



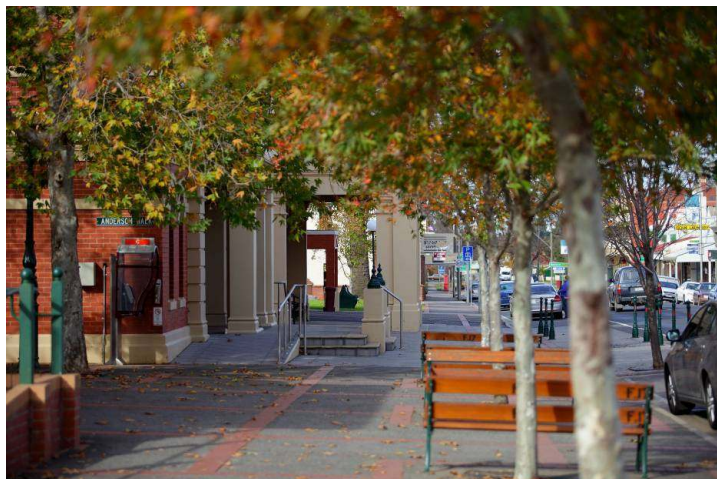
Annual Report

2009-2010

Creating a better lifestyle and environment

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SHIRE AT A GLANCE

Possessing some of the world's most spectacular natural scenery and a rich golden heritage, the Northern Grampians Shire has established an exceptional reputation as a place to live, work, invest and visit.

LOCATION

Located in the beautiful Grampians region of provincial Victoria, the Shire covers almost 6,000 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

NATIONAL PARKS

The Grampians National Park is one of Victoria's most popular holiday destinations, renowned for its breathtaking rocky views, rich Aboriginal culture, European heritage and stunning spring wildflower displays. Declared in 1984, the 168,000 hectare National Park is home to a rich diversity of plants and animals, many of which are endemic to the park.

St Arnaud Range National Park has 13,900 hectares of mainly steep, forested terrain and is an ideal place to experience what the forests were like before the gold rushes. The park has one of the largest intact areas of Box-Ironbark vegetation. It encompasses the former Kara Kara State Park and much of the St Arnaud Range State Forest.

INDUSTRY

The Shire's economy is based on agriculture, gold mining, tourism, wine production and manufacturing. Stawell, the main centre, is home to brick, textiles and meat production, while the Grampians area is a popular holiday destination.

Area:	Approximately 5,918 square kilometres
Population:	Approximately 12,336
Road Length:	3408 km local roads
Rateable properties:	9143
Rate and Charge Revenue:	\$10,685,000
Total Revenue (inc grants):	\$29,099,000
Industry:	More than 720 businesses currently operate here, with major activity based in the thriving tourism, mining, textile, manufacturing and rural industries.
Major Attractions:	Stawell Easter Gift Festival, Grampians Grape Escape, Arts Trail, Grampians Wildflowers Festival, Festival of St Arnaud, St Arnaud Music Festival, Great Western Cup, Stawell Cup, St Arnaud Cup, St Arnaud Harness Racing Cup, Halls Gap Film Festival, Stawell Gift Hall of Fame and Grampians National Park.



FROM THE CHIEF EXECUTIVE OFFICER

2009-10 has been another successful year in Northern Grampians Shire.

We completed the iconic new Visitor Information Centre in Halls Gap, the new premises for the Hall of Fame in Stawell and phase 1 of the streetscape in Napier Street, St Arnaud. We rescued the swimming pool in Marnoo just in time for Christmas. We greatly extended our water security measures so that we can use harvested storm water and waste water extensively to allow us to reduce future use of potable water. We beat off an attempt to 'pinch' the Stawell Gift, an event which contributes much to the identity of the town.

2009-10 has been a very active year for major planning activities. These activities were timed to influence the State and Federal election campaigns. Council made big contributions to the Regional Plans for Central Highlands and Wimmera Southern Mallee. We have agricultural, ecological, communications, and water use interests in common with neighbours to our west, but social, education, industrial and recycling interests more in common with neighbours to our east.

Council contributed strongly to the Western Region Sustainable Water Plan, a plan which must be extensively modified if it is to properly contribute to the economic, leisure and ecological outcomes of our region. The Essential Services Commission was charged by the State with the task of performance benchmarking for local government. The ESC consulted extensively and is continuing to draft, pilot and refine its measures of performance. In the meantime, the annual Community Satisfaction Survey continues to record improving scores for Northern Grampians Shire Council which are now significantly better than average.

We greatly extended our Community Plans. The communities of Stawell, St Arnaud, Halls Gap, Great Western and Marnoo completed their plans during this year and presented them enthusiastically to Council. The plans for Stuart Mill were well progressed. These plans carefully express community priorities and ensure the efforts of the Council are directed where the needs are greatest.

Some major new projects are about to commence. Tenders are being prepared to redevelop Stawell Airport from its current role as a fire-bomber base for Western Victoria.

When the current project is complete, it will cater for commercial air services, accepting Dash-8 and Saab aircraft. This will allow for regional air services, medical evacuations in all conditions and

the development of fly-in tourism. An extensive streetscape development in St Arnaud is entering a further stage. Council is collaborating strongly with Parks Victoria to develop the Grampians Peaks walking trail, a 14-day trek from Mt Zero to Dunkeld.

Our relationships with neighbouring Councils have been actively developed. With four other Councils, the tourism industry, Tourism Victoria and Parks Victoria, we continue to develop the new Grampians Tourism Inc. This successful development has become the model for the rest of the State. With eight Councils, we are developing the influential Central Highlands Mayors' and CEOs' Forum. We continue our leadership role with all Councils from Bacchus Marsh to the Border on the Western Highway Action Committee and we have seen the start of works to duplicate the Highway from Ballarat to Stawell.

We have maintained our collaborative roles with other Councils in Solar Cities, Water Management and Library Corporation activities.

Emergency Management is a Council role which we hope to exercise infrequently. But even the planning activities have been busy in 2009-10 following the interim findings of the Bushfire Royal Commission.

We had to plan and declare new Neighbourhood Safer Places and we had to design new ways to manage Council services and provide relief for residents during Code Red Days. This is an ongoing task in which we greatly benefit from our strong relationships with the CFA, the Police, Ambulance, Emergency Services, DSE and Parks Victoria.



Many of our most popular Council services have tried to maintain a calm appearance while busily getting on with work. Tasks such as road maintenance, parks, leisure services, children's and maternal child health services, home care services for aged residents and local laws have all gone well. Our Planning and Building Department has a role to regulate developments in accordance with the Planning and Environment Act and various building controls. This has succeeded in maintaining high levels of economic development despite the handicaps of drought and financial crises.

For several successive years, Northern Grampians has been one of a large number of small Councils which suffered from under-funding. We have collaborated with 18 Councils in defining and quantifying the problem and advocating irresistibly for its solution. For less than \$30m/year diverted from grant pools to formula funding, the State can resolve this issue. In the meantime, we have not had the finances to properly maintain our roads, drains and buildings and their condition has deteriorated. Communities in smaller Councils across the State have been served at a standard lower than that assumed by State laws.

As I prepare for my retirement at the end of July 2010, I wish to thank the Council's management and staff for their support and great work. Staff has teamed well with the Council which has steered our path and the communities which have expressed their priorities.

I will leave confident that Northern Grampians is well prepared to shape its future



Glen Davis
Chief Executive Officer

FROM THE MAYOR

Northern Grampians Shire Council has continued a strong year of business investment. A number of our larger businesses have shown great confidence by increasing their operations within the Shire. We have experienced growth in the turkey industry, our abattoirs, supermarkets, health sector, mining and schools.

This year we have seen an end to a long period of drought conditions and everyone is encouraged by a much more favourable season.

Much time has been spent on Regional Planning and at the Northern Grampians, given our location, we have taken part in both the Central Highlands and Wimmera Southern Mallee Regional Plans.

It certainly has been an interesting process and it has highlighted Regional issues of communication, connectivity, water and food security and the need to focus on education and its delivery.

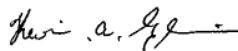
Projects which have advanced in 2009-10 include a further section of the streetscape in St. Arnaud, redevelopment of the Stawell airport, stage 2 of the Halls Gap Hub, pedestrian linkages and upgrade at 108 Main St and Pioneer Walk and the Grampians Peaks 14 day walking trail from Mt Zero to Dunkeld. This iconic walk will be a magnificent acquisition to the region when completed.

One project which has been particularly exciting to see is the start of the duplication of the Western Highway from Ballarat to Stawell. As a member of the Western Highway Action Committee, it has been pleasing to see this project, which has been on the drawing board for so long, finally obtain the funding and have works commence. There is still much more planning to do and the securing of further funding to complete this project around 2016-17. It will certainly make a difference to the movement of freight which is forecast to increase 2.5 times by 2030. It will also add to the safety of motorists.

Northern Grampians has joined together with 17 other small rural Councils to implement the Whelan Report. This documents highlights the funding of small rural Councils, the capacity of their people to pay and the Council's resources to carry out statutory obligations as legislated by Government. The continued lobbying by the 18 Councils for recurrent funding is vital if they are to close the funding gap which has been increasing over recent years.

2009-10 has been a year of community planning. This has been a very enjoyable process and it has been excellent for Councillors to join the smaller communities to receive their plans. It is now up to Council to seek funding and deliver the projects.

As the 2009-10 year draws to a close, our CEO Glen Davis is preparing for retirement. I would take this opportunity to thank Glen for taking the Northern Grampians Shire Council to a very solid position and to a place where the future looks bright for this Council.



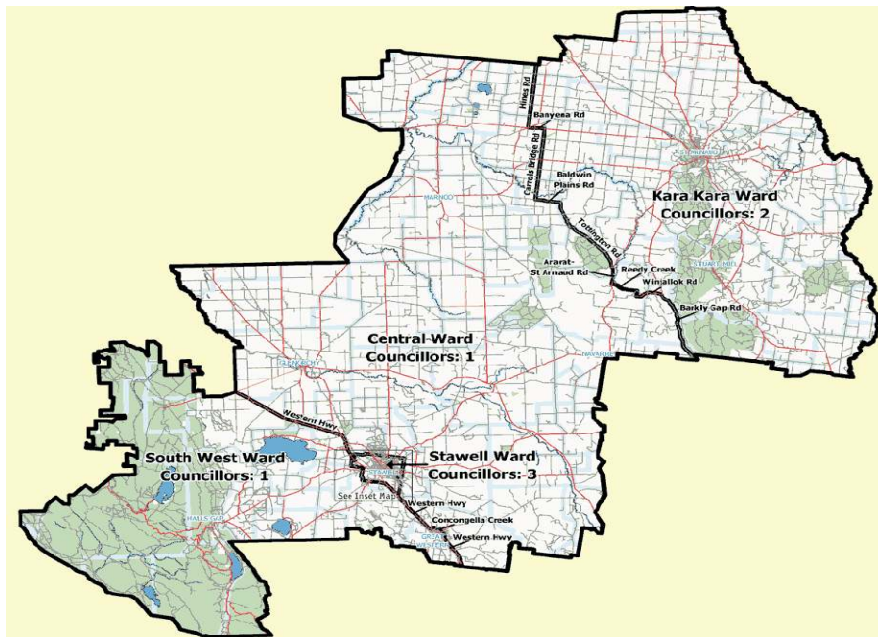
Kevin Erwin
Mayor

OUR COUNCILLORS



Central Ward		
Mayor Kevin Erwin First Elected: 14 March, 2003 Term expires : 24 November, 2012		Portfolio Councillor: Assets and Transport, Economic Development (Primary Industry), Environment / Open Space
Kara Kara Ward		
Cr Dorothy Patton Portfolio Councillor: Economic Development (Industrial & Retail Relationships) & Heritage/Arts First Elected: 26 November, 2005 Term Expires: 24 November, 2012		Cr Ray Hewitt Portfolio Councillor: Asset & Transport, Youth & Recreation and Tourism First Elected: 26 November, 2005 Term Expires: 24 November, 2012
South West Ward		
Cr Ross Clementson Portfolio Councillor: Tourism & Community Care First Elected: 27 January, 2006 Tem Expires: 24 November, 2012		
Stawell Ward		
Cr Andrea Cooper Portfolio Councillor: Community Care First Elected: 1 December, 2008 Term Expires: 24 November, 2012	Cr Barry Marrow Portfolio Councillor: Asset & Transport, Youth & Recreation, Environment/Open Space, Heritage/Arts First Elected: 1 December, 2008 Term Expires: 24 November, 2012	Cr Wayne Rice Portfolio Councillor: Asset & Transport, Economic Development (Industrial & Retail Relationships) First Elected: 26 November, 2005 Term Expires: 24 November, 2012

WARD BOUNDARIES



COUNCIL MEETING ATTENDANCE REGISTER

During 2009-2010 there were 12 Ordinary Council Meetings and three Special Council Meetings.

Council meetings are usually held on the fourth Thursday of each month (with some exceptions due to other commitments) at 6.00pm. Venues can alternate between Stawell and St Arnaud. Any changes to this cycle or any additional Special Meetings are publicised through the media. Meetings are open to the public and at ordinary meetings public question time gives any member of the community the opportunity to freely ask a question on any Council-related matter.

	Ordinary (12)	Special (3)	Total (15)		Audit Committee (3)	Total (3)
Cr Kevin Erwin	12	3	15		1	1
Cr Ross Clementson	12	3	15			
Cr Ray Hewitt	11	2	13			
Cr Dorothy Patton	11	2	13			
Cr Wayne Rice	7	3	10			
Cr Andrea Cooper	12	3	15			
Cr Barry Marrow	12	3	15		3	3

No of Meetings 10	Finance Committee
Cr Kevin Erwin	9
Cr Ross Clementson	10
Cr Ray Hewitt	10
Cr Dorothy Patton	10
Cr Wayne Rice	3
Cr Andrea Cooper	10
Cr Barry Marrow	10

LEADERSHIP TEAM

The Executive Team comprises the Chief Executive Officer and three General Managers : General Manager Corporate Services, General Manager Customer Services and General Manager Business Services.



Glen Davis
Chief Executive
Officer

5/2006-7/2010



Keith White
General Manager
Corporate Services

3/2005—3/2010



Justine Linley
General Manager
Business Services

1/2009—1/2010



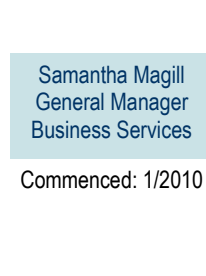
Jim Nolan
General Manager
Customer Services

Commenced: 7/2007



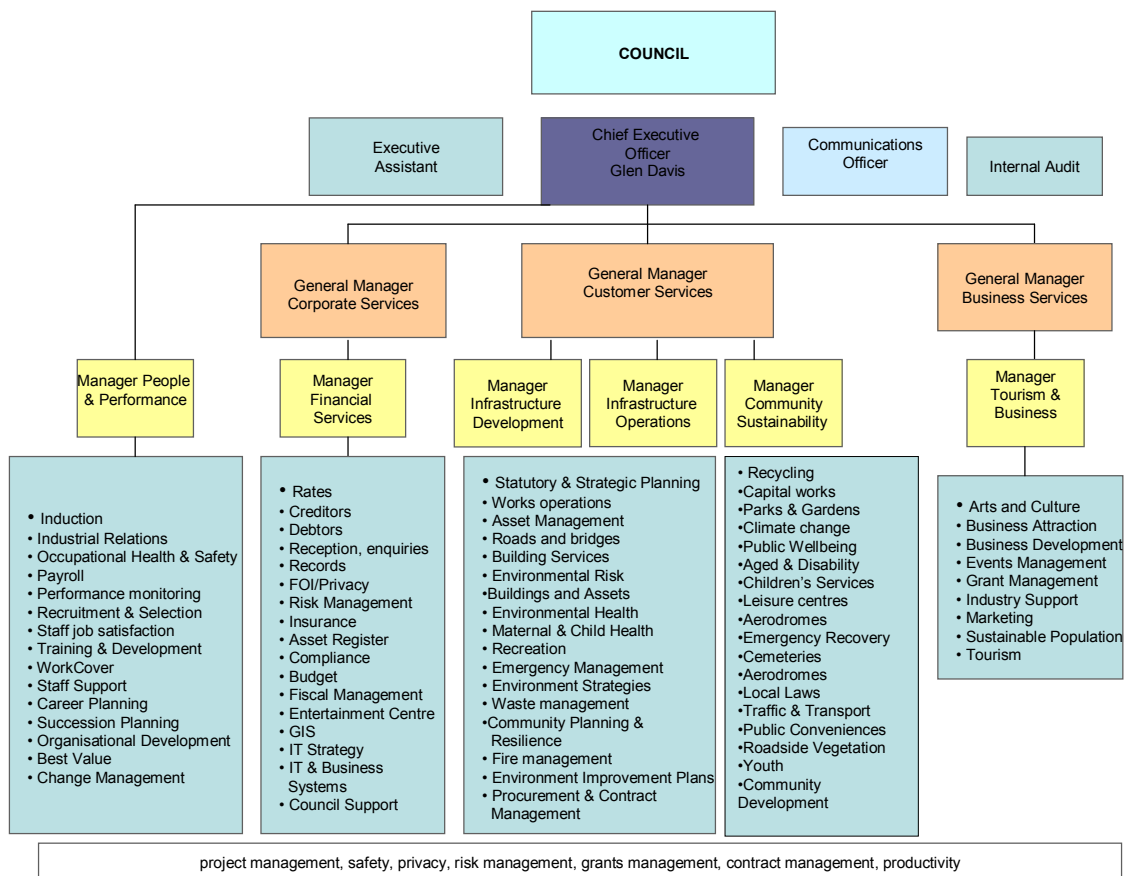
Vaughan Williams
General Manager
Corporate Services

Commenced: 4/2010



Samantha Magill
General Manager
Business Services

Commenced: 1/2010



BUSINESS SERVICES AND TOURISM



Tourism

This year marked a key milestone with the development of the Tourism Industry Participation Policy (TIPP). The policy has been developed to encourage a greater level of participation by businesses in the development of the tourism industry and in turn their own businesses within the Northern Grampians Shire.

The Northern Grampians Shire Council continues to operate three Visitor Information Centres (VICs) in Halls Gap, Stawell and St Arnaud. The Stawell VIC has relocated to the Stawell Gift Hall of Fame at Central Park. The co-location of the Visitor Information Centre with the Stawell Gift Hall of Fame will ensure that a range of community interests are addressed including access to the Hall of Fame seven days a week and an improved Visitor Information Centre/Hall of Fame.

In addition, Council continues to contribute to Grampians Tourism Incorporated - a regional board directed at marketing and developing the tourism industry across the Grampians and Pyrenees region. Grampians Tourism is working hard at positioning the Grampians as the nature-based destination of choice.

Business Services

Council's Business Services Unit was this year boosted by a change in structure to better align with the economic development and tourism needs of the Shire given current circumstances and future needs.

A collection of marketing material was developed by the Business Services Unit to support the live, work and invest message 'Grampians for Growth'. An investment prospectus, sector plans focusing on health, agriculture, tourism and manufacturing, a set of recipe cards highlighting the key ingredients to the perfect lifestyle and a focused online presence have added depth to key marketing messages.

Council continues to work closely with local business and tourism associations. Building stronger associations assists to invigorate and motivate business activity creating confidence within the community.

St Arnaud Christmas Crack Up and Stawell Snow-Fest were two examples of what is achievable through a collaborative approach.

The Business Assistance Scheme (BAS) remains a competitive advantage of business attraction and support within the Shire. The scheme aims to provide financial and in-kind assistance to new businesses and existing businesses wishing to expand their operations. Business Services can also provide access to business mentoring, training and events, business networks and partnering opportunities with Regional Development Victoria.

The Northern Grampians *Economic Report Card and Dashboard* continues to provide the community with a snapshot of economic health in the Shire. These figures help Council to determine appropriate actions to improve the economic health of the Shire by seeking new opportunities and expanding upon existing ones. Suggested actions for the community are also included to ensure there is a partnership-based approach towards creating a better lifestyle and environment for all.

There is little doubt that the economic crisis, following on from 13 years of drought, and the effects of the newly introduced bushfire warning system, has led to a certain level of economic and social instability. How the business and general communities of Northern Grampians Shire have been or will be affected is largely determined by the resilience of our businesses and the diversity of industry composition in the Shire.



COMMUNITY DEVELOPMENT

Community Development

Community Planning

Great Western, Marnoo, Navarre and Stuart Mill communities have been assisted by the Community Planning team in creating community plans for their respective communities. The plans were developed by the communities themselves and articulate a vision and priorities for the community going forward. The Council has received the plans so they can be considered for future projects and budget allocation. Each plan has been seen by other community organisations and State Government departments as being truly representative of the desires and objectives of each community and an opportunity to form stronger partnerships with the communities in achieving these goals. These new documents, together with the Community Plans for St Arnaud, Stawell and Halls Gap ensure Council is listening to communities about their needs.

Recreation Reserve improvements

The following is a list of projects at varying stages of implementation throughout the 2009/10 year:

- Great Western recreation reserve netball court development – completed
- Navarre Grandstand and change room project – completed
- St Arnaud tennis court – completed
- Water saving grasses for North Park – completed
- St Arnaud Basketball Stadium (floor) – completed
- Stawell Pipeline (Curtis St dams to Chook farm/Moonee dams) – completed
- North Park Priority Planning – in progress
- Lord Nelson Park TOTE Building Project – in progress

Leisure Services

Stawell Leisure Complex and St Arnaud Swimming Pool.

- Over 45,000 participation visitations occurred during 2009/10 at Stawell Leisure Complex
- An increase in Swim Lesson enrolments by 19.5% for 09/10 from 08/09

- Total program income was up by 7% for 09/10 from 08/09
- In its tenth year, the 'PLAY IT SAFE' Campaign was again successful with all the local primary and secondary schools being involved in open water activities and lifesaver visits.
- Major refurbishments have been completed to the Stawell Leisure Complex Reception. A new entrance & reception area have been completed including new Leisure & Recreation Coordinator office and first aid area.
- The outdoor pool was painted in July. All filters have had the sand changed. These jobs are done on a 4-5 year cycle.
- A seasonal pools grant application was successful for \$200,000 for a major refurbishment of the St Arnaud Swimming Pool; \$100,000 was contributed by Council.
- The refurbishments were completed at the start of the 09/10 season which included new filtration system including a roof over the system, pool paint, new reception/first aid/office, toilets had roofs installed, backwash water recapture system for lawns & surrounds to be irrigated, main inlet pipe to pool was replaced.
- St Arnaud Swimming Pool commenced an aerobics program for the first time with an overwhelming response. In total there were 142 different participants during the period the program was conducted. Total attendance was 1448. The most participants at one individual session was 52. The program was a pilot program and the leisure services team are working towards a permanent program for the St Arnaud community for 10/11.
- Leisure Services Traineeship successfully completed by Jacob Seeary.



COMMUNITY DEVELOPMENT

Community Development

The Community Development team undertook a number of activities to provide opportunities for the Northern Grampians Shire communities and increase the capacity of the community to be involved and participating.

These include:

- Walktober – worked with schools, Grampians Community Health, Stawell Regional Health and the general community promoting exercise.
- Ride 2 school – worked with all schools to promote this activity.
- Youth and Community Grants program
- Facilitated community concerts through Regional Touring – Cadd/Morris, Kasey Chambers, Shannon Noll and Adam Brand.
- Member of GPYRYAN and CGLLEN– working on youth strategies.

Environmental Health Services

Registered Premises

As at 30 June 2010, the following premises were registered with Council:

- 173 food premises
- 38 accommodation premises
- 18 hairdresser/beauty therapy premises
- 9 caravan parks
- 18 annual food event registrations
- 138 temporary food event registrations

There were 123 food premises inspected and food safety program compliance checks undertaken. 39 food samples were obtained and tested for compliance. Of these, 5 samples were unsatisfactory (13%) and one was marginal. 6 caravan park inspections were conducted as well as 13 registered health premises.

There were 11 new premises opened and 4 transfers of registration.

Complaints

A total of 31 complaints were recorded by Environmental Health.

Public Health Planning

During 2009/2010, Council adopted the 'Municipal Public Health and Wellbeing Plan' and the 'Pandemic Influenza Plan'. The Heatwave Mitigation Plan was also completed but not yet adopted.

Tobacco Education and Enforcement

Council Environmental Health Officers have continued to be active in supporting initiatives to reduce the impact of smoking cigarettes in our community. This is a funded program whereby educational visits and compliance checks are carried out at premises, as well as tests as to whether they sell to minors. 21 Tobacco Retailers were tested, with no sales to minors recorded for this period. Officers inspected 16 tobacco retailers, 15 licensed premises and 20 eating establishments.

There were no complaints received regarding smoking in the workplace.

Waste Water Program

A total of 36 applications to install/alter a septic tank were received and processed during this period. 24 'Permits to Install/Alter' were issued and 20 'Approval to Use' permits were issued.

Immunisation

There were 1100 vaccination encounters in total for 2009-2010. 371 vaccinations for Influenza and H1N1 (Swine flu) were administered. Council maintains high immunisation rates equivalent to Victorian averages.

Health Promotion

Environmental Health Officers have continued to have involvement with the Grampians Pyrenees Primary Care partnership in the Healthy Eating Working Group.

Local Laws

Council's Local Laws Department regulates domestic animals, roads and public places, livestock, municipal fire prevention, animal cruelty, protection of Council assets, and environmental protection.



COMMUNITY DEVELOPMENT

Initiatives and Operations

Throughout the year Local Laws focus has been on improved response methods, increasing cost recovery and boosting public confidence in Council by continually seeking better practices. The unit underwent a complete restructure regarding administration and the introduction of new documentation to ensure Council's compliance with evidentiary and legislative provisions. The past year has focused on the assessment and identification of community compliance issues, these being used to gauge past successes and failings of the unit. We are constantly striving to meet the ever increasing legislative demands regarding compliant practices and processes via the Magistrates Court. With this knowledge we can provide greater benefit to our residents in regard to public safety and township beautification. All efforts are targeted to help achieve a continual increase regarding the overall amenity, safety and enjoyment for residents and visitors in our region.

Animal Management

Care for animals while they are in our pound facilities has been a paramount consideration and this year, Council has undertaken to ensure compliance with all relevant codes of practice.

To this end we have re-sealed all floor surfaces and remodelled our cat facility with the purchase of 5 modular cat containment pens, and the creation of a new office and storage area at the Haughton Street facility. By doing so we now make full use of all available space and provide a suitable area to process animals and receive members of the public regarding animal adoptions and re claiming of impounded animals.

Complaints

In the past year Local Laws has received 1003 formal complaints via our electronic systems, and an approximately equal number of unrecorded telephone enquiries.

Complaints types:

Domestic Animals 155, Dog attacks 25, Cruelty / Wildlife 23, Livestock 8, Fire Prevention 124, Local Laws 82, Environment 6, Dangerous land 4, Litter 23, Parking 15, Non compliance with directives 11.

Impoundments

Dogs- 673 Cats- 674
Livestock- 76 Other- 2

Registrations

Dogs- 4647 Cats- 2000

Family & Children's Services

Family and Children's Services comprise of the services offered from our highly acclaimed St Arnaud Children's Precinct and Taylor's Gully Children's Centre. Long Day Care, Take a Break Occasional Care, preschool, Outside School Hours Care and Family Day Care were provided to support families who needed childcare. Maternal and Child Health, baby capsule hire, playgroups and visiting specialist were also utilised to support families in the Shire.

Some of the success stories from Family and Children's Services include:

- Successful transfer of Immunisation Sessions to Taylor's Gully Children's Centre.
- Extended operating hours.
- Successfully implementing changes required because of new Children's Services regulations.
- Upgraded car parking at Taylor's Gully Children's Centre for families and staff.
- Accreditation Spot Checks endorsed our quality assurance standards.
- Infant hearing tests being offered from the Visiting Specialist room.
- Multipurpose room well utilised by Stawell Playgroup on Fridays and M&CH Mothers groups on Wednesdays and Thursdays, and the Stawell Early Intervention Network meetings with staff.
- Stawell West P.S children visiting the Taylors Gully Children's Centre to reading to the children.
- Visits from Stawell Secondary College to all rooms who are studying Health and Human development.
- Diploma and Cert III student placements and secondary college work experience student placement delivered from our centres.
- Transitioned the Family Day Care program to Wimmera Uniting Care.
- Provided professional development sessions for Childcare Staff.
- All staff gained certificates in First Aid, Anaphylaxis Management and Asthma Training.



COMMUNITY DEVELOPMENT

- Open week to celebrate “Education Week” last October with display of artwork in foyer from Primary School Students.
- Continuing to offer care and support to families of children with additional needs.
- Staff have attended sessions regarding implementing the Early Years National Framework.

2009/10, Family and Children's Services statistics at a glance:

- Council's Taylor's Gully and St Arnaud Long Day Care programs provided a total of 125,978 hours of childcare.
- Take a Break' Occasional Care service has provided 4,772 hours of childcare.
- Outside School Hours Care (St Arnaud) provided 1,596 hours of After School Care and 5,170 hours of School Vacation Care.
- The Family Day Care Program, administered from Taylor's Gully Children's Centre, provided 27,987 hours of care.
- The St Arnaud Kindergarten is currently providing 10 hours of 4 year-old Kinder to 43 children each week, and one 2 hour 3 year-old Kinder session for 18 children per week.

Maternal & Child Health

The Universal Maternal and Child Health program is co-located with Council's family and children's services at the Taylor's Gully Children's Centre and St Arnaud Children's Precinct ensuring availability at times when families are present in the facility for kinder and childcare. This has proven to provide convenience of location for family and maximises opportunistic contact with families as much as possible. Taylor's Gully and St Arnaud Children's Precinct reception provide a “personal face” to the MCH service when nurses are undertaking increasing amounts of home visiting and outreach work. An Enhanced Maternal Child Health Nurse program continues to provide direct individualised support to children and families where required, and satellite centres at Great Western, Halls Gap and Marnoo continue to provide MCH services to our rural communities.

The MCH nurses continue to build upon existing community links and establish new partnerships with other local providers of Early Years services. MCH Nurses attended VCE students Health and Human Development classes at Stawell Secondary College. MCH staff continue to work with many external and internal community groups. The Key Ages and Stages (KAS) Revised Activities Framework is now being implemented by Council's MCH Nurses and is being well received by families accessing services.

2009/2010 Maternal and Child Health Statistics at a glance:

- 124 new enrolments of 0-1 year old children
- 109 birth notices received, up 36.7% on 2006/07
- 42 first time mothers
- 34 parenting group sessions held and 197 community strengthening activities provided
- 25 families participating in Enhanced MCH program

Aged & Disability Services

The Northern Grampians Shire Council continues to provide high quality services, care coordination and the dissemination of information to the community. Aged & Disability Services continue to partner with local, regional and state community organisations and government to ensure that opportunities for older members of the community are catered for.

The Seniors Participation and Care Plan 2008-2012 has guided the focus of service provision in Northern Grampians Shire. Aged & Disability services have continued working to streamline assessment process under the HACC Assessment Framework guidelines, incorporating the active service model, and enabling opportunities such as the Seniors Festival, Seniors Expos and celebrations of Senior Citizens club milestones to encourage positive community attitudes to older people.

Home and Community Care

The service continues to meet the demands of the community for direct home care services and activities to enable our community members who are aged or have a disability to remain involved in the home and community life. The department continues to have strong networks with East Wimmera Health Service, Stawell Regional Health, Dept of Veteran Affairs, and generic aged and disability service providers.

In the capacity of designated Living at Home assessment agency for the whole of the shire, the HACC department through the implementation of the Living at home assessment action plan has collaborated on a regional level to develop a Grampians Pyrenees Living at Home assessment protocol, with plans to update this in 2010/11 to reflect the anticipated statewide ‘Living at Home Assessment Guide’.

Quality Service provision is dependant on quality staff. The HACC Direct Care staff have a cumulative total of 210 years of experience delivering quality services to people staff training ensures standards are maintained and best practice is provided.

COMMUNITY DEVELOPMENT

30 HACC Direct Care staff have updated their Cert 111 HACC qualifications with 'medications' and 'healthy body systems' training, thus ensuring the Grampians Pyrenees Personal Care Protocol is implemented in concert with allied health practices in the Shire.

Worksafe OH&S processes have been embedded through the HACC program from initial referral to ongoing client service delivery. Worksafe undertook a review of NGSC HACC practices in early 2010 and did not report any issues to be addressed

2009/10 Aged and Disability Services Statistics at a glance:

- Aged and Disability programs had 706 'active' clients, which is 5.75% of the Northern Grampians Shire population.
- 25,004.1 hours of direct care support (home care, personal care and respite care) were provided - more than double the amount of hours there are in a year!
- Over 230,000 kilometres travelled by Northern Grampians Shire Council direct care workers to deliver services to people in their own homes. This equals nearly 5.75 times around the world!
- 211 hours of essential home maintenance was delivered to 168 clients to enable them to remain independent in their own homes.
- 196 people had their service needs assessed, and,
- 24,980 meals were distributed by the Meals on Wheels program, an average of 70 meals a day, every day of the week. A special thanks to the volunteers who make this possible.

Senior Citizens

Council was a key contributor to the 2009 Seniors Festival. During the Seniors Festival, seniors in the Shire had the opportunity to participate in an exhibition based solely on activities, opportunities and information for seniors in both Stawell and St Arnaud. Four people from Stawell and three from St Arnaud were also supported to attend the Victorian Governor's Garden Party, where the announcement for the Senior of the Year was made.

Supporting People with a Disability

The Community Access Advisory Group continues to play an important role in supporting Council with advice on access issues, the implementation of the Community Access Plan and contributing to development of Council's policies that impact on community accessibility.

The introduction of conference phones for these meetings has increased the effectiveness of the group and enabled individuals to better access the committee thus overcoming the isolation of distance.

The CAAG reviewed the 5 year Community Access Plan priorities. Working closely with the Council's Infrastructure team, this year's focus is on toilet facilities and one of the many outcomes being universal accessible signage in Council facilities. The group continues to be a strong and active group providing advice to Council on the accessibility of our streets, buildings, events and attractions, which has benefit to all community members and visitors.

There has been a focus within the group this year on forming networks with Council departments. The connections made with staff in a variety of departments has enabled a two way process of learning about each other's roles and has enhanced the CAAG's function. This can only continue to strengthen.

The Council has been actively involved in advocacy with the Stawell & District Disability Network and on the organising committee for the Tri-state Games held in Stawell in 2009 and to be held in Ararat in 2010.

Volunteers

Various departments collaborated to support celebration activities to recognise volunteer contributions in the community. NGSC volunteers were recognised for international day of the volunteer and volunteer week with an invitation to a morning tea, badges and certificates of recognition. All Shire volunteers were treated to a theatrical performance in both Stawell & St Arnaud of "Dr Game Show" with a focus on cultural diversity.

Emergency Recovery

Northern Grampians Shire Council was able to offer support and recovery to the Dadswells Bridge, Ledcourt and Roses Gap communities that were affected by the fire that occurred in February 2010.

Northern Grampians Shire Council enacted an action plan to support vulnerable and isolated people during the State's first "code red" fire danger day.

INFRASTRUCTURE SERVICES

Halls Gap Visitor Information Centre

The Halls Gap Visitor Information Centre Stage 1 has now been successfully operating for 18 months, and planning works have been completed for Stage 2, with assistance from a community reference committee. Stage 2 will include an expanded VIC building, a new toilet amenities block, outdoor community hub areas, landscaping, a small outdoor performance area, drainage, signs and connectivity to the existing community hall.

Stawell Gift Hall of Fame

The Stawell Gift Hall of Fame building completed in 2009 underwent further upgrade works to cater for the shifting of the Stawell Visitor Information Centre to its new location. The VIC shift was funded by Council and Regional Development Victoria.

Water Management

A succession of drought years has necessitated a number of water projects to be instigated.

The final stages of the Halls Gap water harvesting and reuse project involving the construction of two dams/wetlands and installation of stormwater pipes were completed, and provided much needed water to the Halls Gap Recreation Reserve and for emergency fire purposes.

The project valued at \$375,000 was funded by Council, Regional Development Victoria and the Recreation Reserve Committee.

Stawell Airport Upgrade

Preliminary works and pre-planning for the major upgrade of the Stawell airport were undertaken, including alteration to services, power upgrade, aircraft apron area upgrade, fencing and associated items. Council formed an Advisory Committee of airport businesses, operators and users to assist and advise it on the project and for overall airport matters. Council has appointed Aurecon Consultants to carry out the upgrade design and works should commence at the end of 2010. The project is to allow larger aircraft to use the airport and to provide additional safety features for emergency services and users, and is to be funded by a major grant from Regional Development Victoria and a Council contribution.

Wimmera Mallee Pipeline

Council has provided 15 water storage tanks for emergency fire purposes at strategic locations along the route of the new GWMWater pipeline system in the north and western parts of the Shire.

This work has been funded by Council due to the critical need to provide replacement fire points in the areas previously provided by the channel system. Representations are being made by Council to recoup this cost.

Initial meetings and pre-planning have been carried out by GWMWater in conjunction with Council to coordinate the decommissioning of the old channel system. A wide range of problems have been identified with the closure which will affect many Shire landowners and this work will be ongoing through 2010/11.

Railway upgrades

Council has been involved with complex planning issues associated with the upgrade of both railway lines through the shire. This work has required extensive meetings, inspections, reports and liaison with the rail operators to meet new Rail Safety Act requirements for all road/rail crossings and associated infrastructure, such as road and pedestrian crossings, rail bridges, drainage, linemarking, warning signs, underpasses and hazard identification issues.

There will be ongoing responsibilities for Council, including reviewing the potential closure of some lesser used road crossings. Liaison has also been carried out by Council with the rail authorities in regard to recent major upgrade works to both railway lines, with expected freight and potential passenger train benefits to the community.

Waste Management

Council is continuing to plan for waste and finally got underway for a new Transfer Station at Halls Gap at the old CFA site and this is expected to be open to the public later in 2010. Funding of the project has been committed by Sustainability Victoria and Council and the facility will mean a much closer, safer and more efficient recycling centre that is expected to increase recycling rates in Halls Gap.



PEOPLE AND PERFORMANCE

The People & Performance (P&P) department is designed to guide managers and supervisors in dealing with matters related to employing staff.

P&P serves as a clear indication of Council's approach to staff matters and as such, facilitates a consistency of application and decision making by-

- Ensuring a consistent and standardised approach to the management of staff within the organisation.
- Ensuring that all staff are treated fairly and equitably.
- Providing a comprehensive resource to assist managers/supervisors on staffing issues.
- Providing a corporate implementation of award provisions.
- Ensuring that the organisation complies with the various acts and regulations.

The People & Performance department is responsible for:

- Selection and recruitment
- Development and training
- Succession planning
- Workforce planning
- Performance management
- Occupational health & safety
- Annual review process
- Career planning
- Equal opportunity
- Human rights
- Induction
- Industrial relations
- Organisational development
- Payroll
- Staff support
- Staff wellbeing
- Change management
- Council Plan
- Superannuation
- WorkCover

P&P works with the Chief Executive Officer, the executive management team and managers to facilitate the improvement of systems and processes, support supervisors in growing the talent and capacity of people, and link an understanding of community needs with organisational support systems.

There has been a clear sense of progress and commitment towards the objectives of the Council Plan, reviewed and updated at the end of the year, which will assist to translate all our goals and objectives into practical outcomes for the future.

Succession planning during the year has again proved to be of benefit to not only the officers but the organisation as a whole. This has provided career opportunities and training programs to further develop our staff to their full potential.

The annual review process was a huge success with all staff within the entire organisation participating and setting goals for not only this coming year but some for the next two to ten years. A process is underway to implement an electronic review process in the next year to link goals from the Council Plan and staff.

Continuation of improved recruitment processes have ensured ongoing opportunities, career paths, job security and job satisfaction. This has ultimately assisted to increase productivity and the retention of many of our long serving staff. Our considerations for the next ten years include attraction of suitably qualified staff, retention of existing staff, our ageing staff and community and importantly, retention of our corporate knowledge.

In our staff recognition and reward program last year eighteen staff received recognition awards for their dedication and service with Council totalling over three hundred years of service.

- Five staff received a ten year service award
- Six staff a fifteen year service award
- One staff a twenty year service award
- Six staff a twenty-five year service award

Council has a strong belief in supporting our youth and continues to do so by supporting a number of trainees in a variety of departments across the Shire including community development, childcare, IT, planning, administration, outdoor works and our leisure services.

Some of these trainees have been successful in gaining full time ongoing employment with the organisation. Council has also supported many students undertaking their secondary and tertiary studies through opportunities for work experiences with our organisation. Continuing to support in these areas will see our future generations build on their talents to ensure effective management and services into the future.

At Easter a committee was established and made up of staff, management and union representatives to develop a new Enterprise Bargaining Agreement (EBA). The draft EBA was embraced by the end of the financial year with staff benefits and entitlements maintained and improved in readiness for full implementation for the start of the 2010-11 year.

The organisational culture continues to define who we are, what we do and how we do it. Our culture has created an environment in which our staff have been committed to achieving our vision and mission through teamwork and common Council values.

Our culture continues to sustain our operational performance, reputation and growth. Maintaining effective leadership and commitment from the top down and energy and enthusiasm from all, Northern Grampians Shire will continue to be seen as a place to live, work, visit and an investment for generations to come.

PLANNING AND BUILDING SERVICES

Strategic Planning

A number of planning scheme amendments were undertaken and approved during 2009/2010.

These include:

- C11 Expanded Wildfire Management Overlay across the Shire introduced by the Minister for Planning.
- C27 Mapping Correction between Ararat and Northern Grampians Planning Schemes.
- C30 Heritage Victoria correction and updating of the existing Heritage Overlay for places of State significance.
- C34 Rezoning of land to facilitate the proposed Halls Gap Transfer Station.

Other strategic projects progressed during the year include:

- Review of the Northern Grampians Planning Scheme
- C17 Introduction of protection for heritage buildings through a Planning Scheme amendment to be progressed and finalised in 2010/2011.
- C32 Stawell Airport anomalies amendment to correct the zoning of land on and around the airport.
- C33 rezoning of land on the Western Highway from Residential 1 to Business 4 and parcel of crown land to the appropriate zoning.
- C7 consideration of the changes necessary to update and improve planning controls in

Halls Gap and on the Valley Floor.

C15 Rezoning of land off Sloane Street, Stawell to allow for the residential expansion of Stawell.

C20 EMS Helipad Strategy. After discussion with the officers of the Ministry for Planning, Council may need to consider abandonment of this amendment as the proponent has not furthered its introduction.

C29 Former Wills Street, St Arnaud. Council may need to consider abandonment or modification of to remove or limit the potential for amenity impact.

Statutory Planning

Council, as the Responsible Authority under the *Planning and Environment Act 1987* issued a total of 105 planning permits for use and development valued at \$13.5m.

Significant permits issued during the year included:

- Powerhouse Alliance Stawell valued at \$2.5m
- Four new dwellings Dept of Human Services in Stawell valued at \$700,000
- New Midlec Properties Pty Ltd in Stawell valued at \$750,000
- Extensions to Eventide Homes in Stawell valued at \$2.9m
- Development of 5 new dwellings in St Arnaud valued at \$1.6m

Building Control

Building Permits issued totalled 212 during 2009/2010 and were valued at \$32.4m.

Significant building projects during the year included:

- 502 Primary School in Stawell valued at \$1.5m
- Stawell West Primary School valued at \$1.8m
- St Patrick's Primary School in Stawell valued at \$765,000
- Woolworths Supermarket in Stawell valued at \$5.1m
- St Arnaud Primary School valued at \$1.5m
- St Arnaud Secondary College valued at \$1.4m
- Stawell Secondary College valued at \$1.4m

Council has appointed two equivalent full-time staff to the Building Department technical staff (Municipal Building Surveyor and Building Surveying Assistant). Work has begun on implementing better procedural and risk management practices and following up many longstanding matters in the building department. It is anticipated a formal work plan, enforcement policy and procedures will be developed to assist in improvement in this area.

CORPORATE SERVICES

Economic Environment

The challenge of delivering programs and services under increasing financial pressures is shared by Councillors and every member of Council staff. With an operational budget of over \$23 million and a capital works program in excess of \$7 million, careful and considered long term planning is critical to ensuring that Council can continue to achieve its vision, both today and into the future.

The Council is subject to increased financial pressure to maintain extensive infrastructure assets over a large area with only a small population. This makes Northern Grampians Shire Council highly reliant on grant funding to keep assets in an appropriate condition to service community expectations. Council also continues to be burdened with increasing statutory requirements.

Financial Analysis

Income Statement

Operating surplus of \$1.3m (surplus of \$2.0m in 2008-09). The operating surplus includes the non cash depreciation expense of \$5.9m (\$5.8m in 2008-09) and lost and found assets of \$2.1m net (N/A in 2008-09). The operating result is a deficit of \$0.75m when adjusted for the lost & found assets. This result varies from budget by \$2.9m (\$1.6m budget deficit, compared to actual surplus of \$1.3m), or \$0.89m when adjusted for lost & found assets. The variance is mainly due to the early payment of the 1st quarter payment of the Grants Commission Grant, partially offset by delays in receiving some capital grants. As noted above, the income statement includes a net \$2.1m profit that has occurred as a result of lost and found land & building assets, discovered during the revaluation process.

Balance Sheet

Council has current assets of \$6.0m (\$5.8m in 2008-09) and current liabilities of \$4.0m (\$3.5m in 2008-09) as at 30 June 2010. This indicates that Council has a strong working capital position with current assets exceeding current liabilities by \$2.0m (\$2.3m in 2008-09). Capital expenditure for 2009-10 was \$5.5m (\$7.4m for 2008-09). Compared to the budget of \$7.1m, this was a variance of \$1.6m, due to the delay of several major projects (including Stawell Aerodrome and Halls Gap Hub), however it should be noted that the budgeted level of capital expenditure is unsustainable going into the future. Total debt has decreased by \$0.4m during the year as no new loan was taken up and principal repayments of \$0.4m were made.

Cash Flow Statement

Council again ended the year in a very healthy cash position. At 30 June 2010 Council held cash reserves of \$5.5m. (\$5.3m at 30 June 2009). It should be noted however, that the end of year cash position for both

2008/09 and 2009/10 were affected by the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant. Cash assets should never fall below the amount of restricted assets. Restricted assets represent the long service leave reserve and the general reserves. As at 30 June 2010 there was \$2.0m in cash in excess of restricted assets (\$2.3m excess for 2008-09). Council achieved net cash surplus from operations of \$5.8m for the year (\$7.9m in 08-09).

Governance

Public Records Retention and Destruction

New Public Record Office Victoria Standards for the Retention and Disposal of Records of Local Government were released in August 2009. The new standards represent a significant change for Councils in that they provide focus on functions unique to local government. The new arrangements have seen Council's records management and people and performance staff heavily involved in changes to archiving personnel and other files.

Risk Management

Council's public risk insurers, Civic Mutual Plus undertook a full audit in November 2009 of Council's performance in the areas of organisational risk management, reactive risk management, proactive inspections, written agreements, building services, town planning and food services. An overall score of 73%, a great improvement on the 66% achieved in the previous full audit, was largely the result of the efforts by committed staff in identifying and managing the risks for Council in these service areas.

Legislative Compliance

Amendments to the *Local Government Act 1989* in 2009 resulted in a number of key changes including the Conflict of Interest provisions and councillor conduct principles. This imposed on Council various compliance requirements and Governance staff were kept busy assisting Council to, within set timelines, review staff and committee delegations and prepare a new Councillor Code of Governance, Meeting Procedure Local Law and Councillor Expense Entitlement Policy.

Website

A great deal of work was undertaken on Council's corporate website during 2009-10. We engaged the services of a new company, Seamless, to assist us in achieving our goal of an online presence that delivers unparalleled 24/7 service and engages its community through contemporary web technologies. The Seamless CMS is now well known to a lot of our staff which means the website is able to be updated more regularly and with less fuss. There are still plans for further works to the website including an interactive community directory, two 'Live' and 'Invest' microsites and an intranet.

ENVIRONMENT

Council was successful in obtaining funding from Sustainability Victoria towards the development of an Environment Strategy for the Northern Grampians Shire. It is anticipated that this strategy will be developed during 2010/2011 and be used to prioritise Council's response to a range of environmental issues facing Council and the community.

Council participates at a regional level with the Wimmera Mallee Sustainability Alliance and the Central Victorian Greenhouse Alliance to provide a coordinated response to climate change and the long term sustainability of the region.

Council's Climate Change committee continued to oversee a range of environmental projects including water consumption and energy efficiency.

A submission was made on the draft Western Region Sustainable Water Strategy and Council will continue to advocate for the community on this and related issues such as use of recreational lakes and the decommissioning of the Wimmera Mallee Channel System.

EMERGENCY MANAGEMENT

The State and Regional response to the Black Saturday bushfires of February 2009 has required considerable attention by Council.

Township Protection Plans were endorsed by Council for Halls Gap and St Arnaud and Neighbourhood Safer Places were established at each of these towns.

State Policy saw the introduction of new provisions around planning, preparation and coordination for bushfires. An Integrated Fire Management Planning Committee has been established and the new warning system introduced which necessitated a response to the issue of 'Code Red' days which saw a mixed response from the community. Council will continue to work with the State and Emergency Services in response to the Bushfire Royal Commission findings.

The Municipal Emergency Management Plan was reviewed and the amended document adopted by Council during the year. The planning committee continues to meet regularly to oversee the implementation of the plan and its subplans and the preparation, response and recovery aspects of emergency management.

A wind storm wreaked havoc throughout the Shire during the middle of 2009. The clean up cost was in the order of \$100,000 however, such events are not uncommon in this region.

Flood response, locusts and other such emergency events will also require Council attention during 2010/2011.





DONATIONS AND GRANTS

The following donations or grants (amounts GST exclusive) were made during 2009-2010

Contributions

Stawell State Emergency Service	19,753
St Arnaud State Emergency Service	11,416
YANG Blue Light Disco Inc	5,000
CFA Client Services—Stawell	5,000
Stawell Ambulance Auxiliary	5,000
Stawell Regional Arts	5,000

Youth & Community Grants

Wimmera Uniting Care Property	7,472
Stawell City Brass Band Inc	5,482
Buloke and Northern Grampians Landcare Network	5,000
Great Western Football Netball Club	5,000
Navarre Football club	5,000
Stawell Lions Club	5,000
ANZ Exec and Trustees Aged Housing	4,712
St Vincent de Paul Society Inc	4,000
Stawell Community Gardens Committee Inc	4,000
Ararat and Stawell Archers Inc	3,985
St Arnaud Gun Club	3,820
Marnoo Pool Committee of Management	3,200
Stawell Secondary College	3,150
St Arnaud Football Canteen Committee	3,000
St Arnaud Community Men's Shed	2,500
St Arnaud Playgroup	2,500
Stawell Rifle Club Inc	2,200
Halls Gap Pool Committee	2,000
Joel Joel Public Hall	1,600
Deep Lead Progress Association	1,500
Stawell Pony Club Inc	1,389
St Arnaud Citizens Brass Band	1,000
Norman Simpson Memorial Band	1,000
Glenorchy Memorial Hall	1,000

Tourism and Events Grants/Contributions

Stawell Athletic Club Inc	38,000
Grampians Tourism Board Inc	11,400
Halls Gap Tourism Inc	8,182
Community Association of Halls Gap	6,000
Grampians Grape Escape	5,000
Festival of St Arnaud	5,000
Stawell Intertwine Services Inc	5,000
StawellBiz	5,000
Stawell Railway Station Gallery	4,445
Great Western Rodeo	2,000
St Arnaud Country Music Club	2,000
Joel Joel Public Hall	1,500

Deep Lead Progress Association	1,500
Glenorchy Memorial hall Committee	1,500
Great Western Progress Association	1,500
Holdens of Age Car Club	1,500
St Arnaud Agricultural Society	1,500
Stuart Mill Progress Association	1,500
Stawell Orchid Society	1,500
Emergency Services Expo	1,120
Grampians Veterans Cycling Club	1,000
Rotary Club of Stawell	1,000
Stuart Mill Garden Party	1,000

Business Incentive Scheme Grants

Grants provided to 7 organisations totalling	26,555
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Grants less than \$1,000 - 43	10,773
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Total	\$276,154
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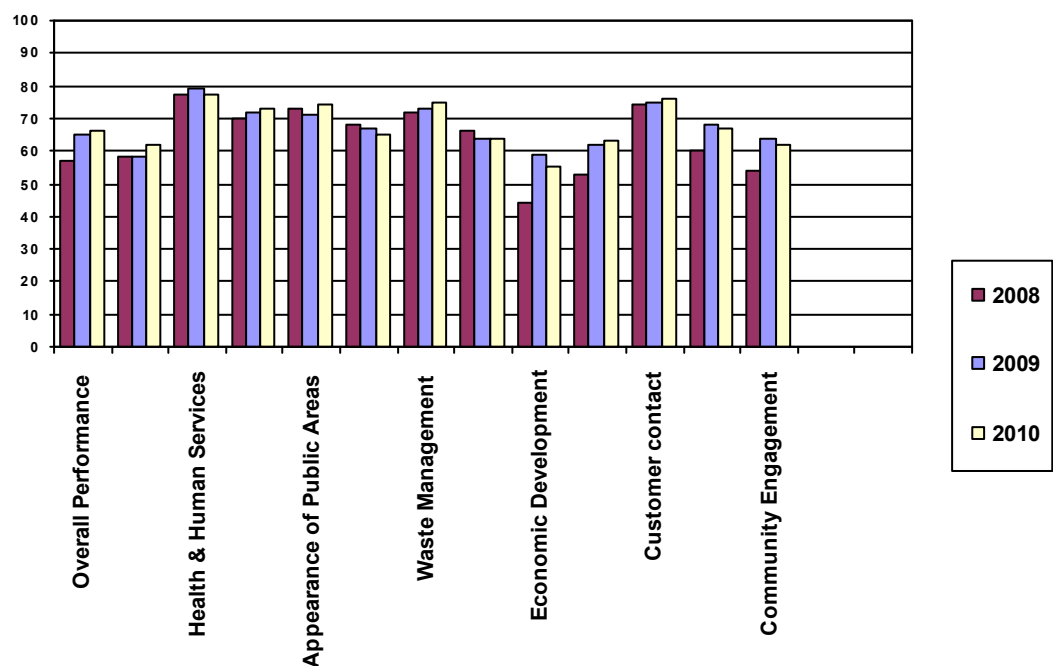


LOCAL GOVERNMENT INDICATORS

INDICATOR	2009/10
Affordability/Cost of Governance	
Average rates and charges per assessment	\$1,163
Average rates and charges per residential assessment	\$1,108
Sustainability	
Average liabilities per assessment	\$662
Operating expenditure per assessment	\$2,627
Operating result per assessment	(82)
Working capital ratio (<i>ie current assets as a ratio to current liabilities</i>)	150%
Community satisfaction rating for overall Council performance	66
Infrastructure	
Average capital expenditure per assessment	\$604
Renewal gap	69%
Renewal and maintenance gap	82%
Governance	
Community satisfaction rating for Council's customer contact	76
Community satisfaction rating for Council's engagement in decision making	62

COMMUNITY SATISFACTION SURVEY

ANNUAL COMMUNITY SATISFACTION SURVEY RESULTS



STAFFING LEVELS

Number of staff employed at 30 June 2010

	Male	Female	No. of Staff
Full Time	61	39	100
Part Time/Casual	20	137	157
Total	81	176	257

Number of staff employed at 30 June 2010

Work Group Area	EFT	No of Staff
Executive Services	6	6
Corporate Services	26.3	29
Infrastructure Services	44.6	45
Building and Planning	5.6	6
Community Services	52.2	99
Recreation	7.9	42
Economic Development & Tourism	11.6	14
Local Laws	3.9	16
TOTAL	158.2	257

MEMBERSHIPS

Council was a member of the following organisations during the 2009-2010 year

- Central Victorian Greenhouse Alliance
- Family Day Care Australia Inc
- Family Day Care Victoria Inc
- Fire Protection Association
- FKA Children's Services Inc
- Grampians Produce
- Grampians Pyrenees Regional Development Board
- Grampians Tourism Board Inc
- Grampians Winemakers Inc
- GPPro Incorporated
- Life Saving Victoria Ltd
- Municipal Association of Victoria
- North West Municipalities Association
- Rail Freight Development Alliance
- Sunraysia Highway Improvement Committee
- VECCI
- Wimmera Mallee Rail Services Association
- Wimmera Regional Library Corporation
- Wimmera Regional Transport 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.

- Batyo Catyo Committee of Management
- Queen Mary Gardens Committee of Management
- Stawell Recreation Board of Management
- St Arnaud Recreation Board of Management
- Navarre Recreation Reserve Committee of Management
- Great Western Public Park Reserve Committee of Management
- Halls Gap Public Hall Reserve Committee of Management
- Deep Lead Public Hall Reserve Committee of Management
- Rich Avon (Guthrie Park) Recreation Reserve Committee of Management

AUSTRALIA DAY AWARDS 2010

Citizen of the Year [Stawell & St Arnaud]

Max Kennedy and Norman Duxson
Barry and Joanne Wiseman

Young Citizen of the Year [Stawell & St Arnaud]

Mathew Hall and Amy Rhodes
Alisha Evans and Bill Williams

Community Event of the Year [Stawell & St Arnaud]

Grampians Tristate Games
2009 CWA State Creative Arts Exhibition

CONTRACTS

Council did not enter into any contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) 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. Note : The Act provides that an amount higher than \$150,000 may be fixed by Order in Council made under section 186(1) of the Act. By Order in Council the value for which a public tender must be carried out under s.186(1) has been increased to the following amounts : \$150,000 for contracts for the purpose of goods and services and \$200,000—contracts for the carrying out of works.



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, Team Leader Administration & Governance. All requests for information must be in writing and require the payment of an application fee.

Council received three requests under Freedom of Information for the period 1 July 2009 to 30 June 2010. Council decided that one request was not entitled to full access to a variety of documents because they affected personal privacy as defined in s.33 of the Freedom of Information Act. Full access to documents was given for the second request and the third application was withdrawn.

There were no applications 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 \$124.20 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.

DOCUMENTS MADE AVAILABLE FOR PUBLIC INSPECTION [at Council Offices in Stawell during normal office hours]

- 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 if the 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
- Register of delegations kept under Sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place
- 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 such higher amount as is fixed from time to time under section 186(1) of the Act) 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.
- Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A 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



POLICIES AND LAWS

Equal opportunity

The Northern Grampians Shire Council continues to be committed to the principles of Equal Employment Opportunity. In April 2010 the Victorian Government passed a new Equal Opportunity Act (EOA) 2010. The new provisions of the EOA 2010 start in August 2011, until then Council continues to abide by the EOA 1995. Staff have commenced training in relation to any impact

and the changes to be implemented in the coming year.

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 reviewed Equal Opportunity, Harassment & Bullying policy and procedure.

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

The Northern Grampians Shire Council is wholly committed to the principles of providing a workplace free from all forms of discrimination and harassment including bullying, racial and religious vilification.

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.

Council is committed to combating discrimination, harassment, bullying and vilification by:

- Encouraging employee awareness through induction and training
- Providing appropriate counselling services for employees involved in such behaviour
- Possible dismissal for behaviour considered inappropriate
- Ensuring there is no retaliation against employees who report such incidents

Occupational Health and Safety

Council has a genuine commitment to the health & safety and wellbeing of everyone and has a focus and commitment to:

- Safe Environment/Workplace
- Training and Awareness
- Incident and Injury Management
- OH&S Committee
- Promotion and Consultation on OH&S

Staff have had opportunity to participate in free health checks and immunisations. To reinforce a proactive approach to OH&S there have been many training days covering such things as manual handling, 1st Aid, CPR updates, OH&S and refresher courses, sun smart and hot weather & rehydration just to name a few.

As an acknowledgement to staff commitment to OH&S, October saw staff come together to celebrate Safety Week with guest speakers and various activities through out the Shire. This last year has seen some monthly "Safety Encouragement" awards presented in addition to an Annual Safety Award presented during safety week. As part of our trainee program some of our trainees together developed and produced a personalised NGSC Safety Calendar incorporating photos of staff and their work. This was presented to all staff during safety week.

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 2010 were:

- General Law 2005
- Drainage of Land Local Law 2006
- Meeting Procedure Local Law 1/2009

Council's Local Laws are available for public viewing by contacting the Customer Service Centres at Stawell and St Arnaud.

National Competition Policy Compliance 2009-2010

Certification by Chief Executive Officer

Northern Grampians Shire Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July, 2009 to 30 June, 2010 in accordance with the requirements outlined in *National Competition Policy and Local Government—A Revised Statement of Victorian Government Policy, December 2008 (2008 Statement)* as set out below:

A. Trade Practices Compliance	Compliant
B. Local Laws Compliance	Compliant
C. Competitive Neutrality Compliance	Compliant

I certify that :

- A) this statement has been prepared in accordance with the 2009-2010 National Competition Policy reporting guidelines, which is pursuant to the *2008 Statement*; and:
- B) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed



JIM NOLAN
ACTING CHIEF EXECUTIVE OFFICER

Dated : 20 September, 2010

CONTACT US

Northern Grampians Shire Council

Council Office Locations:

Customer Service Centres are open Monday to Friday between 8.15pm and 4.45pm
Town Hall, Main Street, Stawell Vic 3380
Napier Street, St Arnaud Vic 3478

Postal Address

P O Box 580, Stawell VIC 3380
Phone: 03 5358 8700
Fax: 03 5358 4151
Email: ngshire@ngshire.vic.gov.au
Website: www.ngshire.vic.gov.au

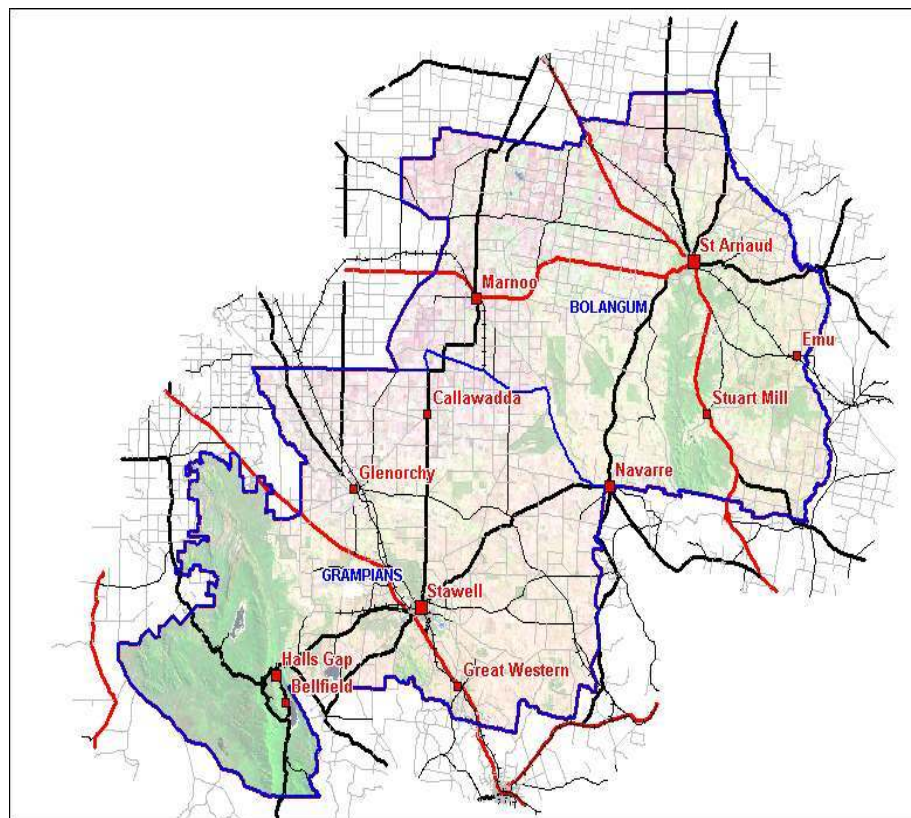
Visitor Information Centres

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 recognise the traditional owners of the land;
We are inspired by the early pioneers and
by those who gave their lives for our country;
We now ask God's blessing on our deliberations
and on our commitment to build a better lifestyle and environment."



Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2010



Northern Grampians Shire Council
Financial Report
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Comprehensive Income Statement For the Year Ended 30 June 2010

	Note	2010 \$'000	2009 \$'000
Revenue			
Rates and Charges	2	10,685	9,933
User Fees	3	2,348	2,446
Contributions - Cash	5	628	858
Contribution - Non-monetary assets	6	0	86
Grants - Recurrent	4	6,837	7,973
Grants - Non Recurrent	4	2,376	2,731
Other Revenue	7	328	317
Net gain(loss) on disposal of property, infrastructure, plant and equipment		(74)	2
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	13	103	32
Found Assets	18	5,868	0
Total Revenue		29,099	24,378
Expenses			
Employee Benefits	8	(9,988)	(9,237)
Materials and Services	9	(7,897)	(7,192)
Bad & Doubtful Debts	10	(13)	(5)
Depreciation and Amortisation	11	(5,923)	(5,767)
Finance Costs	12	(162)	(109)
Lost Assets	18	(3,772)	0
Total Expenses		(27,755)	(22,310)
Profit / (Loss)		1,344	2,068
Other Comprehensive Income			
Fair value adjustments for financial assets at fair value	17	2	14
Share of other comprehensive income of associates accounted for by the equity method	13	(37)	(21)
Net asset revaluation increment (decrement)		22,187	19
Comprehensive Result		23,496	2,080

The accompanying notes form part of this financial report

Balance Sheet As at 30 June 2010

	Note	2010 \$'000	2009 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	14	4,604	4,379
Trade and Other Receivables	15	1,195	1,239
Prepayments		133	147
Inventories	16	46	47
Total Current Assets		5,978	5,812
Non-current Assets			
Trade and Other Receivables	15	0	75
Other financial assets	17	916	914
Investments in Associates accounted for using the equity method	13	583	516
Property, Plant and Equipment, Infrastructure	18	246,862	223,436
Total Non-current Assets		248,361	224,941
Total Assets		254,339	230,753
Liabilities			
Current Liabilities			
Trade and Other Payables	19	1,301	1,049
Trust Funds and Deposits	20	48	70
Provisions	21	2,208	1,957
Interest-bearing Loans and Borrowings	22	430	402
Total Current Liabilities		3,987	3,478
Non-current Liabilities			
Provisions	21	472	461
Interest-bearing Loans and Borrowings	22	1,628	2,058
Total Non-current Liabilities		2,100	2,519
Total Liabilities		6,087	5,997
Net Assets		248,252	224,756
Equity			
Accumulated Surplus		110,753	109,829
Reserves	23	137,499	114,927
Total Equity		248,252	224,756

The accompanying notes form part of this financial report

Statement of Changes in Equity For the Year Ended 30 June 2010

	Note	Total 2010 \$'000	Accumulated Surplus 2010 \$'000	Asset Revaluation Reserve 2010 \$'000	Other Reserves 2010 \$'000
2010					
Balance at beginning of the financial year		224,756	109,829	112,985	1,942
Comprehensive Result		23,496	1,307	22,189	0
Transfers to other reserves	23(b)	0	(448)	0	448
Transfers from other reserves	23(b)	0	65	0	(65)
Balance at end of the financial year		248,252	110,753	135,174	2,325

		Total 2009 \$'000	Accumulated Surplus 2009 \$'000	Asset Revaluation Reserve 2009 \$'000	Other Reserves 2009 \$'000
2009					
Balance at beginning of the financial year		222,676	106,962	112,952	2,762
Comprehensive Result		2,080	2,047	33	0
Transfers to other reserves	23(b)	0	(253)	0	253
Transfers from other reserves	23(b)	0	1,073	0	(1,073)
Balance at end of the financial year		224,756	109,829	112,985	1,942

The accompanying notes form part of this financial report

Cash Flow Statement

For the Year Ended 30 June 2010

	Note	2010 Inflows/ (Outflows) \$'000	2009 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and Charges		10,671	9,888
User Fees		2,328	2,311
Grants		9,288	10,730
Contributions		628	858
Other Revenue		393	424
Net GST (Refund)/Payment		162	167
Employee Benefits		(9,726)	(9,118)
Materials and Services		(7,793)	(7,198)
Finance Costs		(162)	(109)
Net cash provided by (used in) operating activities	24	5,789	7,953
Cash flows from investing activities			
Payments for Property, Infrastructure, Plant and Equipment		(5,509)	(7,380)
Payments for Financial Assets		0	(900)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		369	398
Net cash provided by (used in) investing activities		(5,140)	(7,882)
Cash flows from financing activities			
Trust Funds and Deposits		(22)	15
Proceeds from Interest Bearing Loans and Borrowings		0	1,000
Repayment of Interest Bearing Loans and Borrowings		(402)	(493)
Net cash provided by (used in) financing activities		(424)	522
Net increase (decrease) in Cash and Cash Equivalents		225	593
Cash and Cash Equivalents at the Beginning of the Financial Year		4,379	3,786
Cash and Cash Equivalents at the End of the Financial Year	25	4,604	4,379
Financing Arrangements	26		
Restrictions on Cash Assets	27		

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 a Comprehensive 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, the *Local Government Act* 1989, and the Local Government (Finance and Reporting) Regulations 2004.

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), 1(i), and 1(k).

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.

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 (including developer 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 4. The note also discloses the amount of unused grants or contributions from prior years that were 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.

Trade & Other Receivable

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

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.

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.

For buildings, consumption based depreciation is charged on the remaining service potential of the asset as determined each year.

For all other assets with limited useful lives, 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:

	2010
Land and Buildings	
Buildings	60 Years
Land improvements	10 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)	30-200 years
- Sealed Pavement	90 years
- Unsealed Pavement	40 years
- Seal	14 years
Footpaths	74 years
Kerb and Channel	85 years
Drains	142 years
Bridges	100 years
Other	
Street Furniture	28 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.

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 18. 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 Limit \$'000
Class of Asset	
Land and Buildings	
Land	All assets
Land Under Roads	All assets
Land Improvements	5
Buildings	5
Heritage Assets	
Heritage Assets	10
Plant and Equipment	
Plant and Machinery	1
Furniture, Equipment, and Computers	1
Infrastructure	
Roads	
- Formation	5
- Substructure	5
- Seal	1
Footpaths	5
Kerb and Channel	5
Drains	5
Bridges	15
Other	
Street Furniture	1
Parks & Gardens	1
- Irrigation	5
- Minor Structures	5
- Sporting Surfaces	5
- Playgrounds	5
- Landscaping	10
- Fencing	5

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, parks and gardens and land improvements and land under roads 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 2 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

Land under roads acquired after 30 June 2008 is brought to account using the deemed cost method basis. Council does not recognise land under roads that it controlled prior to that period in its financial report.

(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) Inventories

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential. Other inventories are measured at the lower of cost and net realisable value.

(i) Financial Assets

Other financial assets held by the Council are classified as being available-for-sale and are stated at fair value. Gains and losses arising from changes in fair value are recognised directly in equity until the investment is disposed of or is determined to be impaired, at which time the cumulative gain or loss previously recognised in equity is included in the profit or loss for the period. Fair value is determined in the manner described in note 32.

(j) Investments

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

(k) 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.)

(l) 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 20).

(m) 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. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts expected to be paid when settled. Annual 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 entitlement. Commonwealth band rates are used for discounting future cash flows.

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.

Classification of Employee Benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the end of the period. This would include all annual leave and unconditional long service leave entitlements.

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.)

(n) 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.

(o) 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, or if the council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(p) 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.

(q) Web Site Costs

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

(r) 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.

(s) 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 Comprehensive Income Statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(t) Rounding

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

Notes to the Financial Report
For the Year Ended 30 June 2010

Note 1 (u) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to Australian Accounting Standards – Group Cash-settled Share-based Payment Transactions. [AASB 2]	The amendments clarify the scope of AASB 2.	Beginning 1 Jan 2010	No impact. AASB 2 does not apply to Local Government; consequently this Standard does not apply.
AASB 2009-9 Amendments to Australian Accounting Standards – Additional Exemptions for First-time Adopters [AASB 1]	Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	Beginning 1 Jan 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 2009-10 Amendments to Australian Accounting Standards – Classification of Rights Issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	Beginning 1 Feb 2010	No impact. Local Government do not issue rights, warrants and options, consequently the amendment does not impact on the statements.
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i>).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This Standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities know to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to other AASBs.	Beginning 1 Jan 2011	AASB 8 does not apply to Local Government therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19. [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19	Beginning 1 Jul 2010	Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact
AASB 2009-14 Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendment to Interpretation 14 arising from the issuance of <i>Prepayments of a Minimum Funding Requirement</i>	Beginning 1 Jan 2011	Expected to have no significant impact

(v) Contingent Assets, Contingent Liabilities & Commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Commitments are not recognised in the Balance Sheet.

Note 2 Rates & 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 2009-10 was \$1,834 million (2008-09 \$1,814 million). The 2009-10 rate in the capital improved value dollar was 0.5844 cents (2008-09, 0.5487 cents).

Residential	4,980	4,615
Commercial	763	702
Industrial	44	38
Farm/Rural	2,708	2,538
Cultural & Recreational	9	9
Garbage Charge	1,376	1,255
Municipal Charge	805	776
	<u>10,685</u>	<u>9,933</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2010, & the valuation first applied to the rating period commencing 1 July 2010.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2008, & the valuation first applied in the rating year commencing 1 July 2008.

Note 3 User Fees

Aged and Disability Service Fees	646	683
Child Care	398	450
Leisure Centre	284	288
Private Works - Infrastructure	250	197
Other	170	151
Building	118	107
Local Laws Fines & Permits	101	105
Economic Development Fees	74	105
Environmental Health Fees	73	73
Family Day Care Fees	69	87
Property Rentals	64	71
Town Planning Fees	58	51
Waste Management Fees	43	78
	<u>2,348</u>	<u>2,446</u>

Note 4 Grants

Income from federal & state government grants & subsidies for the year consist of:-

Recurrent

General Revenue Grant	5,422	6,543
Aged and Disability Services	578	552
Child Care	313	325
Other Grants	262	141
Economic Development Grants	209	162
Public Safety	24	60
Family Day Care	19	23
Environmental Grants	10	92
Drought	0	75
<i>Total</i>	6,837	7,973

Non-recurrent

Roads to Recovery	1,245	1,438
Building Grants	378	273
RLCIP Funding	219	556
Roads to Market Grant	199	0
Streetscape Grants	150	0
Water Manangement Grants	125	335
Sporting Recreation Grants	30	125
Cemetery Grants	30	0
Other Grants	0	4
<i>Total</i>	2,376	2,731

Note 4 Grants (cont.)

Conditions on Grants

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:

	2010 \$'000	2009 \$'000
RLCIP - Grant Funding	100	456
Waste Management Innovation Fund	75	0
Western Highway Office Grant	66	0
Stuart Mill Urban Development Grant	29	0
DPCD Drought Relief Grant	23	0
Stawell Cemetery Grant	20	0
R2R Grant	15	0
Future Farming Initiative Grant	10	0
St Arnaud Cemetery Grant	10	0
Great Western War Memorial Grant	6	0
Buy Local Grant	4	0
St Arnaud Pool - Grant	0	80
Maternal Child Health Grant	0	33
St Arnaud Tennis Resurfacing Grant	0	32
Heatwave Kit Grant	0	25
Curtis St Dam Link Line Grant	0	17
Grants Officer Grant	0	15
Halls Gap Transfer Station Grant	0	7
Stawell Easter Gift Event Grant	0	5
Halls Gap Signage Grant	0	5
TAC Road Safety Grant	0	5
Manufacturing Industry Group Grant	0	2
	358	682

Note 4 Grants (cont.)

Conditions on Grants (cont.)

Grants which were recognised as revenue in prior years & were expended during the current year in the manner specified by the grantor were:

	2010 \$'000	2009 \$'000
RLCIP - Grand Funding Grant	456	0
Stawell Airport Upgrade Grant	92	0
RLCIP - St Arnaud Pool - additional funding Grant	80	0
Maternal Child Health Grant	33	0
St Arnaud Tennis Resurfacing Grant	31	0
Heatwave Kit Grant	25	0
Shire Rains on Drought Grant (DPCD)	22	0
North Park Grass Conversion Grant	20	0
Curtis St Dam Link Line Grant	17	0
Grants Officer Grant	15	0
Victorian Heritage Program - Kara Kara Hall	15	0
Halls Gap Transfer Station Grant	7	0
Stawell Easter Gift Event Grant	5	0
TAC Road Safety Grant	5	0
Heritage Grants (Housing Affordability Study)	5	0
Manufacturing Industry Group Grant	2	0
Additional R2R Funding	0	703
Stawell Airport Upgrade Grant	0	135
Central Park Water Grant	0	72
Community Water Grant	0	43
Drought Recovery Grant	0	42
Banyena Tennis Court Minors Grant	0	16
Shire Rains on Drought Grant (DPCD)	0	10
Interim Roadside Control Grant	0	6
Heritage Grants (Housing Affordability Study)	0	5
G/Western Clubrooms Refurb Grant	0	2
Youth Grant - FReeZA	0	2
	830	1,036

Net increase (decrease) in restricted assets resulting from grant revenues for the year:

(472) (354)

Note 5 Contributions - Cash

Child Care Benefits	453	485
Other	74	78
Capital	56	246
Legal Expenses	38	28
Revaluation Process	7	21
	628	858

	2010 \$'000	2009 \$'000
Note 6 Contributions - Non-monetary assets		
Drains	0	35
Sealed Pavement	0	29
Kerb & Channel	0	16
Sealed Surface	0	4
Land Under Roads	0	2
	<u>0</u>	<u>86</u>
Note 7 Other Revenue		
Interest	210	191
Interest on Rates	36	42
Other Revenue	82	84
	<u>328</u>	<u>317</u>
Note 8 Employee Benefits		
Wages & Salaries	9,047	8,567
Less Capitalised Salary & Wages	(272)	(375)
	<u>8,775</u>	<u>8,192</u>
Increase/(decrease) in Long Service Leave	169	99
Increase/(decrease) in Annual Leave	93	20
Superannuation	749	715
Fringe Benefits Tax	40	43
Work Cover	162	168
	<u>1,213</u>	<u>1,045</u>
	<u>9,988</u>	<u>9,237</u>
Note 9 Materials & Services		
Other Materials & Services	4,173	3,535
Contract Employees	770	741
Fuel	495	548
Equipment Maintenance & Repair	519	470
Utilities	361	363
Software Costs	255	303
Goods for resale	231	260
Insurance	253	203
Communications	160	159
Councillors Allowances	136	151
Training	136	110
Advertsing/Marketing	89	94
Audit Fees	113	55
Memberships and Subscriptions	57	55
Postage and Freight	47	41
Bank Fees	45	41
Catering	34	40
Legal Expenses	23	23
	<u>7,897</u>	<u>7,192</u>

	2010 \$'000	2009 \$'000
Note 10 Bad & Doubtful Debts		
Local Law Debtors	10	0
Childcare Debtors	2	5
Other Debtors	1	0
	<u>13</u>	<u>5</u>
Note 11 Depreciation & Amortisation		
Sealed Pavements	1,214	1,204
Sealed Surfaces	1,087	1,039
Buildings	891	877
Unsealed Pavement	695	674
Plant & Equipment	537	527
Major Bridges & Culverts	435	430
Computer Equipment	312	308
Motor Vehicles	197	165
Kerb & Channel	162	159
Drainage	137	133
Footpaths	115	114
Parks & Gardens	71	62
Land Improvements	28	28
Furniture & Fittings	16	22
Street Furniture	16	15
Formations Sealed	4	4
Formations Unsealed	4	4
Heritage Assets	2	2
	<u>5,923</u>	<u>5,767</u>
Note 12 Finance Costs		
Interest - Borrowings	162	109
	<u>162</u>	<u>109</u>

Note 13 Investment in Associates

Background

Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting

	2010 \$'000	2009 \$'000
Council's interest in equity	24.25%	26.13%
Wimmera Regional Library Corporation	583	516
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	158	130
Change in equity share appointment	(11)	(6)
Reported surplus(deficit) for year	103	32
Transfers (to) from reserves	(18)	2
Council's share of accumulated surplus(deficit) at end of year	232	158
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	359	335
Change in equity share appointment	(26)	(15)
Transfers (to) from reserves	18	(2)
Share of asset revaluation	0	40
Council's share of reserves at end of year	351	359
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	517	465
Change in equity share appointment	(37)	(21)
Share of surplus(deficit) for year	103	32
Share of asset revaluation	0	40
Carrying value of investment at end of year	583	516

Note 14 Cash & Cash Equivalents

Cash on Hand	4	4
Cash at Bank	549	294
Short Term Deposits	4,051	4,081
	4,604	4,379

Users of the financial report should refer to Note 27 for details of restrictions on cash assets and Note 29 for details of existing Council commitments.

Note 15 Trade & Other Receivables

Current

Rates Debtors	402	388
Loans & Advances to Community Organisations	75	75
Other Debtors	551	530
Provision for Doubtful Debts	(14)	(5)
GST Receivable	162	167
Accrued Income	19	84
	1,195	1,239

Non-current

Loans & Advances to Community Organisations	0	75
	0	75

Total

1,195 **1,314**

Note 16 Inventories

Inventories for distribution	40	37
Inventories held for sale	6	10
	46	47

Note 17 Other Financial Assets

Floating rate note at fair value	916	914
	916	914

Note 18 Property, Plant and Equipment, Infrastructure

		2010 \$'000	2009 \$'000
Summary			
	at cost	21,160	18,348
	at fair value as at 30 June 2008	263,800	330,917
	at fair value as at 30 June 2010	80,921	0
		365,881	349,265
	Less accumulated depreciation	(119,019)	(125,829)
	Total	246,862	223,436
Property			
Land			
	at fair value as at 30 June 2008	0	6,915
	at fair value as at 30 June 2010	12,305	0
		12,305	6,915
Land Under Roads			
	at cost	2	2
		2	2
Land Improvements			
	at cost	275	275
	Less accumulated depreciation	(55)	(28)
		220	247
	Total Land	12,527	7,164
Buildings			
	at cost	0	1,010
	at fair value as at 30 June 2008	0	60,202
	at fair value as at 30 June 2010	68,616	0
	Work In Progress	0	0
	Less accumulated depreciation	(11,347)	(22,845)
	Total Buildings	57,269	38,367
<p>The valuation of land (excluding land under roads) was determined by Council's independent contract valuer Mr. Ian Wilson, Dip. Valuations RMIT, as at 30th June 2010. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.</p> <p>The valuation of buildings was determined by Council's independent contract valuer Mr. Ben Kingsberry, CPV, as at 30th June 2010. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.</p> <p>Land under roads is valued at deemed cost. Deemed cost is based on site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services at the date acquired.</p>			
	Total Property	69,796	45,531
Plant, Machinery & Motor Vehicles			
Plant & Machinery			
	at cost	7,364	7,103
	Less accumulated depreciation	(3,293)	(2,923)
		4,071	4,180
Motor Vehicles			
	at cost	967	924
	Less accumulated depreciation	(303)	(224)
		664	700
	Total Plant, Machinery & Motor Vehicles	4,735	4,880
Equipment			
Furniture & Fittings			
	at cost	406	361
	Less accumulated depreciation	(327)	(311)
		79	50
Computer Equipment			
	at cost	1,622	1,532
	Less accumulated depreciation	(1,155)	(967)
		467	565
	Total Equipment	546	615

		2010 \$'000	2009 \$'000
Note 18	Property, Plant and Equipment, Infrastructure (cont.)		
Infrastructure			
Footpaths			
	at cost	162	100
	at fair value as at 30 June 2008	8,065	8,065
	Less accumulated depreciation	(3,905)	(3,790)
	Total Footpaths	4,322	4,375
Kerb & Channel			
	at cost	371	312
	at fair value as at 30 June 2008	13,369	13,369
	Less accumulated depreciation	(6,277)	(6,116)
	Total Kerb & Channel	7,463	7,565
Sealed Pavements			
	at cost	2,133	1,125
	at fair value as at 30 June 2008	130,020	130,020
	Less accumulated depreciation	(48,320)	(47,106)
	Total Sealed Pavement	83,833	84,039
Sealed Surfaces			
	at cost	1,391	727
	at fair value as at 30 June 2008	14,637	14,637
	Less accumulated depreciation	(9,075)	(7,988)
	Total Sealed Surfaces	6,953	7,376
Unsealed Pavements			
	at cost	1,274	645
	at fair value as at 30 June 2008	20,344	20,344
	Less accumulated depreciation	(9,250)	(8,556)
	Total Unsealed Pavement	12,368	12,433
Formations Sealed			
	at cost	146	146
	at fair value as at 30 June 2008	7,227	7,227
	Less accumulated depreciation	(44)	(40)
	Total Formations Sealed	7,329	7,333
Formations Unsealed			
	at fair value as at 30 June 2008	8,225	8,225
	Less accumulated depreciation	(49)	(45)
	Total Formations Unsealed	8,176	8,180
Bridges & Major Culverts			
	at cost	812	586
	at fair value as at 30 June 2008	43,190	43,190
	Less accumulated depreciation	(16,976)	(16,542)
	Total Bridges & Major Culverts	27,026	27,234
Drainage			
	at cost	1,278	1,093
	at fair value as at 30 June 2008	18,723	18,723
	Less accumulated depreciation	(8,221)	(8,084)
	Total Drainage	11,780	11,732
	Total Infrastructure	169,250	170,267

Note 18 Property, Plant and Equipment, Infrastructure (cont.)

		2010 \$'000	2009 \$'000
Street Furniture			
at cost		456	456
Less accumulated depreciation		(101)	(85)
Total Street Furniture		<u>355</u>	<u>371</u>
Parks & Gardens			
at cost		2,291	1,741
Less accumulated depreciation		(299)	(159)
Total Parks & Gardens		<u>1,992</u>	<u>1,582</u>
Heritage Assets			
at cost		210	210
Less accumulated depreciation		(22)	(20)
Total Heritage Assets		<u>188</u>	<u>190</u>
The valuation of Footpath, Kerb & Channel, Sealed Surfaces, Sealed Pavement, Sealed Formations was determined by Mr. Peter Moloney, Dip.C.E.C.E, MIE Aust. as at 30 June 2008 and was based on current written down replacement value of the assets.			
Valuations for Drainage, Bridges, Unsealed Pavement and Unsealed Formations were determined by Mr Sanjay Maniasagasivam B. Engineering(Civil) MIE Aust. as at 30 June 2008 and was based on current written down replacement value of the assets.			
Total Property, Plant and Equipment, Infrastructure		<u>246,862</u>	<u>223,436</u>

Note 18 Property, Plant and Equipment, Infrastructure (cont.)

2010	Balance at Beginning of Financial Year	Acquisition of Assets	Lost & Found Assets (a)	Revaluation Increments (Decrements) (note 23)	Depreciation (note 11)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	6,915	15	3,940	1,438	0	(3)	0	12,305
Land Improvements	247	0	0	0	(28)	0	0	219
Land Under Roads	2	0	0	0	0	0	0	2
Buildings	38,367	1,044	(1,844)	20,749	(891)	(22)	(134)	57,269
Total Property	45,531	1,059	2,096	22,187	(919)	(25)	(134)	69,795
Other Assets								
Plant & Equipment	4,180	660	0	0	(537)	(232)	0	4,071
Motor Vehicles	700	339	0	0	(197)	(178)	0	664
Furniture & Fittings	50	45	0	0	(16)	0	0	79
Computers	565	222	0	0	(312)	(8)	0	467
Street Furniture	371	0	0	0	(16)	0	0	355
Heritage Assets	190	0	0	0	(2)	0	0	188
Total Other Assets	6,056	1,266	0	0	(1,080)	(418)	0	5,824
Infrastructure								
Sealed Pavements	84,039	1,008	0	0	(1,214)	0	0	83,833
Sealed Surfaces	7,376	664	0	0	(1,087)	0	0	6,953
Unsealed Pavements	12,433	630	0	0	(695)	0	0	12,368
Formations Sealed	7,333	0	0	0	(4)	0	0	7,329
Formations Unsealed	8,180	0	0	0	(4)	0	0	8,176
Total Roads	119,361	2,302	0	0	(3,004)	0	0	118,659
Bridge & Major Culverts	27,234	227	0	0	(435)	0	0	27,026
Footpaths	4,375	63	0	0	(115)	0	0	4,323
Kerb & Channel	7,565	60	0	0	(162)	0	0	7,463
Drainage	11,732	185	0	0	(137)	0	0	11,780
Parks & Gardens	1,582	347	0	0	(71)	0	134	1,992
Total Other Infrastructure	52,488	882	0	0	(920)	0	134	52,584
Total Infrastructure	171,849	3,184	0	0	(3,924)	0	134	171,243
Total Property, Plant and Equipment and Infrastructure	223,436	5,509	2,096	22,187	(5,923)	(443)	0	246,862

(a) Reconciliation of Lost & Found Assets

Lost assets are recognised in the income statement as expenses.

Found assets are recognised in the income statement as revenue.

Asset Category	Lost Assets	Found Assets	Net Lost & Found
Land	(32)	3,972	3,940
Buildings	(3,740)	1,896	(1,844)
Total	(3,772)	5,868	2,096

Notes to the Financial Report
For the Year Ended 30 June 2010

Note 18 Property, Plant and Equipment, Infrastructure (cont.)

2009	Balance at Beginning of Financial Year	Acquisition of Assets	Developer Contributions (note 6)	Depreciation (note 11)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	6,967	0	0	0	(52)	0	6,915
Land Improvements	0	275	0	(28)	0	0	247
Land Under Roads	0	0	2	0	0	0	2
Buildings	38,235	1,010	0	(877)	0	0	38,368
Total Property	45,202	1,285	2	(905)	(52)	0	45,532
Other Assets							
Plant & Equipment	4,145	693	0	(527)	(131)	0	4,180
Motor Vehicles	739	338	0	(165)	(213)	0	699
Furniture & Fittings	55	17	0	(22)	0	0	50
Computers	458	416	0	(308)	0	0	566
Street Furniture	349	38	0	(15)	0	0	372
Heritage Assets	192	0	0	(2)	0	0	190
Total Assets	5,938	1,502		(1,039)	(344)	0	6,057
Infrastructure							
Sealed Pavements	84,118	1,095	29	(1,204)	0	0	84,038
Sealed Surfaces	7,688	722	4	(1,039)	0	0	7,375
Unsealed Pavements	12,462	645	0	(674)	0	0	12,433
Formations Sealed	7,191	146	0	(4)	0	0	7,333
Formations Unsealed	8,184	0	0	(4)	0	0	8,180
Total Roads	119,643	2,608	33	(2,925)	0	0	119,359
Bridge & Major Culverts	27,078	586	0	(430)	0	0	27,234
Footpaths	4,389	100	0	(114)	0	0	4,375
Kerb & Channel	7,412	296	16	(159)	0	0	7,565
Drainage	10,772	972	35	(133)	0	86	11,732
Parks & Gardens	1,338	306	0	(62)	0	0	1,582
Total Other Infrastructure	50,989	2,260	51	(898)	0	86	52,488
Total Infrastructure	170,632	4,868	84	(3,823)	0	86	171,847
Works in Progress							
Drainage	86	0	0	0	0	(86)	0
Total Works in Progress	86	0		0	0	(86)	0
Total Property, Plant and Equipment and Infrastructure	221,858	7,655	86	(5,767)	(396)	0	223,436

	2010 \$'000	2009 \$'000
Note 19 Trade & Other Payables		
Trade Payables	1,084	669
Accrued Salary & Wages	74	295
Accrued Expenses	143	85
	<u>1,301</u>	<u>1,049</u>

Note 20 Trust Funds & Deposits		
Refundable Building Deposits	11	1
Refundable Security Deposits	20	25
Refundable Civic Facilities Deposits	1	4
Other Refundable Trusts & Deposits	16	40
	<u>48</u>	<u>70</u>

Note 21 Provisions					
	Landfill Restoration	Annual Leave	Rostered Days Off	Long Service Leave	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2010					
Balance at beginning of the financial year	275	833	42	1,268	2,418
Additional Provisions	0	118	161	481	760
Reduction of Provisions	0	(22)	(164)	(312)	(498)
Balance at the end of the financial year	<u>275</u>	<u>929</u>	<u>39</u>	<u>1,437</u>	<u>2,680</u>
2009					
Balance at beginning of the financial year	0	811	44	1,169	2,024
Additional Provisions	275	57	136	399	867
Reduction of Provisions	0	(35)	(138)	(300)	(473)
Balance at the end of the financial year	<u>275</u>	<u>833</u>	<u>42</u>	<u>1,268</u>	<u>2,418</u>

	2010 \$'000	2009 \$'000
(a) Employee Benefits		
(i) Current		
Annual Leave	929	833
Long Service Leave	1,240	1,082
Rostered Days Off	39	42
	<u>2,208</u>	<u>1,957</u>
(ii) Non-current		
Long Service Leave	197	186
	<u>197</u>	<u>186</u>
Aggregate carrying amount of Employee Benefits:		
Current	2,208	1,957
Non-current	197	186
	<u>2,405</u>	<u>2,143</u>

	2010 \$'000	2009 \$'000
Note 21 Provisions (cont.)		
(a) Employee Benefits (cont.)		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.7%	4.2%
Weighted average discount rates	2.9%	2.3%
Weighted average settlement period	14	14
(i) Current		
All annual leave and the long service leave entitlements representing 7 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	1,191	986
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	1,017	971
	<u>2,208</u>	<u>1,957</u>
(ii) Non-current		
Long service leave representing less than 7 years of continuous service measured at present value	197	186
Total	<u>2,405</u>	<u>2,143</u>
(b) Landfill Restoration		
Council is obligated to restore a landfill site to a particular standard. Current predictions indicate that the landfill site will cease operations in 2019 and restoration work is expected to commence shortly thereafter. The forecast of the life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly the estimation of the provision required is dependant on the accuracy of the forecast timing of the work and the related work.		
Non-current		
Landfill Restoration	275	275
	<u>275</u>	<u>275</u>

	2010 \$'000	2009 \$'000
Note 22 Interest-bearing Loans and Borrowings		
Current		
Borrowings - secured	430	402
Non-current		
Borrowings - secured	1,628	2,058
Total	2,058	2,460
The maturity profile for Council's borrowings is:		
Not later than one year	430	402
Later than one year and not later than five years	1,166	1,417
Later than five years	462	641
	2,058	2,460
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	430	402
Non-current	1,628	2,058
	2,058	2,460

Note 23 Reserves

(a) Asset Revaluation Reserve

	Balance at Beginning of Reporting Period	Increment (Decrement)	Balance at End of Reporting Period
2010	\$'000	\$'000	\$'000
Property			
Land	4,618	1,438	6,056
Buildings	26,469	20,749	47,218
Infrastructure			
Footpaths	1,646	0	1,646
Kerb & Channel	1,906	0	1,906
Bridges & Major Culverts	9,149	0	9,149
Drains	2,335	0	2,335
Street Furniture	20	0	20
Sealed Pavements	48,171	0	48,171
Sealed Surfaces	5,022	0	5,022
Unsealed Pavements	9,151	0	9,151
Sealed Formations	1,815	0	1,815
Unsealed Formations	2,650	0	2,650
Other			
Financial Assets	14	2	16
Investment in Associates	19	0	19
Total Asset Revaluation Reserves	112,985	22,189	135,174

	Balance at Beginning of Reporting Period	Increment (Decrement)	Balance at End of Reporting Period
2009	\$'000	\$'000	\$'000
Property			
Land	4,618	0	4,618
Buildings	26,469	0	26,469
Infrastructure			
Footpaths	1,646	0	1,646
Kerb & Channel	1,906	0	1,906
Bridges & Major Culverts	9,149	0	9,149
Drains	2,335	0	2,335
Street Furniture	20	0	20
Sealed Pavements	48,171	0	48,171
Sealed Surfaces	5,022	0	5,022
Unsealed Pavements	9,151	0	9,151
Sealed Formations	1,815	0	1,815
Unsealed Formations	2,650	0	2,650
Other			
Financial Assets	0	14	14
Investment in Associates	0	19	19
Total Asset Revaluation Reserves	112,952	33	112,985

Asset Revaluation Reserves - These reserves have been established to disclose revaluation movements.

Note 23 Reserves (cont.)

(b) General Reserves

	Balance at Beginning of Reporting Period	Transfer to/(from) Reserves	Balance at End of Reporting Period
2010	\$'000	\$'000	\$'000
Plant Replacement	1,256	362	1,618
Public Open Spaces	93	(6)	87
Economic Development	0	0	0
St Arnaud Cemetery	49	(20)	29
Stawell Cemetery	49	(38)	11
Gravel Pits Resoration	122	0	122
Roads to Recovery	0	0	0
St Arnaud Cinema	0	0	0
Western Highway Action	13	0	13
Community Loans	350	75	425
Heritage Restoration	10	10	20
Total General Reserves	1,942	383	2,325

	Balance at Beginning of Reporting Period	Transfer to/(from) Reserves	Balance at End of Reporting Period
2009	\$'000	\$'000	\$'000
Plant Replacement	1,006	250	1,256
Public Open Spaces	89	4	93
Economic Development	328	(328)	0
St Arnaud Cemetery	54	(5)	49
Stawell Cemetery	70	(21)	49
Gravel Pits Resoration	122	0	122
Roads to Recovery	704	(704)	0
St Arnaud Cinema	2	(2)	0
Western Highway Action	13	0	13
Community Loans	364	(14)	350
Heritage Restoration	10	0	10
Total General Reserves	2,762	(820)	1,942

Description of General Reserves

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

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

Economic Development Reserve - Proceeds from land/buildings sales for future development.

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

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

Gravel Pits Restoration - Provision for future rehabilitation of pits.

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

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

Western Highway Action Reserve - Funds held for the Western Highway Action Committee.

Community Loan Reserve - Funds held for lending to community groups.

Heritage Verandah Restoration Reserve - Funds held for the restoration of shop front verandahs.

	2010 \$'000	2009 \$'000
Note 24 Reconciliation of Cash Flows from Operating Activities to Profit / (Loss)		
Profit /(Loss)	1,344	2,068
Lost & Found assets	(2,096)	0
Depreciation	5,923	5,767
(Profit)/loss on Disposal of Property, Plant and Equipment and Infrastructure	74	(2)
Share of net result of associates	(103)	(32)
Contributions - non monetary assets	0	(86)
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in Trade and Other Receivables	54	18
Increase/(decrease) in Prepayments	65	107
Increase/(decrease) in Trade and Other Payables	265	9
(Increase)/decrease in Inventories	1	(15)
Increase/(decrease) in Provisions	262	119
Net Cash provided by/(used in) Operating Activities	5,789	7,953
Note 25 Reconciliation of Cash and Cash Equivalents		
Cash and Cash Equivalents (see note 14)	4,604	4,379
	4,604	4,379
Note 26 Financing Arrangements		
Bank Overdraft	200	200
Used Facilities	0	0
Unused Facilities	200	200
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 *	1,129	1,030
Reserve Funds (note 23)	2,325	1,942
	3,454	2,972

* 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 21 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). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, accumulation and defined benefit, 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.

Defined Benefit Plan

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 reliably 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 2008, 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, plus contribution tax (same as previous year);

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the council's financial statements. AAS 25 requires that the present value of the defined benefit liability to be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, Council was advised that no additional contributions are required for 30 June 2010. The Actuary has commenced undertaking the next actuarial investigation to ascertain if additional contributions would be required. The Actuarial review will be as at 30 June 2010.

The result of the actuarial review is expected to be finalised during October 2010. Should the review identify a funding shortfall requiring additional contributions, the Council will be notified of any amount payable by November 2010 for payment on 1 July 2011. A further actuarial review will be undertaken as at 30 June 2011. Based on the result of this further review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013.

The Fund's liability for accrued benefits was determined by the Actuary at 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31-Dec-08
	\$'000
Net Market Value of Assets	3,630,432
Accrued Benefits (per accounting standards)	3,616,422
Difference between Assets and Accrued Benefits	<u>14,010</u>
Vested Benefits	3,561,588

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

Net Investment Return	8.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

Note 28 Superannuation (cont.)

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

Fund	2010 \$'000	2009 \$'000
Defined benefit plans		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	116	118
	<u>116</u>	<u>118</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	489	478
Employer Contributions to Employees Choice Superannuation Funds	144	119
	<u>633</u>	<u>597</u>

Contingent Liability

Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund Council may be required to make an additional contribution to the fund. At this point in time the amount, and the likelihood of payment is not certain.

Further detail of this matter is disclosed at note 31 - Contingent Liabilities

Note 29 Commitments

The Council has entered into the following commitments

2010	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					
Waste Management	698	203	48	0	949
Cleaning Services	160	140	0	0	300
Valuations	34	183	0	0	217
Water Management	115	0	0	0	115
Building Maintenance	1	0	0	0	1
	1,008	526	48	0	1,582
Capital					
Buildings	6	0	0	0	6
Plant & Equipment	13	0	0	0	13
	19	0	0	0	19
Total	1,027	526	48	0	1,601
2009	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					
Tree Maintenance	100	0	0	0	100
Waste Management	681	697	251	0	1,629
Cleaning Services	71	0	0	0	71
Valuations	172	0	0	0	172
	1,024	697	251	0	1,972
Capital					
Roads	1,494	0	0	0	1,494
Bridges	100	0	0	0	100
	1,594	0	0	0	1,594
Total	2,618	697	251	0	3,566

	2010 \$'000	2009 \$'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 for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	66	41
Later than one year and not later than five years	227	125
Later than five years	0	0
	<u>293</u>	<u>166</u>
Note 31 Contingent Liabilities		
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.		
Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. At this point in time it is not known if additional contributions will be required, their timing or potential amount		
(i) Insurances		
As at 30 June 2009 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, 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 Sustainability and Environment	50	50
Minister for Agriculture & Resources	6	6
	<u>56</u>	<u>56</u>

Note 32 Financial Instruments

(a) Accounting Policy, Terms & Conditions

Recognised

Financial

Instruments

Note Accounting Policy

Terms and Conditions

Financial

**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 2.5% and 6.48% (2.5% and 7.70% in 2008-09). The average rate at balance date was 4.91% (3.37% in 2008-09).

Trade and Other Receivables

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**

19 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**

22 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 6.98% at balance date (6.95% in 2008-09).

Bank Overdraft

26 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 \$200,000.
It is secured by a mortgage over Council's general rates and is repayable on demand.
The interest rate as at balance date was 10.49% (8.99% in 2008-09).

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:

2010

	Floating interest rate \$'000	Fixed Interest Maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	3,248	1,353	0	0	4	4,604
Available-for-Sale Assets	916	0	0	0	0	916
Trade and Other Receivables	0	75	0	0	718	793
Total Financial Assets	4,164	1,428	0	0	722	6,313
Weighted Average Interest Rate	4.75%	5.39%				
Financial Liabilities						
Trade and Other Payables	0	0	0	0	1,301	1,301
Trust Funds and Deposits	0	0	0	0	48	48
Interest-bearing Loans and Borrowings	0	430	1,166	462	0	2,058
Total Financial Liabilities	0	430	1,166	462	1,349	3,407
Weighted Average Interest Rate		6.82%	6.78%	7.61%		
Net Financial Assets (Liabilities)	4,164	998	(1,166)	(462)	(627)	2,906

2009

	Floating interest rate \$'000	Fixed Interest Maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	2,684	1,691	0	0	4	4,379
Available-for-Sale Assets	914	0	0	0	0	914
Trade and Other Receivables	0	75	75	0	776	926
Total Financial Assets	3,598	1,766	75	0	780	6,219
Weighted Average Interest Rate	3.31%	3.60%	5.81%			
Financial Liabilities						
Trade and Other Payables	0	0	0	0	1,049	1,049
Trust Funds	0	0	0	0	70	70
Interest-bearing Liabilities	0	402	1,417	641	0	2,460
Total Financial Liabilities	0	402	1,417	641	1,119	3,579
Weighted Average Interest Rate		6.82%	6.78%	7.41%		
Net Financial Assets (Liabilities)	3,598	1,364	(1,342)	(641)	(339)	2,640

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	
	2010 \$'000	2009 \$'000
<i>(1) Financial Assets</i>		
Cash and Cash Equivalents	4,604	4,379
Available-for-Sale	916	914
Trade and Other Receivables	793	926
<i>Total Financial Assets</i>	<i>6,313</i>	<i>6,219</i>
<i>(2) Financial Liabilities</i>		
Trade and Other Payables	1,301	1,049
Trust Funds and Deposits	48	70
Interest Bearing Loans & Borrowings	2,058	2,460
<i>Total Financial Liabilities</i>	<i>3,407</i>	<i>3,579</i>

(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.

(e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning & Community Development each year.

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

- conformity with State and Federal regulations and standards,
- adequate safety,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

Note 32 Financial Instruments (cont.)

Credit risk

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

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

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 31.

Movement in Provisions for Doubtful Debts

	2010 \$'000	2009 \$'000
Balance at the beginning of the year	5	12
New Provisions recognised during the year	14	5
Amounts already provided for and written off as uncollectible	(4)	(11)
Amounts provided for but recovered during the year	(1)	(1)
Balance at end of year	14	5

Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade & Other Receivables was:

	2010 \$'000	2009 \$'000
Current (not yet due)	573	583
Past due by up to 30 days	327	324
Past due between 31 and 90 days	94	99
Past due between 91 and 365 days	149	238
Past due by more than 1 year	66	75
Total Trade & Other Receivables	1,209	1,319

Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

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

The Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 4.4%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Note 32 Financial Instruments (cont.)

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	(1%) 100 basis points	2% 200 basis points		
		Profit	Equity	Profit	Equity
2010	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	4,604	(46)	(46)	92	92
Trade and other receivables	1,195	(12)	(12)	24	24
Financial liabilities:					
Interest-bearing loans and borrowings	2,058	21	21	(41)	(41)

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	(1%) 100 basis points	2% 200 basis points		
		Profit	Equity	Profit	Equity
2009	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	4,379	(44)	(44)	88	88
Trade and other receivables	1,314	(13)	(13)	26	26
Financial liabilities:					
Interest-bearing loans and borrowings	2,460	25	25	(49)	(49)

Note 33 Auditors' Remuneration

	2010 \$'000	2009 \$'000
Audit Fee to conduct external audit - Victorian Auditor-General	26	25
Internal Audit Fees	19	21
	45	46

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
Councillor Ross Clementson
Councillor Wayne Rice
Councillor Dorothy Patton
Councillor Ray Hewitt
Councillor Barry Marrow
Councillor Andrea Cooper

Chief Executive Officer Glen Davis (resigned 30.07.10)

(ii) Remuneration of Responsible Persons

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

	2010 No.	2009 No.
\$10,000 - \$19,999	5	10
\$20,000 - \$29,999	1	0
\$30,000 - \$39,999	0	1
\$50,000 - \$59,999	1	0
\$190,000 - \$199,999	1	0
\$200,000 - \$209,999	0	1
	8	12
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	369	355

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2008-09, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2008-09, \$0).

(v) Other Transactions

The following responsible persons and senior officers 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	A & N Collection Services (Razarba Pty Ltd) - provision of recycling services. Councillor Ian Nicholson is a shareholder in the company.	N/A	191
Manager Carole Ford	B & D Plumbing - provision of plumbing services. Owned by husband of Carole Ford.	113	76
	D & J Ford Plumbing - provision of plumbing services. Owned by son of Carole Ford.	10	0
Senior Officer - Justine Linley	Grampians Printing & Design - provision of printing services. Owned by husband of Justine Linley.	3	4

Note 34 Related Party Transactions (cont.)

(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 \$120,000.

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

Income Range:	2010 No.	2009 No.
< \$100,000	2	2
\$100,000 - \$109,999	1	3
\$110,000 - \$119,999	1	0
\$120,000 - \$129,999	1	1
\$140,000 - \$149,999	0	2
\$150,000 - \$159,999	1	0
	<u>6</u>	<u>8</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	664	842

Note 35 Events occurring after balance date

Chief Executive Officer Glen Davis resigned on 30 July, 2010.
Justine Linley has been appointed, to commence on 11 October, 2010.

Note 36 Income, Expenses and Assets by Function/Activities

	Governance		Corporate Services		Customer Services		Business Services		Total	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME										
Grants	2	27	5,421	6,543	3,719	4,017	71	117	9,213	10,704
Other	78	68	16,682	10,089	3,049	3,378	77	105	19,886	13,640
TOTAL	80	95	22,103	16,632	6,768	7,395	148	222	29,099	24,344
EXPENSES	(1,108)	(994)	(13,572)	(9,451)	(11,919)	(10,702)	(1,156)	(1,043)	(27,755)	(22,190)
SURPLUS (DEFICIT) FOR THE YEAR	(1,028)	(899)	8,531	7,181	(5,151)	(3,307)	(1,008)	(821)	1,344	2,154
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	188	190	78,264	53,916	175,887	176,647	0	0	254,339	230,753

*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, communication 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 Support
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 Planning
Infrastructure Development	Planning & Building

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 37 Financial Ratios (Performance Indicators)

	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u>	162		109		146	
Total Revenue	23,202	= 0.70%	24,344	= 0.45%	20,747	= 0.70%
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)						
<u>Debt Servicing & Redemption Costs</u>	564		602		789	
Rate Revenue	10,685	= 5.28%	9,933	= 6.06%	9,221	= 8.56%
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)						
<u>Rate Revenue</u>	10,685		9,933		9,221	
Total Revenue	23,202	= 46.05%	24,344	= 40.80%	20,747	= 44.44%
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)						
<u>Total Indebtedness</u>	4,958		4,967		4,104	
Total Realisable Assets	26,625	= 18.62%	41,459	= 11.98%	40,857	= 10.04%

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 37 Financial Ratios (Performance Indicators) (cont.)

	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	5,978		5,812		5,362	
<u>Current Liabilities</u>	3,987	= 149.94%	3,478	= 167.11%	3,548	= 151.13%

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

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)

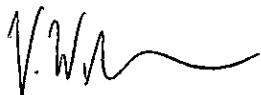
<u>Current assets</u>	5,978		5,812		5,362	
<u>Current liabilities</u>	2,970	= 201.28%	2,507	= 231.83%	2,557	= 209.70%

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

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

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 : 2/09/2010

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampian Shire Council for the year ended 30 June 2010 and the financial position of the Council as at that date.

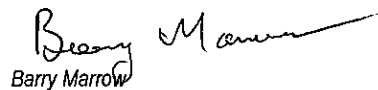
As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 26 August, 2010 to certify the financial statements in their final form.



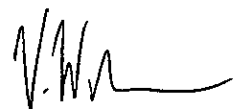
Kevin Erwin
Councillor

Date : 2/09/2010



Barry Marrow
Councillor

Date : 2/09/2010



Vaughan Williams
Acting Chief Executive Officer

Date : 2/09/2010



Standard Statements

FOR THE YEAR ENDED 30 JUNE 2010



Northern Grampians Shire Council

Standard Statements

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Northern Grampians Shire Council

Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2010

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 2 July, 2009. 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 2010

	Budgeted 2009/2010 (\$'000)	Variances			Actuals 2009/2010 (\$'000)
		(\$'000)	%	Ref	
Revenues from ordinary activities					
Rates and Charges	10,612	73	1%		10,685
User Fees and Charges	2,396	(48)	(2%)		2,348
Government Grants - Operational	5,099	1,738	34%	1	6,837
Government Grants - Capital	2,923	(547)	(19%)	2	2,376
Contributions	564	64	11%	3	628
Interest from Investments	139	107	77%	4	246
Other	84	(2)	(2%)		82
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	(74)	100%	5	(74)
Share of net profit(loss) of Associates accounted for by the equity method	0	103	100%	6	103
Found Assets	0	5,868	100%	7	5,868
Total Revenues	21,817	7,282	33%		29,099
Expenses					
Employee Benefits	(9,864)	(124)	1%		(9,988)
Materials and Services	(7,320)	160	(2%)		(7,160)
Other Expenses	(726)	(11)	2%		(737)
Bad and Doubtful Debts	0	(13)	100%	8	(13)
Borrowing Costs	(139)	(23)	17%	9	(162)
Depreciation	(5,407)	(516)	10%	10	(5,923)
Lost Assets	0	(3,772)	100%	7	(3,772)
Total Expenses	(23,456)	(4,299)	18%		(27,755)
Net Surplus (deficit) from operations	(1,639)	2,983	52%		1,344

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Year Ending 30 June 2010

Variance Explanation Report

Ref.	Item	Commentary
1	Government Grants - Operational	An increase of approximately \$1.4 million is due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant. A number of additional unbudgeted grants were also received, including a Community Development grant for development of a Municipal Plan for Kinda services, and emergency response grant funding.
2	Government Grants - Capital	A number of capital grants were not received due to some projects being postponed, including the Stawell Aerodrome, the Halls Gap Hub redevelopment.
3	Contributions	Several unbudgeted contributions towards projects were received.
4	Interest from Investments	Interest rates available on investments were higher than anticipated, due to market conditions.
5	Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	A loss on the sale of assets was not budget for, however this occurred as a result of the premature sale of an truck found to be unsuitable for the works required, and the loss on the sale of the Callwadda Gun Club property..
6	Share of net profit(loss) of Associates accounted for by the equity method	No allowance was made at the time of the budget for a profit or loss for Council's share of investment in the Wimmera Regional Library.
7	Lost & Found Assets	No provision was made in the budget for Lost & Found Assets, however these were identified during the revaluation of land & buildings undertaken as at 30 June, 2010.
8	Bad and Doubtful Debts	No provision was made in the budget for doubtful debts however a provision has been made for Infringements, and a small amount of childcare and sundry debts outstanding at 30 June, 2010.
9	Borrowing Costs	Interest on the new loan drawn down in June 2009 was different to the estimate made in the budget.
10	Depreciation	The budget estimate for depreciation expense did not allow for the full impact of the infrastructure revaluation as at 30 June, 2008.

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 2010

	Budgeted 2009/2010 (\$'000)	Variances			Actual 2009/2010 (\$'000)
		(\$'000)	%	Ref	
Curent Assets					
Cash Assets	2,839	1,765	62%	11	4,604
Receivables	1,338	(143)	(11%)	12	1,195
Inventories	32	14	44%	13	46
Prepayments	205	(72)	(35%)	14	133
Total Current Assets	4,414	1,564	35%		5,978
Non Current Assets					
Receivables	101	(101)	(100%)	15	0
Financial Assets	0	916	100%	16	916
Property, Plant & Equipment	226,076	20,786	9%		246,862
Other	465	118	25%	17	583
Total Non-Current Assets	226,642	21,719	10%		248,361
Total Assets	231,056	23,283	10%		254,339
Current Liabilities					
Payables	1,049	252	24%	18	1,301
Interest Bearing Liabilities	406	24	6%		430
Employee Benefits	1,951	257	13%	19	2,208
Other	55	(7)	(13%)	20	48
Total Current Liabilities	3,461	526	15%		3,987
Non Current Liabilities					
Interest Bearing Liabilities	2,649	(1,021)	(39%)	21	1,628
Employee Benefits	123	74	60%	22	197
Other	0	275	100%	23	275
Total Non-Current Liabilities	2,772	(672)	(24%)		2,100
Total Liabilities	6,233	(146)	(2%)		6,087
Net Assets	224,823	23,429	10%		248,252
Equity					
Accumulated Funds	109,109	1,644	2%		110,753
Asset Revaluation Reserve	112,953	(112,953)	(100%)	24	0
General Reserves	2,761	(2,761)	(100%)	25	0
Total Equity	224,823	(114,070)	(51%)		110,753

Northern Grampians Shire Council

Standard Balance Sheet Comparison Report for the Year Ending 30 June 2010

Variance Explanation Report

Ref.	Item	Commentary
11	Cash Assets	The higher cash balances than budgeted were due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant.
12	Receivables	No movement in receivables was budgeted for, however due to the delay in some project acquittals being completed, levels were lower at 30 June, 2010 than budgeted.
13	Inventories	No movement in inventories held was budgeted for, however increased levels of fuel and emulsion were on hand as at 30 June, 2010.
14	Prepayments	No movement in prepayments was budgeted for, however this included insurance payments, which were not prepaid in 2009/10.
15	Receivables	A provision was made in the budget for new Community Loans to be applied for, however, no new loans were allocated.
16	Financial Assets	There was no provision made in the adopted budget for investing long service leave funds in a longer term higher interest product.
17	Other	No movement in Investment in Associates was budgeted for, however Council's investment increased in 2009/10.
18	Payables	The budget assumed lower levels of payables than actually occurred.
19	Employee Benefits	Annual leave provisions have risen more than anticipated.
20	Other	No movement in trust funds was budgeted for, however there was a slight decrease in funds held.
21	Interest Bearing Liabilities	The budgeted loan was not drawn down.
22	Employee Benefits	The non current provision for Long Service Leave was based on long service leave entitlements becoming due at 10 years. This has since changed to 7 years.
23	Other	No provision was made in the budget for the recognition of landfill restoration relating to the rehabilitation of the Kara Kara pit.
24	Asset Revaluation Reserve	There was no provision in the budget for the movement in valuation as a result of the 2009-10 land & buildings revaluation.
25	General Reserves	The budget did not allow for the reduction in Roads to Recovery reserve.

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 2010

	Budgeted 2009/2010 (\$'000)	Variances			Actuals 2009/2010 (\$'000)
	Inflows (Outflows)	(\$'000)	%	Ref	Inflows (Outflows)
Operating Activities					
Income					
Rates & Charges	10,612	59	1%		10,671
User Fees	2,396	(68)	(3%)		2,328
Grants	8,022	1,266	16%	26	9,288
Contributions	564	64	11%	27	628
Other Revenue	223	170	76%	28	393
Net GST Refund/(Payment)	0	162	100%	29	162
Expenditure					
Employee Benefits	(9,864)	138	(1%)		(9,726)
Materials and Services	(8,046)	253	(3%)		(7,793)
Finance Costs	(139)	(23)	17%	30	(162)
Net Operating	3,768	2,021	54%		5,789
Investing Activities					
Capital Expenditure	(7,138)	1,629	(23%)	31	(5,509)
Capital Income	455	(86)	(19%)	32	369
Net Investing Activities	(6,683)	1,543	(23%)		(5,140)
Financing Activities					
New Loans	1,000	(1,000)	(100%)	33	0
Principal Repayments	(406)	4	(1%)		(402)
Trust Deposit Movements (Net)	0	(22)	100%	34	(22)
Total Financing Activities	594	(1,018)	(171%)		(424)
Net Movements for Year	(2,321)	2,546	(110%)		225
Opening Cash	5,159	(780)	(15%)		4,379
Closing Cash	2,838	1,766	62%		4,604

Northern Grampians Shire Council

Standard Cash Flow Statement Comparison Report for the Year Ending 30 June 2010

Variance Explanation Report

Ref.	Item	Commentary
26	Grants	Grant revenue was significantly higher than budgeted due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant.
27	Contributions	Several unbudgeted contributions towards projects were received.
28	Other Revenue	Interest rates available on investments were higher than anticipated, due to market conditions.
29	Net GST Refund/(Payment)	No provision is made in the budget for GST adjustments.
30	Finance Costs	Interest on the new loan drawn down in June 2009 was different to the estimate made in the budget.
31	Capital Expenditure	Several major capital projects were budgeted for, dependant on receiving grants, however these were not confirmed during 2009/10, including Stawell Aerodrome Stage 2, and Halls Gap Hub.
32	Capital Income	Several budgeted land sales did not eventuate.
33	New Loans	The budgeted loan was not drawn down.
34	Trust Deposit Movements (Net)	No movement in trust funds was budgeted for, however there was a slight decrease in funds held.

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 assists 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 2010

[illegible]

Northern Grampians Shire Council

Standard Statement of Capital Works Comparison Report for the Year Ending 30 June 2010

Variance Explanation Report

Ref.	Item	Commentary
34	Bridges & Culverts	Several budgeted bridge projects were below the threshold, therefore expensed.
35	Buildings	Several budgeted building projects included expenditure on other asset categories, including parks & gardens and furniture & equipment, as well as some expensed items.
36	Projects	The budget for Projects was non capital projects, which have been expensed.
37	Roads/ Footpaths	A significant reduction in capital expenditure in Roads is due to the delay in the Stawell Aerodrome Stage 2 project.
38	Water Manangement	Halls Gap drainage project from 2008/09 was completed in 2009/10.
39	New	A significant reduction in spending on new assets was as a result of the Halls Gap Hub Stage 2 being postponed.
40	Expansion	A significant reduction in spending on upgrade of assets was as a result of the Stawell Aerodrome project being postponed.
41	Total Capital Works	A significant reduction in spending on capital works is the result of the Stawell Aerodrome and Halls Gap Hub projects being postponed.
42	Lost & Found Assets	No budget provision was made for lost & found assets discovered during the land and building revaluation.
43	Depreciation	The budget estimate for depreciation expense did not allow for the full impact of the infrastructure revaluation as at 30 June, 2008.
44	Revaluation	There was no provision in the budget for the movement in valuation as a result of the 2009-10 land & buildings revaluation.

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

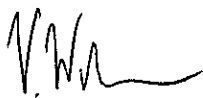
The Standard Statement of Capital Works sets out the expenditure on creating or buying property, infrastructure, plant and equipment assets by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

Northern Grampians Shire Council

Certification of Standard Statements for the Financial Year Ending 30 June 2010

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2010 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 B. Comm
Principal Accounting Officer

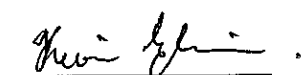
Date: 2/09/2010

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.

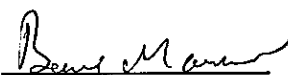
As at the date of signing, we are not aware of any circumstances which would render any particulars in the Standard Statements to be misleading or inaccurate.

On 26 August, 2010 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



Kevin Erwin
Councillor

Date: 2/09/2010



Barry Marrow
Councillor

Date: 2/09/2010



Vaughan Williams
Acting Chief Executive Officer

Date: 2/09/2010



Performance Statement

FOR THE YEAR ENDED 30 JUNE 2010



KEY STRATEGIC ACTIVITIES 2009/2010

For the year ending 30 June, 2010.

Key Strategic Activity

Develop and implement industry sector plans.

Performance Measure	Performance Target	Achieved
At least four key sectors identified and implementation strategies developed.	Four sector plans developed.	Yes achieved

Review, amend and implement the Shire's investment prospectus.

Performance Measure	Performance Target	Achieved
Investment prospectus prepared, distributed and promoted to external potential investors.	New investment prospectus completed.	Yes achieved

Encourage growth of retail sales within the Shire.

Performance Measure	Performance Target	Achieved
At least two local campaigns are facilitated with business groups in Stawell and St Arnaud.	Two campaigns developed and implemented.	Yes achieved

Work with the State-wide Strategic Planning initiative to identify action plans/funding for provision of utility services w

Performance Measure	Performance Target	Achieved
Priorities as established by NGSC are recognised and referred to in either the Wimmera Southern Mallee Regional Strategic Plan or the Central Highlands Regional Strategic Plan.	At least four regional priorities as identified by NGSC in the Regional Strategic Plans.	Yes achieved

Continue to deliver quality Child Care services by maintaining relevant levels of accreditation.

Performance Measure	Performance Target	Achieved
Relevant accreditation maintained for Child Care services.	Accreditation maintained.	Yes achieved

Assist the community to develop plans for their future.

Performance Measure	Performance Target	Achieved
New plan(s) completed incorporating areas within the Shire not currently serviced by a Community Plan.	Plan(s) completed and received by Council.	Yes achieved

Lead the community in the implementation of the 2009 Community Plans

Performance Measure	Performance Target	Achieved
Elements of the Community Plans for Stawell, St Arnaud and Halls Gap have been either planned, funded or completed.	Three activities for each Community Plan have been actioned	Yes achieved

KEY STRATEGIC ACTIVITIES 2009/2010

For the year ending 30 June, 2010.

Key Strategic Activity

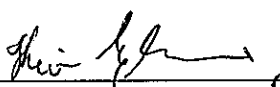
Continue to provide a safe work environment for Staff.		
Performance Measure	Performance Target	Achieved
Northern Grampians work practices maintained at standards meeting legislative requirements.	No breaches of OH&S legislation.	Not achieved Penalty Infringement Notices received at Stawell Childcare Centre and depot. All Penalty Infringement Notices responded to within the timeframes. No prosecutions.

Continue to provide open and transparent governance		
Performance Measure	Performance Target	Achieved
Governance practices of the Shire meet standards expected by the State.	Council's Code of Governance updated and adopted by Council.	Yes achieved

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2009-10 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 Kevin Erwin

Date: 2/09/10



Cr Barry Marrow

Date: 2/09/10



Acting Chief Executive Officer
Vaughan Williams

Date: 2/09/10

INDEPENDENT AUDITOR'S REPORT

To the Councillor's, Northern Grampians Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2010 of Northern Grampians Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Certification of the Financial Report has been audited.

The accompanying standard statements for the year ended 30 June 2010 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the Certification of Standard Statements have been audited.

The Councillor's Responsibility for the Financial Report and Standard Statements

The Councillor's of Northern Grampians Shire Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error
- selecting and applying appropriate accounting policies
- making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillor's, as well as evaluating the overall presentation of the financial report and standard statements.

Independent Auditor's Report (continued)

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

Matters Relating to the Electronic Presentation of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of Northern Grampians Shire Council for the year ended 30 June 2010. The Councillor's of Northern Grampians Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Northern Grampians Shire Council website.

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. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Northern Grampians Shire Council as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) The standard statements present fairly, in all material respects, 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
3 September 2010


D D R Pearson
Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2010 of Northern Grampians Shire Council which comprises the statement, the related notes and the Council Approval of the Performance Statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of Northern Grampians Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. These Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the performance statement published in both the annual report and on the website of Northern Grampians Shire Council for the year ended 30 June 2010. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on Northern Grampians Shire Council website.

Independent Auditor's Report (continued)


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. In conducting the audit the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion, the performance statement of Northern Grampians Shire Council in respect of the 30 June 2010 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
3 September 2010


D D R Pearson
Auditor-General