instruments Recognition and Measurement", as permitted on the first time adoption of AIFRS.

Note 1 Significant accounting policies

(a) Basis of accounting

This financial report has been prepared on the accrual and going concern bases.

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(f), 1(h), and 1(j).

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. Comparative information is included under AIFRS. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

Note 1 Significant accounting policies (cont.)

(b) Revenue recognition

Rates, grants and contributions

Rates, grants and contributions are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees

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

A provision for doubtful debts is recognised when collection in full is no longer probable.

Sale of property, infrastructure, plant and equipment

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

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Note 1 Significant accounting policies (cont.)

(c) Depreciation and amortisation of non-current assets

Buildings, land improvements, plant and equipment, infrastructure, heritage assets, 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 infrastructure 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.

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

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

	Period
Land and buildings	
Buildings	25 years
Heritage assets	
Heritage assets	100 years
Plant and equipment	
Plant and machinery	2 - 66 years
Furniture, equipment and computers	2 - 8 years
Infrastructure	
Roads	
- Formations (Sealed & Unsealed)	100-160 years
- Sealed Pavement	70-160 years
- Unsealed Pavement	15-32 years
- Seal	1-80 years
Footpaths	14-100 years
Kerb and channel	25-150 years
Drains	30-200 years
Bridges	60-150 years
Other	
Street furniture	10-100 years
Parks & Gardens	25 years

(d) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

Note 1 Significant accounting policies (cont.)

(e) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

(f) Recognition and measurement of assets

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 amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

The following classes of assets have been recognised in note 17. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$'000
Class of asset	
<i>Land and buildings</i>	
Land	All assets
Buildings	2.5
<i>Heritage assets</i>	
Heritage assets	10
<i>Plant and equipment</i>	
Plant and machinery	1
Furniture, equipment, and computers	1
<i>Infrastructure</i>	
Roads	
- Formation	10
- Substructure	10
- Seal	10
Footpaths	10
Kerb and channel	10
Drains	5
Bridges	10

Note 1 Significant accounting policies (cont.)

(f) Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, motor vehicles, heritage assets, computer equipment, furniture and fittings, street furniture and parks and gardens are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

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.

Land under roads

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2007.

(g) Cash and cash equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months or less, net of outstanding bank overdrafts.

(h) Other financial assets

Managed funds are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(i) Investments

Investments, other than investments in associates, are measured at cost.

(j) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entity. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entity. The Council's share of the financial result of the entity is recognised in the income statement.

Note 1 Significant accounting policies (cont.)

(k) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 19).

(l) Employee benefits

Wages and salaries

Liabilities for wages and salaries and rostered days off are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as work cover charges.

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled.

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service. Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled. Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 15 %.

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 28.

Note 1 Significant accounting policies (cont.)

(m) Leases

Operating leases

Lease payments for operating leases are recognised as an expense in the years in which they are incurred as this reflects the pattern of benefits derived by the Council.

(n) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle.

(o) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the balance sheet. Such agreements are recognised on an 'as incurred' basis.

(p) Web site costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

(q) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(r) 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 to sell 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 income statement.

(s) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars.

Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), the Northern Grampians Shire Council has prepared and presented its first financial report and other accountability statements in compliance with the AIFRS framework for the financial year ended 30 June 2006.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Northern Grampians Shire Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, Northern Grampians Shire has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exceptions, Northern Grampians Shire Council has recorded transactions and events as though AIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the balance of accumulated funds at 1 July 2004, being the opening balance sheet date for the comparative period.

Reconciliations of AIFRS profit or loss, balance sheet and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in the tables below.

Table 1: Reconciliation of profit or loss as presented under previous Australian GAAP to that under AIFRS

	Note	30 JUNE 2005 \$'000
Profit or loss as reported under previous Australian GAAP		(702)
<u>AIFRS impact on income</u>		
Proceeds from sale of property, infrastructure, plant and equipment		(433)
Net gain(loss) on disposal of property, infrastructure, plant and equipment		(228)
<u>AIFRS impact on expenses</u>		
Written down value of assets sold		661
Total AIFRS impact on profit or loss		0
Net profit or loss under AIFRS		(702)

Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards (cont.)

Table 2: Reconciliation of total assets and total liabilities as presented under previous Australian GAAP to that under AIFRS

	30 JUNE 2005 \$'000	1 JULY 2004 \$'000
Total assets under previous Australian GAAP	160,181	125,047
<u>AIFRS impact on assets</u>		
Recognition of found assets	3,385	3,385
Total AIFRS impact on assets	<u>3,385</u>	<u>3,385</u>
Total assets under AIFRS	<u>163,566</u>	<u>128,432</u>
Total liabilities under previous Australian GAAP	5,753	6,430
<u>AIFRS impact on liabilities</u>		
Provisions	5	5
Total AIFRS impact on liabilities	<u>5</u>	<u>5</u>
Total liabilities under AIFRS	<u>5,758</u>	<u>6,435</u>

Table 3: Reconciliation of equity as presented under previous Australian GAAP to that under AIFRS

Total equity under previous Australian GAAP	154,428	118,617
<u>AIFRS impact on equity</u>		
Error correction prior year	3,385	3,385
Reserves	0	0
Accumulated surplus	(5)	(5)
Total AIFRS impact on equity	<u>3,380</u>	<u>3,380</u>
Total equity under AIFRS	<u>157,808</u>	<u>121,997</u>

Explanation of material adjustments to the cash flow statements

There are no material differences between the cash flow statement presented under AIFRSs and the cash flow statement presented under previous Australian GAAP.

Explanatory Notes:

Employee benefits

AASB 119 *Employee Benefits* requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as benefits that fall due wholly within twelve months after the related period of service. Therefore, liabilities for short-term employee benefits are measured at present value where they are not expected to be settled within 12 months of the reporting date.

The effect of the above requirement on the Northern Grampians Shire Council's Balance Sheet as at 30 June 2005 was an increase in employee benefits liability of \$5,000. For the year ended 30 June 2005, employee benefits expense decreased by \$5,000 as the present value discount on the liabilities for long-term employee benefits unwinds.

	2006 \$'000	2005 \$'000
Note 3 Rates and charges		
Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.		
The valuation base used to calculate general rates for 2005/2006 was \$1,205,595 million (2004 2005 \$1,198,403 million). The 2005/2006 rate in the capital improved value dollar was 0.4963 cents (2004-2005, 0.5976 cents).		
Residential	4,131	2,940
Commercial	420	382
Industrial	21	264
Farm/Rural	2,005	2,360
Supplementary rates and rate adjustments	15	20
Interest on rates	21	31
Garbage charge	989	919
Municipal charge	727	494
	8,329	7,410
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2004, and the valuation first applied to the rating period commencing 1 July 2004.		
The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2006, and the valuation will be first applied in the rating year commencing 1 July 2006.		
Note 4 User fees		
Home care	468	416
Private works	389	489
Child care	387	292
Leisure centre	290	284
Meals on wheels	153	139
Family day care fees	151	126
Tourist office	111	114
Other	102	102
Building	98	86
Tip fees	87	154
Cemetery fees	83	90
Animal registrations	77	92
Town planning fees	75	61
Environmental health fees	74	83
Property rentals	48	48
Caravan park fees	36	36
Films	36	33
Town hall hire	13	17
Local laws fines and permits	11	15
	2,689	2,677

Note 5 Grants

Income from federal and state government grants and subsidies for the year consists of :-

Recurrent

	2006 \$'000	2005 \$'000
General revenue grant	4,329	3,959
Home care	428	413
Child care centre	257	166
Main roads	239	676
Family day care	225	253
Bushfire grants	223	0
National competition policy	173	166
Environmental grants	141	214
Infant welfare centre	113	115
Other grants	101	97
Veterans home care assessments	97	90
Recreation grants	73	0
Economic development grants	57	0
Jobs for young grant	38	41
Meals on wheels	36	35
School crossing subsidy	16	16
Senior citizens	14	14
State Emergency Service grant	10	10
<i>Total</i>	<u>6,570</u>	<u>6,265</u>

Non-recurrent

Roads to recovery	2,304	597
Bike path grant Halls Gap	252	78
St Arnaud Library Grant	160	0
Sporting recreation grants	139	0
Stormwater grant - Stawell	125	0
Grampians Gateway Estate development grants	100	0
Centre Park media centre grant	98	0
Great Western development grant	32	31
Glenorchy flood plain grant	32	0
Halls Gap streetscape grant	30	0
Cato Park grant	28	0
CMA wetland scheme grant	16	0
Other grants	11	0
Drought relief	0	400
Swimming pools YS&R grant	0	30
St Arnaud Community Resource Centre	0	30
North Park masterplan grant	0	15
St Arnaud skate park grant	0	13
St Arnaud childrens precinct	0	11
Transfer station grants	0	9
<i>Total</i>	<u>3,327</u>	<u>1,214</u>

	2006 \$'000	2005 \$'000
<i>Conditions on Grants</i>		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Additional Roads to Recovery Grant	1,118	0
Roads to Recovery Grant	311	0
Halls Gap Bike Path	153	0
Bushfire Community Development Grant	148	0
Grampians Gateway Industrial Estate	55	0
Navarre Football & Netball Club Grant	38	0
Stormwater Grant - Stawell	36	0
Glenorchy Flood Plain Grant	31	0
Old Lake Clubroom Redevelopment Grant	18	0
CMA Wetland Scheme Grant	14	0
St Arnaud Netball Club Grant	14	0
Roadside Revegetation Grant	12	0
Minor Equipment Grants	11	0
Sustainable Water Use Program Grant	7	0
Landcare Festival Grant	6	0
Youth Grant - FReeZA	5	0
Street Party Kit Grant	2	0
Drought relief funding	0	400
Great Western development grant	0	31
Aged and disability grant	0	14
Great Western sewerage grant	0	13
Community alliance grant	0	9
War on weeds grant	0	6
Domestic water plan	0	5
Town planning grant	0	2
	<u>1,979</u>	<u>480</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Drought Relief Funding	400	0
Victorian Heritage Program - Kara Kara Hall	105	0
Great Western Development Grant	32	0
Streetlife Program	25	0
Aged & Disabled Service Grant	14	0
Victorian Heritage Restoration Program	13	0
Great Western Sewerage Grant	13	0
Community Alliance Grant	9	0
Domestic Waste Water Plan Grant	6	0
War on Weeds Grant	6	0
Town Planning Grant	2	0
St Arnaud children's precinct	0	358
	<u>625</u>	<u>358</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:		
	<u>1,354</u>	<u>122</u>

	2006 \$'000	2005 \$'000
Note 6 Contributions		
Child care benefits	230	199
Contributions to valuations	74	4
Contributions to capital	53	50
Other	52	64
Workcover	38	39
Contributions to legal expenses	28	43
Open space contributions	5	12
	<u>480</u>	<u>411</u>
Note 7 Other revenue		
Interest from short term investments	167	164
Other Revenue	47	70
	<u>214</u>	<u>234</u>
Note 8 Employee benefits		
Wages and salaries	7,587	6,451
Less capitalised salary and wages	(438)	(304)
	<u>7,149</u>	<u>6,147</u>
Increase/(decrease) in long service leave	(52)	118
Increase/(decrease) in annual leave	42	(44)
Superannuation	626	523
Fringe benefits tax	63	50
Work cover	157	183
	<u>836</u>	<u>830</u>
	<u>7,985</u>	<u>6,977</u>

	2006 \$'000	2005 \$'000
Note 9 Materials and services		
Materials and services	7,861	7,351
	<u>7,861</u>	<u>7,351</u>
Note 10 Bad and doubtful debts		
Rates	0	64
	<u>0</u>	<u>64</u>
Note 11 Depreciation		
Sealed pavements	833	833
Sealed surfaces	637	630
Unsealed pavement	615	608
Plant, machinery and motor vehicles	580	570
Buildings	659	549
Major bridges and culverts	323	322
Kerb and channel	132	131
Drains	116	116
Computer equipment	113	102
Footpaths	55	54
Furniture and fittings	34	43
Parks & gardens	13	6
Formations sealed	4	4
Formations unsealed	4	4
Street furniture	7	3
Heritage assets	2	2
	<u>4,127</u>	<u>3,977</u>
Note 12 Finance costs		
Interest - Borrowings	175	192
Finance costs	<u>175</u>	<u>192</u>
Note 13 Investment in associates		
Investments in associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation Profit/(Loss)	50	36
	<u>50</u>	<u>36</u>
Carrying value of investment at end of year	<u>552</u>	<u>502</u>
Note 14 Cash and cash equivalents		
Cash on hand	4	4
Cash at bank	599	449
Short term deposits	3,310	2,527
	<u>3,913</u>	<u>2,980</u>

	2006 \$'000	2005 \$'000
Note 15 Trade and other receivables		
<i>Current</i>		
Rates debtors	314	296
Scheme debtors	2	9
Loans and advances to community organisations	111	39
Other debtors	1,025	630
Provision for doubtful debts	0	(64)
GST receivable	81	30
	<u>1,533</u>	<u>940</u>
<i>Non-current</i>		
Scheme Debtors	0	2
Loans and advances to community organisations	193	210
	<u>193</u>	<u>212</u>
Total	<u>1,726</u>	<u>1,152</u>
Note 16 Inventories		
Inventories for distribution	276	272
Inventories held for sale	10	15
	<u>286</u>	<u>287</u>

Note 17		Property, plant and equipment, infrastructure	2006 \$'000	2005 \$'000
		<i>Summary</i>		
		at cost	11,629	10,141
		at fair value as at 1 January 2006	6,297	0
		at fair value as at 30 June 2006	23,146	0
		at fair value as at 1 July 2004	196,585	196,584
		at fair value as at 1 January 2004	0	19,112
		at fair value as at 1 January 2000	210	210
		Work In Progress	1,813	527
			239,680	226,574
		Less accumulated depreciation	(70,658)	(68,219)
		Total	169,022	158,355
<i>Property</i>				
<i>Land</i>				
		at cost	0	17
		at fair value as at 30 June 2006	6,297	0
		at fair value as at 1 January 2004	0	3,920
		Work In Progress	22	0
		<i>Total Land</i>	6,319	3,937
<i>Buildings</i>				
		at cost	0	1,133
		at fair value as at 30 June 2006	23,146	0
		at fair value as at 1 January 2004	0	15,192
		Work In Progress	816	105
		Less accumulated depreciation	0	(792)
		<i>Total Buildings</i>	23,962	15,638
		The valuation of land and buildings was determined by Council's independent contract valuer Mr Ian Wilson Dip. Valuations RMIT, as at 30th June 2006. The valuation of buildings is on current market value. The land value is at fair value being market value based on highest best use permitted by relevant land planning provisions.		
<i>Total Property</i>			30,281	19,575
<i>Plant, Machinery & Motor Vehicles</i>				
<i>Plant & Machinery</i>				
		at cost	5,581	5,299
		Less accumulated depreciation	(2,118)	(1,726)
			3,463	3,573
<i>Motor Vehicles</i>				
		at cost	952	911
		Less accumulated depreciation	(205)	(152)
			747	759
		<i>Total Plant, Machinery & Motor Vehicles</i>	4,210	4,332
<i>Equipment</i>				
<i>Furniture & Fittings</i>				
		at cost	317	348
		Less accumulated depreciation	(235)	(243)
			82	105
<i>Computer Equipment</i>				
		at cost	637	527
		Less accumulated depreciation	(416)	(365)
			221	162
		<i>Total Equipment</i>	303	267

		2006 \$'000	2005 \$'000
Note 17	Property, plant and equipment, infrastructure (cont.)		
	<i>Infrastructure</i>		
	Footpaths		
	at cost	241	0
	at fair value as at 1 July 2004	3,737	3,737
	Work In Progress	194	0
	Less accumulated depreciation	(1,787)	(1,732)
	Total Footpaths	2,385	2,005
	Kerb & Channel		
	at cost	347	260
	at fair value as at 1 July 2004	10,775	10,775
	Work In Progress	12	60
	Less accumulated depreciation	(5,439)	(5,306)
	Total Kerb & Channel	5,695	5,789
	Sealed Pavements		
	at cost	61	61
	at fair value as at 1 July 2004	90,920	90,919
	Work In Progress	0	38
	Less accumulated depreciation	(30,750)	(29,917)
	Total Sealed Pavement	60,231	61,101
	Sealed Surfaces		
	at cost	1,424	649
	at fair value as at 1 July 2004	8,543	8,543
	Less accumulated depreciation	(5,466)	(4,829)
	Total Sealed Surfaces	4,501	4,363
	Unsealed Pavements		
	at cost	1,027	545
	at fair value as at 1 July 2004	17,683	17,683
	Less accumulated depreciation	(6,992)	(6,377)
	Total Unsealed Pavement	11,718	11,851
	Formations Sealed		
	at fair value as at 1 July 2004	7,287	7,287
	Less accumulated depreciation	(44)	(40)
	Total Formations Sealed	7,243	7,247

Notes to the Financial Report
For the Year Ended 30 June 2006

		2006 \$'000	2005 \$'000
Note 17	Property, plant and equipment, infrastructure (cont.)		
	Formations Unsealed		
	at fair value as at 1 July 2004	8,235	8,235
	Less accumulated depreciation	(50)	(45)
	Total Formations Unsealed	8,185	8,190
	Bridges & Major Culverts		
	at cost	183	21
	at fair value as at 1 July 2004	32,599	32,599
	Work In Progress	286	154
	Less accumulated depreciation	(12,875)	(12,552)
	Total Bridges & Major Culverts	20,193	20,222
	Drainage		
	at cost	184	138
	at fair value as at 1 July 2004	16,659	16,659
	Work In Progress	200	0
	Less accumulated depreciation	(4,203)	(4,087)
	Total Drainage	12,840	12,710
	Total Infrastructure	132,991	133,478
	Street Furniture		
	at cost	169	0
	at fair value as at 1 July 2004	147	147
	Work In Progress	0	5
	Less accumulated depreciation	(45)	(38)
	Total Street Furniture	271	114
	Parks & Gardens		
	at cost	506	232
	Work In Progress	283	165
	Less accumulated depreciation	(19)	(6)
	Total Parks & Gardens	770	391
	Heritage Assets		
	at fair value as at 1 January 2000	210	210
	Less accumulated depreciation	(14)	(12)
	Total Heritage Assets	196	198
	The valuation of infrastructure and street furniture assets was determined by Mr Peter Moloney, Dip.C.E.C.E., MIE Aust. as at 1 July 2004 and was based on current written down replacement value of the assets.		
	Total Property, Plant and Equipment, Infrastructure	169,022	158,355

Note 17 Property, Plant and Equipment, Infrastructure (cont.)

2006	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 22)	Depreciation (note 11)	WDV of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	3,937	0	2,638	0	(278)	0	6,297
Buildings	15,533	186	8,086	(659)	0	0	23,146
Total Property	19,470	186	10,724	(659)	(278)	0	29,443
Plant & Equipment							
Plant & equipment	3,573	388	0	(459)	(39)	0	3,463
Motor vehicles	759	257	0	(121)	(148)	0	747
Furniture & fittings	104	15	0	(34)	(3)	0	82
Computers	161	204	0	(113)	(31)	0	221
Street furniture	105	168	0	(7)	0	5	271
Heritage assets	199	0	0	(2)	0	0	196
Total Plant & Equipment	4,901	1,032	0	(736)	(221)	5	4,980
Infrastructure							
Sealed pavements	61,064	0	0	(833)	0	0	60,231
Sealed surfaces	4,363	737	0	(637)	0	38	4,501
Unsealed pavements	11,856	477	0	(615)	0	0	11,718
Formations sealed	7,246	0	0	(4)	0	0	7,242
Formations unsealed	8,190	0	0	(4)	0	0	8,186
Total roads	92,719	1,214	0	(2,093)	0	38	91,878
Bridge & major culverts	20,069	30	0	(323)	0	131	19,907
Footpaths	2,004	242	0	(55)	0	0	2,191
Kerb and channel	5,727	28	0	(132)	0	60	5,683
Drainage	12,711	45	0	(116)	0	0	12,640
Parks & gardens	227	273	0	(13)	0	0	487
Total Infrastructure	40,738	618	0	(639)	0	191	40,908
Works in Progress							
Buildings	105	711	0	0	0	0	816
Land	0	22	0	0	0	0	22
Street furniture	5	0	0	0	0	(5)	0
Sealed surfaces	38	0	0	0	0	(38)	0
Unsealed pavement	0	0	0	0	0	0	0
Footpaths	0	194	0	0	0	0	194
Kerb and channel	60	12	0	0	0	(60)	12
Bridge & major culverts	154	263	0	0	0	(131)	286
Drainage	0	200	0	0	0	0	200
Parks & gardens	165	118	0	0	0	0	283
Total Works in Progress	527	1,520	0	0	0	(234)	1,813
Total Property, Plant and Equipment and Infrastructure	158,355	4,570	10,724	(4,127)	(499)	0	169,022

Note 17 Property, Plant and Equipment, Infrastructure (cont.)

2005	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 22)	Depreciation (note 11)	WDV of disposals	Transfers	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	3,973	17	0	0	(53)	0	3,937
Buildings	15,329	785	0	(549)	(245)	213	15,533
Total Property	19,302	802	0	(549)	(298)	213	19,470
Plant & Equipment							
Plant & equipment	3,857	161	0	(445)	0	0	3,573
Motor vehicles	751	489	0	(125)	(356)	0	759
Furniture & fittings	118	29	0	(43)	0	0	104
Computers	233	37	0	(102)	(7)	0	161
Street furniture	577	0	11	(3)	0	(480)	105
Heritage assets	201	0	0	(2)	0	0	199
Total Plant & Equipment	5,737	716	11	(720)	(363)	(480)	4,901
Infrastructure							
Sealed pavements	38,792	59	21,648	(833)	0	1,398	61,064
Sealed surfaces	3,053	649	1,291	(630)	0	0	4,363
Unsealed pavements	4,680	545	7,239	(608)	0	0	11,856
Formations sealed	5,554	0	1,696	(4)	0	0	7,246
Formations unsealed	5,706	0	2,452	(4)	0	36	8,190
Total roads	57,785	1,253	34,326	(2,079)	0	1,434	92,719
Bridge & major culverts	21,627	21	(1,331)	(322)	0	74	20,069
Footpaths	2,524	0	(466)	(54)	0	0	2,004
Kerb and channel	6,200	260	(602)	(131)	0	0	5,727
Drainage	8,259	138	4,415	(116)	0	15	12,711
Parks & gardens	166	67	0	(6)	0	0	227
Total Infrastructure	38,776	486	2,016	(629)	0	89	40,738
Works in Progress							
Buildings	213	105	0	0	0	(213)	105
Street furniture	0	5	0	0	0	0	5
Sealed surfaces	956	0	0	0	0	(918)	38
Unsealed formations	36	0	0	0	0	(36)	0
Kerb and channel	0	60	0	0	0	0	60
Bridge & major culverts	97	131	0	0	0	(74)	154
Drainage	15	0	0	0	0	(15)	0
Parks & gardens	0	165	0	0	0	0	165
Total Works in Progress	1,317	466	0	0	0	(1,256)	527
Total Property, Plant and Equipment and Infrastructure	122,917	3,723	36,353	(3,977)	(661)	0	158,355

			2,006	2,005	
			\$'000	\$'000	
Note 18	Trade and other payables				
	Trade payables		1,259	429	
	Accrued salary & wages		278	234	
	Accrued expenses		47	87	
			1,584	750	
Note 19	Trust funds and deposits				
	Refundable building deposits		19	31	
	Refundable security deposits		65	39	
	Refundable civic facilities deposits		2	1	
	Other refundable deposits		10	6	
			96	77	
Note 20	Provisions				
		Annual leave	Rostered Days Off	Long service leave	Total
		\$ '000	\$ '000	\$ '000	\$ '000
2006					
	Balance at beginning of the financial year	687	19	1,013	1,719
	Additional provisions	151	238	875	1,264
	Reduction of provisions	(109)	(234)	(996)	(1,339)
	Balance at the end of the financial year	729	23	892	1,644
2005					
	Balance at beginning of the financial year	731	33	894	1,658
	Additional provisions	51	265	374	690
	Reduction of provisions	(95)	(279)	(255)	(629)
	Balance at the end of the financial year	687	19	1,013	1,719
				2,006	2,005
				\$'000	\$'000
(a)	Employee benefits				
	Current				
	Annual leave			729	687
	Long service leave			711	715
	Rostered Days Off			22	19
				1,462	1,421
	Non-current				
	Long service leave			249	298
				249	298
	Aggregate carrying amount of employee benefits:				
	Current			1,462	1,421
	Non-current			249	298
				1,711	1,719

	2006 \$'000	2005 \$'000
Note 21 Interest-bearing loans and borrowings		
<i>Current</i>		
Borrowings - secured	714	671
	<u>714</u>	<u>671</u>
<i>Non-current</i>		
Borrowings - secured	1,826	2,541
	<u>1,826</u>	<u>2,541</u>
Total	<u>2,540</u>	<u>3,212</u>
The maturity profile for Council's borrowings is:		
Not later than one year	714	671
Later than one year and not later than five years	1,413	1,748
Later than five years	413	793
	<u>2,540</u>	<u>3,212</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	714	671
Non-current	1,826	2,541
	<u>2,540</u>	<u>3,212</u>

Note 22 Reserves

(a) Asset Revaluation Reserve	Land \$'000	Buildings \$'000	Footpaths \$'000	Kerb and Channel \$'000
Balance at beginning of reporting period	1,087	3,832	0	0
Increment (decrement)	2,638	8,086	0	0
Balance at end of reporting period	<u>3,725</u>	<u>11,918</u>	<u>0</u>	<u>0</u>
	Bridges & Major Culverts \$'000	Drains \$'000	Street Furniture \$'000	Sealed Pavements \$'000
Balance at beginning of reporting period	2,223	4,905	20	22,912
Increment (decrement)	0	0	0	0
Balance at end of reporting period	<u>2,223</u>	<u>4,905</u>	<u>20</u>	<u>22,912</u>
	Sealed Surfaces \$'000	Unsealed Pavements \$'000	Sealed Formations \$'000	Unsealed Formations \$'000
Balance at beginning of reporting period	2,214	8,723	1,860	2,643
Increment (decrement)	0	0	0	0
Balance at end of reporting period	<u>2,214</u>	<u>8,723</u>	<u>1,860</u>	<u>2,643</u>
	Total 2006 \$'000	Total 2005 \$'000		
Balance at beginning of reporting period	50,419	13,906		
Increment (decrement)	10,724	36,513		
Balance at end of reporting period	<u>61,143</u>	<u>50,419</u>		

Asset Revaluation Reserve - These reserves have been set up to deal with revaluation movements.

Note 22 Reserves (cont.)

(b) General Reserves

	Plant Replacement Reserve	Unexpended Loan	Building & Asset Reserve	Gravel Pits Restoration
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	494	41	159	122
Transfer to/from accumulated surplus	140	(41)	(159)	0
Balance at end of the reporting period	<u>634</u>	<u>0</u>	<u>0</u>	<u>122</u>

	Stawell Cemetery	St Arnaud Cemetery	Roads to recovery	Drought Relief Reserve
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	60	49	0	369
Transfer to/from accumulated surplus	8	5	1,118	(369)
Balance at end of the reporting period	<u>68</u>	<u>54</u>	<u>1,118</u>	<u>0</u>

	St Arnaud Cinema	Public Open Spaces Reserve	Economic Development Reserve
	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	0	12	46
Transfer to/from accumulated surplus	5	5	(46)
Balance at end of the reporting period	<u>5</u>	<u>17</u>	<u>0</u>

	Total 2006	Total 2005
	\$'000	\$'000
Balance at beginning of the reporting period	1,352	877
Transfer to/from accumulated surplus	666	475
Balance at end of the reporting period	<u>2,018</u>	<u>1,352</u>
Total Reserves	<u>63,161</u>	<u>51,771</u>

Description of General Reserve

Plant Replacement Reserve - Used to smooth out cash flow demands of future plant purchases.

Unexpended Loan - To account for the utilised portion of loan funding applied to an incompleated capital project.

Building & Asset Reserve - Provision for the building of a new library in St Arnaud.

Gravel Pits Restoration - Provision for future rehabilitation of pits.

Stawell Cemetery - To account for surpluses and deficits in the running of this cemetery.

St Arnaud Cemetery - To account for surpluses and deficits in the running of this cemetery.

Roads to Recovery - Represents unspent portion of grant money received but not spent.

Drought Relief Reserve - Represents the unspent portion of grant money received but not spent.

St Arnaud Cinema - To account for surpluses from operations available fund improvements.

Public Open Spaces Reserve - Funds gained from sub divisions that are to be applied to public open space.

Economic Development Reserve - Proceeds from sales of land and buildings where funds are earmarked for future economic development.

	2006 \$'000	2005 \$'000
Note 23 Adjustments directly to equity		
IFRS adjustment to LSL 2004-05	0	(5)
Recognition of found assets	0	3,385
	<u>0</u>	<u>3,380</u>
Note 24 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus(deficit) for the period	1,509	(702)
Depreciation	4,127	3,977
(Profit)/loss on disposal of property, plant and equipment and infrastructure	2	228
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(373)	195
Increase/(decrease) in accrued income	(58)	(16)
Increase/(decrease) in trade and other payables	319	(998)
(Increase)/decrease in inventories	1	(57)
Increase/(decrease) in provisions	(8)	61
Increase/(decrease) in Regional Library	(50)	(36)
Net decrement on revalued assets	0	160
Net cash provided by/(used in) operating activities	<u>5,469</u>	<u>2,812</u>
Note 25 Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 14)	3,913	2,980
Less bank overdraft	0	0
	<u>3,913</u>	<u>2,980</u>
Note 26 Financing arrangements		
Bank overdraft	1,000	1,000
Used facilities	0	0
Unused facilities	<u>1,000</u>	<u>1,000</u>
Note 27 Restricted assets		
Council has cash and cash equivalents (note 14) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Long service leave (note 20)	894	844
Reserve funds (note 22)	2,018	1,352
	<u>2,912</u>	<u>2,196</u>

* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 20 due to a different basis of calculation prescribed by the regulation.

Note 28 Superannuation

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

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these contributions.

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council make the following contribution:-

- 9.25% of members' salaries (same as previous year);
- the difference between resignation and retrenchment benefits paid to its retrenched employees (same as previous year);

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31-Dec-05 \$'000
Net Market Value of Assets	3,255,842
Accrued Benefits (per accounting standards)	3,118,911
Difference between Assets and Accrued Benefits	136,931
Vested Benefits	2,865,633

The financial assumptions used to calculate the Accrued Benefit for the defined benefit category of the Fund were:

Net Investment Return	8.0% p.a.
Salary Inflation	5.5% p.a.
Price Inflation	3.0% p.a.

Details of contributions to superannuation funds during the year and contributions payable at 30 June are as follows:

	2006 \$'000	2005 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	623	551
Employer contributions to employee choice super	44	0
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	0	0

Northern Grampians Shire Council also contributes to other superannuations funds as requested by employees.

Note 29 Commitments

The Council has entered into the following commitments

2006	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating	536	25	26	0	587
Capital	466	0	0	0	466
Total	1,002	25	26	0	1,053

2005	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating	767	211	137	0	1,115
Capital	127	0	0	0	127
Total	894	211	137	0	1,242

	2006 \$'000	2005 \$'000
Note 30 Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	73	99
Later than one year and not later than five years	116	131
Later than five years	0	0
	<u>189</u>	<u>230</u>
Note 31 Contingent liabilities and contingent assets		
Contingent liabilities		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
(i) Insurances		
As at 30 June 2006 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
A number of minor public liability claims are outstanding. Whilst Council will be required to meet the insurance excess deductible on any claims that are successful, its potential liability under those claims is otherwise adequately insured.		
(ii) There is the potential for Council to have to pay for restoration costs on gravel pits for land controlled by the D.S.E and also for non performance claims on street works for subdivisions, these risks are covered by way of bank guarantee.		
(iii) Bank Guarantees		
The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.		
Department of Primary Industries	20	20
Gold Coast Blocks PTY LTD	6	6
Minister for Agriculture and Resources	6	6
Planning Authority	10	10
Minister for Resources	50	50
	<u>92</u>	<u>92</u>

Not 32 Financial Instruments

(a) Accounting Policy, terms and conditions

financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	14	Cash on hand and at bank and money market call account are valued at face value.	Deposits returned a floating interest rate of between 5.25% and 6.29% (5.00% and 6.07% in 2004/2005). The average rate at balance date was 5.81% (5.66% in 2004/2005).
Trade and other receivables			
Rates debtors	3	Rates are carried at nominal amounts due plus interest. Rate debts are a charge attached to the rateable land and are recoverable on sale, therefore, no provision for doubtful debts is made. Interest rates are reviewed annually.	Rates are payable by four instalments during the year. Arrears, including deferred rates, attract interest. The interest rate was 11.5% (12.00% in 2004/2005) at balance date for general rates. Interest rates charged for Special Rate and Private Street Schemes ranged from 9.00% to 9.20% (8.5% to 9.2% in 2004/2005).
Other debtors	15	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
Financial Liabilities			
Trade and other payables	18	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	21	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.15% at balance date (6.17% in 2004/2005).
Bank overdraft	21	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. Current overdraft facility is \$1,000,000. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate as at balance date was 9.45% (9.2% in 2004/2005).

Note 32 Financial instruments (cont.)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2006	Fixed interest maturing in:					Total \$'000
	Floating interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash and cash equivalents	599	3,310	0	0	4	3,913
Trade and other receivables	0	427	193	0	1,106	1,726
Total financial assets	599	3,737	193	0	1,110	5,639
Weighted average interest rate	5.25%	6.32%	6.72%			
Financial liabilities						
Trade and other payables	0	0	0	0	1,584	1,584
Trust funds and deposits	0	0	0	0	96	96
Interest-bearing loans and borrowings	0	714	1,413	413	0	2,540
Total financial liabilities	0	714	1,413	413	1,680	4,220
Weighted average interest rate	0.00%	6.26%	6.09%	6.14%		
Net financial assets (liabilities)	599	3,023	(1,220)	(413)	(570)	1,419

2005	Fixed interest maturing in:					Total \$'000
	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	
Financial assets						
Cash and cash equivalents	453	2,527	0	0	0	2,980
Receivables	0	344	204	0	604	1,152
Total financial assets	453	2,871	204	0	604	4,132
Weighted average interest rate	5.00%	11.22%	5.84%			
Financial liabilities						
Payables	0	0	0	0	750	750
Trust funds	0	0	0	0	77	77
Interest-bearing liabilities	0	671	1,748	793	0	3,212
Total financial liabilities	0	671	1,748	793	827	4,039
Weighted average interest rate	0.00%	6.26%	6.16%	6.11%		
Net financial assets (liabilities)	453	2,200	(1,544)	(793)	(223)	93

Note 32 Financial instruments (cont.)

(c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet	
	2006 \$'000	2005 \$'000
<i>(1) Financial assets</i>		
Cash assets	3,913	2,980
Trade and other receivables	1,726	1,152
<i>Total financial assets</i>	<u>5,639</u>	<u>4,132</u>
<i>(2) Financial liabilities</i>		
Trade and other payables	1,584	750
Trust funds and deposits	96	77
Interest-bearing loans and borrowings	2,540	3,212
<i>Total Financial liabilities</i>	<u>4,220</u>	<u>4,039</u>

(d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

Note 33 Auditors' remuneration

	2006 \$'000	2005 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	21	20
Internal audit fees	9	9
	<u>30</u>	<u>29</u>

Note 34 Related party transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Mayor Kevin Erwin - from 8 December 2005
Mayor Bryan Small - to 26 November 2005
Councillor Kevin Erwin - to 8 December 2005
Councillor Bryan Small from 26 November 2005
Councillor Ian Nicholson
Councillor Greg Earle
Councillor Robyn Smith
Councillor Greg Robson - to 26 November 2005
Councillor Barry Kearnan - to 26 November 2005
Councillor Brian Heinrich - to 26 November 2005
Councillor Karen Douglas - to 26 November 2005
Councillor Wayne Rice - from 26 November 2005
Councillor Dorothy Patton - from 26 November 2005
Councillor Ray Hewitt - from 26 November 2005
Councillor Peter Byron - from 26 November to 15 December 2005
Councillor Ross Clementson - from 27 January 2006

Chief Executive Officers

Chief Executive Officer - Gina Lyons - to 13 December 2005
Acting Chief Executive Officer - Kevin Shea - from 13 December 2005 to 5 May 2006
Chief Executive Officer - Glen Davis - from 8 May 2006

(ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2006 No.	2005 No.
\$500 - \$9,999	9	0
\$10,000 - \$19,999	3	7
\$20,000 - \$29,999	3	2
\$70,000 - \$79,999	1	1
\$100,000 - \$110,999	0	1
\$250,000 - \$259,999	1	0
	17	11
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	481	239

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2004-05, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2004/05, 0).

(v) Other Transactions

The following responsible persons provided services/goods to Council during the reporting period. All purchases were at arms length and in the normal course of the Shire's business

Councillor Ian Nicholson	Stawell Rubbish Removal (Razarba Pty Ltd) - provision of rubbish removal services	\$157,285.82
	Councillor Ian Nicholson is a shareholder in the company	
Councillor Brian Heinrich	The Kookaburra Restaurant - provision of business dinner & catering	\$1,334.70
	Councillor Brian Heinrich is the owner	
Councillor Robyn Smith	Stawell Drycleaners - provision of dry cleaning services	\$969.00
	Councillor Robyn Smith is a partner in the business.	
Director Jan Consedine	Tolmie Maintenance Service - provision of cleaning and property maintenance	\$36,714.56
	Owned by husband of Jan Consedine	
Director Justine Linley	Linley Design - provision of design and printing services	\$15,896.15
	Owned by husband of Justine Linley	
Manager Carole Ford	B & D Plumbing - provision of plumbing services	\$17,271.75
	Owned by husband of Carole Ford	

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

The number of Senior Officers other than the Responsible Persons, are shown below in their relevant income bands:

	2006	2005
Income Range:	No.	No.
<\$100,000	4	4
\$100,000 - \$109,999	2	1
\$130,000 - \$139,999	2	0
	<u>8</u>	<u>5</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	714	412

Note 35 Income, expenses and assets by function/activities

	Governance		Corporate Services		Customer Services		Business Services		Total	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME										
Grants	33	0	4,507	4,263	5,022	3,155	335	61	9,897	7,479
Other	68	0	8,821	4,634	2,714	5,690	159	444	11,762	10,768
TOTAL	101	0	13,328	8,897	7,736	8,845	494	505	21,659	18,247
EXPENSES	(1,184)	(475)	(7,908)	(2,425)	(9,712)	(14,419)	(1,346)	(1,630)	(20,150)	(18,949)
SURPLUS (DEFICIT) FOR THE YEAR	(1,083)	(475)	5,420	6,472	(1,976)	(5,574)	(852)	(1,125)	1,509	(702)
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	196	199	37,231	24,786	138,545	138,581	0	0	175,972	163,566

*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.

Governance

Governance is the area of council which is responsible for democratic function, publicity and organisational development.

Corporate Services

Corporate Services is the area of council responsible for providing a range of strategic and operational financial services to Council as a whole.

The Division includes the following Branches :

Corporate Services	Customer Services
Financial Services	Information Services

Customer Services

Customer Services is the area of council which interacts directly with the community to provide a wide range of services.

The Division includes the following Branches :

Infrastructure Operations	Community Development
Infrastructure Development	Planning & Building
Community Services	

Business Services

Business Services is the area of council responsible for encouraging growth within the municipality.

The Division includes the following Branches :

Economic Development	Tourism
Marketing	

Note 36 Financial ratios (Performance indicators)

(a) **Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
<u>Debt servicing costs</u>	175		192		218	
Total revenue	21,609	= 0.81%	18,211	= 1.05%	18,316	= 1.19%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
<u>Debt servicing & redemption costs</u>	847		777		745	
Rate revenue	8,329	= 10.17%	7,410	= 10.49%	6,749	= 11.04%

The strategy involves the payment of loan principal and interest, finance lease principal and interest.

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) **Revenue ratio** (to identify Council's dependence on non-rate income)

	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
<u>Rate revenue</u>	8,329		7,410		6,749	
Total revenue	21,609	= 38.54%	18,211	= 40.69%	18,316	= 36.85%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(d) **Debt Exposure Ratio** (to identify Council's exposure to debt)

	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
<u>Total indebtedness</u>	5,037		4,914		5,720	
Total realisable assets	27,154	= 18.55%	28,881	= 17.01%	24,551	= 23.30%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 27) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land - other controlled; buildings on other controlled land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

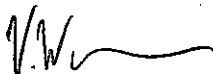
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

Note 36	Financial ratios (Performance indicators) (cont.)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
	(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	6,205		4,497		4,790	
	Current liabilities	3,856	= 160.92%	2,919	= 154.06%	2,999	= 159.72%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the *Local Government Act* 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Vaughan Williams B.Comm
Principal Accounting Officer

Date: 25.9.06

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampian Shire Council for the year ended 30 June 2006 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 on September 21 2006 to certify the financial statements in their final form.



Robyn Smith
Councillor

Date: 25.9.06



Greg Earle
Councillor

Date: 25.09.06



Glen Davis
Chief Executive Officer

Date: 25.9.06

Northern Grampians Shire Council

Standard Statements 2005-06

Northern Grampians Shire Council

Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2006

1 BASIS OF PREPARATION OF STANDARD STATEMENTS

Council is required to prepare and include audited Standard Statements within its Annual Report. Four Statements are required - a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and a Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included in the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of ten percent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 11 August 2005. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan 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.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting council or through the council's website. The Standard Statements must be read with reference to these documents.

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Financial Year Ending 30 June 2006

	Budgeted 2005/2006 (\$'000)	Variances (\$'000)	%	Ref	Actuals 2005/2006 (\$'000)
Revenues					
Rates and garbage charge	8,251	78	1		8,329
User fees and charges	2,865	(176)	(6)		2,689
Contributions	537	(57)	(11)	1	480
Grants - operating	6,593	(23)	(0)		6,570
Grants - capital	3,964	(637)	(16)	2	3,327
Other revenue	167	47	28	3	214
Total Revenues	22,377	(768)	(3)		21,609
Expenses					
Employee benefits	(7,634)	(351)	5		(7,985)
Materials and services	(7,990)	129	(2)		(7,861)
Depreciation	(4,500)	373	(8)		(4,127)
Borrowing costs	(217)	42	(19)	4	(175)
Total Expenses	(20,341)	193	(1)		(20,148)
Net gain(loss) on disposal of property, infrastructure, plant and equipment	1	(3)	(300)	5	(2)
Share of net profit of associates accounted for by the equity method	0	50	100	6	50
Total Changes in Equity for the Year	2,037	(528)	(26)		1,509

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Year Ending 30 June 2006

Variance Explanation Report

Ref.	Item	Commentary
1	Contributions	Town sealing contribution lower as the level of sealing lower than budgeted.
2	Grants - capital	The grant for the Interpretive Centre was not received but was offset by additional Roads to Recovery grant funds and SWANS stormwater grant.
3	Other revenue	Increased interest earnings due to higher levels of cash holdings during the year than anticipated offset by lower interest income for overdue rates as result of bushfires concessions.
4	Borrowing costs	\$1,000,000 loan was not taken up during the year therefore leading to reduced interest expense.
5	Net gain(loss) on disposal of property, infrastructure, plant and equipment	Some properties budgeted to be sold are under negotiation.
6	Share of net profit of associates accounted for by the equity method	No allowance was made at the time of the budget for a profit from investment in associates.

Commentary on the Standard Income Statement for the Annual Report:

The Standard Income Statement for the Annual Report shows what has happened during the year in terms of revenue, expenses and other adjustments from all activities. The 'Total Changes in Equity' or 'bottom line' shows the total difference between the financial position at the beginning and the end of the year.

The Standard Income Statement requires revenues to be separately disclosed where the item is of such a size, nature or incidence that its disclosure is relevant in explaining the performance of the council.

The Standard Income Statement for the Annual Report also shows the movement in equity, so that a separate Statement of Changes in Equity is not necessary. The most common disclosures under this category are movements in asset revaluation reserves which arise upon revaluations of assets and adjustments to opening accumulated surplus due to the adoption of a new accounting standard.

Northern Grampians Shire Council

Standard Balance Sheet Comparison Report for the Year Ending 30 June 2006

	Budgeted 2005/2006 (\$'000)		Variances (\$'000)	%	Ref	Actual 2005/2006 (\$'000)
CURRENT ASSETS						
Cash and cash equivalents	2,424	1,489	61	7		3,913
Receivables	800	733	92	8		1,533
Prepayments and accrued income	290	183	63	9		473
Inventories	251	35	14	10		286
Total Current Assets	3,765	2,440	65			6,205
NON-CURRENT ASSETS						
Non current receivables	168	25	15	11		193
Investments in associates	466	86	19	12		552
Fixed assets	121,859	47,163	39	13		169,022
Total Non-Current Assets	122,493	47,274	39			169,767
TOTAL ASSETS	126,258	49,714	39			175,972
CURRENT LIABILITIES						
Payables	332	1,252	377	14		1,584
Trust funds	77	19	25	15		96
Employee benefits	893	569	64	16		1,462
Interest bearing liabilities	714	0	0			714
Total Current Liabilities	2,016	1,840	91			3,856
NON-CURRENT LIABILITIES						
Employee benefits	1,129	(880)	(78)	16		249
Interest bearing liabilities	2,739	(913)	(33)	17		1,826
Total Non-Current Liabilities	3,868	(1,793)	(46)			2,075
TOTAL LIABILITIES	5,884	47	1			5,931
NET ASSETS	120,374	49,667	41			170,041
EQUITY						
Accumulated funds	105,590	(42,429)	(40)			63,161
Asset revaluation reserve	13,907	47,236	340	18		61,143
General reserves	877	1,141	130	19		2,018
TOTAL EQUITY	120,374	5,948	5			126,322

Northern Grampians Shire Council

Standard Balance Sheet

Comparison Report for the Year Ending 30 June 2006

Variance Explanation Report

Ref.	Item	Commentary
7	Cash and cash equivalents	The delay on some capital projects has resulted in additional cash funds but is offset by less grant revenue than budgeted.
8	Receivables	Higher level of receivables owing to sale of property and grants invoiced.
9	Prepayments and accrued income	State Revenue Office 2006 revaluation reimbursement outstanding at balance date.
10	Inventories	Higher level of inventories held at balance date due to impending carried forward capital works.
11	Non current receivables	Additional community loan.
12	Investments in associates	No allowance was made at the time of the budget for an increase in library equity.
13	Fixed assets	The budget did not allow for the revaluation of assets.
14	Payables	High level of carry forward works as at June 30.
15	Trust funds	Budget movement assumed similar levels of deposits but it increased due to additional building deposits.
16	Employee benefits	IFRS changes have resulted in large variations between current and non current liabilities. However the net effect is a 15% variance to budget. This result occurred through higher than anticipated leave utilisation.
17	Interest bearing liabilities	\$1,000,000 loan was not taken up during the year therefore leading to reduced principal repayment.
18	Asset revaluation reserve	The budget did not allow for the revaluation of assets.
19	General reserves	Roads to Recovery additional funding received June 2006.

Commentary on the Standard Balance Sheet for the Annual Report:

The Standard Balance Sheet for the Annual Report shows a snap shot of the financial situation as at the end of the year. It shows the total of what is owned (assets) less what is owed (liabilities). The bottom line of the statement is net assets, which is the net worth of the Council.

The change in net assets between two year's Standard Balance Sheet's shows how the financial position has changed over that period which is described in more detail in the Standard Income Statement.

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities which will fall due in the next twelve months.

Northern Grampians Shire Council

Standard Cash Flow Statement for the Financial Year Ending 30 June 2006

	Budgeted 2005/2006 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2005/2006 (\$'000)
Cash Flows From Operating Activities	Inflows (Outflows)					Inflows (Outflows)
Rates and charges	8,251	3	0			8,254
User fees	2,508	(136)	(5)			2,372
Grants	10,986	(1,070)	(10)	20		9,916
Contributions	537	(57)	(11)	21		480
Other revenue	167	(11)	(7)			156
Employee benefits	(7,634)	(359)	5			(7,993)
Materials and services	(7,989)	448	(6)			(7,541)
Finance costs	(217)	42	(19)	22		(175)
<i>Net Cash Provided By Operating Activities</i>	6,609	(1,140)	(17)			5,469
Cash Flows From Investing Activities						
Payments for property, plant and equipment	(8,631)	4,513	(52)	23		(4,118)
Proceeds from sale of fixed assets	1,226	(991)	(81)	24		235
<i>Net Cash Used In Investing Activities</i>	(7,405)	3,522	(48)			(3,883)
Cash Flows From Financing Activities						
Trust deposit movements (Net)	0	19	100	25		19
Proceeds from borrowings	1,000	(1,000)	(100)	26		0
Repayment of borrowings	(758)	86	(11)	27		(672)
<i>Net Cash Provided By/(Used In) Financing Activities</i>	242	(895)	(370)			(653)
NET INCREASE/(DECREASE) IN CASH HELD	(554)	1,487	(268)			933
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,978	2	0			2,980
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,424	1,489	61			3,913

Northern Grampians Shire Council

Standard Cash Flow Statement Comparison Report for the Year Ending 30 June 2006

Variance Explanation Report

Ref.	Item	Commentary
20	Grants	The grant for the Interpretive Centre was not received but was offset by additional Roads to Recovery grant funds and SWANS stormwater grant.
21	Contributions	Town sealing contribution lower as the level of sealing lower than budgeted.
22	Finance costs	\$1,000,000 loan was not taken up during the year therefore leading to reduced interest expense.
23	Payments for property, plant and equipment	The original budget included some major projects that were either cancelled or delayed during 2005-06. These being the Interpretive Centre and Halls Gap drainage scheme. The lower than anticipated changeover of both light fleet and heavy plant also contributed to the variance.
24	Proceeds from sale of fixed assets	Some properties budgeted to be sold are under negotiation.
25	Trust deposit movements (Net)	Budget movement assumed similar levels of deposits but it increase due to additional building deposits.
26	Proceeds from borrowings	Loan budgeted to be taken up during 2005-06 was not required.
27	Repayment of borrowings	\$1,000,000 loan was not taken up during the year therefore leading to reduced principal repayment.

Commentary on the Standard Cash Flow Statement for the Annual Report:

A Standard Cash Flow Statement for the Annual Report shows what has happened during the year in terms of cash. It explains what cash movements have resulted in the difference in the cash balance at the beginning and the end of the year.

The net cash flows from operating activities, shows how much cash remains, after paying for providing services to the community, which may be invested in things such as capital works.

The information in the Standard Cash Flow Statement assist users in the assessment of the ability to generate cash flows, meet financial commitments as they fall due, including the servicing of borrowings, fund changes in the scope or nature of activities and obtaining external finance.

Northern Grampians Shire Council

Standard Statement of Capital Works for the Financial Year Ending 30 June 2006

	Budgeted 2005/2006 (\$'000)	Variances		Ref	Actuals 2005/2006 (\$'000)
		(\$'000)	%		
Capital Works Areas					
Infrastructure Assets	4,155	(1,759)	(42)	28	2,396
Plant and equipment	969	(324)	(33)	29	645
Parks and gardens	278	113	41	30	391
Land and Buildings	3,034	(2,115)	(70)	31	919
Other	195	24	12	32	219
Total Capital Works	8,631	(4,061)	(47)		4,570
Represented by:					
Renewal	3,047	(39)	(1)	33	3,008
New assets	5,212	(4,056)	(78)		1,156
Expansion	372	34	9		406
Total Capital Works	8,631	(4,061)	(47)		4,570
Property, Plant & Equipment movement Reconciliation Worksheet					
The movement between the previous year and the current year in property, plant and equipment as shown in the statement of Financial Position links to the net of the following items.					
Total capital works	8,631	(4,061)	(47)	34	4,570
Asset revaluation movement	0	10,724	100	35	10,724
Depreciation	(4,500)	373	(8)	36	(4,127)
Written down value of assets sold	(1,226)	727	(59)		(499)
Net Movement in property, plant and equipment	2,905	7,763	267		10,668

Northern Grampians Shire Council

Standard Statement of Capital Works Comparison Report for the Year Ending 30 June 2006

Variance Explanation Report

Ref.	Item	Commentary
28	Infrastructure assets	Delays in the Halls Gap Drainage scheme project and lower expenditure for infrastructure works as a result of savings.
29	Plant and equipment	Lower level of replacement of both motor vehicles and plant and equipment.
30	Parks and gardens	Unbudgeted grants resulted in additional projects being undertaken.
31	Land and Buildings	The variation occurred as a result of the cancellation of the construction of the interpretive Centre and various other building projects.
32	Other	Unbudgeted expenditure on the replacement of the telephone system was required.
33	New assets	The original budget included some major projects that were not completed during 2005-06, these being the Interpretive Centre and Halls Gap drainage scheme.
34	Total capital works	Refer note 26, 27, 28, 29 and 30.
35	Asset revaluation movement	The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.
36	Written down value of assets sold	Some properties budgeted to be sold are under negotiation and a lower level of replacement of both motor vehicles and plant and equipment.

Commentary on the Standard Statement of Capital Works for the Annual Report:

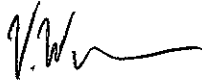
The Standard Statement of Capital Works sets out the expenditure on creating or buying property, infrastructure, plant and equipment assets by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

Northern Grampians Shire Council

Certification of Standard Statements for the Financial Year Ending 30 June 2006

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2006 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.



Vaughan Williams
Principal Accounting Officer

Date: 25/9/06

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying Standard Statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

On 21 September 2006 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



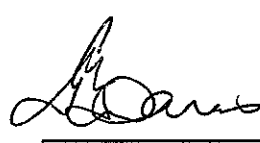
Robyn Smith
Councillor

Date: 25/9/06



Greg Earle
Councillor

Date: 25/9/06



Glen Davis
Chief Executive Officer

Date: 25/9/06



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Northern Grampians Shire Council

To the Councillors

Scope

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2006 of Northern Grampians Shire Council consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification of the financial report.

The accompanying standard statements for the year ended 30 June 2006 of the Council consists of the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements.

Councillors' Responsibility

The Councillors of Northern Grampians Shire Council are responsible for:

- the preparation and presentation of the financial report and the standard statements, and the information they contain, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report and standard statements. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report and standard statements
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Councillors
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report and standard statements.



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

These procedures have been undertaken to form an opinion as to whether:

- the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act* 1989, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows
- the standard statements are presented fairly in accordance with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act* 1989, and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

Independence

The Auditor-General's independence is established by the *Constitution Act* 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act* 1989, the financial position of Northern Grampians Shire Council as at 30 June 2006 and its financial performance and cash flows for the year then ended
- (b) the standard statements are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act* 1989.

MELBOURNE
27 September 2006

Edward M Hay
Acting Auditor-General



Northern Grampians Shire Council

Performance Statement

2005-2006



Proud Past. Vibrant Future.

This statement reviews Council's annual budget's key strategic activities performance targets against Council's actual performance for the year.

Key strategic objective 1. Improve social conditions

Promote an environment where the community experience health, safety and well being

Strategies	Actions	Timeline	Target Achieved
Provide flexible and responsive family and children's services	<ul style="list-style-type: none"> Review child care operational hours to meet community needs 	Jan 2006	YES
	<ul style="list-style-type: none"> Investigate options for mobile school holiday programs in isolated rural areas 	Nov 2005	NO (Project cancelled due to economic factors)
	<ul style="list-style-type: none"> Design and plan Stage 2 of Taylor's Gully Children's Hub 	Sept 2005	YES
	<ul style="list-style-type: none"> Review playground plan 	June 2006	NO (Review not undertaken due to resource constraints)
	<ul style="list-style-type: none"> Investigate development of a child care centre within the planned Halls Gap community and tourism hub 	June 2006	YES
Encourage a healthy community through recreation and leisure activities	<ul style="list-style-type: none"> Plan and develop appropriate multi use tracks to encourage increased participation in passive recreation 	June 2006 & ongoing	YES
	<ul style="list-style-type: none"> Develop a maintenance schedule for the St Arnaud stadium after consultation with the committee of management and the community 	Jan 2006	NO (Reactive works undertaken)
	<ul style="list-style-type: none"> Prepare a feasibility and costing analysis for extension to the Stawell leisure complex 	Dec 2005	NO (Report complete February 2006)
	<ul style="list-style-type: none"> Review beautification and other opportunities for Cato Park, Stawell 	Feb 2006	YES

Appreciate and involve our youth	<ul style="list-style-type: none"> Develop youth strategy in collaboration with other agencies 	Dec 2005	NO (Not developed due to resource constraints)
	<ul style="list-style-type: none"> Seek funding for jobs for youth program 	March 2006	NO (Not sought due to organisational structure changes)
	<ul style="list-style-type: none"> Facilitate Federal and State youth weeks 	Aug 2005	NO (Unsuccessful in obtaining Youth Grant)
	<ul style="list-style-type: none"> Investigate appointment of a youth officer in St Arnaud 	Jan 2006	YES (Investigated, but grant application unsuccessful)

Key strategic objective 2. Built and Natural Environment

Protect and enhance identified built and natural assets

Strategies	Actions	Timeline	Target Achieved
Recognise and preserve our heritage while ensuring that new development meets tomorrow's needs	<ul style="list-style-type: none"> Provide key planning staff with education of indigenous cultural heritage issues 	By June 2006	YES
	<ul style="list-style-type: none"> Foster restoration and conservation of heritage sites 	Ongoing	YES
	<ul style="list-style-type: none"> Implement priority recommendations from Heritage Study 	By June 2006	YES
Maintain and enhance key assets for current and future urban and rural communities	<ul style="list-style-type: none"> Maintain built assets to the minimum standard identified through independent audit 	Ongoing	NO (Audit to be undertaken 2006 - 2007 as part of implementation of new asset system)
	<ul style="list-style-type: none"> Review senior citizens facilities to assess condition of buildings 	February 2006	NO (To be reviewed as above)
	<ul style="list-style-type: none"> Construct and maintain roads in accordance with road management plan 	Ongoing	YES

Manage assets effectively	<ul style="list-style-type: none"> • Develop asset management strategy 	June 2006	NO (To be developed in 2006-2007)
	<ul style="list-style-type: none"> • Develop maintenance schedule for all assets 	June 2006	NO (Playground equipment, roads, bridges, footpaths scheduled. Drains and building schedules to be developed in 2006-2007)
	<ul style="list-style-type: none"> • Develop asset rationalisation policy 	March 2006	NO (To be developed in 2006-07)
	<ul style="list-style-type: none"> • Develop a 5 year capital works projects management system 	Dec 2005	NO (Developed April 2006)
Adopt and promote sustainable land, water and energy management practices	<ul style="list-style-type: none"> • Undertake a hydrological study 	2005/06	YES
	<ul style="list-style-type: none"> • Develop tree planting strategy for parks and streets 	2005/06	NO (To be developed in 2006-2007)
	<ul style="list-style-type: none"> • Reduce energy consumption 	Ongoing	YES
Improve the amenity of the built environment in our urban streetscapes	<ul style="list-style-type: none"> • Improve township entrance and directional signage 	2005/06	YES
	<ul style="list-style-type: none"> • Design and construct streetscapes to meet urban design framework objectives 	Ongoing	YES
Deliver cost effective and environmentally sensitive waste management practices	<ul style="list-style-type: none"> • Operate within objectives of Grampians Regional Waste Management Group 	2005/06	YES
	<ul style="list-style-type: none"> • Investigate transfer station opportunities at Halls Gap 	2005/06	YES
Ensure appropriately zoned land for future industrial, commercial, agribusiness and residential development.	<ul style="list-style-type: none"> • Implement land capability and suitability project 	2005/06	NO (Not undertaken due to unsuccessful funding, partly addressed in Investment Plan)

	<ul style="list-style-type: none"> Develop residential land strategy 	2005	YES
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Key strategic objective 3.

Sustainable economic base

Improve our investment environment to increase local employment and business opportunities

Strategies	Actions	Timeline	Target Achieved
Regional co-operation in tourism and economic development	<ul style="list-style-type: none"> Membership of Grampians Pyrenees Regional Development Board Establishment of Grampians Pyrenees Regional Tourism Association 	2005/06 By December 2005	YES NO (Committee formed, project delayed due to external party influences, negotiations continuing)
Pursue population growth throughout the shire	<ul style="list-style-type: none"> Target Western metropolitan Melbourne for domestic skilled migration using existing data base Participate in "Provincial Victoria" marketing campaign 	By December 2005 2005/2006	YES YES
Encourage local education providers to meet the training and education needs of our local businesses	<ul style="list-style-type: none"> Establish dialogue between education providers, Council, Local Learning Employment Network and employers Conduct a "skills for the future" project and participate in Careers Expo 	By August 2005 then ongoing By June 2006 Expo Annually in August/September	YES NO (Skills for the Future delegated to GPRDB. Council participated in Careers Expos in both Stawell & St Arnaud)
Retain youth through increased training, education and career opportunities	<ul style="list-style-type: none"> Establish a trades bursary for young people employed by local businesses 	By October 2005 then annually	YES

Retain, expand and promote business opportunities	<ul style="list-style-type: none"> • Develop an Investment Prospectus and marketing material • Investigate introduction of a marketing special levy 	<p>December 2005</p> <p>By September 2005</p>	<p>NO (Economic Investment Plan completed in May 2006)</p> <p>NO (Initial discussions undertaken. To be included in rating strategy review in 2006-2007)</p>
Capitalise on our tourism, culture and arts potential	<ul style="list-style-type: none"> • Implement cultural and arts strategies • Expand regional tourism involvement • Complete tourism strategy review • Encourage youth to be part of cultural activities 	<p>Ongoing</p> <p>By October 2005</p> <p>By October 2005</p> <p>By October 2005</p>	<p>YES</p> <p>YES</p> <p>YES</p> <p>NO (Not undertaken due to resource constraints)</p>
Provide for a changing demographic	<ul style="list-style-type: none"> • Investigate public/private partnerships for retirement resorts and village development • Promote business investment opportunities for early retirees 	<p>By June 2006</p> <p>By June 2006</p>	<p>YES</p> <p>YES</p>
Pursue the economic opportunities of existing transport networks and infrastructure	<ul style="list-style-type: none"> • Investigate the development of transport hubs and inland ports 	<p>By September 2006</p>	<p>YES</p>
Develop a sustainable Land Use Plan that meets the needs of the community	<ul style="list-style-type: none"> • Land use is appropriately zoned to meet development needs • Consider differential rate for undeveloped residential land 	<p>By March 2006</p> <p>By September 2005</p>	<p>YES</p> <p>NO (To be considered as part of the full Rating Strategy)</p>

Key strategic objective 4**Leadership and Governance**

Open, responsive and consultative governance

Strategies	Actions	Timeline	Target Achieved
Maintain sound financial position	• Develop long term financial strategy	December 2005	NO (Strategic Resource Plan approved by Council May 2006)
	• Monthly financial reporting	June 2005	YES
	• Review audit charter, incorporating best practice guidelines	June 2005	YES
Minimise risk to the Organisation	• Review risk management policy	September 2005	YES (Policy reviewed, new policy adopted by Council in Feb 06)
	• Identify areas of risk exposure	September 2005	YES (Risk identification program ongoing)
Ensure appropriate information systems	• Develop an Information Systems strategy	July 2005	YES
	• Implement agreed Information System strategy recommendations	June 2006	YES
	• Develop Councillor/Staff intranet	March 2006	NO (Software update required, sourced March 06, project budgeted in 2006-07)
Improve communication to the Community, Councillors and Staff	• Introduce public question time prior to Council meetings	June 2005	YES
	• Introduce NGSC community survey	March 2006	NO (Not introduced due to resource constraints)
	• Improve use of Council web site as a communication tool, ensuring current information is	December 2005	YES

	<p>available</p> <ul style="list-style-type: none"> • Improve current media policy to ensure we maximise public exposure of issues being considered by Council • Communicate roles and responsibilities of Council staff to the public • Ensure councillors and staff participate in indigenous awareness programs. 	<p>September 2005</p> <p>September 2005</p> <p>June 2006</p>	<p>YES</p> <p>YES</p> <p>NO (Initial work undertaken to identify requirements)</p>
Support Councillors in their roles as elected representatives	<ul style="list-style-type: none"> • Develop a comprehensive Councillor induction program • Identify Councillor training needs and ensure appropriate resources are made available 	<p>November 2005</p> <p>March 2006</p>	<p>YES</p> <p>NO (Training needs identified informally Resources made available as required)</p>

Key Performance Indicators

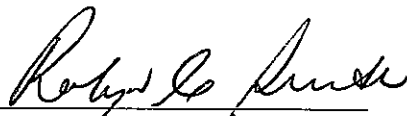
Target	Measure	Achieved	Comment
• Increase in community satisfaction rating for overall performance generally of the Council	• 2006 Index mean score of 62	NO	Index mean 58
• Increase in community satisfaction rating for Council's advocacy and community representation on key local issues	• 2006 Index mean score of 64	NO	Index mean 60
• Increase in community satisfaction rating for Council's engagement in decision making on key local issues	• 2006 Index mean score of 56	NO	Index mean 51
• Increase in community satisfaction rating for Council's interaction and	• 2006 Index mean score of 77	NO	Index mean 71

responsiveness in dealing with the public			
<ul style="list-style-type: none"> • Increase in community satisfaction rating for the following Council Services <ul style="list-style-type: none"> o Local Roads and Footpaths o Health and Human Services o Recreational Facilities o Appearance of Public areas o Traffic Management and Parking Facilities o Waste Management o Enforcement of Local Laws o Economic Development o Town Planning Policy and Approvals • Improved risk management 	<ul style="list-style-type: none"> • 2006 Index mean score of 59 • 2006 Index mean score of 81 • 2006 Index mean score of 71 • 2006 Index mean score of 71 • 2006 Index mean score of 71 • 2006 Index mean score of 73 • 2006 Index mean score of 77 • 2006 Index mean score of 56 • 2006 Index mean score of 62 • 2006 audit scores 74% 	<ul style="list-style-type: none"> NO NO YES YES NO NO NO NO NO YES 	<ul style="list-style-type: none"> Index mean 56 Index mean 76 Index mean 71 Index mean 73 Index mean 67 Index mean 69 Index mean 63 Index mean 54 Index mean 61 Audit score 78%

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2005-06 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



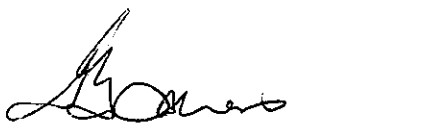
Cr Robyn Smith

Date: 25/9/06



Cr Greg Earle

Date: 25/09/06



Chief Executive Officer
Glen Davis

Date: 25/9/06



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Northern Grampians Shire Council

To the Councillors

Scope

The Performance Statement

The accompanying performance statement for the year ended 30 June 2006 of Northern Grampians Shire Council consists of the statement, the related notes and the council approval of the performance statement.

Councillors' Responsibility

The Councillors of Northern Grampians Shire Council are responsible for the preparation and presentation of the performance statement and the information it contains.

Audit Approach

As required by the *Local Government Act* 1989, an independent audit has been carried out in order to express an opinion on the performance statement. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the statement
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the statement.

These procedures, which did not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act* 1989.

The audit opinion expressed in this report has been formed on the above basis.

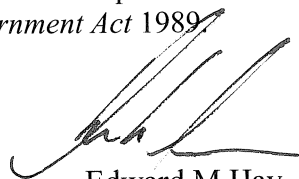
Independence

The Auditor-General's independence is established by the *Constitution Act* 1975. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the performance statement of Northern Grampians Shire Council in respect of the 30 June 2006 financial year is presented fairly in accordance with the *Local Government Act* 1989.

MELBOURNE
27 September 2006



Edward M Hay
Acting Auditor-General