



# Annual Report 2010/11

**'Creating a better lifestyle and environment'**

# CONTENTS

Our Vision	2
Our Shire at a Glance	4
From the CEO	5
From the Mayor	6
Our Councillors	7
Our Organisation	10
Business Services and Tourism	12
Community Development	16
Family and Children's Services	18
Aged and Disability Services	20
Flood Recovery	22
Infrastructure and Environment	26
Corporate Services	32
- Audit Committee	
- Risk Management	
- Privacy	
- Whistleblowers Protection Act	
- Local Laws	
Local Government Indicators	33
Community Satisfaction Survey	34
Staffing Levels	34
Memberships	35
Committees	35
Australia Day Awards	35
Contracts	35
Freedom of Information	36
Documents Made Available for Inspection	36
Equal Opportunity	37
Occupational Health and Safety	37
National Compliance Certificate	38
Contact Us	39

# OUR VISION

## Our Affirmation

"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."

## Our Vision

Creating a better lifestyle and environment.

## Our Mission

As community leaders we provide valued services, care for our community and the environment and promote the Shire's strengths.

## Our Core Values

Northern Grampians Shire Council is a skilled and capable organisation which is:

**Responsive:** through community engagement, listening to and responding appropriately to community needs

**Accountable:** being transparent and honest in dealings and responsible in decision making

**Fair:** being informed and impartial in decision making

**Innovative:** being positive and able to find solutions

**Sustainable:** stewardship of the community, environment, economy and Council.

**Respectful:** of other people's views and diversity

## Our Commitments

- A healthy, supportive and safe community providing a sustainable, quality lifestyle
- A sustainable, natural and built environment that meets current and future needs
- A sustainable economy attracting and encouraging new enterprises while supporting existing businesses
- Progressive leadership, good governance, efficient and cost-effective services





# OUR SHIRE AT A GLANCE

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

## Location

Located in the picturesque 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 iconic holiday destinations, attracting more than 1.5 million visitors each year. Renowned for its breathtaking views and unspoilt nature, the area is a noted rock climbing destination, popular among campers and bushwalkers. Declared in 1884, the 168,000 hectare park is rich in Aboriginal culture, European heritage and stunning wildflower displays. It is also home to almost a third of the state's plant species and an abundance of wildlife.

St Arnaud Range National Park spans 13,900 hectares of predominantly steep terrain and allows visitors to experience what the forests were like before the gold rushes. The park has one of the largest intact areas of Box-Ironbark vegetation and encompasses the former Kara Kara State Park and much of the St Arnaud Range State Forest.

## Industry

The Shire's economy is based on manufacturing, mining, agriculture, tourism and wine production. The two main centres of Stawell and St Arnaud are home to brick, textile, meat production and agricultural machinery, while the Grampians is a major nature-based tourism attraction.

**Area:** Approximately 5,918 square kilometres.

**Population:** Approximately 12,301

**Road Length:** 3408km of local roads

**Rateable Properties:** 9190

**Rate and Charge Revenue:** \$11.7 million

**Total Revenue (inc grants):** \$34.2 million

**Industry:** There are more than 720 businesses operating in the Shire, with major activity based in the thriving tourism, mining, textile, manufacturing and agricultural industries.

**Major Attractions:** Stawell Easter Gift Festival, Grampians Grape Escape, Arts Trail, Grampians Wildflower Festival, Festival of St Arnaud, St Arnaud Country Music Festival, Great Western Cup, Stawell Cup, St Arnaud Cup, Halls Gap Film Festival, Stawell Gift Hall of Fame and Grampians National Park.



# FROM THE MAYOR

**The past 12 months have been dominated by the disastrous flood events that occurred in September last year and the even larger floods that followed in January.**

We incurred massive damage to our infrastructure, and community members throughout the Shire were impacted. Significant numbers of homes were inundated and many people needed to be evacuated. The townships of Glenorchy, Halls Gap and Great Western were among the hardest hit, however many smaller rural communities were also affected. There were large stock losses and many kilometres of farm fencing were destroyed. The Shire has incurred losses of more than \$23 million and it will take many more months for our Flood Recovery Team to complete all the rehabilitation works needed to restore our community assets.



I commend our senior staff for their prompt action in establishing a Municipal Recovery Action Plan (MRAP). This document has enabled us to establish the extent of the damage and present a strong case for government funding, while methodically working through the recovery. I also congratulate our Flood Recovery Team which has done a fabulous job of working with our communities to bring the relief program to those affected. It is a major ongoing task and we thank our communities for their patience and cooperation in accepting the inconveniences the floods have caused and understanding it will take some time for the works to be completed.

Even though flood recovery has been a major focus, our day-to-day operational activity has continued at full steam. We have managed to keep the government-funded flood recovery process completely separate from our normal activities. This has required exceptional dedication and long hours from our staff, but we feel it is important not to lose sight of our objectives as outlined in our Council Plan. As a result, we are well placed to deliver on a record \$40 million budget this year.

We have continued with our normal infrastructure maintenance and upgrades and we will proceed with a number of projects, including the Stawell Airport upgrade, St Arnaud Streetscape and the 108 Main Street project. In addition, we are moving forward with plans for a major improvement project for North Park and continue to advocate for funding for the Halls Gap Community Hub.

Council is keen to further the economic development of the Shire and is working with local businesses to achieve this. We have initiated several events and promotions to highlight the advantages of our municipality and are delighted with the progress of our Business Assistance Scheme.

This year has also been a year of change which saw us welcome Justine Linley as our new CEO. This has been a very popular appointment and we are pleased to see Justine settling into her role so well. She has a wealth of local government knowledge and her experience in senior roles in the State Government has been very beneficial to us. We welcome Justine's initiative and expertise in guiding our Shire into the future.

A handwritten signature in black ink, appearing to read 'Ray Hewitt'.

**Ray Hewitt**  
Mayor

# FROM THE CEO

## 2010-11 has been a challenging year in Northern Grampians Shire.

With the spring rains in late August 2010, hopes were for a bumper harvest and a welcome return to water in the catchments. However, by September the promise of gentle rains turned to concern about floods and we ended 2010 and started 2011 with one of the most trying periods for our communities in recent years.

The floods, locusts and landslides made a significant impact, not only on the landscape, families, farmers, businesses and communities across the Shire, but also on the way Council operates.

Council made a conscious, pro-active decision to do things differently in the wake of the floods. Flood recovery is now a major, multi-million dollar project for Northern Grampians Shire, with a dedicated team of staff and contractors working to a detailed project and works plan.

By taking this approach, Council has been able to continue to deliver our full suite of services and undertake capital works as originally envisaged in early 2010.

This year has seen a record spend on capital works, irrespective of floods, with over \$11 million spent on roads, bridges, buildings and other assets. Ninety-five percent of the planned pre-flood capital works program was delivered, with the remaining five percent underway. Key projects undertaken during the year included the Stawell Airport upgrade, improvements to recreation facilities throughout the Shire, stage one heritage works at the former Shire Offices in Stawell, streetscape works in St Arnaud, township improvements in Navarre and Stuart Mill and safety works at many of the recreational lakes throughout the region including Batyo Catyo and Lake Lonsdale. The completion of works at the Stawell Gift Hall of Fame and the relocation of the Stawell Visitor Information Centre from the Western Highway to Central Park has seen a 33 per cent increase in visitation and has meant that the Stawell Gift Hall of Fame museum is now open seven days a week.

The annual Community Satisfaction Survey conducted by the Local Government Department continues to report improving scores for Northern Grampians Shire Council which are now significantly better than average. The highlight for the 2010/11 report is the value that our communities place on the 'people' services provided by Council; from support for children and families, to home and community care, meals on wheels, leisure services, pools, recreation, arts and culture.

Our focus on economic development has stepped up, with the introduction of industry sector plans for manufacturing, tourism, health services and agriculture now defined and being implemented. Over 80 events throughout the Shire were supported, bringing activity, people and of course money into the local economy.

On the regional front, Council is taking an increased leadership role and is involved in the Central Highlands Mayors' and CEOs' Forum, the Western Highway Action Committee, the Wimmera Regional Transport Plan Group, Grampians Tourism Inc, the Wimmera Sustainability Alliance and the Regional Strategic Planning Committee for both the Wimmera Southern Mallee and Central Highlands regions. Council has maintained collaborative roles with other councils in Solar Cities, Water Management and the Wimmera Library Corporation.

This year, a refining of the organisation occurred, resulting in a more equitable distribution of roles and responsibilities across three directorates; Corporate Services, Infrastructure and Environment and Marketing and Community Development. Each of the three directorates are focused on the delivery of the four goals in the Council Plan and our annual budget and strategies are now closely aligned to the Plan.

Many thanks to the staff of Northern Grampians Shire Council and in particular to Mr Vaughan Williams, Mr Jim Nolan and Mrs Samantha Magill for their commitment to the organisation and for their wise counsel and support during my first year as CEO.

A thank you also to all Councillors who have stood firmly by the vision of 'creating a better lifestyle and environment' in Northern Grampians, despite multiple challenges. Council has demonstrated that with courage there is a better way of connecting communities, showing leadership and supporting initiative in local government. This annual report is a record of that achievement.



**Justine Linley**  
CEO





# OUR COUNCILLORS



“

My focus for the next year is to see our Council advance with flood recovery, while continuing to improve our facilities and infrastructure. I will continue to advocate strongly for our Shire so that funding for our major projects can be secured. I'm also keen to ensure we work hard to attract new enterprises to our Shire to stimulate economic development, while supporting our existing businesses. ”

**- Mayor Cr Ray Hewitt**

*First elected: 26 November 2005*

*Term Expires: 27 October 2012*

“

I believe it's important to present our towns well with attractive streetscapes and suitable tree plantings to enhance livability. A welcoming aspect to the towns will always help to strengthen business confidence and activity for both locals and visitors. ”

**- Cr Dorothy Patton**

*First elected: 26 November 2005*

*Term Expires: 27 October 2012*



“

I am passionate about having a safe, healthy and inclusive community for the whole Shire. I think it is all about listening to what people have to say and working together to achieve the best outcomes. ”

**- Cr Andrea Cooper**

*First elected: 1 December 2008*

*Term Expires: 27 October 2012*



“

I am striving to ensure a bright future for the community of Great Western and fully support the Western Highway duplication project and the planning and design of a new sewerage scheme for the town. I'm also focused on flood restoration and getting roads and walking tracks in the Grampians reopened for locals and tourists to enjoy. ”

**- Cr Ross Clementson**

*First elected: 27 January 2006*

*Term Expires: 27 October 2012*







“

I am committed to supporting increased economical growth within the Northern Grampians Shire to benefit those who are currently residing, living and enjoying their retirement here. I see this as the key to ongoing sustainability. It is vitally important that we establish a Shire that will give the same hope to future generations. ”

**- Cr Wayne Rice**

*First elected: 26 November 2005*

*Term Expires: 27 October 2012*

“

My focus in the next 12 months will be the continuation of flood restoration works on our road network and the continuation of lobbying for the funds to duplicate the Western Highway from Ballarat to Stawell. Another focus will be on business and the retail sector through improvements such as the 108 Main Street and Pioneer Walk projects. Finally, I will be lobbying hard for funding for North Park and a multiple purpose facility. ”

**- Cr Kevin Erwin**

*First elected: 14 March 2003*

*Term Expires: 27 October 2012*



“

My main motivation for being on Council is to look after all areas of the Northern Grampians Shire and to remain transparent in all my portfolios, including youth and Landcare and also any other project I may be involved in. ”

**- Cr Barry Marrow**

*First elected: 1 December 2008*

*Term Expires: 27 October 2012*

## Ward Boundaries



# Council Meeting Attendance Register

During 2010/11 there were 12 ordinary council meetings and three special council meetings.

Generally, meetings are held on the fourth Thursday of each month at 6pm. Venues for council meetings alternate between Stawell and St Arnaud. Any additional special meetings or changes to the timetable are publicised through the media. Meetings are open to members of the community. Public question time is a regular feature at ordinary meetings, giving residents the opportunity to ask questions on any Council related matter.

	Ordinary Council Meetings Attended	Special Council Meetings Attended
<b>Number of Meetings</b>	<b>12</b>	<b>3</b>
Cr Ross Clementson	9	3
Cr Andrea Cooper	11	2
Cr Kevin Erwin	12	3
Cr Ray Hewitt	12	3
Cr Barry Marrow	11	3
Cr Dorothy Patton	12	2
Cr Wayne Rice	10	2

Audit Committee	
Number of Meetings	5
Cr Kevin Erwin	5
Cr Barry Marrow	5

Finance Committee	
Number of Meetings	10
Cr Ross Clementson	8
Cr Andrea Cooper	9
Cr Kevin Erwin	9
Cr Ray Hewitt	10
Cr Barry Marrow	9
Cr Dorothy Patton	7
Cr Wayne Rice	3

Northern Grampians Planning Committee	
<b>Number of Meetings</b>	<b>2</b>
Cr Ross Clementson	1
Cr Andrea Cooper	1
Cr Kevin Erwin	1
Cr Ray Hewitt	2
Cr Barry Marrow	2
Cr Dorothy Patton	2
Cr Wayne Rice	0

# OUR ORGANISATION

The Executive Management Team comprises the Chief Executive Officer and three Directors. Each directorate is responsible for a number of service units, each headed by a Service Unit Manager. Some service units contain as many as 40 staff members, while others have as few as one.



**Justine Linley**  
Chief Executive  
Officer



**Vaughan Williams**  
Director  
Corporate Services

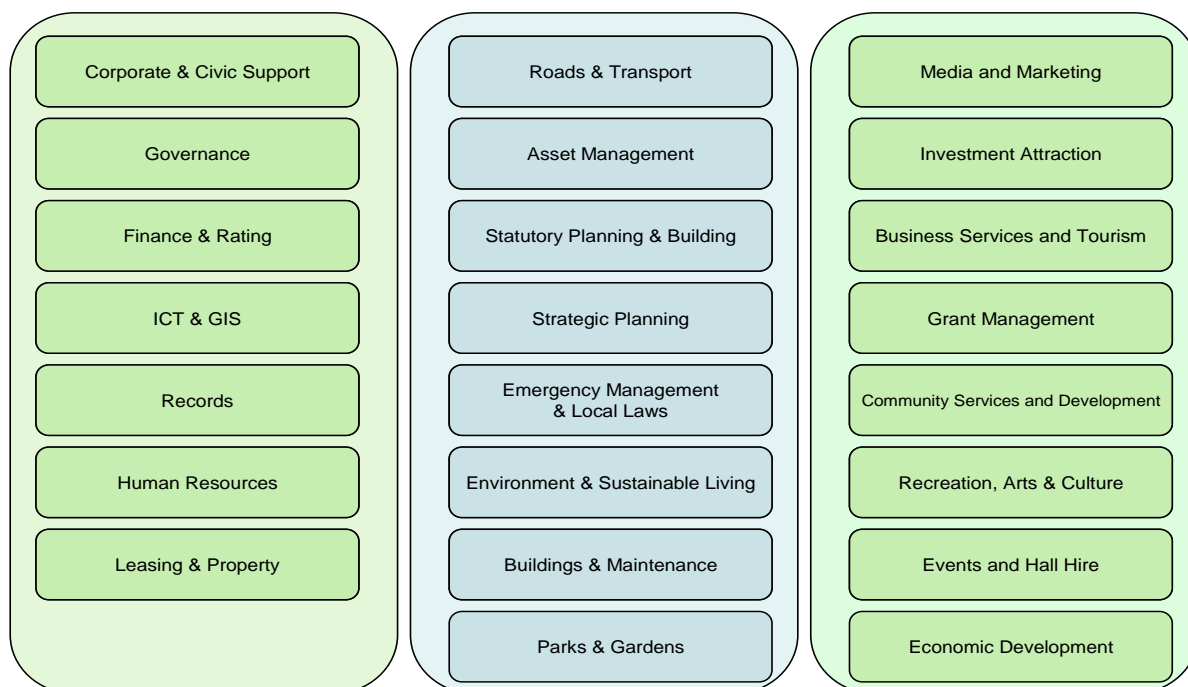
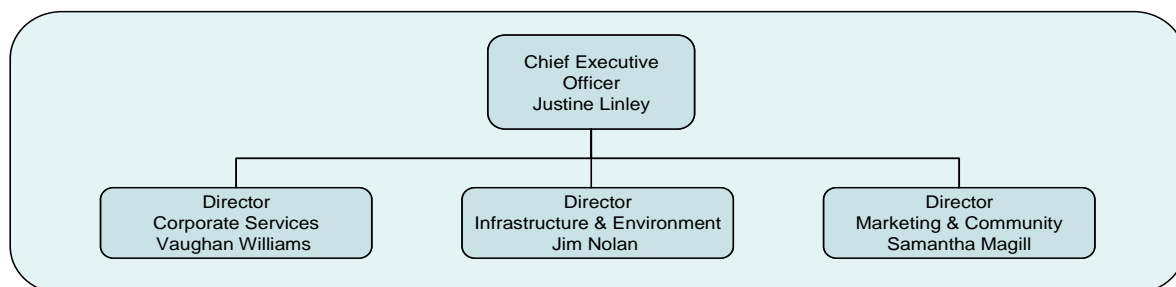


**Jim Nolan**  
Director  
Infrastructure & Environment



**Samantha Magill**  
Director  
Marketing & Community Development

Executive Management Team







# BUSINESS SERVICES AND TOURISM

## A Recipe for Success

Council's Living Prospectus is helping attract new residents to the municipality through a series of recipe cards. First introduced in 2010, the cards target potential tree changers and people looking to return to the area after time away. The latest series features the Shire's eight major towns of Stawell, Halls Gap, St Arnaud, Marnoo, Navarre, Great Western, Glenorchy and Stuart Mill. Both innovative and quirky, the cards list the ingredients for the perfect lifestyle and outline what makes Northern Grampians Shire a great place to live. They will complement a new website that Council plans to implement in early 2012. Both the website and the cards carry the 'Grampians for Growth' message which has been created to reflect the bright future of the Shire.



## LOIS Comes To Town

A 'Buy Local' campaign to assist local businesses support, encourage and supply the community was launched in November 2010. 'Bringing LOIS to Town' placed a major emphasis on sustaining Local Ownership and Import Substitution (LOIS) businesses in Stawell and St Arnaud. A key focus of the campaign was to build and support strong inclusive business groups and create awareness promotions to ensure community attitudes and spending habits became more locally focused.

Northern Grampians Shire Council supported the campaign by actively encouraging the use of local products and services and educating communities on what is available in their own backyard. A Christmas shopping promotion helped further encourage local purchasing, while a media campaign gave businesses an opportunity to gain a wider local consumer base.

## BAS Delivers

Thirteen businesses took advantage of the Business Assistance Scheme (BAS) in 2010/11, with Council contributing a total of \$48,000. The scheme has been developed to support local businesses expanding their operations and help new businesses establish in the Shire. It provides assistance to offset the costs associated with a new development or expansion, including rates, permits, rent and other fees.

## Business Owners Flock to Workshops

A variety of workshops have been held across the Shire to help local business owners achieve success. Council partnered with Business Victoria to present a particularly successful series of workshops for small businesses. The workshops were facilitated by industry experts, specifically selected for their knowledge of topics including budgeting and forecasting, improving cash flow and profitability, marketing and time management. The workshops were arranged based on feedback from the local business community and were well attended.

## New Residents Connect

Council hosted a New Residents Evening to welcome an influx of individuals, couples and families to Northern Grampians Shire. The event gave the new residents an opportunity to meet each other, expand their networks and learn more about what the Shire has to offer. The initiative will continue on an annual basis to assist new residents familiarise themselves with the area.







# BUSINESS SERVICES AND TOURISM (cont.)



## Gift for Australia's Richest Foot Race

Council continued its support of the Stawell Gift by contributing a \$20,000 cash grant to the event in 2011. The grant was presented to the Stawell Athletic Club, along with thousands of dollars of in-kind support, including ground works. Council's Parks and Gardens staff had the track in tip-top condition for the mass of visitors and athletes that travelled to Central Park to be part of the iconic event.

The lead up to the Easter weekend saw Council assist event organisers to provide a huge array of activities for locals and visitors. Both financial and in-kind support was supplied to events including the Grampians Art Trail and the Great Western Rodeo, making Northern Grampians Shire the place to be at Easter.

## Farming Goes Hi Tech

Northern Grampians Shire joined forces with Pyrenees Shire, Ararat Rural City, Project Platypus and the Department of Primary Industries to deliver a series of farming seminars as part of Farming in the 21st Century. The annual event provides the agriculture sector with the latest information on productive and sustainable farming practices.

As part of the 2011 edition, an annual Agrifest event was held at a property near Concongella. Agrifest featured a combination of farming workshops and displays which provided high quality information to the local farming community and farming families from across the state. The event attracted more than 100 attendees who relished the opportunity to engage with inspiring and informed speakers and learn about innovative farming methods.

## Click Go the Shears

Council contributed \$2,000 and in-kind support to assist Callawadda shearer Aaron Hemley achieve his World Record attempt. In an epic effort, Mr Hemley managed to shear 904 sheep in 48 hours. The attempt was watched by a crowd of 800 people and helped raise more than \$100,000 for the oncology unit at Stawell Regional Health. Mr Hemley's concept was supported by several community organisations and received extensive local and international media coverage. He was awarded the Keys to the City by Northern Grampians Shire Council, becoming only the second person to be granted the honour.

“ Aaron Hemley was awarded the Keys to the City by Northern Grampians Shire Council, becoming only the second person to be granted the honour. ”



# COMMUNITY DEVELOPMENT

## Recreation Reserves Transform

Several projects have been undertaken to upgrade Council's recreation reserves. These projects are at varying stages of implementation and aim to improve the Shire's sporting and recreational facilities.

St Arnaud Golf Club Project – in progress

North Park Priority Planning – completed

Lord Nelson TOTE Building Project – in progress

St Arnaud Hockey Clubrooms – in progress

Central Park Hall Upgrade – completed

Marnoo Tennis Court Shade – completed

Rich Avon Recreation Reserve Shade – completed

Great Western Memorial Park Shade – completed

Stawell Tennis Club Synthetic Court Project – completed



## Leisure Services Going Swimmingly

A major refurbishment of the Stawell Leisure Complex was completed, resulting in a modern new entrance and reception area. The refurbishment included the construction of a new office for the Leisure and Recreation Coordinator and a first aid area. Work was also carried out on the outdoor pool which received a fresh coat of paint and filter changes. These tasks are completed on a four to five year cycle and ensure long term maintenance responsibilities are met.

In a further boost, Council has been successful in obtaining a State Government Better Pools Grant to complete a major refurbishment of the outdoor pool. Council will contribute \$150,000 to the project which will involve re-tiling the main pool and toddler pool and installing a new backwash and filtration system to support water saving initiatives. Work on the project is expected to commence in October 2011. The upgrades will be welcomed by locals and visitors whose usage of the facility continues to increase. Approximately 50,000 participation visitations occurred during 2010/11, an increase of 5,000 since last year.

Swimming lessons also proved popular, with enrolments at St Arnaud Swimming Pool and Stawell Leisure Complex increasing by 23 per cent in the past 12 months. Total program income across both facilities increased by 10 per cent.

## Communities Get Active

The Community Development Team undertook a number of activities to provide opportunities for residents in the Northern Grampians Shire to actively participate in their communities. Walktober saw the team join forces with Grampians Community Health and Stawell Regional Health to promote exercise and a healthy lifestyle among schools and the general community. Ride2School Day was another successful event and involved the participation of all schools within the Northern Grampians Shire.

The Youth and Community Grants program continues to thrive, offering support to locally based groups and organisations. A total of 23 community organisations were assisted during 2010/11, with Council distributing a total of \$39,539 in Community Grants. The program is helping to enhance community participation and facilitate social connectedness within the Shire.





# FAMILY AND CHILDREN'S SERVICES

Northern Grampians Shire Council offers a range of Family and Children's services to meet the needs of families who require childcare. Long Day Care, Occasional Care and Vacation Care provide flexible arrangements for the convenience of the community. Our main centres, St Arnaud Children's Precinct and Taylor's Gully Children's Centre, host visiting health practitioners and conduct information sessions for parents. Council also offers Maternal and Child Health services across the shire. All of our Children's Services provide a happy and secure environment filled with various learning opportunities.

## Childcare Centres a Hive of Activity

Long Day Care programs at Taylor's Gully Children's Centre and St Arnaud Children's Precinct provided 224 families with a total of 133,892 hours of childcare during 2010/11. This compares to 126,891 hours in 2009/10, representing a 5.51 per cent increase in childcare hours provided across both centres.

The number of families utilising Council's Vacation Care programs has also increased. A total of 42 families were registered during 2010/11 and received 5,935 hours of care for their children. This compares to the 5170 hours of care provided in 2009/10.

'Take A Break' Occasional Care has provided 45 families with a total of 3364 hours of care for children. 'Take A Break' operates between 9am to 12 noon, Monday to Friday, excluding school holidays and public holidays. One, two or the full three hours can be accessed, offering families an opportunity to take time out to do the shopping, meet friends or play sport.

The St Arnaud Kindergarten saw 26 children enrol for four-year-old kinder in 2010/11. Twenty-two children signed up for three-year-old kinder.

## Success Stories

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

- Successfully implementing changes required under new Children's Services regulations.



- Accreditation Spot Checks endorsed our quality assurance standards.
- Multipurpose room well utilised by Stawell Playgroup on Fridays, and M&CH Mothers groups on Wednesday and Thursday, and the Stawell Early Intervention Network meetings with staff.
- Visits from Stawell Secondary College students studying Health and Human Development.
- Diploma and Cert III student placements and secondary college work experience student placement delivered from our centres.
- Provided professional development sessions for childcare staff.
- All staff gained certificates in First Aid, Anaphylaxis Management and Asthma Training.
- Open week to celebrate 'Education Week' last October with a display of artwork in the foyer from local primary school students.
- Continuing to offer care and support to families of children with additional needs.
- Staff attending sessions regarding implementation of the Early Years National Framework.





**8-22 PATRICK STREET**  
REGISTERED BUSINESS ADDRESS OF GRAMPIONS COMMUNITY HEALTH



# AGED AND DISABILITY SERVICES

Council's Aged and Disability Services continue to partner with local, regional and state community organisations and government to ensure older members of the community are catered for. The Seniors Participation and Care Plan 2008/12 is guiding the focus of service provision in Northern Grampians Shire and recognises that seniors have a great deal to contribute and much to gain by actively participating in recreational pursuits, cultural activities and broader community life. Council encourages positive community attitudes to older people by supporting events including the Seniors Festival, Seniors Expo and celebrations of Senior Citizen Club milestones.

## Staff Clock up the Kilometres

In 2010/11, 462 'active' clients were registered in Council's Aged and Disability programs. A total of 19,872 hours of direct care support, including home care, personal care and respite care, were provided to meet the needs of the community. Direct Care staff travelled more than 230,000 kilometres to deliver these services to people in their own homes. This is equivalent to more than 5.75 times around the world!

Meals and Wheels volunteers also covered a significant number of kilometres, distributing a total of 17,587 meals in 2010/11. This is an average of 48 meals a day, every day of the week. A special thank you to the volunteers who make this possible.

## Home and Community Care Networks Boosted

HACC continues to enable aged and disabled community members to remain involved in home and community life. Strong networks with East Wimmera Health Service, Stawell Regional Health and the Department of Veteran Affairs allow Council to provide quality direct home care services and activities.

The provision of quality care is facilitated by quality staff. The HACC Direct Care Team has more than 210 years combined experience, with annual staff training ensuring standards are maintained and the best care is provided. Thirty HACC Direct Care staff have updated their Certificate III qualifications by completing 'Medications' and 'Healthy Body Systems' training.

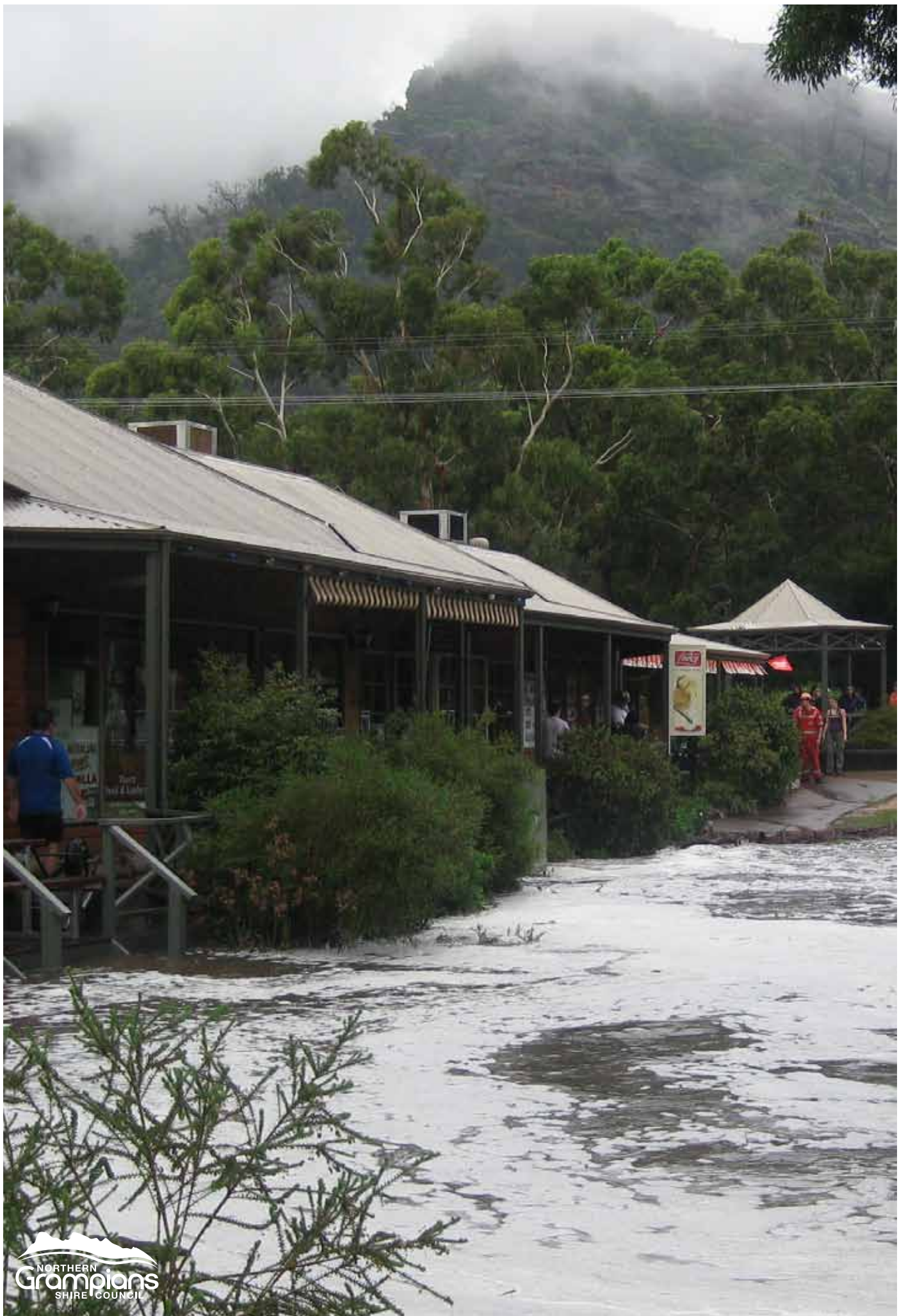


## Senior Citizens Take Centre Stage

Northern Grampians Shire was a key contributor to the 2010 Seniors Festival. The event gave seniors across the Shire an opportunity to participate in an exhibition promoting a healthy lifestyle. A mystery bus tour, bushwalk in the Grampians and a photographic competition were among the highlights.

## Hats Off to Our Volunteers

Various departments collaborated to support celebration activities to recognise volunteer contributions in the community. Volunteers were acknowledged for International Day of the Volunteer and Volunteers Week with an invitation to a morning tea.





# FLOOD RECOVERY

The rain events and flooding that swept through the Shire in September 2010 and January 2011 will have a long-lasting effect on the community, both physically and socially. The flood caused approximately \$20.5 million of damage to Council infrastructure. It also disrupted farming operations, damaged houses and property and affected livelihoods. Through State and Federal Government grant funding, Council has established a Flood Recovery Team to ensure a coordinated and timely response to the natural disaster.

## MRAP Lights the Way

A Municipal Recovery Action Plan 2011-2013 was adopted by Council in April 2011. The plan outlines all the actions necessary to ensure recovery is undertaken in a systematic, affective and timely manner, appropriate to the communities' capacity. The Flood Recovery Team has been working diligently to implement the actions outlined in the plan and has thanked the community for their patience with the process.

## Recovery Groups Share the Load

A Municipal Flood Recovery Committee was established to oversee the implementation of the Municipal Recovery Action Plan. This committee is chaired by Mayor Cr Ray Hewitt and is inclusive of senior management and senior officers, along with executive of the regional and local agencies involved in supporting flood affected communities.

To ensure localised community and agency input is included in the delivery of the plan, four sub committees have been created. These committees meet on a regular basis and represent the four pillars of recovery – social environment, natural environment, economic environment and built environment. Separate urban and rural issue working groups have also been established in the community to offer direct input into the delivery of flood recovery services provided by council.

## Community in the Loop

The Flood Recovery Team has worked diligently to keep the community informed of its progress. Since the floods hit, a variety of techniques have been used to convey information, including a Flood Recovery update newsletter, articles in the local paper and stories on radio and television. Flood Recovery e-bulletins, Council's Facebook page and dedicated Flood Recovery web pages are also being used with great success.



## True Impact Revealed

Over 1100 properties were identified as being impacted by the flood and severe weather events. A total of 800 roads were affected, resulting in 48 temporary road closures.

Thirteen recreational reserves and other community infrastructure such as public halls and museums were inundated, while 54 bridges and 105 major culverts were also damaged. The preliminary cost of restoring community and road infrastructure, undertaking project management and resourcing has been estimated at \$25,000,000.

Applications from individuals in the Northern Grampians Shire for Rural Finance Flood Recovery Grants accounted for 29 per cent of all grants processed for the Grampians region. The number of applications processed for this Shire was more than 33 per cent higher than any other municipality in the Grampians region. This has been attributed to the breadth of the impact across the municipality and personal interaction with farming, business and not-for-profit groups.

“The number of grant applications processed was more than 33 per cent higher than any other municipality in the Grampians region.”





# FLOOD RECOVERY (cont.)



more repairs take place. The community has taken the initiative of salvaging the less damaged floor boards for reuse in the community, while the St Arnaud Men's Shed has converted the remaining boards to kindling. The replacement of two synthetic greens at Stawell Bowling Club is also underway.

Upcoming priority work for the Flood Recovery Team will include:

- Reconstructing the Banyena Tennis Courts which were inundated with water.
- Assessing and repairing the damage to five Marnoo and Wallaloo tennis courts.
- Repairing community halls, including facilities at Glenorchy, Banyena, Navarre and Great Western.

## Communities Unite

A total of 24 community meetings were held in each district of the municipality following the floods. Barbecue breakfasts were supplied at the meetings which gave farmers and rural property owners the opportunity to speak with council staff. Details on general flood recovery, road situations, financial grants and fencing requirements were provided, along with emotional support and health checks. The meetings allowed Council to get in touch with rural residents, find out how they were coping and gain an understanding of the type of assistance they required.

## Restoration Work Begins

Work has commenced to restore Kooreh Hall and the facilities at Stawell Bowling Club which were severely damaged as a result of the January floods. Repairs to Kooreh Hall are progressing well, with damaged floor boards removed and the building left to dry out before

## Funding Keeps Recovery Afloat

The Northern Grampians Shire Council is grateful to the State and Federal Governments which are supporting flood recovery and restoration funding through the National Disaster Recovery Fund (NDRF) and other grants. To date, each request for financial support through NDRF has been fully justified. Funding has been provided wherever a need has been demonstrated, however the enormous scale of impact across the municipality has made it difficult for Council to provide more than realistic estimates of the cost of repairing infrastructure.





# INFRASTRUCTURE AND ENVIRONMENT

## Business Takes off at Airport

Stage Two of the Stawell Airport upgrade saw a complete reconstruction of the main runway and the construction of a new taxiway to accommodate larger aircraft. The majority of the airport lighting system was renewed, while new fencing and site signage was also erected. The automatic weather station has now been relocated and a new Weather Information Broadcast facility has been installed in its place.

The main airside civil works were carried out by local contractor, Grampians Excavation and Soil Yard. Several other local contractors completed associated smaller works at the site. The total budget for the project was \$2,950,000, funded through a \$2,497,000 Regional Development Victoria grant and a \$453,000 contribution from Council.

The upgrade has changed the way the airport is used by improving safety, accessibility and aviation capacity to enable larger planes to land at the facility. In addition to supporting existing jobs it has also created new opportunities for local business to attract investment in the region.

## All Systems Go at Transfer Station

A new transfer station and resource recycling centre was opened in Halls Gap in November 2010. The transfer station is operating at the former site of the Halls Gap CFA building, on the Ararat-Halls Gap Road. A total of \$180,000 was spent on upgrading the site, with Council allocating \$130,000 to the project and Sustainability Victoria contributing a \$50,000 grant. The facility has greatly improved environmental and amenity aspects of Halls Gap and surrounding towns. The old transfer station on Devils Garden Road is now closed to the public.

“

The facility has greatly improved environmental and amenity aspects of Halls Gap and surrounding towns.

”



## Streets in Full Bloom

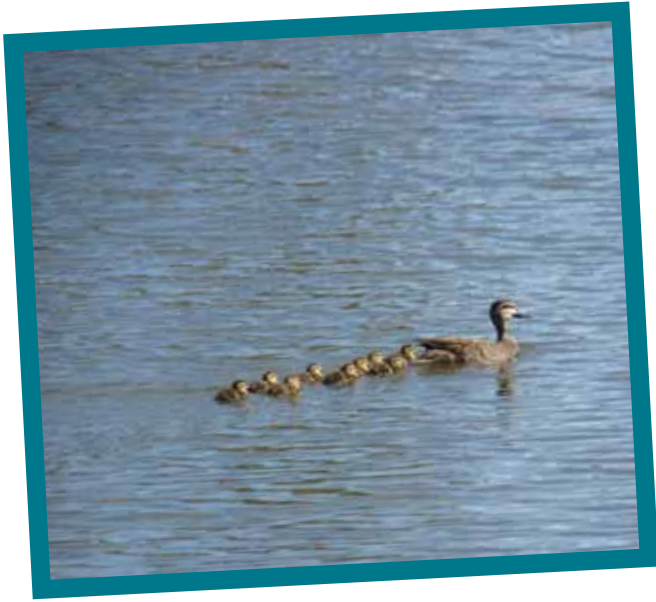
Improved seasonal conditions have allowed Council to carry out an extended tree planting program following more than 10 years of drought. Parks and Gardens staff have been busy beautifying streets in Stawell and St Arnaud, planting several hundred advanced trees. The plants were selected from a carefully prepared preferred species list to limit any damage to footpaths, drainage and underground assets. The program is improving the amenity and appearance of the streetscape and has replenished the Shire's tree stocks.

## Produce Hits the Markets

Council has continued to improve the efficiency and competitiveness of the local agriculture and horticulture industries through the strategic upgrading of local road infrastructure. Regional Development Victoria's Local Roads to Market Program has facilitated the upgrades which allow access for higher productivity vehicles, including B-doubles. Round one of the program has been completed, targeting roads in Stawell, St Arnaud, Glenorchy and Marnoo. Round two has since commenced, with Bolangum Inn Road, Wallaloo East Road, School Loop Road, Baldwin Plains Road and Carrols Bridge Road among the sites listed for upgrades.



# INFRASTRUCTURE AND ENVIRONMENT (cont.)



## Water Assets Assessed

The Northern Grampians Shire Council successfully attracted a \$200,000 grant from the Australian Government through the Strengthening Basin Communities Program to carry out critical planning work for Council's important water assets. Consultants, Sinclair Knight Mertz, were appointed and much of the work was completed during the course of the year. The aim of the project was to determine Council's long term needs in a climate change impacted environment, to assess the current water assets and to critically review projects and develop a long term action plan to meet its water needs. Council is hopeful that this planning will also assist in attracting other government funding for water projects.

## Reporting Stamps out Locusts

Like other shires throughout the state, Northern Grampians was hit hard by the locust plague. Under the instruction of the Department of Primary Industries, Parks and Gardens staff were required to treat locust outbreaks on land managed by Council. Weekly teleconferences were held to update Council on locust activity and distribute reports. A large number of sites were treated, including road reserves, park reserves, sports fields and other public spaces. Council claimed a chemical rebate for just over 51 hectares of road reserve.

## Dog Attacks Spark New Policy

Council adopted a new Dog Attack Policy in June 2011 in response to five reported attacks over a six month period. The policy provides a clear framework for the Local Laws team which is allowing them to respond to incidents in an effective and efficient manner. The new procedures have also led to a more consistent and professional approach to the investigation of dog attacks within the Shire. Over time, a community education campaign highlighting the importance of responsible animal ownership is expected to reduce the number of attacks.

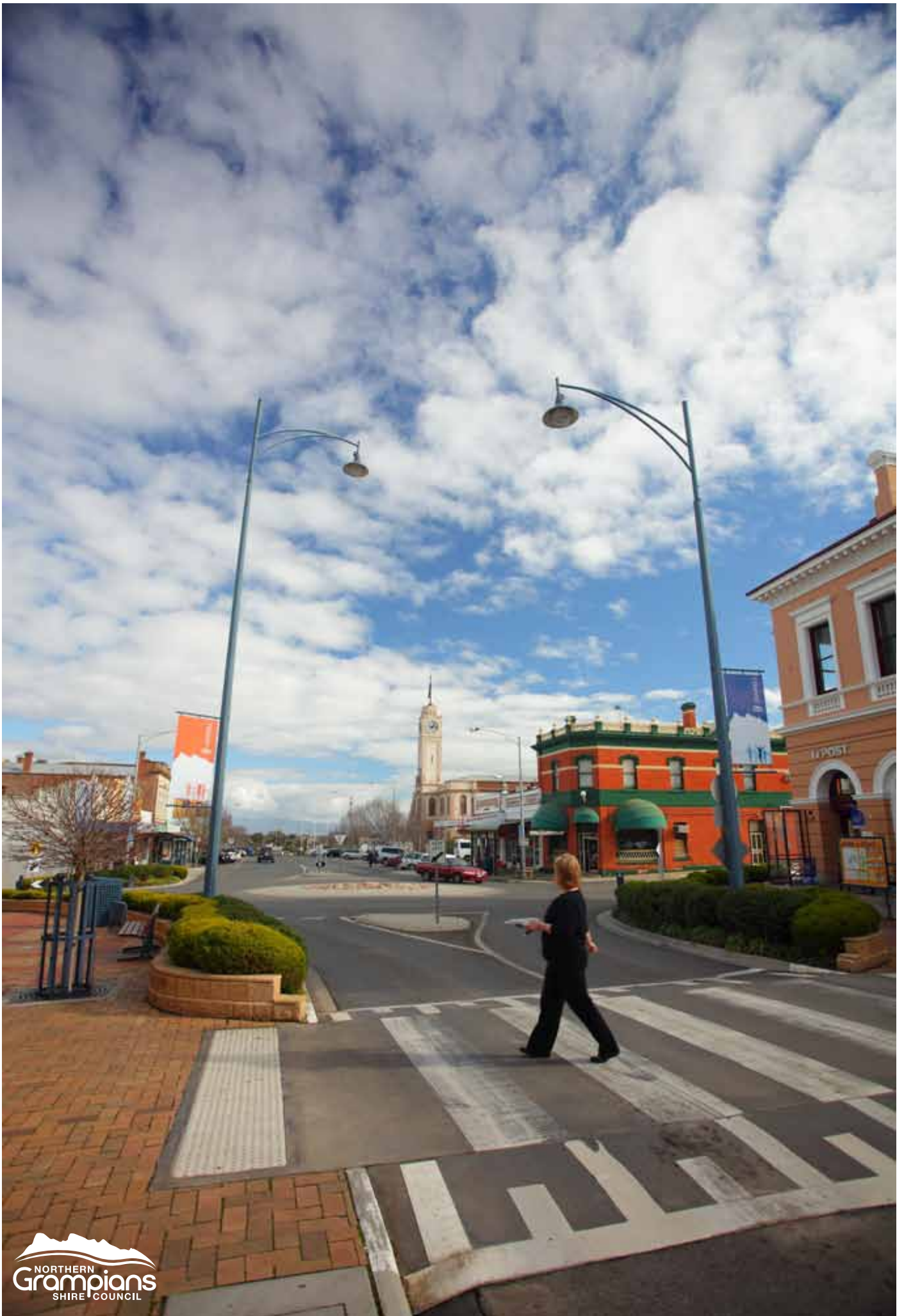
## St Arnaud Streetscape Works Surge Ahead

Another section of the St Arnaud heritage streetscape was completed during the past year. This project is being delivered over several years, and is bringing about a transformation of Napier Street into a beautiful and lively business precinct. With the assistance of a \$300,000 grant from the Victorian Government through the Small Town Development Fund, Council has extended the footpath works and kerb and channel replacement to the Mill Street end of the business centre. The coming year will see the project continue with more paving and the planting of grape vines in the street.

## Planning Committee Looks to the Future

Council has recently established a Planning Committee. The purpose of this committee is to provide a forum for Councillors and planning staff to develop planning policy and guide long term strategic planning projects. It will also ensure efficient and consistent planning decisions which result in effective and appropriate land use and development. The committee, which intends to meet approximately six times each year, will also review the impact of state planning policy as it is introduced, and will have the capacity to decide on statutory planning matters as required.





# INFRASTRUCTURE AND ENVIRONMENT (cont.)



## Road Management a Huge Task

The flood events during September 2010 and January 2011 caused extensive damage to the local road network. Restoration of these critical road and bridge assets has been a major focus of Council. The task is expected to cost approximately \$20 million and it will take at least two years before the network is fully restored to the pre flood condition.

For several weeks after the events, a number of roads were closed or partially closed to the public for safety reasons. While all local roads are now open, a large percentage of the unsealed network remains in a poor condition. This has caused considerable access difficulties for many rural property owners where many of the gravel pavements were washed away with the flood waters.

Council made a decision to suspend its road management plan until the restoration works are sufficiently completed. While contractors are busy with the flood restoration works, Council work crews have still managed to deliver more than 95 per cent of the much needed budgeted capital works program, as well as deliver critical maintenance to the road network.

## Mt Zero Road a Lifeline

Landslides in the Grampians also caused major damage to several state managed roads. The closure of Grampians Road and Mt Victory Road in particular meant that roads including Mt Zero Road became critical for access. A total of \$100,000 in state government funding has allowed Council to undertake critical maintenance on this road to support Parks Victoria in keeping the road maintained to a safe standard.

## Landslide Guidelines Promptly in Place

The January 2011 rain event was the highest on record across much of the shire, and resulted in around 200 landslides in the Grampians National Park. The events impacted residents and businesses, with police and emergency services evacuating part of the Halls Gap township. The landslides caused major damage to public and private assets, prompting future planning. Following the events, the Halls Gap Community Safety Committee assisted with the development of 'interim guidelines' to direct decision making in future emergencies.

With the aid of professional geotechnical advice from Anthony Miner and GHD consultants, mapping has been prepared to define land in Halls Gap which is susceptible to landslides. The mapping has been beneficial to inform residents about the hazard and to prepare interim planning controls to guide appropriate and sustainable development.

Council has also resolved to work with government and other agencies to develop long term contingency plans for landslides in the Grampians.

**“The landslides caused major damage to public and private assets, prompting future planning.”**







# CORPORATE SERVICES

Northern Grampians Shire Council has customer service centres in both Stawell and St Arnaud. These centres provide an important resource for the community and serve as a principal point of contact from which staff provide information. Our friendly customer service staff will endeavour to answer all your enquiries and can respond to requests for a wide range of services, including receipting, VicRoads procedures and animal registration.

## Audit Committee

The Local Government Act requires all local governments to establish an audit committee. These Committees assist councils to fulfil corporate governance, stewardship, leadership and control responsibilities.

The Northern Grampians Shire Council's Audit Committee is composed of Crs Kevin Erwin and Barry Marrow and external representatives Don Webb (Chair), Mike Finch and Peter Knights.

In February 2011 the Minister gazetted new guidelines entitled 'Audit Committees – A guide to Good Practice for Local Government'. It has been the practice of this Council to review the audit charter in light of revised ministerial guidelines and the Audit Committee and Council staff reviewed and developed a new charter. The new charter has broadened the mandate of the Audit Committee from financial reporting and internal controls to risk management and compliance requirements not directly related to financial reporting. The broadening of the charter enables the Audit Committee to better assist the Council discharge its oversight and corporate governance responsibilities.

## Risk Management

Northern Grampians Shire Council's efforts in risk management during 2010/2011 continued to focus on fully integrating risk into all facets of the organisation including project, asset and contractor management and human resources. One improvement, as previously reported, has been the broadening of the mandate for the Audit Committee to include risk management and the monitoring and review of systems and process via the Council's risk profile to ensure that material operational risks to the Council are dealt with appropriately.

Council's Risk Management Committee has undertaken a risk assessment of Council's strategic risks and identified and prioritised a range of risks that could have an adverse effect on Council's Council Plan goals and objectives.



## Privacy

The Northern Grampians Shire Council believes that the responsible handling of personal information is a key aspect of democratic governance and is committed to full compliance with its obligations under the Information Privacy Act 2000 (Vic) and the Health Records Act 2001. All privacy inquiries should be directed to the Privacy Officer, telephone 5358 8700.

## 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 June 30 2011 were:

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

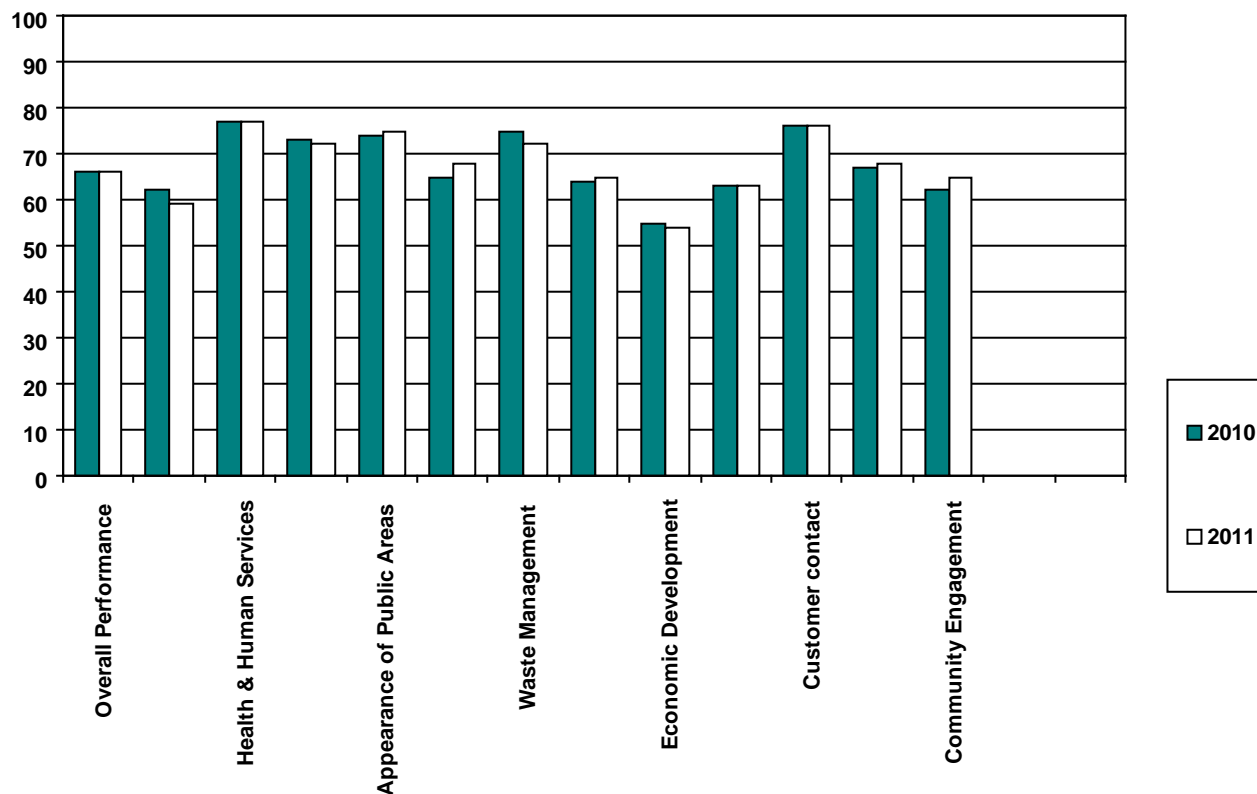
Council's Local Laws are available for public viewing by contacting the Customer Service Centres at Stawell and St Arnaud.

# Local Government Indicators

INDICATOR	2010-11
<b>Affordability/Cost of Governance</b>	
Average Rates and Charges per assessment	1,273
Average Rates and Charges per residential assessment	1,198
<b>Sustainability</b>	
Average Liabilities per assessment	874
Operating expenditure per assessment (This figure is affected by lost assets & impairment expenses)	3,009
Operating result per assessment (This result is affected by high levels of capital grants for flood restoration works)	736
Working Capital Ratio (This figure is affected by high levels of capital grants for flood restoration works)	229%
<b>Infrastructure</b>	
Average Capital Expenditure per Assessment	1,216
Renewal Gap	258%
Renewal and Maintenance Gap	195%
(These figures are affected by high levels of funded capital restoration works following the floods)	
<b>Governance</b>	
Community Satisfaction Rating for overall performance generally of the Council	66
Community Satisfaction Rating for Council's Advocacy and Community Representation	68
Community Satisfaction Rating for Council's Engagement in Decision Making	65
Community Satisfaction Rating for Council's interaction & responsiveness with dealing with the public (customer contact)	76

# Community Satisfaction Survey

ANNUAL COMMUNITY SATISFACTION SURVEY RESULTS



## Staffing Levels

Number of staff employed as at 30 June, 2011

	Male	Female	No. of Staff
Full Time	61	43	104
Part Time/Casual	17	130	147
<b>Total</b>	<b>78</b>	<b>173</b>	<b>251</b>

Work Group Area	No. of Staff	EFT
Corporate & Services	30.0	26.2
Infrastructure & Environment	78.0	61.6
Marketing & Community	143.0	73.9
<b>Total</b>	<b>251</b>	<b>161.7</b>



## Memberships

Council was a member of the following organisations during the 2010/11 year:

- Australian Airports Association
- Australian Institute of Building Surveyors
- Central Victorian Greenhouse Alliance
- Civil Contractors Federation
- FKA Children's Services Inc
- Grampians Produce
- Grampians Tourism Board Inc
- IPWEA Victorian Division
- LGPRO Incorporated
- Municipal Association Of Victoria
- National Childcare Accreditation
- North West Municipalities Association
- Rail Freight Development Alliance
- SAI Global
- Tourism Alliance Victoria Ltd
- VECCI
- Waste Management Association of Australia
- Wimmera Mallee Rail Services Association
- Wimmera Regional Transport Group
- Wimmera Regional Library Corporation

## 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

The following committee has been established under Section 188 of the Planning & Environment Act 1987.

- Northern Grampians Shire Council Planning Committee



## Australia Day Awards 2011

In 2011, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, Navarre and Halls Gap.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Lindy Allen, head of Regional Arts Victoria and Ian Coutts, marketing guru.

### Citizen of the Year

Meg Blake (Stawell)  
Maree Medlyn (St Arnaud)

### Senior Citizen of the Year

Leon Gibson (Stawell)  
Mathew Batters (St Arnaud)

### Young Citizen of the Year

Hannah Ellen (Stawell)  
Megan Goode (St Arnaud)

### Community Event of the Year

Aaron Hemley's World Record Shearing Attempt (Stawell)  
St Arnaud Turf Club's St Arnaud Cup Day (St Arnaud)

## 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, Manager Governance & Civic Support. All requests for information must be in writing and require the payment of an application fee.

Council received six requests under Freedom of Information for the period 1 July 2010 to 30 June 2011. Council decided that two requests were 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 three requests and one 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 \$326.40 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

Documents are available at the Stawell Council Offices during normal business 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) or (5A) of the Act.
- Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A of the Local Government Act 1989
- The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
  - (i) ranges of remuneration, where the maximum difference in each range must not exceed \$10,000; and
  - (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in sub-paragraph (i)
- 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 to Council of the overseas or interstate travel, including accommodation costs;

## 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.



# National Competition Policy Compliance: 2010-11

## 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 2010 to 30 June 2011, in accordance with the requirements outlined in *National Competition Policy and Local Government (Revised 2011)* as set out below:

<b>A. Trade Practices Compliance</b> <i>State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.</i>	Compliant
<b>B. Local Laws Compliance</b> <i>State whether the Council is compliant or non-compliant. List all local laws made or remade during 2010-11 which impose a restriction on competition:</i>  <i>For each local law listed, state whether the competition test was undertaken and documented as required by Schedule 8 of the Local Government Act 1989. If a competition test was not undertaken, please justify or cite actions to redress.</i>	Compliant
<b>C. Competitive Neutrality Compliance</b> <i>State whether the Council is compliant or non-compliant for all significant businesses. List any significant businesses that are non-compliant:</i>  <i>For each non-compliant significant business listed, please justify or cite actions to redress.</i>	Compliant

I certify that:

- this statement has been prepared in accordance with the 2010-11 National Competition Policy reporting guidelines; and
- this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



Justine Linley  
(Chief Executive Officer)

Date: September 28, 2011



#### **Council Office Locations**

Customer Service Centres are open  
Monday to Friday between 8.15am  
and 4.45pm.

##### **Stawell**

Town Hall, Main Street, Stawell  
Victoria 3380

##### **St Arnaud**

Napier Street, St Arnaud  
Victoria, 3478

#### **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

#### **Postal Address**

PO Box 580, Stawell Victoria 3380  
Phone: (03) 5358 8700  
Fax: (03) 5358 4151  
Email: [ngshire@ngshire.vic.gov.au](mailto:ngshire@ngshire.vic.gov.au)  
Website: [www.ngshire.vic.gov.au](http://www.ngshire.vic.gov.au)



# Standard Statements

FOR THE YEAR ENDED 30 JUNE 2011





# Northern Grampians Shire Council

## Standard Statements

### Table of Contents

	<b>Page</b>
Basis of Preparation	3
Standard Income Statement	4
Standard Balance Sheet	6
Standard Cash Flow Statement	8
Standard Statement of Capital Works	10
Certification of Standard Statements	12

## Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2011

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### 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 24 June, 2010. 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. The budget also did not reflect the impact of the recent flood events on Council's business plan.

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 2011

	Budgeted 2010/2011 (\$'000)	Variances			Actuals 2010/11 (\$'000)
		(\$'000)	%	Ref	
<b>Revenues from ordinary activities</b>					
Rates and Charges	11,626	133	1%		11,759
User Fees and Charges	2,619	(401)	(15%)	1	2,218
Government Grants - Operational	6,999	1,305	19%	2	8,304
Government Grants - Capital	4,324	7,931	183%	3	12,255
Contributions	621	132	21%	4	753
Other	333	179	54%	5	512
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	(1,718)	100%	6	(1,718)
Share of net profit(loss) of Associates accounted for by the equity method	0	114	100%	7	114
<b>Total Revenues</b>	<b>26,522</b>	<b>7,675</b>	<b>29%</b>		<b>34,197</b>
<b>Expenses</b>					
Employee Benefits	(10,513)	(257)	2%		(10,770)
Materials and Services	(8,136)	(841)	10%	8	(8,977)
Other Expenses	(830)	(340)	41%	9	(1,170)
Bad and Doubtful Debts	0	(8)	100%	10	(8)
Borrowing Costs	(136)	1	(1%)		(135)
Depreciation	(5,407)	(579)	11%	11	(5,986)
Lost Assets	0	(430)	100%	12	(430)
<b>Total Expenses</b>	<b>(25,022)</b>	<b>(2,454)</b>	<b>10%</b>		<b>(27,476)</b>
<b>Net Surplus (deficit) from operations</b>	<b>1,500</b>	<b>5,221</b>	<b>39%</b>		<b>6,721</b>



**Standard Income Statement  
Comparison Report for the Year Ending 30 June 2011**

**Variance Explanation Report**

Ref.	Item	Commentary
1	User Fees and Charges	Lower than anticipated private works were undertaken as a result of the floods. The unseasonal summer weather resulted in lower Leisure Centre attendance, and the fees for both childcare and aged and disabled services were lower than expected.
2	Government Grants - Operational	Operational grants were higher than budgeted as a result of funding for flood response and recovery works, additional funding for aged and disabled services, and the variation resulting from early payment of the Victorian Grants Commission financial assistance grants.
3	Government Grants - Capital	Capital grants were higher than budgeted as a result of funding for restoration of flood damaged assets. There were also several grants received for projects commencing in 2009/10 and completed in 2010/11, including the St Arnaud Streetscape works, the St Arnaud Pool works, and several building projects.
4	Contributions	Contributions were higher than budgeted as a result of workcover reimbursements not budgeted for, and a higher proportion of childcare income being childcare benefit payments.
5	Other	Higher than anticipated interest income was earned during 2010/11, as the result of conservative budget estimates made due to the global economic crisis, and additional funds held due to early payments of Victorian Grants Commission financial assistance grants.
6	Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	No allowance was made at the time of the budget for a profit or loss on disposal of Council's assets, however a loss has resulted due to the disposal of several buildings for no consideration, as part of Council's asset rationalisation plan.
7	Share of net profit(loss) of Associates accounted for by the equity method	No provision was made in the budget for a profit or loss on Council's share of investment in the Wimmera Regional Library.
8	Materials and Services	Costs for materials & services are considerably higher than budgeted for as the result of emergency response and recovery works undertaken following the flood events in 2010/11.
9	Other Expenses	No provision was made in the budget for impairment losses, however due to the flood events during 2010/11, there was damage to open space assets held at cost.
10	Bad and Doubtful Debts	No provision was made in the budget for doubtful debts however a small provision has been made for childcare debts outstanding at 30 June, 2011.
11	Depreciation	The budget estimate for depreciation expense did not allow for the full impact of the last infrastructure revaluation.
12	Lost Assets	No provision was made in the budget for Lost Assets, however during 2010/11, a building leased by Council was identified as being incorrectly classified as a Council asset.

**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 2011

	Budgeted 2010/2011 (\$'000)	Variances			Actual 2010/2011 (\$'000)
		(\$'000)	%	Ref	
<b>Curent Assets</b>					
Cash Assets	2,030	8,338	411%	13	10,368
Receivables	1,238	605	49%	14	1,843
Inventories	46	3	7%		49
Prepayments	147	(26)	(18%)	15	121
<b>Total Current Assets</b>	<b>3,461</b>	<b>8,920</b>	<b>258%</b>		<b>12,381</b>
<b>Non Current Assets</b>					
Receivables	76	48	63%	16	124
Property, Plant & Equipment	226,025	15,088	7%		241,113
Financial Assets	914	(6)	(1%)		908
Other	517	186	36%	17	703
<b>Total Non-Current Assets</b>	<b>227,532</b>	<b>15,316</b>	<b>7%</b>		<b>242,848</b>
<b>Total Assets</b>	<b>230,993</b>	<b>24,236</b>	<b>10%</b>		<b>255,229</b>
<b>Current Liabilities</b>					
Payables	754	1,601	212%	18	2,355
Interest Bearing Liabilities	535	8	1%		543
Employee Benefits	2,252	154	7%		2,406
Other	69	29	42%	19	98
<b>Total Current Liabilities</b>	<b>3,610</b>	<b>1,792</b>	<b>50%</b>		<b>5,402</b>
<b>Non Current Liabilities</b>					
Interest Bearing Liabilities	2,193	(9)	(0%)		2,184
Employee Benefits	186	31	17%	20	217
Land Improvement Liability	275	0	0%		275
<b>Total Non-Current Liabilities</b>	<b>2,654</b>	<b>22</b>	<b>1%</b>		<b>2,676</b>
<b>Total Liabilities</b>	<b>6,264</b>	<b>1,814</b>	<b>29%</b>		<b>8,078</b>
<b>Net Assets</b>	<b>224,729</b>	<b>22,422</b>	<b>10%</b>		<b>247,151</b>
<b>Equity</b>					
Accumulated Funds	109,800	7,840	7%		117,640
Asset Revaluation Reserve	112,987	14,358	13%	21	127,345
General Reserves	1,942	224	12%	22	2,166
<b>Total Equity</b>	<b>224,729</b>	<b>22,422</b>	<b>10%</b>		<b>247,151</b>

**Standard Balance Sheet  
Comparison Report for the Year Ending 30 June 2011**

**Variance Explanation Report**

Ref.	Item	Commentary
13	Cash Assets	Higher than budgeted cash balances are the result of higher than budgeted opening cash balances, unbudgeted grants received for flood recovery and restoration works, and early payment of the Victorian Grants Commission financial assistance grant for 2011/12 .
14	Receivables	No movement in receivables was budgeted for, however due to GST refunds due on higher levels of payables resulting from flood expenditure, and increased rate debts, levels were higher at 30 June, 2011 than expected.
15	Prepayments	Prepayments were slightly lower than budgeted, due to timing of payments.
16	Receivables	A provision was made in the budget for new Community Loans to be applied for, however the new loans allocated were higher than budgeted.
17	Other	No movement in Investment in Associates was budgeted for, however Council's investment increased in 2010/11.
18	Payables	The budget assumed lower levels of payables than actually occurred, due to higher levels of payables resulting from flood restoration works.
19	Other	No movement in trust funds was budgeted for, however there was a slight increase in funds held due to retained contractor payments resulting from the Stawell Aerodrome works.
20	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.
21	Asset Revaluation Reserve	There was no provision in the budget for any movement in valuations, and the budget was based on the reserves prior to the 2009/10 land & buildings revaluation. The asset revaluation reserve has increased by the 2010/11 building revaluation, and decreased by the impairment of infrastructure assets resulting from the flood events of 2010/11.
22	General Reserves	There was no provision in the budget for any movement in general reserves.

**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 2011

	Budgeted 2010/2011 (\$'000)	Variances			Actuals 2010/2011 (\$'000)
		(\$'000)	%	Ref	
<b>Operating Activities</b>	<b>Inflows (Outflows)</b>				<b>Inflows (Outflows)</b>
<b>Income</b>					
Rates & Charges	11,626	(60)	(1%)		11,566
User Fees & Charges	2,619	(846)	(32%)	23	1,773
Government Grants - Operational	6,999	1,305	19%	24	8,304
Government Grants - Capital	4,324	7,807	181%	25	12,131
Contributions	621	132	21%	26	753
Other	333	161	48%	27	494
Net GST Refund/(Payment)	0	488	100%	28	488
<b>Expenditure</b>					
Employee Benefits	(10,513)	(39)	0%		(10,552)
Materials and Services	(8,136)	(265)	3%		(8,401)
Other Expenses	(830)	34	(4%)		(796)
Borrowing Costs	(136)	1	(1%)		(135)
<b>Net Operating</b>	<b>6,907</b>	<b>8,718</b>	<b>126%</b>		<b>15,625</b>
<b>Investing Activities</b>					
Capital Expenditure	(8,227)	(2,871)	35%	29	(11,098)
Capital Income	435	82	19%	30	517
<b>Net Investing Activities</b>	<b>(7,792)</b>	<b>(2,789)</b>	<b>36%</b>		<b>(10,581)</b>
<b>Financing Activities</b>					
New Loans	1,100	0	0%		1,100
Principal Repayments	(430)	0	0%		(430)
Trust Deposit Movements (Net)	0	50	100%	31	50
<b>Total Financing Activities</b>	<b>670</b>	<b>50</b>	<b>7%</b>		<b>720</b>
<b>Net Movements for Year</b>	<b>(215)</b>	<b>5,979</b>	<b>(2781%)</b>		<b>5,764</b>
<b>Opening Cash</b>	<b>3,158</b>	<b>1,446</b>	<b>46%</b>		<b>4,604</b>
<b>Closing Cash</b>	<b>2,943</b>	<b>7,425</b>	<b>252%</b>		<b>10,368</b>

**Standard Cash Flow Statement  
Comparison Report for the Year Ending 30 June 2011**

**Variance Explanation Report**

Ref.	Item	Commentary
23	User Fees & Charges	Lower than anticipated private works were undertaken as a result of the floods. The unseasonal summer weather resulted in lower Leisure Centre attendance, and the fees for both childcare and aged and disabled services were lower than expected.
24	Government Grants - Operational	Operational grants were higher than budgeted as a result of funding for flood response and recovery works, additional funding for aged and disabled services, and the variation resulting from early payment of the Victorian Grants Commission financial assistance grants.
25	Government Grants - Capital	Capital grants were higher than budgeted as a result of funding for restoration of flood damaged assets. There were also several grants received for projects commencing in 2009/10 and completed in 2010/11, including the St Arnaud Streetscape works, the St Arnaud Pool works, and several building projects.
26	Contributions	Contributions were higher than budgeted as a result of workcover reimbursements not budgeted for, and a higher proportion of childcare income being childcare benefit payments.
27	Other	Higher than anticipated interest income was earned during 2010/11, as the result of conservative budget estimates made due to the global economic crisis, and additional funds held due to early payments of Victorian Grants Commission financial assistance grants.
28	Net GST Refund/(Payment)	No provision is made in the budget for GST adjustments.
29	Capital Expenditure	Capital expenditure was higher than budgeted due to the unforeseen restoration works on flood damaged assets.
30	Capital Income	Proceeds of asset sales were higher than anticipated as the result of several land sales that were budgeted for in 2009/10, but did not settle until 2010/11.
31	Trust Deposit Movements (Net)	No movement in trust funds was budgeted for, however there was a slight increase in funds held due to retained contractor payments resulting from the Stawell Aerodrome works.

**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 2011

	Budgeted 2010/2011 (\$'000)	Variances			Ref	Actuals 2010/2011 (\$'000)
		(\$'000)	%			
<b>Capital Works</b>						
Buildings	396	69	17%	32		465
Motor Vehicles	373	5	1%			378
Plant & Equipment	800	(37)	(5%)			763
Furniture & Office Equipment	29	(10)	(34%)	33		19
Information Technology	139	76	55%	34		215
Open Spaces	135	60	44%	35		195
Roads (including Aerodrome runway)	5,810	2,619	45%	36		8,429
Bridges & Culverts	400	(121)	(30%)	37		279
Footpaths	65	15	23%	38		80
Kerb & Channel	30	112	373%	39		142
Drainage	50	83	166%	40		133
<b>Total Capital Works</b>	<b>8,227</b>	<b>2,871</b>	<b>35%</b>			<b>11,098</b>
<b>Represented by:</b>						
Renewal	4,664	4,444	95%	41		9,108
New	1,277	(441)	(35%)	42		836
Expansion	2,286	(1,132)	(50%)	43		1,154
<b>Total Capital Works</b>	<b>8,227</b>	<b>2,871</b>	<b>35%</b>			<b>11,098</b>
<b>Property, Plant &amp; Equipment Movement Reconciliation Worksheet</b>						
	Budgeted 2010/2011 (\$'000)	Variances				Actuals 2010/2011 (\$'000)
		(\$'000)	%			
<b>Total Capital Works</b>	8,227	2,871	35%			11,098
Lost & Found Assets	0	(430)	100%	44		(430)
Depreciation	(5,407)	(579)	11%	45		(5,986)
Revaluation	0	2,691	100%	46		2,691
Impairment	0	(10,887)	100%	47		(10,887)
Written Down Value of Assets Sold	(435)	(1,800)	414%	48		(2,235)
<b>Net Movement in Property, Plant and Equipment</b>	<b>2,385</b>	<b>(8,134)</b>	<b>(341%)</b>			<b>(5,749)</b>

**Standard Statement of Capital Works  
Comparison Report for the Year Ending 30 June 2011**

**Variance Explanation Report**

Ref.	Item	Commentary
32	Buildings	The variation in buildings capital expenditure is a combination of projects carried forward from 2009/10, projects reclassified to open spaces, projects not completed in 2010/11, and new projects not included in the adopted budget for 2010/11.
33	Furniture & Office Equipment	A number of furniture items were expensed due to being under the capitalisation threshold.
34	Information Technology	The additional IT capital expenditure was for equipment required as a result of the flood event.
35	Open Spaces	Several projects budgeted for as buildings were classified as open space assets.
36	Roads (including Aerodrome runway)	The additional roads expenditure is the result of asset restoration works following the flood events.
37	Bridges & Culverts	The 2010/11 bridge program was delayed as a result of the flood events.
38	Footpaths	The additional footpaths expenditure is the result of classification of St Arnaud Streetscape works.
39	Kerb & Channel	The additional kerb & channel expenditure is the result of classification of St Arnaud Streetscape works.
40	Drainage	The additional drainage expenditure is the result of classification of St Arnaud Streetscape works.
41	Renewal	The additional expenditure on renewal works is the result of the restoration works undertaken as a result of the flood events.
42	New	A lower proportion of the expenditure on the Stawell Aerodrome Redevelopment project was new, than was originally budgeted for.
43	Expansion	As a result of the weather events during 2010/11, several of the upgrade road programs were delayed, and replaced by increased renewal programs.
44	Lost & Found Assets	No provision was made in the budget for Lost Assets, however during 2010/11, a building leased by Council was identified as being incorrectly classified as a Council asset.
45	Depreciation	The budget estimate for depreciation expense did not allow for the full impact of the last infrastructure revaluation.
46	Revaluation	There was no provision in the budget for the movement in valuation as a result of the 2010/11 buildings revaluation.
47	Impairment	No provision was made in the budget for impairment, however due to the flood events during 2010/11 there was damage to the road network including bridges and drainage, and to open space assets.
48	Written Down Value of Assets Sold	The written down value of assets sold was higher than anticipated as the result of several land sales that were budgeted for in 2009/10, but did not settle until 2010/11.

**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.



**Certification of Standard Statements  
for the Financial Year Ending 30 June 2011**

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**Statement by Principal Accounting Officer**

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2011 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 CPA  
Principal Accounting Officer

Date: 1 September, 2011

**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 25 August, 2011 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



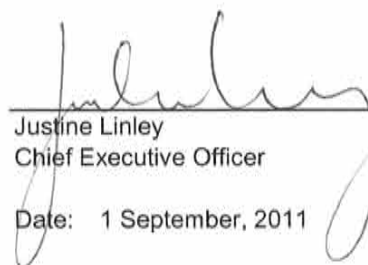
Cr Ray Hewitt  
Councillor

Date: 1 September, 2011



Cr Kevin Erwin  
Councillor

Date: 1 September, 2011



Justine Linley  
Chief Executive Officer

Date: 1 September, 2011



# Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2011



# Northern Grampians Shire Council

## Annual Financial Report

### Table of Contents

<b>FINANCIAL REPORT</b>	<b>Page</b>
<b>Financial Statements</b>	
Comprehensive Income Statement	1
Balance Sheet	2
Statement of Changes in Equity	3
Cash Flow Statement	4
<b>Notes to Financial Statements</b>	
Introduction	
Note 1    Significant Accounting Policies	5
Note 2    Rates & Charges	14
Note 3    User Fees	14
Note 4    Grants	15
Note 5    Contributions - Cash	17
Note 6    Net Gain/(Loss) on Disposal of Property, Plant and Equipment	18
Note 7    Other Revenue	18
Note 8    Employee Benefits	18
Note 9    Materials & Services	18
Note 10    Bad & Doubtful Debts	19
Note 11    Depreciation & Amortisation	19
Note 12    Finance Costs	19
Note 13    Other Expenses	19
Note 14    Investment in Associates	20
Note 15    Cash & Cash Equivalents	20
Note 16    Trade & Other Receivables	21
Note 17    Inventories	21
Note 18    Financial Assets	21
Note 19    Other Assets	21
Note 20    Property, Plant and Equipment, Infrastructure	22
Note 21    Trade & Other Payables	28
Note 22    Trust Funds & Deposits	28
Note 23    Provisions	28
Note 24    Interest-bearing Loans and Borrowings	30
Note 25    Reserves	31
Note 26    Reconciliation of Cash Flows from Operating Activities to Profit/(Loss)	33
Note 27    Financing Arrangements	33
Note 28    Restricted Assets	33
Note 29    Superannuation	34
Note 30    Commitments	35
Note 31    Operating Lease Commitments	36
Note 32    Contingent Liabilities	36
Note 33    Financial Instruments	37
Note 34    Auditors' Remuneration	41
Note 35    Related Party Transactions	42
Note 36    Events occurring after balance date	43
Note 37    Income, Expenses and Assets by Function/Activities	44
Note 38    Financial Ratios (Performance Indicators)	45
<b>Certification of the Financial Report</b>	<b>47</b>

## Comprehensive Income Statement For the Year Ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>Revenue</b>			
Rates and Charges	2	11,759	10,685
User Fees	3	2,218	2,348
Contributions - Cash	5	753	628
Grants - Recurrent	4	8,304	6,837
Grants - Non Recurrent	4	12,255	2,376
Other Revenue	7	512	328
Net gain(loss) on disposal of property, infrastructure, plant and equipment	6	(1,718)	(74)
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	14	114	103
Found Assets	20	0	5,868
<b>Total Revenue</b>		<b>34,197</b>	<b>29,099</b>
<b>Expenses</b>			
Employee Benefits	8	(10,770)	(9,988)
Materials and Services	9	(8,977)	(7,160)
Bad & Doubtful Debts	10	(8)	(13)
Depreciation and Amortisation	11	(5,986)	(5,923)
Finance Costs	12	(135)	(162)
Other Expenses	13	(1,170)	(737)
Lost Assets	20	(430)	(3,772)
<b>Total Expenses</b>		<b>(27,476)</b>	<b>(27,755)</b>
<b>Profit / (Loss)</b>		<b>6,721</b>	<b>1,344</b>
<b>Other Comprehensive Income</b>			
Fair value adjustments for financial assets at fair value	18	(8)	2
Share of other comprehensive income of associates accounted for by the equity method	14	7	(37)
Net asset revaluation increment (decrement)		(7,821)	22,187
<b>Comprehensive Result</b>		<b>(1,101)</b>	<b>23,496</b>

The accompanying notes form part of this financial report



## Balance Sheet As at 30 June 2011

	Note	2011 \$'000	2010 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	15	10,368	4,604
Trade and Other Receivables	16	1,806	1,176
Inventories	17	49	46
Other Assets	19	158	152
<b>Total Current Assets</b>		<b>12,381</b>	<b>5,978</b>
<b>Non-current Assets</b>			
Trade and Other Receivables	16	124	0
Other financial assets	18	908	916
Investments in Associates accounted for using the equity method	14	703	583
Property, Plant and Equipment, Infrastructure	20	241,113	246,862
<b>Total Non-current Assets</b>		<b>242,848</b>	<b>248,361</b>
<b>Total Assets</b>		<b>255,229</b>	<b>254,339</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	21	2,355	1,301
Trust Funds and Deposits	22	98	48
Provisions	23	2,406	2,208
Interest-bearing Loans and Borrowings	24	543	430
<b>Total Current Liabilities</b>		<b>5,402</b>	<b>3,987</b>
<b>Non-current Liabilities</b>			
Provisions	23	492	472
Interest-bearing Loans and Borrowings	24	2,184	1,628
<b>Total Non-current Liabilities</b>		<b>2,676</b>	<b>2,100</b>
<b>Total Liabilities</b>		<b>8,078</b>	<b>6,087</b>
<b>Net Assets</b>		<b>247,151</b>	<b>248,252</b>
<b>Equity</b>			
Accumulated Surplus		117,640	110,753
Reserves	25	129,511	137,499
<b>Total Equity</b>		<b>247,151</b>	<b>248,252</b>

The accompanying notes form part of this financial report

## Statement of Changes in Equity For the Year Ended 30 June 2011

		Asset			
	Note	Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		2011	2011	2011	2011
2011		\$'000	\$'000	\$'000	\$'000
Balance at beginning of the financial year		248,252	110,753	135,174	2,325
Comprehensive Result		(1,101)	6,728	(7,829)	0
Transfers to other reserves	25(b)	0	(24)	0	24
Transfers from other reserves	25(b)	0	183	0	(183)
Balance at end of the financial year		247,151	117,640	127,345	2,166

		Asset			
		Accumulated	Revaluation	Other	
		Total	Reserve	Reserves	
2010		2010	2010	2010	
		\$'000	\$'000	\$'000	
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

The accompanying notes form part of this financial report

## Cash Flow Statement

### For the Year Ended 30 June 2011

		2011 Inflows/ (Outflows) \$'000	2010 Inflows/ (Outflows) \$'000
	Note		
<b>Cash flows from operating activities</b>			
Rates and Charges		11,566	10,671
User Fees		1,773	2,328
Grants		20,435	9,288
Contributions		753	628
Other Revenue		494	393
Net GST (Refund)/Payment		488	162
Employee Benefits		(10,552)	(9,726)
Materials and Services		(8,401)	(7,793)
Finance Costs		(135)	(162)
Other Expenses		(796)	0
<b>Net cash provided by (used in) operating activities</b>	26	<u>15,625</u>	<u>5,789</u>
<b>Cash flows from investing activities</b>			
Payments for Property, Infrastructure, Plant and Equipment		(11,098)	(5,509)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		517	369
<b>Net cash provided by (used in) investing activities</b>		<u>(10,581)</u>	<u>(5,140)</u>
<b>Cash flows from financing activities</b>			
Trust Funds and Deposits		50	(22)
Proceeds from Interest Bearing Loans and Borrowings		1,100	0
Repayment of Interest Bearing Loans and Borrowings		(430)	(402)
<b>Net cash provided by (used in) financing activities</b>		<u>720</u>	<u>(424)</u>
Net increase (decrease) in Cash and Cash Equivalents		5,764	225
Cash and Cash Equivalents at the Beginning of the Financial Year		4,604	4,379
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	15	<u>10,368</u>	<u>4,604</u>

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
  - 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

Bankers - Commonwealth Bank Australia

Website address - [www.ngshire.vic.gov.au](http://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 Receivables*

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.

*Rental*

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.

*Interest*

Interest is recognised progressively as it is earned.

**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:

	<b>2011</b>
<b>Land and Buildings</b>	
Buildings	60 Years
Land improvements	10 years
<b>Heritage Assets</b>	
Heritage Assets	100 years
<b>Plant and Equipment</b>	
Plant and Machinery	2-66 years
Furniture, Equipment and Computers	2-8 years
<b>Infrastructure</b>	
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
<b>Other</b>	
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.

**(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 and interest on borrowings.

**Note 1 Significant Accounting Policies (cont.)**

**(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 20. 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:

	<b>Threshold Limit \$'000</b>
<b>Class of Asset</b>	
<b>Land and Buildings</b>	
Land	All assets
Land Under Roads	All assets
Land Improvements	5
Buildings	5
<b>Heritage Assets</b>	
Heritage Assets	10
<b>Plant and Equipment</b>	
Plant and Machinery	1
Furniture, Equipment, and Computers	1
<b>Infrastructure</b>	
Roads	
- Formation	5
- Substructure	5
- Seal	1
Footpaths	5
Kerb and Channel	5
Drains	5
Bridges	15
<b>Other</b>	
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, 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 1 to 4 years. The valuation is performed either by experienced Council officers or independent experts.

The infrastructure revaluation scheduled to be undertaken in 2010/11 was delayed due to the impact of the flood events on the assets to be revalued.

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.

**(j) Investments**

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



**Note 1 Significant Accounting Policies (cont.)**

**(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 Comprehensive Income Statement.

**(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 22).

**(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 bond 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 29.

**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.

**Note 1 Significant Accounting Policies (cont.)**

**Note (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 9: Financial Instruments and 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]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> <li>* simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;</li> <li>* removing the tainting rules associated with held-to-maturity assets;</li> <li>* simplifying the requirements for embedded derivatives;</li> <li>* removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;</li> <li>* allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and</li> <li>* reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> <li>a. the objective of the entity's business model for managing the financial assets; and</li> <li>b. the characteristics of the contractual cash flows.</li> </ul> </li> </ul>	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 124: Related Party Disclosures	This standard removes the requirement for government related entities to disclose details of all transactions with the government and other government related entities and clarifies the definition of a related party to remove inconsistencies and simplify the structure of the standard.	Applicable for annual reporting periods commencing on or after 1 January 2011.	Although this standard does not strictly apply to Local Government it is often used as guidance, as such there will be greater clarity on the disclosure of inter government transactions.

**Note 1 Significant Accounting Policies (cont.)**

**Note (u) Pending Accounting Standards (cont.)**

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
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 makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of International Financial Reporting Standards by the IASB. The standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2009-14: Amendments to Australian Interpretation — Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	This standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepaids future contributions into a defined benefit pension plan.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council

**(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.

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 2 Rates &amp; Charges</b>		
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 2010-11 was \$1,949 million (2009-10, \$1,834 million). The 2010-11 rate in the capital improved value dollar was 0.6011 cents (2009-10 0.5844 cents).		
Residential	5,385	4,980
Commercial	850	763
Industrial	56	44
Farm/Rural	2,986	2,708
Cultural & Recreational	10	9
Garbage Charge	1,600	1,376
Municipal Charge	872	805
	<b>11,759</b>	<b>10,685</b>
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.		
<b>Note 3 User Fees</b>		
Aged and Disability Service Fees	596	646
Child Care	419	398
Leisure Centre	283	284
Other	180	170
Private Works - Infrastructure	167	250
Building	119	118
Local Laws Fines & Permits	104	101
Waste Management Fees	83	43
Environmental Health Fees	77	73
Property Rentals	77	64
Economic Development Fees	64	74
Town Planning Fees	49	58
Family Day Care Fees	0	69
	<b>2,218</b>	<b>2,348</b>



	2011 \$'000	2010 \$'000
<b>Note 4 Grants</b>		
Income from federal & state government grants & subsidies for the year consist of:-		
<b>Recurrent</b>		
General Revenue Grant	5,920	5,422
Disaster Recovery Grants	782	0
Aged and Disability Services	694	578
Child Care	370	313
Economic Development Grants	226	209
Other Grants	184	262
Public Safety	68	24
Environmental Grants	60	10
Family Day Care	0	19
<i>Total</i>	<b>8,304</b>	<b>6,837</b>
<b>Non-recurrent</b>		
Disaster Recovery	7,568	0
Aerodrome Redevelopment	2,247	0
Roads to Recovery	1,240	1,245
Roads to Market Grant	363	199
Streetscape Grants	300	150
Sporting Recreation Grants	290	30
Building Grants	217	378
Water Management Grants	18	125
Other Grants	12	0
RLCIP Funding	0	219
Cemetery Grants	0	30
<i>Total</i>	<b>12,255</b>	<b>2,376</b>

	2011 \$'000	2010 \$'000
<b>Note 4 Grants (cont.)</b>		
<b>Conditions on Grants</b>		
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:		
DTF Natural Disaster Funding	4,067	0
Flood Recovery Operational Grants	370	0
St Arnaud Streetscape	112	0
R2R Grant	101	15
RLCIP (3) North Park Redevelopment	37	0
Early Years Universal Access Program	30	0
Grampians Grape Escape	15	0
DPCD Future of North Park	9	0
St Arnaud Country Club	2	0
RLCIP (2) - Grant Funding	0	100
Waste Management Innovation Fund	0	75
Western Highway Office Grant	0	66
Stuart Mill Urban Development Grant	0	29
DPCD Drought Relief Grant	0	23
Stawell Cemetery Grant	0	20
Future Farming Initiative Grant	0	10
St Arnaud Cemetery Grant	0	10
Great Western War Memorial Grant	0	6
Buy Local Grant	0	4
	<b>4,743</b>	<b>358</b>

	2011 \$'000	2010 \$'000
<b>Note 4 Grants (cont.)</b>		
<i>Conditions on Grants (cont.)</i>		
Grants which were recognised as revenue in prior years & were expended during the current year in the manner specified by the grantor were:		
RLCIP (2) - Grant Funding	100	0
Western Highway Office Grant	66	0
Stuart Mill Urban Development Grant	29	0
DPCD Drought Relief Grant	23	0
Waste Management Innovation Fund	19	0
R2R Grant	15	0
Great Western War Memorial Grant	6	0
Halls Gap Signage Grant	5	0
Buy Local Grant	4	0
RLCIP (1) - Grand Funding Grant	0	456
Stawell Airport Upgrade Grant	0	92
RLCIP - St Arnaud Pool - additional funding Grant	0	80
Maternal Child Health Grant	0	33
St Arnaud Tennis Resurfacing Grant	0	31
Heatwave Kit Grant	0	25
Shire Rains on Drought Grant (DPCD)	0	22
North Park Grass Conversion Grant	0	20
Curtis St Dam Link Line Grant	0	17
Grants Officer Grant	0	15
Victorian Heritage Program - Kara Kara Hall	0	15
Halls Gap Transfer Station Grant	0	7
Stawell Easter Gift Event Grant	0	5
TAC Road Safety Grant	0	5
Heritage Grants (Housing Affordability Study)	0	5
Manufacturing Industry Group Grant	0	2
	267	830
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	4,476	(472)
<b>Note 5 Contributions - Cash</b>		
Child Care Benefits	435	453
Other	101	74
Capital	87	56
Legal Expenses	27	38
Revaluation Process	103	7
	753	628

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 6 Net Gain/(Loss) on Disposal of Property, Plant and Equipment</b>		
Proceeds of Sale	517	369
Written Down Value of Assets Disposed	(2,235)	(443)
	<u>(1,718)</u>	<u>(74)</u>
<b>Note 7 Other Revenue</b>		
Interest	330	210
Interest on Rates	45	36
Other Revenue	137	82
	<u>512</u>	<u>328</u>
<b>Note 8 Employee Benefits</b>		
Wages & Salaries	9,304	9,047
Less Capitalised Salary & Wages	(234)	(272)
	<u>9,070</u>	<u>8,775</u>
Increase/(decrease) in Long Service Leave	125	169
Increase/(decrease) in Annual Leave & RDO's	93	93
Superannuation	788	749
Superannuation - additional call*	401	0
Fringe Benefits Tax	48	40
Work Cover	245	162
	<u>1,700</u>	<u>1,213</u>
	<u>10,770</u>	<u>9,988</u>
*during the period Council was required to make an additional contribution to Vision Super to meet obligations in relation to members of the defined benefit plan.		
<b>Note 9 Materials &amp; Services**</b>		
Other Materials & Services	5,083	3,436
Contract Employees	749	770
Fuel	586	495
Equipment Maintenance & Repair	568	519
Utilities	375	361
Insurance	253	253
Software Costs	247	255
Goods for resale	227	231
Communications	192	160
Councillors Allowances	169	136
Training	108	136
Advertising/Marketing	100	89
Legal Expenses	97	23
Memberships and Subscriptions	52	57
Bank Fees	47	45
Catering	43	34
Postage and Freight	42	47
Audit Fees	39	113
	<u>8,977</u>	<u>7,160</u>
**It should be noted that the total Materials & Services includes the following:		
Flood Related Materials & Services	1,152	0

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 10 Bad &amp; Doubtful Debts</b>		
Local Law Debtors	3	10
Childcare Debtors	4	2
Other Debtors	1	1
	<u>8</u>	<u>13</u>
<b>Note 11 Depreciation &amp; Amortisation</b>		
Sealed Pavements	1,246	1,214
Sealed Surfaces	1,046	1,087
Buildings	967	891
Plant & Equipment	587	537
Major Bridges & Culverts	429	435
Unsealed Pavement	602	695
Computer Equipment	311	312
Motor Vehicles	217	197
Kerb & Channel	164	162
Drainage	138	137
Footpaths	116	115
Parks & Gardens	88	71
Land Improvements	28	28
Furniture & Fittings	21	16
Street Furniture	16	16
Formations Sealed	4	4
Formations Unsealed	4	4
Heritage Assets	2	2
	<u>5,986</u>	<u>5,923</u>
<b>Note 12 Finance Costs</b>		
Interest - Borrowings	135	162
	<u>135</u>	<u>162</u>
<b>Note 13 Other Expenses</b>		
Impairment Losses	374	0
Other	627	572
Councillors Allowances	169	165
	<u>1,170</u>	<u>737</u>



	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 14 Investment in Associates</b>		
<i>Background</i>		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
Council's interest in equity	24.53%	24.25%
Wimmera Regional Library Corporation	703	583
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	232	158
Change in equity share appointment	3	(11)
Reported surplus(deficit) for year	114	103
Transfers (to) from reserves	29	(18)
Council's share of accumulated surplus(deficit) at end of year	378	232
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	351	359
Change in equity share appointment	4	(26)
Transfers (to) from reserves	(29)	18
Share of asset revaluation	0	0
Council's share of reserves at end of year	326	351
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	583	517
Change in equity share appointment	7	(37)
Share of surplus(deficit) for year	114	103
Share of asset revaluation	0	0
Carrying value of investment at end of year	703	583
<b>Note 15 Cash &amp; Cash Equivalents</b>		
Cash on Hand	4	4
Cash at Bank	570	549
Short Term Deposits	9,794	4,051
	10,368	4,604

Users of the financial report should refer to Note 28 for details of restrictions on cash assets and Note 30 for details of existing Council commitments.

	2011 \$'000	2010 \$'000
<b>Note 16 Trade &amp; Other Receivables</b>		
<b>Current</b>		
Rates Debtors	595	402
Loans & Advances to Community Organisations	24	75
Other Debtors	704	551
Provision for Doubtful Debts	(5)	(14)
GST Receivable	488	162
	<u>1,806</u>	<u>1,176</u>
<b>Non-current</b>		
Loans & Advances to Community Organisations	124	0
	<u>124</u>	<u>0</u>
<b>Total</b>	<u>1,930</u>	<u>1,176</u>
<b>Note 17 Inventories</b>		
Inventories for distribution	43	40
Inventories held for sale	6	6
	<u>49</u>	<u>46</u>
<b>Note 18 Financial Assets</b>		
Floating rate note at fair value	908	916
	<u>908</u>	<u>916</u>
<b>Note 19 Other Assets</b>		
Prepayments	121	133
Accrued Income	37	19
	<u>158</u>	<u>152</u>

	2011 \$'000	2010 \$'000
<b>Note 20 Property, Plant and Equipment, Infrastructure</b>		
<b>Summary</b>		
at cost	31,003	21,160
at fair value as at 30 June 2008	263,800	263,800
at fair value as at 30 June 2010	11,931	80,921
at fair value as at 30 June 2011	68,802	
Work In Progress	10	0
	375,546	365,881
Less accumulated depreciation	(123,546)	(119,019)
Less impairment	(10,887)	
Total	241,113	246,862
<b>Property</b>		
<b>Land</b>		
at fair value as at 30 June 2010	11,931	12,305
	11,931	12,305
<b>Land Under Roads</b>		
at cost	2	2
	2	2
<b>Land Improvements</b>		
at cost	275	275
Less accumulated depreciation	(83)	(55)
	192	220
<b>Total Land</b>	12,125	12,527
<b>Buildings</b>		
at fair value as at 30 June 2010	0	68,616
at fair value as at 30 June 2011	68,802	0
Work In Progress	10	0
Less accumulated depreciation	(11,332)	(11,347)
<b>Total Buildings</b>	57,480	57,269
<b>Total Property</b>	69,605	69,796

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.

The valuation of buildings was determined by Council's independent contract valuers APV Valuers & Asset Management, as at 30th June 2011. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

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.

	2011 \$'000	2011 \$'000
<b>Note 20 Property, Plant and Equipment, Infrastructure (cont.)</b>		
<b>Plant, Machinery &amp; Motor Vehicles</b>		
<b>Plant &amp; Machinery</b>		
at cost	7,554	7,364
Less accumulated depreciation	(3,502)	(3,293)
	4,052	4,071
<b>Motor Vehicles</b>		
at cost	1,146	967
Less accumulated depreciation	(439)	(303)
	707	664
<b>Total Plant, Machinery &amp; Motor Vehicles</b>	4,759	4,735
<b>Equipment</b>		
<b>Furniture &amp; Fittings</b>		
at cost	425	406
Less accumulated depreciation	(348)	(327)
	77	79
<b>Computer Equipment</b>		
at cost	1,816	1,622
Less accumulated depreciation	(1,445)	(1,155)
	371	467
<b>Total Equipment</b>	448	546

	2011 \$'000	2010 \$'000
<b>Note 20 Property, Plant and Equipment, Infrastructure (cont.)</b>		
<b>Infrastructure</b>		
<b>Footpaths</b>		
at cost	243	162
at fair value as at 30 June 2008	8,065	8,065
Less accumulated depreciation	(4,022)	(3,905)
<b>Total Footpaths</b>	<b>4,286</b>	<b>4,322</b>
<b>Kerb &amp; Channel</b>		
at cost	514	371
at fair value as at 30 June 2008	13,369	13,369
Less accumulated depreciation	(6,442)	(6,277)
<b>Total Kerb &amp; Channel</b>	<b>7,441</b>	<b>7,463</b>
<b>Roads</b>		
at cost	13,366	4,944
at fair value as at 30 June 2008	180,453	180,453
Less accumulated depreciation	(69,640)	(66,738)
Less impairment	(8,901)	0
<b>Total Roads</b>	<b>115,278</b>	<b>118,659</b>
<b>Bridges &amp; Major Culverts</b>		
at cost	1,091	812
at fair value as at 30 June 2008	43,190	43,190
Less accumulated depreciation	(17,405)	(16,976)
Less impairment	(1,480)	0
<b>Total Bridges &amp; Major Culverts</b>	<b>25,396</b>	<b>27,026</b>
<b>Drainage</b>		
at cost	1,411	1,278
at fair value as at 30 June 2008	18,723	18,723
Less accumulated depreciation	(8,359)	(8,221)
Less impairment	(132)	0
<b>Total Drainage</b>	<b>11,643</b>	<b>11,780</b>
<b>Total Infrastructure</b>	<b>164,044</b>	<b>169,250</b>



	2011 \$'000	2010 \$'000
<b>Note 20 Property, Plant and Equipment, Infrastructure (cont.)</b>		
<b>Street Furniture</b>		
at cost	463	456
Less accumulated depreciation	(117)	(101)
<b>Total Street Furniture</b>	<b>346</b>	<b>355</b>
<b>Parks &amp; Gardens</b>		
at cost	2,487	2,291
Less accumulated depreciation	(388)	(299)
Less impairment	(374)	0
<b>Total Parks &amp; Gardens</b>	<b>1,725</b>	<b>1,992</b>
<b>Heritage Assets</b>		
at cost	210	210
Less accumulated depreciation	(24)	(22)
<b>Total Heritage Assets</b>	<b>186</b>	<b>188</b>
<p>The valuations of Footpath, Kerb &amp; Channel, Sealed Surfaces, Sealed Pavement, Sealed Formations were determined by Mr. Peter Moloney, Dip.C.E.C.E, MIE Aust. as at 30 June 2008 and were based on current written down replacement value of the assets.</p> <p>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 were based on current written down replacement value of the assets.</p>		
<b>Total Property, Plant and Equipment, Infrastructure</b>	<b>241,113</b>	<b>246,862</b>

**Note 20 Property, Plant and Equipment, Infrastructure (cont.)**

2011	Balance at Beginning of Financial Year	Acquisition of Assets	Lost & Found Assets (a)	Revaluation Increments (Decrements)	Depreciation (note 11)	WDV of Disposals	Impairment	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>								
Land	12,305	0	(16)	0	0	(358)	0	11,931
Land Improvements	220	0	0	0	(28)	0	0	192
Land Under Roads	2	0	0	0	0	0	0	2
Buildings	57,269	455	(414)	2,691	(967)	(1,564)	0	57,470
<b>Total Property</b>	<b>69,796</b>	<b>455</b>	<b>(430)</b>	<b>2,691</b>	<b>(995)</b>	<b>(1,922)</b>	<b>0</b>	<b>69,595</b>
<b>Other Assets</b>								
Plant & Equipment	4,071	763	0	0	(587)	(195)	0	4,052
Motor Vehicles	664	378	0	0	(217)	(118)	0	707
Furniture & Fittings	79	19	0	0	(21)	0	0	77
Computers	467	215	0	0	(311)	0	0	371
Street Furniture	355	7	0	0	(16)	0	0	346
Heritage Assets	188	0	0	0	(2)	0	0	186
<b>Total Other Assets</b>	<b>5,824</b>	<b>1,382</b>	<b>0</b>	<b>0</b>	<b>(1,154)</b>	<b>(313)</b>	<b>0</b>	<b>5,739</b>
<b>Infrastructure</b>								
Roads	118,659	8,422	0	0	(2,902)	0	(8,901)	115,278
Bridge & Major Culverts	27,026	279	0	0	(429)	0	(1,480)	25,396
Footpaths	4,322	80	0	0	(116)	0	0	4,286
Kerb & Channel	7,463	142	0	0	(164)	0	0	7,441
Drainage	11,780	133	0	0	(138)	0	(132)	11,643
Parks & Gardens	1,992	195	0	0	(88)	0	(374)	1,725
<b>Total Infrastructure</b>	<b>171,242</b>	<b>9,251</b>	<b>0</b>	<b>0</b>	<b>(3,837)</b>	<b>0</b>	<b>(10,887)</b>	<b>165,769</b>
<b>Works in Progress</b>								
Buildings	0	10	0	0	0	0	0	10
<b>Total Works in Progress</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Total Property, Plant and Equipment and Infrastructure</b>	<b>246,862</b>	<b>11,098</b>	<b>(430)</b>	<b>2,691</b>	<b>(5,986)</b>	<b>(2,235)</b>	<b>(10,887)</b>	<b>241,113</b>

**(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	(16)	0	(16)
Buildings	(414)	0	(414)
<b>Total</b>	<b>(430)</b>	<b>0</b>	<b>(430)</b>

**Note 20 Property, Plant and Equipment, Infrastructure (cont.)**

2010	Balance at Beginning of Financial Year	Acquisition of Assets	Lost & Found Assets (a) \$'000	Revaluation Increments (Decrements) (note 25) \$'000	Depreciation (note 11) \$'000	WDV of Disposals \$'000	Transfers \$'000	Balance at End of Financial Year \$'000
<b>Property</b>								
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
<b>Total Property</b>	<b>45,531</b>	<b>1,059</b>	<b>2,096</b>	<b>22,187</b>	<b>(919)</b>	<b>(25)</b>	<b>(134)</b>	<b>69,795</b>
<b>Other Assets</b>								
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
<b>Total Other Assets</b>	<b>6,056</b>	<b>1,266</b>	<b>0</b>	<b>0</b>	<b>(1,080)</b>	<b>(418)</b>	<b>0</b>	<b>5,824</b>
<b>Infrastructure</b>								
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
<b>Total Infrastructure</b>	<b>171,849</b>	<b>3,184</b>	<b>0</b>	<b>0</b>	<b>(3,924)</b>	<b>0</b>	<b>134</b>	<b>171,243</b>
<b>Total Property, Plant and Equipment and Infrastructure</b>	<b>223,436</b>	<b>5,509</b>	<b>2,096</b>	<b>22,187</b>	<b>(5,923)</b>	<b>(443)</b>	<b>0</b>	<b>246,862</b>

**(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)
<b>Total</b>	<b>(3,772)</b>	<b>5,868</b>	<b>2,096</b>

	2011 \$'000	2010 \$'000
<b>Note 21 Trade &amp; Other Payables</b>		
Trade Payables	2,106	1,084
Accrued Salary & Wages	142	74
Accrued Expenses	107	143
	<u>2,355</u>	<u>1,301</u>
<b>Note 22 Trust Funds &amp; Deposits</b>		
Retained Contractor Payments	69	0
Refundable Building Deposits	20	11
Refundable Security Deposits	5	20
Other Refundable Trusts & Deposits	4	17
	<u>98</u>	<u>48</u>

**Note 23 Provisions**

	Landfill Restoration	Annual Leave	Rostered Days Off	Long Service Leave	Total
2011	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	275	929	39	1,437	2,680
Additional Provisions	0	90	157	459	706
Reduction of Provisions	0	(10)	(144)	(334)	(488)
Balance at the end of the financial year	<u>275</u>	<u>1,009</u>	<u>52</u>	<u>1,562</u>	<u>2,898</u>
<b>2010</b>					
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>

	2011 \$'000	2010 \$'000
<b>(a) Employee Benefits</b>		
<b>(i) Current</b>		
Annual Leave	1,009	929
Long Service Leave	1,345	1,240
Rostered Days Off	52	39
	<u>2,406</u>	<u>2,208</u>
<b>(ii) Non-current</b>		
Long Service Leave	217	197
	<u>217</u>	<u>197</u>
Aggregate carrying amount of Employee Benefits:		
Current	2,406	2,208
Non-current	217	197
	<u>2,623</u>	<u>2,405</u>

	2011 \$'000	2010 \$'000
<b>Note 23 Provisions (cont.)</b>		
<b>(a) Employee Benefits (cont.)</b>		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	3.7%	3.7%
Weighted average discount rates	2.9%	2.9%
Weighted average settlement period	14	14
<b>(i) Current</b>		
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	1,213	1,191
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	1,193	1,017
	<u>2,406</u>	<u>2,208</u>
<b>(ii) Non-current</b>		
Long service leave representing less than 7 years of continuous service measured at present value	217	197
Total	<u>2,623</u>	<u>2,405</u>
<b>(b) Landfill Restoration</b>		
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.		
<b>Non-current</b>		
Landfill Restoration	275	275
	<u>275</u>	<u>275</u>



	2011 \$'000	2010 \$'000
<b>Note 24 Interest-bearing Loans and Borrowings</b>		
<b>Current</b>		
Borrowings - secured	543	430
<b>Non-current</b>		
Borrowings - secured	2,184	1,628
Total	2,727	2,058
The maturity profile for Council's borrowings is:		
Not later than one year	543	430
Later than one year and not later than five years	1,210	1,166
Later than five years	974	462
	2,727	2,058

Note 25 Reserves

(a) Asset Revaluation Reserve

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
<b>2011</b>			
<b>Property</b>			
Land	6,056	0	6,056
Buildings	47,218	2,692	49,910
<b>Infrastructure</b>			
Footpaths	1,646	0	1,646
Kerb & Channel	1,906	0	1,906
Bridges & Major Culverts	9,149	(1,480)	7,669
Drains	2,335	(132)	2,203
Street Furniture	20	0	20
Sealed Pavements	48,171	(741)	47,430
Sealed Surfaces	5,022	(90)	4,932
Unsealed Pavements	9,151	(8,070)	1,081
Sealed Formations	1,815	0	1,815
Unsealed Formations	2,650	0	2,650
<b>Other</b>			
Financial Assets	16	(8)	8
Investment in Associates	19	0	19
<b>Total Asset Revaluation Reserves</b>	<b>135,174</b>	<b>(7,829)</b>	<b>127,345</b>

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
<b>2010</b>			
<b>Property</b>			
Land	4,618	1,438	6,056
Buildings	26,469	20,749	47,218
<b>Infrastructure</b>			
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
<b>Other</b>			
Financial Assets	14	2	16
Investment in Associates	19	0	19
<b>Total Asset Revaluation Reserves</b>	<b>112,985</b>	<b>22,189</b>	<b>135,174</b>

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

**Note 25 Reserves (cont.)**

**(b) General Reserves**

	Balance at Beginning of Reporting Period \$'000	Transfer to/(from) Reserves \$'000	Balance at End of Reporting Period \$'000
<b>2011</b>			
Plant Replacement	1,618	0	1,618
Public Open Spaces	87	(87)	0
St Arnaud Cemetery	29	(11)	18
Stawell Cemetery	11	24	35
Gravel Pits Restoration	122	0	122
Western Highway Action	13	(13)	0
Community Loans	425	(72)	353
Heritage Restoration	20	0	20
<b>Total General Reserves</b>	<b>2,325</b>	<b>(159)</b>	<b>2,166</b>

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

**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.

**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.

**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.

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Note 26 Reconciliation of Cash Flows from Operating Activities to Profit/(Loss)</b>		
Profit /(Loss)	6,721	1,344
Lost & Found assets	430	(2,096)
Impairment losses	374	0
Depreciation	5,986	5,923
(Profit)/loss on Disposal of Property, Plant and Equipment and Infrastructure	1,718	74
Share of net result of associates	(114)	(103)
Contributions - non monetary assets	0	0
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in Trade and Other Receivables	(753)	54
Increase/(decrease) in Other Assets	(18)	65
Increase/(decrease) in Trade and Other Payables	1,066	265
(Increase)/decrease in Inventories	(3)	1
Increase/(decrease) in Provisions	218	262
Net Cash provided by Operating Activities	<u>15,625</u>	<u>5,789</u>
<b>Note 27 Financing Arrangements</b>		
Bank Overdraft	200	200
Used Facilities	0	0
Unused Facilities	<u>200</u>	<u>200</u>
<b>Note 28 Restricted Assets</b>		
Council has cash and cash equivalents (note 15) 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 *	1,241	1,129
Reserve Funds (note 25)	2,166	2,325
Unspent Grants (note 4)	4,839	363
	<u>8,246</u>	<u>3,817</u>

\* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 23 due to a different basis of calculation prescribed by the regulation.

## Note 29 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 makes the following contributions:-

- 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.

Following an actuarial review conducted by the Trustee in late 2010, as at 31 December 2008, a funding shortfall of \$71 million for the Fund was determined. A call to Employers for additional contributions was made for the financial year 30 June 2011, and this was paid in June 2011. A further actuarial review will be undertaken as at 31 December 2011 by mid 2012. Based on the result of this review, a detailed funding plan will be developed and implemented to achieve the target of full funding by 31 December 2013. The Northern Grampians Shire Council will be notified of any additional required contributions by late 2012.

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:

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

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

	<b>2011</b>	<b>2010</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Fund</b>		
<b>Defined benefit plans</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	515	116
	515	116
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	505	489
Employer contributions to Employees Choice Superannuation Funds	169	144
	674	633



### Note 30 Commitments

The Council has entered into the following commitments

2011	Not later than 1 year \$'000	Later than 1 year & not later than 2 years \$'000	Later than 2 years & not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
Meals Service	241	252	0	0	493
Waste Management	203	48	0	0	251
Valuations	183	0	0	0	183
Water Management	27	0	0	0	27
	<b>654</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>954</b>
<b>Capital</b>					
Bowling Green	296	0	0	0	296
Pool Upgrade	278	0	0	0	278
	<b>574</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>574</b>
<b>Total</b>	<b>1,228</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>1,528</b>

2010	Not later than 1 year \$'000	Later than 1 year & not later than 2 years \$'000	Later than 2 years & not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
<b>Operating</b>					
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
	<b>1,008</b>	<b>526</b>	<b>48</b>	<b>0</b>	<b>1,582</b>
<b>Capital</b>					
Buildings	6	0	0	0	6
Plant & Equipment	13	0	0	0	13
	<b>19</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Total</b>	<b>1,027</b>	<b>526</b>	<b>48</b>	<b>0</b>	<b>1,601</b>

	2011 \$'000	2010 \$'000
<b>Note 31 Operating Lease Commitments</b>		
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	102	66
Later than one year and not later than five years	180	227
Later than five years	22	0
	<b>304</b>	<b>293</b>
<b>Note 32 Contingent Liabilities</b>		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
(i) Insurances		
As at 30 June 2011 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
	<b>56</b>	<b>56</b>

**Note 33 Financial Instruments**

**(a) Accounting Policy, Terms & Conditions**

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
<b>Cash and Cash Equivalents</b>	15	Cash on hand and at bank and money market call account are valued at face value.	Deposits returned a floating interest rate of between 4.0% and 6.62% (2.5% and 6.48% in 2009-10). The average rate at balance date was 5.23% (4.91% in 2009-10).
<b>Trade and Other Receivables</b>			
<b>Other Debtors</b>	16	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. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
<b>Financial Liabilities</b>			
<b>Trade and Other Payables</b>	21	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.
<b>Interest-bearing Loans and Borrowings</b>	24	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 7.06% at balance date (6.98% in 2009-10).
<b>Bank Overdraft</b>	27	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 10.74% (10.49% in 2009-10).

**Note 33 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:

<b>2011</b>						
	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		
<b>Financial Assets</b>						
Cash and Cash Equivalents	7,831	2,533	0	0	4	10,368
Available-for-Sale Assets	908	0	0	0	0	908
Trade and Other Receivables	0	24	124	0	1,782	1,930
<i>Total Financial Assets</i>	8,739	2,557	124	0	1,786	13,206
Weighted Average Interest Rate	4.91%	5.58%	7.62%			
<b>Financial Liabilities</b>						
Trade and Other Payables	0	0	0	0	2,355	2,355
Trust Funds and Deposits	0	0	0	0	98	98
Interest-bearing Liabilities	0	543	1,210	974	0	2,727
<i>Total Financial Liabilities</i>	0	543	1,210	974	2,453	5,180
Weighted Average Interest Rate		6.87%	6.95%	7.30%		
<i>Net Financial Assets (Liabilities)</i>	8,739	2,014	(1,086)	(974)	(667)	8,026
<b>2010</b>						
	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		
<b>Financial Assets</b>						
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
<i>Total Financial Assets</i>	4,164	1,428	0	0	722	6,313
Weighted Average Interest Rate	4.75%	5.39%				
<b>Financial Liabilities</b>						
Trade and Other Payables	0	0	0	0	1,301	1,301
Trust Funds	0	0	0	0	48	48
Interest-bearing Liabilities	0	430	1,166	462	0	2,058
<i>Total Financial Liabilities</i>	0	430	1,166	462	1,349	3,407
Weighted Average Interest Rate		6.82%	6.78%	7.61%		
<i>Net Financial Assets (Liabilities)</i>	4,164	998	(1,166)	(462)	(627)	2,906

**Note 33 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		Aggregate Net Fair Value	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
<i>(1) Financial Assets</i>				
Cash and Cash Equivalents	10,368	4,604	10,368	4,604
Available-for-Sale	908	916	908	916
Trade and Other Receivables	1,930	793	1,930	793
<b>Total Financial Assets</b>	<b>13,206</b>	<b>6,313</b>	<b>13,206</b>	<b>6,313</b>
<i>(2) Financial Liabilities</i>				
Trade and Other Payables	2,355	1,301	2,355	1,301
Trust Funds and Deposits	98	48	98	48
Interest Bearing Loans & Borrowings	2,727	2,058	2,580	1,980
<b>Total Financial Liabilities</b>	<b>5,180</b>	<b>3,407</b>	<b>5,033</b>	<b>3,329</b>

**(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

**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.

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. Interest rate risk on our net debt portfolio is

- 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,
- capital protection,
- 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 33 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 32.

	2011 \$'000	2010 \$'000
<b>Movement in Provisions for Doubtful Debts</b>		
Balance at the beginning of the year	14	5
New Provisions recognised during the year	4	14
Amounts already provided for and written off as uncollectible	(13)	(4)
Amounts provided for but recovered during the year	0	(1)
Balance at end of year	5	14

**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:

	2011 \$'000	2010 \$'000
Current (not yet due)	1,014	573
Past due by up to 30 days	447	327
Past due between 31 and 90 days	161	94
Past due between 91 and 365 days	216	149
Past due by more than 1 year	97	66
Total Trade & Other Receivables	1,935	1,209

**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.



**Note 33 Financial Instruments (cont.)**

The table below lists the contractual maturities for Financial Liabilities. These amounts represent undiscounted gross payments

2011	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	2,355			2,355
Trust Funds and Deposits	98			98
Interest Bearing Loans & Borrowings	543	1,210	974	2,727
Total Financial Liabilities	2,996	1,210	974	5,180

2010	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	1,301			1,301
Trust Funds and Deposits	48			48
Interest Bearing Loans & Borrowings	430	1,166	462	2,058
Total Financial Liabilities	1,779	1,166	462	3,407

**(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.

Market risk exposure	Interest rate risk				
2011	Carrying amount subject to interest	(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	10,368	(104)	(104)	207	207
Available for sale	908	(9)	(9)	18	18
Trade and other receivables	1,967	0	0	0	0
<b>Financial liabilities:</b>					
Trade and Other Payables	2,355	0	0	0	0
Trust Funds and Deposits	98	0	0	0	0
Interest Bearing Loans & Borrowings	2,727	10	10	(19)	(19)

Market risk exposure	Interest rate risk				
2010	Carrying amount subject to interest	(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	4,604	(46)	(46)	92	92
Available for sale	916	(9)	(9)	18	18
Trade and other receivables	1,195	(12)	(12)	24	24
<b>Financial liabilities:</b>					
Trade and Other Payables	1,301	0	0	0	0
Trust Funds and Deposits	48	0	0	0	0
Interest-bearing loans and borrowings	2,058	21	21	(41)	(41)

**Note 34 Auditors' Remuneration**

Audit Fee to conduct external audit - Victorian Auditor-General  
Internal Audit Fees

2011 \$'000	2010 \$'000
26	26
13	19
39	45

**Note 35 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 - to November 2010  
Councillor Kevin Erwin - from December 2010  
Mayor Ray Hewitt - from December 2010  
Councillor Ray Hewitt - to November 2010  
Councillor Ross Clementson  
Councillor Wayne Rice  
Councillor Dorothy Patton  
Councillor Barry Marrow  
Councillor Andrea Cooper

**Chief Executive Officer**

Glen Davis - to 30 July, 2010  
James Nolan (Acting CEO) - 31 July, 2010 to 10 October, 2010  
Justine Linley - from 11 October, 2010

**(ii) Remuneration of Responsible Persons**

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

	<b>2011 No.</b>	<b>2010 No.</b>
\$10,000 - \$19,999	4	5
\$20,000 - \$29,999	2	1
\$30,000 - \$39,999	2	0
\$40,000 - \$49,999	1	0
\$50,000 - \$59,999	0	1
\$120,000 - \$129,999	1	0
\$190,000 - \$199,999	0	1
	<b>10</b>	<b>8</b>
	<b>\$'000</b>	<b>\$'000</b>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	<b>361</b>	<b>369</b>

**(iii)** No retirement benefits have been made by the Council to a Responsible Person. (2009-10, \$0).

**(iv)** No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2009-10, \$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.

CEO - Justine Linley	Grampians Printing & Design - provision of printing services. Owned by husband of Justine Linley.	<b>2</b>	<b>3</b>
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**Note 35 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 \$124,000.

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

Income Range:	2011 No.	2010 No.
< \$124,000	1	5
\$124,000 - \$129,999	1	0
\$130,000 - \$139,999	1	0
\$150,000 - \$159,999	0	1
	<u>3</u>	<u>6</u>
	<b>\$'000</b>	<b>\$'000</b>
Total remuneration for the reporting year for Senior Officers included above, amounted to	373	664

**Note 36 Events occurring after balance date**

There were no events occurring after the balance date which impact upon the balance shown in these Financial Statements.

Note 37 Income, Expenses and Assets by Function/Activities

	Corporate Services		Infrastructure & Environment		Marketing & Community		Emergency Event Flood		Total	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	5,920	5,423	12,759	3,719	1,098	71	782	0	20,559	9,213
Other	10,836	16,760	819	3,049	1,951	77	32	0	13,638	19,886
<b>TOTAL</b>	<b>16,756</b>	<b>22,183</b>	<b>13,578</b>	<b>6,768</b>	<b>3,049</b>	<b>148</b>	<b>814</b>	<b>0</b>	<b>34,197</b>	<b>29,099</b>
<b>EXPENSES</b>										
	(11,806)	(14,680)	(8,261)	(11,919)	(5,577)	(1,156)	(1,832)	0	(27,476)	(27,755)
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>4,950</b>	<b>7,503</b>	<b>5,317</b>	<b>(5,151)</b>	<b>(2,528)</b>	<b>(1,008)</b>	<b>(1,018)</b>	<b>0</b>	<b>6,721</b>	<b>1,344</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>27,344</b>	<b>78,452</b>	<b>227,885</b>	<b>175,887</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>255,229</b>	<b>254,339</b>

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

**Corporate Services**

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

The Division includes the following Branches :

Governance & Civic Support  
Human Resources

Corporate Services  
Financial Services

Customer Support  
Information Services

Organisational Development

**Infrastructure & Environment**

Infrastructure & Environment is the area of Council responsible for protecting, enhancing and developing the natural and built environment.

The Division includes the following Branches :

Infrastructure Operations  
Infrastructure Development

Emergency Services  
Environment

Public Health  
Local Laws

Planning  
Building

**Marketing & Community**

Marketing & Community is the area of Council responsible for enhancing community wellbeing and encouraging growth within the municipality.

The Division includes the following Branches :

Economic Development  
Marketing & Communication

Community Development  
Emergency Recovery

Aged & Disabled Services  
Childcare Services

Tourism  
Recreation

**Emergency Event Flood**

Emergency Event Flood is an area of Council that has been set up specifically as a result of the flood events in 2010 and 2011, and is responsible for flood related response, recovery and future planning.

	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
<b>Note 38 Financial Ratios (Performance Indicators)</b>						
<b>(a) Debt Servicing Ratio</b> (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u>	135		162		109	
Total Revenue	35,801	= 0.38%	23,202	= 0.70%	24,344	= 0.45%
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>(b) Debt Commitment Ratio</b> (to identify Council's debt redemption strategy)						
<u>Debt Servicing &amp; Redemption Costs</u>	565		564		602	
Rate Revenue	11,759	= 4.80%	10,685	= 5.28%	9,933	= 6.06%
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.						
<b>(c) Revenue Ratio</b> (to identify Council's dependence on non-rate income)						
<u>Rate Revenue</u>	11,759		10,685		9,933	
Total Revenue	35,801	= 32.85%	23,202	= 46.05%	24,344	= 40.80%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
<b>(d) Debt Exposure Ratio</b> (to identify Council's exposure to debt)						
<u>Total Indebtedness</u>	6,837		4,958		4,967	
Total Realisable Assets	31,567	= 21.66%	26,625	= 18.62%	41,459	= 11.98%
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 28) 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 associates.						
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.						

	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)	2009 \$'000	2009 (%)
<b>Note 38 Financial Ratios (Performance Indicators) (cont.)</b>						
<b>(e) Working Capital Ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	12,381		5,978		5,812	
Current Liabilities	5,402	= 229.19%	3,987	= 149.94%	3,478	= 167.11%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
<b>(f) Adjusted working capital ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	12,381		5,978		5,812	
Current liabilities	4,209	= 294.16%	2,970	= 201.28%	2,507	= 231.83%
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.						



## Northern Grampians Shire Council

### Certification of the Financial Report for the Financial Year Ending 30 June 2011

#### Statement by Principal Accounting Officer

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 CPA  
Principal Accounting Officer

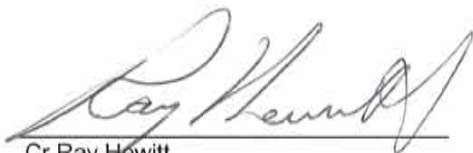
Date: 1 September, 2011

#### Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2011 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 25 August, 2011 to certify the financial statements in their final form.



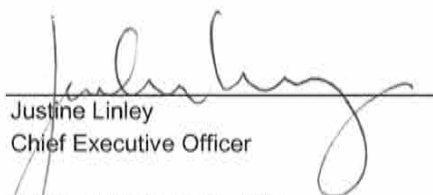
Cr Ray Hewitt  
Councillor

Date: 1 September, 2011



Cr Kevin Erwin  
Councillor

Date: 1 September, 2011



Justine Linley  
Chief Executive Officer

Date: 1 September, 2011



# Performance Statement

FOR THE YEAR ENDED 30 JUNE 2011



## KEY STRATEGIC ACTIVITIES 2010/2011

For the year ending 30 June, 2011.

### Key Strategic Activity

Develop and implement industry sector plans.		
Performance Measure	Performance Target	Achieved
At least two key sectors identified and implementation strategies developed.	Two sector plans developed.	Yes achieved

Encourage growth of retail sales within the Shire.		
Performance Measure	Performance Target	Achieved
Facilitate retail growth with business groups in Stawell and St Arnaud.	Develop and implement a retail campaign.	Yes achieved

Work with other regional groups to lobby for improved service and funding for regional priority projects.		
Performance Measure	Performance Target	Achieved
Maintain membership and attend meetings of at least four regional groups.	Active membership of at least four regional groups maintained.	Yes achieved

Encourage economic activity in the Shire through the support of events and festivals.		
Performance Measure	Performance Target	Achieved
Support at least ten existing or new events or festivals, either financially or in kind.	At least ten events or festivals supported.	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

Lead the community in the implementation of the 2009 and 2010 Community Plans.		
Performance Measure	Performance Target	Achieved
Elements of the Community Plans for Stawell, St Arnaud, Halls Gap, Great Western and Marnoo have been either planned, funded or completed.	At least one activity for each Community Plan has been actioned.	Yes achieved

Enhance Community safety.		
Performance Measure	Performance Target	Achieved
Encourage the CFA to review and develop Township Protection Plans for relevant communities in the shire which are considered to be high risk.	Existing Township Protection Plans for Halls Gap and St Arnaud are reviewed and developed for the 2010/11 fire season.	Yes achieved

## KEY STRATEGIC ACTIVITIES 2010/2011

For the year ending 30 June, 2011.

### Key Strategic Activity

Enhance Community safety.		
Performance Measure	Performance Target	Achieved
Provide Neighbourhood Safer Places where appropriate in the Northern Grampians Shire.	Existing Neighbourhood Safer Places reviewed and the provision for additional Neighbourhood Safer Places considered.	Yes achieved

Enhance Community safety.		
Performance Measure	Performance Target	Achieved
Ensure the Northern Grampians Shire Council Road Management Plan remains up to date for the purpose of maintaining a safe and efficient Road Network.	Amend the Northern Grampians Shire Council Road Management Plan.	No. Due to the impact of the floods the Road Management Plan had to be suspended.

Continue to provide good governance.		
Performance Measure	Performance Target	Achieved
Develop and adopt an agreed process for review of existing policies and development of new policies.	Process adopted for the review and development of Council policies.	No. Process commenced to review existing policies. A draft policy development guideline has been developed but not yet adopted by Council.

**Council Approval of the Performance Statement  
for the Financial Year Ending 30 June 2011**

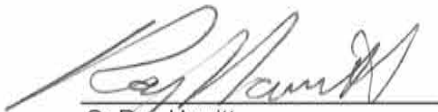
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**Statement by Councillors and Chief Executive Officer**

In our opinion the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2010/11 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 Performance Statement to be misleading or inaccurate.

On 25 August, 2011 we were authorised by the Council to certify the Performance Statement in its final form on behalf of the Council.



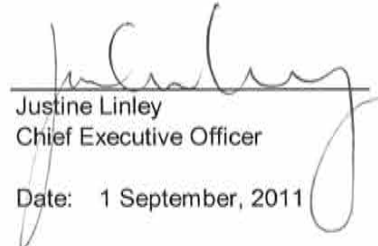
Cr Ray Hewitt  
Councillor

Date: 1 September, 2011



Cr Kevin Erwin  
Councillor

Date: 1 September, 2011



Justine Linley  
Chief Executive Officer

Date: 1 September, 2011



## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Northern Grampians Shire Council

#### *The Standard Statements and Financial Report*

The accompanying standard statements for the year ended 30 June 2011 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 accompanying financial report for the year ended 30 June 2011 of the 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 financial report has been audited.

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

The Councillors of the Northern Grampians Shire Council are responsible for the preparation and the fair presentation of:

- 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*
- 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*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the standard statements and financial report 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 standard statements and financial report 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 standard statements and financial report are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standard statements and financial report. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the standard statements and financial report, 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 standard statements and financial report 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 Councillors, as well as evaluating the overall presentation of the standard statements and financial report.



## 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.

### *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 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*.
- (b) the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2011 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*.


### *Basis of Accounting for Standard Statements*

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

### *Matters Relating to the Electronic Publication of the Audited Standard Statements and Financial Report*

This auditor's report relates to the standard statements and financial report of the Northern Grampians Shire Council for the year ended 30 June 2011 included both in the Northern Grampians Shire Council's annual report and on the website. The Councillors of the Northern Grampians Shire Council are responsible for the integrity of the Northern Grampians Shire Council's website. I have not been engaged to report on the integrity of the Northern Grampians Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE  
5 September 2011

  
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 2011 of the 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 the 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.

#### *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.



## Independent Auditor's Report (continued)


### *Auditor's Opinion*

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2011 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

This auditor's report relates to the performance statement of the Northern Grampians Shire Council for the year ended 30 June 2011 included both in the Northern Grampians Shire Council's annual report and on the website. The Councillors of the Northern Grampians Shire Council are responsible for the integrity of the Northern Grampians Shire Council's website. I have not been engaged to report on the integrity of the Northern Grampians Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
5 September 2011

  
D D R Pearson  
Auditor-General