

2013-2014

ANNUAL REPORT

NORTHERN GRAMPIANS SHIRE COUNCIL







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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





■ Northern Grampians Shire

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

Location

Located in the picturesque Grampians region of 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.

The Kara Kara 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 supply and service agricultural machinery and are home to industries including brick, steel fabrication and meat production.

QUICK STATS:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,799

Road Length: 3,408km of local roads

Rateable Properties: 9,243

Rates and Charges Revenue: \$15.0 million

Total Revenue (inc grants): \$31.6 million

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

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

What a year it has been in the Northern Grampians Shire. Future planning has been a major focus and Council has been working with our communities to create unique visions for Stawell, St Arnaud, Great Western and Halls Gap. In Stawell, work has commenced on the Western Stawell Business Precinct Master Plan which will set the direction of the business area of western Stawell for the next 15 years. St Arnaud residents enthusiastically participated in the development of a master plan for their civic precinct which was launched in April. The St Arnaud Civic Precinct Master Plan identifies how the town's public spaces can be best adapted and developed to improve their access and suitability for a range of uses, and better meet the needs of the community. The Great Western Future Plan and the Halls Gap Master Plan will also be important documents for Council heading into the future and will ensure our municipality's smaller towns continue to thrive.

Services reviews are another way Council is attempting to improve the social and economic viability of the shire. In recent months Council voted in favour of reducing its subsidy of children's services in a bid to ease the financial pressure on ratepayers. Northern Grampians Shire is one of 18 unsustainable rural Councils in the state and now more than ever, we need to be assessing the services we provide in a systematic and forensic way. Providing best value services is a responsibility we take very seriously and before the end of 2017, we will be assessing all of our service models to ensure our ratepayers are not overburdened. Tough decisions may be necessary, but it is important that our service levels are appropriate and in line with what our communities can afford.

No doubt, the future of the Stawell Gold Mine has been a hot topic of conversation over the past 12 months. An Environmental Effects Statement was prepared for the Big Hill Enhanced Development Project and panel hearings on the proposal are now complete. While the community waits on a final decision from the Minister, Council has been working hard on identifying future end uses for the Stawell Gold Mine Site. The Stawell Gold Mine Future Feasibility Study has resulted in the successful delivery of initial feasibility studies and comprehensive business cases for possible development options. Concepts that have been assessed as having strong investment potential include agribusiness opportunities (including hydroponics),

a training operation, a particle physics research facility and landfill potential for the Wonga Pit. The project is now entering the investment attraction phase with Council officers making initial contact with potential investors and scoping funding requirements to support potential investment. There are some exciting projects in the pipeline and Council is looking forward to seeing how these pan out in the coming months.

The Halls Gap Hub has been another important project. Council is thrilled that this important asset is finally coming to fruition after being listed as a community priority for more than 30 years. With construction now well underway, we are looking forward to being able to provide a fabulous space for the community and a first stop for the one million tourists who visit the Grampians each year. Plans for the Hub include public toilet facilities and space for conducting exhibitions, performances and community activities, as well as multipurpose rooms for office or commercial use.

Council also encountered its fair share of challenges, including natural disaster. January's bushfires impacted homes and businesses throughout the shire and our staff rallied to provide response, relief and clean-up. A Bushfire Recovery Action Plan has been developed to aid in the recovery of those affected communities and rebuilding of physical assets has commenced relatively quickly. Steps were also taken to entice tourists back to Halls Gap, which was saved from the flames thanks to the wonderful work of our emergency service crews. While recovery is progressing well, Council will continue to work with affected communities to help foster economic and social stability.

While both rewarding and challenging, this financial year has seen Council make some strong headway on our Council Plan objectives of improving the social and economic viability of the shire and delivering targeted projects and key services. We look forward to continuing to work in partnership with our communities to achieve these outcomes.

Kevin Erwin

Cr Kevin Erwin

Mayor





Northern Grampians Shire Council has now firmly cemented its reputation as a resilient organisation and we have claimed the dubious title of being "experts" in natural disaster. While we continued to complete our flood recovery works the challenge of responding to the fires of January and working with the most affected communities and individuals on the road to recovery has been a feature of much of our work this year. However, this has not been the only work we have undertaken and I am proud that we have delivered 93 percent of our planned capital works program, well above the state average for councils of 70 percent.

Long-term projects completed during the year include stage three works at the Stawell Airport and the installation of new public amenities in the Recreation Reserve in Halls Gap.

Council has also undertaken some major planning projects over the past year including the completion of a comprehensive Shire-wide Recreation and Facilities Strategy, the completion of the Post Mining Stawell Feasibility Study and the completion of the St Arnaud Heritage and Civic Precinct Plan. These major planning exercises are designed to provide our communities with employment options and improved facilities for active and diverse community life. Council is now working towards the implementation of many of the recommendations to come from these important plans.

In addition to the larger projects, replacement work and improvements have also occurred, or are underway, in many of the smaller communities in the shire. Much of this work has been brought forward as a result of the impact of the 2010 and 2011 floods.

Over 60 events throughout the shire were supported, bringing activity, people and of course money into the local economy. These events, included the iconic Australia Post Stawell Easter Gift, Grampians Jazz Festival, Grampians Arts Trail, Festival of St Arnaud, Grampians Grape Escape, Great Western Rodeo, Stawell, St Arnaud and Great Western Races and the St Arnaud and Stawell Agricultural Shows to name a few.

This year we have continued our work on developing the culture of the organisation to move it from one dominated by conventional thinking to one that is achievement focused and constructive. This work has borne fruit, with Council winning a number of major awards for excellence. On this note, I am particularly impressed by the work of our first ever Youth Action Council and the leadership shown by the young people in the Shire whose enthusiasm, creativity and commitment to their communities is outstanding.

Many thanks to the staff of Northern Grampians Shire Council and in particular to Mr Jim Nolan, Mr Sanjay Manivasagasivam and Mr Vaughan Williams for their commitment to the organisation and for their wise counsel, innovative thinking and can-do approach. A thank you also to all Councillors, both the two outgoing Councillors, Mr Jim Anderson and Mr Paul Russell, and those in the current Council, who have stood firmly by the vision of 'creating a better lifestyle and environment' in Northern Grampians.

Council continues to demonstrate that with courage there is a better way of connecting communities, showing leadership and supporting innovation in local government.

Justine Linley
Chief Executive Officer

OUR COUNCILLORS



Cr Wayne Rice
First elected: 26 November, 2005
Term expires: October 2016



Cr Murray Emerson
First elected: 27 October, 2012
Term expires: October 2016



Cr Karen Hyslop
First elected: 27 October, 2012
Term expires: October 2016

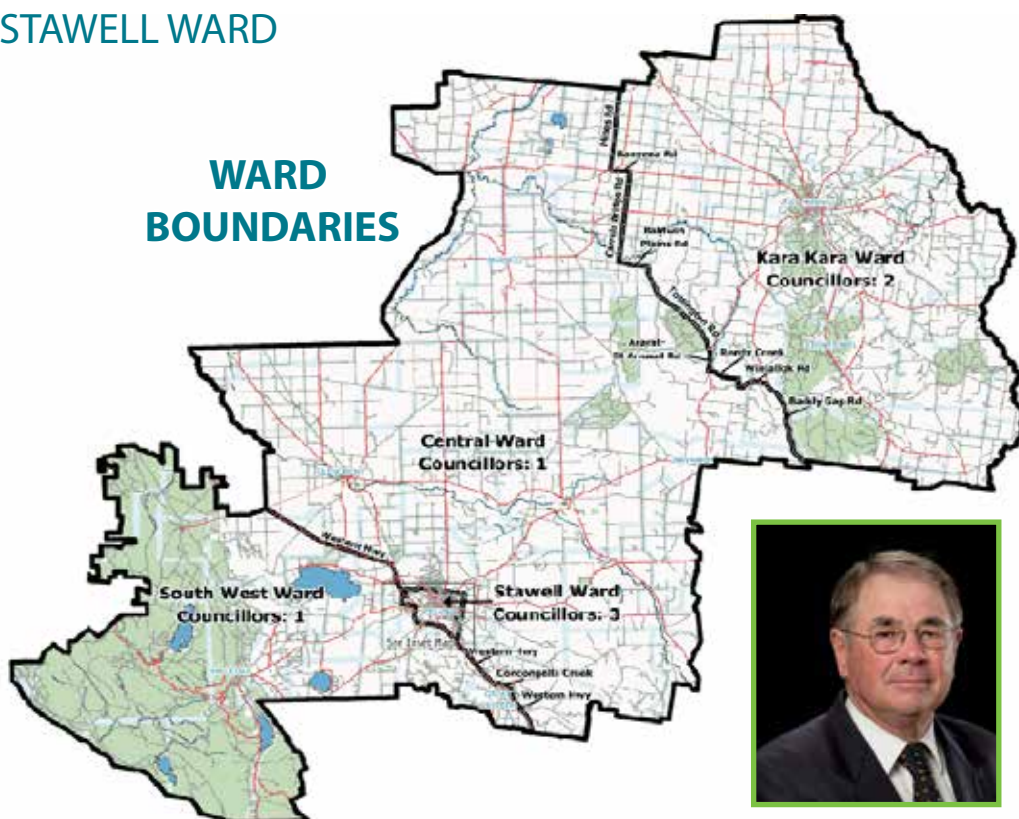
STAWELL WARD

CENTRAL WARD



Mayor Cr Kevin Erwin
First elected: 14 March, 2003
Term expires: October 2016

WARD BOUNDARIES



Cr Jim Anderson
First elected: 27 October, 2012
Resigned: 30 August 2013

SOUTH WEST WARD



Cr Jason Hosemans
First elected: 15 March, 2014
Term expires: October 2016



Cr Paul Russell
First elected: 27 October, 2012
Resigned: 5 December, 2013

KARA KARA WARD



Cr Tony Driscoll
First elected: 27 October, 2012
Term expires: October 2016



Cr Merrilee Reid
First elected: 23 November, 2013
Term expires: October 2016

During 2013/14 there were 14 ordinary council meetings and three special council meetings.

Generally meetings are held on the first Monday 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
No. of Meetings	14	3
Cr Kevin Erwin	14	2
Cr Merrilee Reid (28.11.2013-present)	9	2
Cr Tony Driscoll	14	3
Cr Murray Emerson	13	2
Cr Wayne Rice	8	3
Cr Karen Hyslop	14	3
Cr Jason Hosemans (7.04.2014-present)	5	3
Cr Paul Russell (resigned 5.12.2013)	5	N/A
Cr Jim Anderson (resigned 30.08.2013)	1	N/A

Audit Committee	
No. of Meetings	4
Cr Kevin Erwin	4
Cr Murray Emerson	3

Councillor Briefings	
No. of Meetings	39
Cr Kevin Erwin	36
Cr Merrilee Reid (28.11.2013-present)	22
Cr Tony Driscoll	35
Cr Murray Emerson	34
Cr Wayne Rice	26
Cr Karen Hyslop	38
Cr Jason Hosemans (7.04.2014-present)	13
Cr Paul Russell (resigned 5.12.2013)	16
Cr Jim Anderson (resigned 30.08.2013)	6

OUR ORGANISATION



Justine Linley
Chief Executive
Officer



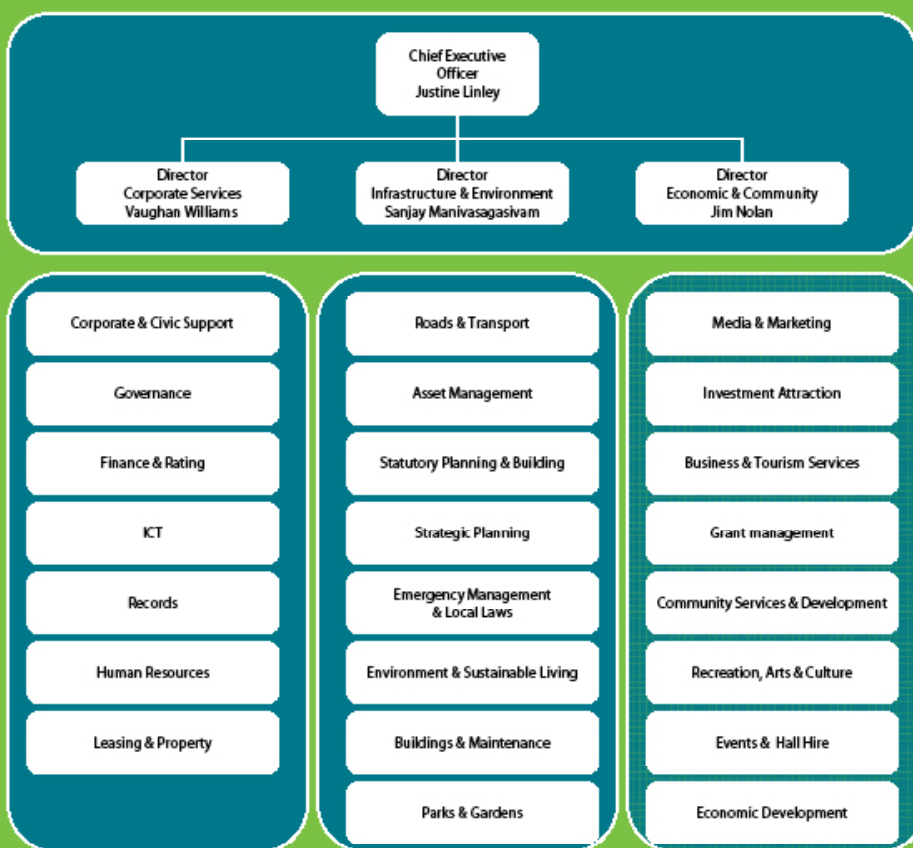
Vaughan Williams
Director
Corporate Services



Sanjay Manivasagasivam
Director
Infrastructure & Environment



Jim Nolan
Director
Economic & Community



ECONOMIC INITIATIVES



BUILDING BOOM

The development and use of land in the municipality stimulates, guides and influences the economic growth of the shire. Council's Planning and Development team issued planning permits worth \$17.1 million in the 2013/2014 financial year, with a further \$8.1 million under consideration at the end of the financial year. Council also administered building permits for developments worth a total of \$12.6 million, with a further \$70,000 under consideration at the end of the financial year. At its June 2014 meeting, Council's business services staff were working with private investors seeking to invest in the order of \$990 million in the area.

PARTNERSHIPS FOSTERING BUSINESS SUCCESS

During the 2013/2014 financial year, Council created the Economic Development and Planning Partnership to provide a helpful, 'can do' first point of contact. The partnership provides support for potential investors, existing business owners, people starting a business and people looking to build their dream home in the shire. It also encourages and facilitates the development of strategies and policies that blend planning requirements with community aspirations for sustainable economic growth, industry development (including tourism development), environmental protection and social cohesion in Northern Grampians Shire.

BUSINESS WORKSHOPS A WINNING RECIPE

A number of business workshops were held for both existing and prospective business owners across the shire. Designed to give people the knowledge they need to make informed decisions in the business world, all workshops were delivered by qualified and experienced facilitators at low cost to attendees.



The Passing the Baton seminar was well attended by the local farming community.

SUPPORTING THE NEXT GENERATION OF FARMERS

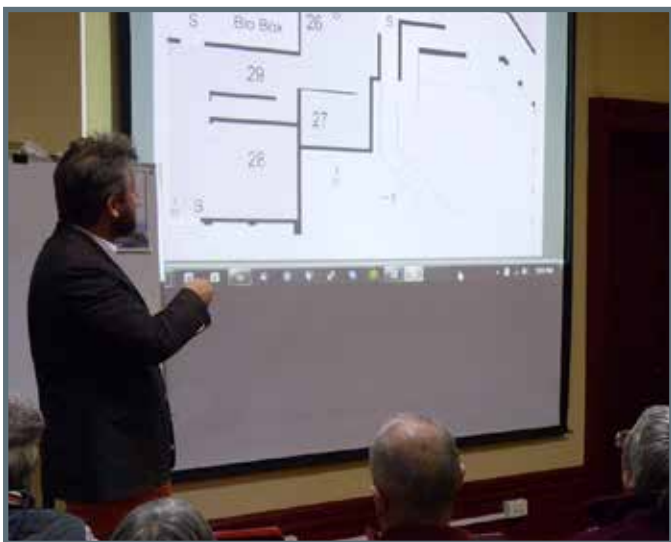
Close to 40 people attended a farm succession planning seminar held at the Comfort Inn in Stawell in February. The event was part of the annual Farming in the 21st Century series and was supported by Northern Grampians Shire Council, Project Platypus, Upper Wimmera Landcare and the Australian Government. *Passing the Baton* provided participants with valuable information on handing the farm over to the next generation. The session featured guest speaker Alan Blackburn who has a range of experience in the field of succession planning. During the session participants learnt about retirement planning, what their capital and income needs might be and some of the essential accounting and financial aspects of succession planning.

Passing the Baton was the second workshop in the 2014 Farming in the 21st Century series, hosted by Northern Grampians Shire Council, Ararat Rural City and Pyrenees Shire Council.

WHY STRATEGIC PROJECTS?

During its flood recovery work, Council discovered that you can't do business in a normal way, in abnormal circumstances and still achieve high end results - something has to give! Rather than developing a reactive program, as in the case of natural disaster recovery, in 2012-13 Council made a decision to dedicate resources to a strategic project team that had the capacity and expertise to respond to emerging issues and opportunities. This meant Council was prepared to be able to move quickly in the interest of our communities when an issue such as the closure of the Stawell Gold Mine was announced.

The Strategic Projects Unit is more than just a planning team. It has the capacity to identify and investigate opportunities to benefit the community, coordinate actions and resources and have significant projects implemented before they are passed over to other Council business units, private investors or the community for the long term operation. This helps significantly in cutting through some of the red tape that exists for everyone.



St Arnaud Civic Precinct Plan community feedback and information session, St Arnaud Town Hall.

FUNDING FORWARD THINKING

The growth of business investment, employment and community liveability within our shire is at the heart of strategic projects' initiatives. Being able to focus on projects that will have a long term benefit to jobs and the economy will mean that results can be achieved in a short time frame. Among a myriad of concepts that have been identified by Council, ten key strategic projects have been identified that can provide the best return for investment in terms of employment and growth of the shire in the shortest timeframe. Work on these projects by the strategic projects team is well advanced. The Victorian and Australian governments, private sector, Council and community organisations are contributing funds to explore opportunities such as the St Arnaud and Stawell CBD revitalisation projects, St Arnaud Civic Precinct Plan implementation, The Western Highway Community Hub and the Great Western Future Plan implementation.

Council secured funding for two strategic projects in 2013/14 – \$160,000 for the Stawell Gold Mine Future Possibilities Study and \$150,000 for the Western Stawell Business Precinct Master Plan. These two planning projects are critical for job creation and investment attraction to the shire for the next decade. The Halls Gap Resort Town project has also been supported with a \$45,000 state grant to conduct a \$60,000 master plan for the central retail activity zone and public space. The master plan will provide a map for the development of this high profile tourist precinct over the next 10 years. It will support the sustainability and expansion opportunities of existing anchor businesses, as well as provide a pathway for new investment, increased job opportunities and long term employment and strengthen the tourism offering within the greater Grampians region.



The Stawell Gold Mines Future Possibilities Project Control Group visits a hydroponics enterprise during a field study in February.

COUNCIL DEVELOPING GOLDEN OPPORTUNITIES

The Stawell Gold Mines Future Possibilities project was initiated in July 2013 with the express objective of identifying viable alternative industry use for the Stawell Gold Mine site, post closure, which will result in job creation and provide stimulus for the local economy. The project has now delivered a detailed feasibility study and business case for reuse options including agribusiness, training, a potential landfill and a particle physics laboratory. The project is now entering the investment attraction phase, with Council officers making initial contact with potential investors and scoping funding requirements to support potential investment. The Centre of Excellence of Particle Physics is currently undertaking a research project in the underground environment of the gold mine to ascertain its suitability to host the Southern Hemisphere's first underground physics laboratory. They plan to undertake experiments to detect dark matter- the 'holy grail' of science.



Western Stawell Business Precinct Master Plan area.

RENEWING STAWELL'S INDUSTRIAL HEART

The Western Stawell Business Precinct Master Plan is necessary to develop a report and maps for the development of this high profile section of the Western Highway over the next 15 years. The project will identify and advance the intrinsic quality of the precinct and provide the tools to manage the change into a thriving business precinct. The master plan will provide a basis for preparing detailed plans for any rezoning of land and potential sub-division.

The purpose of this project is to ensure the preparation and adoption of the master plan to facilitate:

- job creation
- investment growth
- diversity in the economic base
- improved transport logistics for the precinct.

Once this is achieved, the community and government can look forward to having a vibrant and functional business precinct at the western gateway to Stawell.

MANY HANDS MAKE LIGHT WORK

Funding projects that will support our community also have a broader benefit to the region, state and nation. Therefore, it is critical that Council is not the only one paying for this work. The strategic projects team has the function of working with government departments to identify grant funds that may be available to support Council's work on community priorities and projects. Researching grant options, networking with funding bodies, creating a business case and making applications for external grant funds has become a significant body of work, and vital if Council wants to have projects delivered in a short time and without undue impost on the community.

EXCEEDING STATE STATISTICS

Council's strategic indicator for Economic Development is: "Gross Regional Product (GRP) shows positive growth that matches or exceeds growth across the state economy" (REM Plan).

As at April 2014 the Gross Regional Product was:

Northern Grampians Shire:

Gross Regional Product \$662M
Per worker GRP \$139,303/worker

Victoria:

Gross Regional Product \$337,493M
Per worker GRP \$139,346/worker

Council's business services team is currently working with a number of private companies that are looking to invest in the Northern Grampians area. The table below shows a summary of the potential business investment which these developments would generate.

Number of businesses	Potential investment
20	\$990 million

BUSINESS SERVICES ON THE GROUND

This financial year, the Business Services Team has visited more than 190 businesses across the municipality. Their support and guidance has contributed to the creation of 213 local jobs.

These figures do not include the 100 visits that were made to businesses following the January bushfires. During this difficult time, Council officers were on hand to provide advice and offer support to businesses that were impacted physically, financially or emotionally.

Over 20 businesses were supported by Council's Business Assistance Scheme which allocated approximately \$30,000 to support new investment and the expansion of existing businesses.

Town	Number of business visits (2013-14 financial year)	Number of jobs created (approx)
St Arnaud	32	23
Stawell	110	158
Halls Gap	35	18
Great Western	7	9
Marnoo	5	3
Navarre	1	0
Stuart Mill	1	2
Glenorchy	1	0
TOTAL	192	213



SOCIAL, COMMUNITY & ENVIRONMENT *INITIATIVES*



Tree planting at Taylors Gully Children's Centre, Stawell.

“ **OUR QUALITY CHILDREN'S SERVICES
ALLOW ALL CHILDREN TO EXPERIENCE
PLAY BASED LEARNING THAT IS ENGAGING
AND BUILDS SUCCESS IN LIFE**

PLAYING, LEARNING AND DEVELOPING

Our quality children's services allow all children to experience play-based learning that is engaging and builds success in life. Our centres provide safe and healthy educational and developmentally appropriate learning environments that include natural elements, first class educational programs and a range of play-rooms and outdoor areas. Long Day Care programs at Taylors Gully Children's Centre and St Arnaud Children's Precinct provided more than 170 families with a total of 107,590.75 hours of childcare during the 2013/14 year. The number of families utilising Council's Vacation Care totalled 35 for the 2013/14 year, with 4015 hours of care provided.

The St Arnaud Kindergarten currently has 26 children enrolled in sessions.

COUNCIL CATERING FOR THREE YEAR OLDS

Taylors Gully Children's Centre in Stawell began offering a program for three year old children in April. The new program operates each Tuesday between 9am and 1pm from the Centre's multipurpose room and helps to provide a seamless learning experience for local children and their families.

LIGHTING THE REGION

Northern Grampians Shire Council partnered with 15 other local governments across the state to develop a combined submission to the Australian Government's Community Energy Efficiency Program to upgrade 23,000 streetlights with energy efficient technology which is expected to save over \$40 million in electricity and maintenance costs over the next 20 years. Overall, the government predicts this project will reduce energy consumption by six gigawatt hours per year, and will save the Northern Grampians community around \$2.2 million over 20 years.

SHARING THE LOAD

Council has conducted a number of service reviews in the past year, including the Planning, Building Services, Environmental Health, and Local Laws departments. These reviews focused on identifying ways to improve efficiency and reduce the cost of supplying these services to the community, without reducing the level of core services provided. One such strategy was entering into a shared services arrangement with Ararat Rural City Council to provide public and environmental health services to their community. This initiative operates on a cost-recovery basis, consequently reducing the cost of the service, whilst still ensuring we have the ability to provide a high degree of service in a vital area.

DIRECT CARE ACHIEVING DIRECT RESULTS

The provision of quality care is facilitated by quality staff. Our Home and Community Care (HACC) direct care team has more than 344 years of combined experience, with annual staff training ensuring standards are maintained and the best care is provided. Thirty direct care staff have been trained in understanding the role of the Occupational Therapist (OT) and have received ongoing foot-care training to learn how to refer patients. Assessment officers who provide living at home assessments for all new clients are qualified with a Graduate Certificate in Human Services and attend annual master classes.

SALUTING OUR SENIORS

Council's Aged and Disability Services continue to partner with local, regional and state community organisations and all levels of government to ensure older members of the community are catered for. The Seniors Participation and Care Plan guides 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.

CARE COMES TO YOU

In 2013/14, 508 'active' clients were registered in Council's Aged and Disability programs. A total of 18,921 hours of direct care support, including home care, personal care and respite care, was provided to meet the needs of the community. Direct care workers travelled more than 100,000 kilometres to deliver these services to people in their own homes.

A GREAT PLACE TO LIVE AND INVEST

The Business Services and Tourism team participated in the third annual Regional Victoria Living Expo held in Melbourne in April. The expo provided all 48 regional and rural councils with an opportunity to promote the benefits and opportunities available in their area in order to attract residents, skilled workers, business and investment. More than 40 genuine enquiries were made about moving to, and investing in, the Northern Grampians and the team is continuing to follow up on these leads.



Our Meals on Wheels volunteers in action.

MEALS ON WHEELS MAKING A DIFFERENCE

Our Meals on Wheels volunteers covered a significant number of kilometres, distributing a total of 16,154 meals in 2013/14. This is an average of 44 meals a day, every day of the week to 249 people. A special thank you to the volunteers who make this possible! We are always looking for new volunteers to join our friendly team. If you think you can commit to volunteering one day a week, one day a month, school holidays or public holidays please contact Council's Meals on Wheels Coordinator, Shirley Rickard, on 5358 7590.

COMMUNITIES GET ACTIVE

HACC continues to enable frail, 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 Foot-care Project is ongoing in partnership with Stawell Regional Health and East Wimmera Health podiatrists, with support from Grampians Pyrenees Primary Care Partnership. The Foot-care Project abstract submission in poster format has been accepted for the 10th Annual Disease Management Association Conference- CDM the 2020 Vision Managing the Rising Tide of Chronic Conditions.

INDEPENDENT INDIVIDUALS

The 'HACC Active Service Model Project, Northern Grampians Steering Committee' consists of members from Stawell Regional Health, Grampians Community Health, East Wimmera Health Service, Department of Health and Northern Grampians Shire Council, all working towards a collaborative approach to the provision of client services in an active service model. The goal of this model is for people in the HACC target group to live in the community as independently and autonomously as possible.

FLASH MOB STEALS THE SHOW DURING SENIORS WEEK

Northern Grampians Shire Council was a key contributor to the 2013 Seniors Festival. A total of 143 people attended the Stawell Staying Active and Healthy Expo which showcased the businesses, community groups and clubs that support seniors to remain healthy and active in our shire. Performances were provided by local seniors groups, including a surprise flash mob from the 'Active for Life' exercise dance group who joined the Stawell Senior Citizens line dancers.

This year St Arnaud focused on a showcase of the living with a 'Telling it Like it Was' high tea where volunteers collected stories from seniors in the community, 30 of which were read aloud by story tellers on the day. 120 people attended this successful event.

Seniors Week kicked off with selected residents, accompanied by councillors from Northern Grampians Shire, attending the Victorian Senior of the Year Awards at Government House.

STRENGTHENING DIVERSITY

Northern Grampians Shire Council has worked in collaboration with the Primary Care Partnership and the Grampians Pyrenees HACC service providers to develop the HACC Northern Grampians Shire Council Aged and Disability Services Strengthening Diversity Plan 2012-2015 and the plan was reviewed in June 2014.



Halls Gap Master Plan funding announcement.

TOWNSHIP PLANS WRITE LASTING LEGACY

Community planning is an important process that allows Council to engage with communities to gain a greater understanding of the issues that are important to each individual town. Council's original community plans were developed in 2009 after extensive consultation with local communities. In 2013/14 Council has continued to assist communities to implement the goals identified within their plans. Council continues to reference these documents for decision making and future development opportunities as they arise.

The extension of the community plans is to take the priority concepts, test for feasibility and seek funding. The Great Western Future plan is nearing completion, St Arnaud Civic Precinct plan is well underway and funding for the Halls Gap Master Plan has been received.

ACCESS ISSUES FRONT AND CENTRE

The Community Access Advisory Group (CAAG) was established in 2002 to advise Council in relation to disability access issues in the community and compliance with the Disability Discrimination Act (DDA) 1992- now the Disability Act 2006. The Community Access Advisory Group oversees the implementation of Council's Community Access Plan and recommends changes to be implemented by Council. Accessibility is a very broad term covering all aspects of assuring that all people can participate and have the same choices in our community. The CAAG has continued to meet bi monthly for the past 12 months, reviewing the access plan at each meeting and making recommendations to the infrastructure department regarding the priorities of the DDA budget.

VALUING EVENTS- BIG AND SMALL

Council continues its support of events across the shire. A total of 55 events were registered through Council in the past 12 months. Of these events, 14 were financially supported by Council to the tune of approximately \$33,800. In addition to this, the Stawell Athletic Club received \$25,000 from Council to support the running of the Stawell Easter Gift. Council also continues to provide significant in-kind support to this event which attracted upward of 10,000 people over the three days. The Australia Post Stawell Gift is important to the Northern Grampians Shire as it is estimated to increase the local economy by \$11 million. The event creates 61 additional jobs which equates to \$2.8 million more in wages and salaries and a significant boost to local business. Held since 1992, Victoria's longest running food and wine festival, the Grampians Grape Escape (GGE) drew record crowds in May 2014. GGE now attracts upwards of 9000 visitors showcasing the region's world leading produce, wines and attractions. An estimated \$3.6 million increase to the local economy, creating 18 additional jobs underlines the significance of the GGE event to our local economy.

ARTS STRATEGY TO PAINT A NEW VISION

Five community organisations were assisted under the Northern Grampians Shire Arts and Culture Grants program during 2013/14, receiving in excess of \$9,000 in funding. The role of supporting arts and culture in Northern Grampians Shire has been defined within the community development team, with a plan to commence review of the Northern Grampians Shire Arts and Culture Strategy.

LOCAL PROJECTS IN SPOTLIGHT

More than 20 local community groups benefited from approximately \$50,000 worth of Youth and Community Grants in the past 12 months. Applications for both programs are now open year-round and support community groups and organisations to set up important projects across the municipality. The program is helping to enhance community participation and facilitate social connectedness within the shire. Some of the recent projects partially funded through Council's grant schemes include:

- St Arnaud Cinema upgrade.
- Halls Gap outdoor exercise equipment.
- St Patrick's Primary School cookbook.
- St Arnaud Right Choices Program.
- National Volunteer Week breakfasts (Stawell and St Arnaud).
- Grampians Oral Health Network educational postcards.
- St Arnaud Vision Blue Moose program.
- St Arnaud Secondary College, St Arnaud Primary School and Stawell West Primary School RACV Energy Breakthrough Challenge.
- Stawell Rotary Year 12 Vietnam trip.
- St Arnaud First Scouts Group 'developing outdoor skills' program.



Stawell Gift 2014, Central Park Stawell.



Council is working towards a review of its Arts and Culture Strategy.



St Patricks Primary School Cookbook cheque presentation.

HATS OFF TO OUR VOLUNTEERS

Council once again recognised the hard work of its many volunteers across the shire. The health benefits of volunteering, for the volunteer has been well documented. With this in mind Northern Grampians Shire Council worked with health promotion officers from Stawell Regional Health and Grampians Community Health to provide breakfast events in both Stawell and St Arnaud. The breakfasts were attended by agencies that rely on volunteers, and helped Council learn more about the needs of these agencies to support their volunteers. The events were open to all agencies, groups or clubs anywhere in the shire who have volunteers, not just through Council services such as the Visitor Information Centres and Meals on Wheels program. As a result of these breakfasts, a volunteer working group was formed to support organisations that use volunteers.



YAC'S Little Night Out event, St Arnaud.

YOUTH ACTION COUNCIL SHAKING THINGS UP

Twelve vibrant young people were appointed to the first ever Northern Grampians Shire Youth Action Council (YAC) in April 2013. The group is responsible for developing and implementing Council's Youth Strategy over its three year term and has identified four key areas of focus – youth events, mental health, youth hubs, and alcohol and other drugs. Some of the YAC's achievements in the last 12 months have included:

- Successfully planning and running the Little Night Out FReeZA event in St Arnaud.
 - Attending the Foundation for Young Australian's Unleashed summit.
 - Successfully planning and running the Twilight Cinema FReeZA event in Stawell. Over 400 people attended and \$1,002 was raised for Movember.
 - Successfully planning and running a Twilight Cinema (FReeZA) at St Arnaud Pool. Over 300 people attended.
 - Successfully planning and running a Twilight Cinema (FReeZA) at the Stawell SES Hall. Over 500 people attended.
- Filming three video clips to appear in the YACVic youth engagement campaign.
 - Winning the Sporting and Community Group section at Grampians Wimmera Heart Challenge – Run for Russ.
 - Being announced as one of nine recipients across Australia of the FRRR ABC Heywire Youth Innovation Grants to implement The Green Room. This was the only project funded in Victoria.
 - Attending YACVic's YOUth Untitled event in Melbourne, discussing issues and developing policy ideas to feed back to the State Government.

FREEZA JOLLY GOOD FELLOW

The Community Development team successfully applied for FReeZA funding in conjunction with the Central Grampians Local Learning and Employment Network (LLEN). This will see at least 12 youth focused events held right across the shire over a three year term. The YAC will take the lead on organising events on behalf of the Council, and already has exciting plans, including more outdoor cinemas and live music.

YOUNG PEOPLE MOVING MOUNTAINS

Funded by Foundation for Regional and Rural Renewal under the ABC Heywire Youth Innovation Grants, Moving Mountains will see young people from the YAC delivering mental health workshops in 13 local schools. The workshops have been developed by the YAC and are accompanied by a comprehensive teacher resource, allowing schools to continue the conversation once the workshops are complete. The program targets grades 5 and 6, and years 8, 10 and 12, with a different key issue being addressed at each level. The aim of the project is to encourage young people to speak openly about mental health, and in turn to reduce the stigma currently associated with the issue.

SPORT AND RECREATION STRATEGY KICKING GOALS

In August 2013, hundreds of residents attended consultation sessions throughout the shire to provide input on Northern Grampians Shire Council's Open Space, Sport and Recreation Strategy. Representatives from clubs and organisations, school groups, the disability sector and the general community were involved in the consultation, along with Northern Grampians Shire Council officers and councillors.

Following the consultation period, the strategy was adopted by Council in April. It responds to the changing needs of the community and seeks to increase participation in sport and recreation activities across the shire. Council is working with relevant community groups and seeking government funding to support the implementation of priority projects identified in the strategy.



Stawell's Central Park played host to the ACA Masters Tour in October.

CRICKET LEGENDS PAD UP FOR NORTHERN GRAMPIANS TOUR

Former Australian greats were among a host of cricket legends to play in Stawell as part of the Australian Cricketers' Association (ACA) Masters Tour on 24-26 October 2013. The players took on a representative team from the Grampians Cricket Association in an action packed Twenty20 game on the night of Friday 25 October at Central Park and also participated in a range of community activities. The Tour was supported by the Northern Grampians Shire Council and included in2CRICKET coaching clinics for primary school children and a sportsman's function to raise money for Stawell Regional Health.

CHANGE OF SCENERY FOR HALLS GAP V.I.C

The Halls Gap Visitor Information Centre has been temporarily relocated to Brambuk – The National Park and Cultural Centre during the construction of stage two of the Halls Gap Community and Tourism Hub. During the busy summer holiday period the VIC trialled having a mobile tourism officer in the main shopping area. This initiative proved extremely successful and continued during peak periods, including Easter. Signage to direct visitors to Brambuk - The National Park and Cultural Centre has been erected at the construction site and will remain in place until the project is completed at the end of 2014.

RECREATIONAL LAKES ON THE RADAR

Recreational water contributes significantly to the social and economic wellbeing of rural communities, including those in the Northern Grampians Shire. With a lack of water security at several recreational lakes, Council has been investigating Walkers Lake as an alternative for recreational use, and has made an application for Bulk Entitlement for Water Supply. Council has also been working with local users to advance the Lake

Fyans Development Project and increase access and use through improved facilities, paths and infrastructure.

STRENGTHENING TOURISM TIES

Council continues to work closely with Grampians Tourism at both board level and through participation in a working group. This relationship ensures Council is involved in all Grampians Tourism projects, including the Grampians Peaks Trail, Grampians Way and *Instagrampians*, an innovative social media campaign that used Instagram to share the region's natural beauty in spring.

RESIDENTIAL LAND BOOST

During this financial year, the Minister for Planning approved amendment C15 to the Northern Grampians Planning Scheme. The amendment rezones approximately 21.9 hectares of land for residential purposes. The land rezoned for residential use adjoins existing residential areas of the town and can be provided with appropriate infrastructure services such as water and sewerage supply. It is accessible to the existing road network including the Western Highway that provides direct and close access to the town centre of Stawell. The land is now being advertised to potential developers.

PLANS GET CLEAN BILL OF HEALTH

Over the course of the year, Council has approved four strategic health plans, the Municipal Heatwave Plan, the Municipal Wastewater Plan, the Municipal Influenza Pandemic Plan and the Municipal Public Health Emergency Management Plan. These plans supplement the Municipal Emergency Management Plan and support Council's wider public health goals and its preparation for emergencies. The plans identify vulnerable groups, inform community members on the dangers posed by these hazards, document and assign tasks during an emergency and establish arrangements to activate the plans. The Domestic Waste Water Plan provides the overall strategic direction on the management of the domestic waste water and septic service.

TAKING A STAND FOR SUSTAINABILITY

Northern Grampians Shire Council has a strong commitment to support the environment and implement real-world results' based methods to improve sustainability measures through all sectors of the shire to endure the economic, environmental, and social health of the municipality. Northern Grampians Shire Council has received funding from the Victorian Adaptation and Sustainability Partnership to employ a Sustainable Living Project Officer. This officer will drive the implementation of initiatives identified in Council's Sustainable Living Project.

COUNCIL TAPS INTO WI-FI OPPORTUNITIES

Council launched a free public Wi-Fi project in Stawell in June. Residents and visitors can access the Wi-Fi network while in the Main Street, for easy free access to email, social networking and the World Wide Web. A public launch of the initiative took place at Shop 108 Main Street.

The public Wi-Fi service is accessible to residents via a password, which changes weekly. The passwords are available from participating bakeries and cafes in the Main Street. Following the trial period, Council plans to roll the Wi-Fi out to more businesses. Businesses that have public Wi-Fi available will be recognised by a Free Public Wi-Fi sticker displayed in their front window. Many devices can tap into the free Wi-Fi, including smartphones, personal computers, video game consoles, some digital cameras, iPods, tablet computers and digital audio players. These can connect to a network resource such as the Internet via a wireless network access point.



Free Wi-Fi launch, Stawell CBD.

POOL UPGRADES MAKING A SPLASH

A number of improvements have been made to the Stawell Leisure Complex over the past 12 months, including a new chlorination system and the reopening of the spa. The solar heating was upgraded, including an indoor pool system, while a pool hoist was installed to assist visitors with mobility issues. Learn to Swim and lifesaving courses remained popular, while swimming lessons were also well patronised.

The Stawell Leisure Complex had approximately 53,188 visitations during 2013/14 which is an increase on the previous year. These figures do not include the many spectators who visit the pool or the stadiums throughout the year. Stawell Leisure Complex has just installed an electronic people counter which will give a much more accurate account of the number of people who have visited the centre.

Council continued a 'no fees' policy for St Arnaud Pool which saw numbers for the season reach 12179 visits from the community. This figure was an increase of 789 visits or seven per cent on the 2012/13 season. The centre also recorded record enrolments for swimming lessons, with over 40 children participating. Council is also looking to install a counter at the St Arnaud Pool for accurate recording of patronage. Late last year, Minister Peter Walsh announced \$40,000 funding for upgrades to the facility. The funds from the Community Facility Funding Program will go towards a range of improvements at the pool, including change room upgrades, an automated lawn watering system, shade panels, and a hot water system.



St Arnaud Pool funding announcement.



White Ribbon Day, Cato Park Stawell.

FLYING THE WHITE RIBBON

Council joined forces with the Stawell branch of the Country Women's Association (CWA) to mark White Ribbon Day. Residents awoke to find the town awash with white after members of the CWA worked throughout the night to attach ribbons to trees, lamp posts and other community infrastructure to raise awareness of Australia's campaign to stop violence against women.



EMERGENCY & RISK *INITIATIVES*

FIRES PUT A DAMPER ON SUMMER SEASON

The 2014 Northern Grampians complex fires and the Black Ranges fires were suspected to have started from lightning on Wednesday 15 January 2014. Weather conditions and a merging of a number of smaller fires resulted in the fires becoming a significant natural disaster. It is estimated the Northern Grampian fires have burnt more than 51,800 hectares.

A Municipal Emergency Coordination Centre (MECC) was opened on the morning of 17 January 2014, along with a Relief Centre to cater for evacuated residents and visitors in the fire affected areas. A Recovery Centre and a Post Impact Assessment program were also activated.

These fires were declared a natural disaster under the Natural Disaster Relief and Recovery Arrangements (NDRRA). This provided State and Commonwealth Government funding for the response, relief, clean-up and recovery of essential community assets. A Bushfire Recovery Action Plan has been developed to aid in the recovery of those affected communities. The clean-up and rebuilding of physical assets commenced relatively quickly.

However, the effect on the economy and social capacity of our impacted communities was severe. Partnerships in the recovery have been established with Horsham Rural City Council, Grampians Community Health, Grampians Tourism, Halls Gap Tourism, local community representatives, and state government departments to work holistically on addressing this impact.

BUSHFIRE SNAPSHOT

NORTHERN GRAMPIANS AND BLACK RANGE (AND EMU) BUSHFIRES IMPACTS: PROPERTY WITH DIRECT FIRE DAMAGE IN THE NORTHERN GRAMPIANS SHIRE		
	33km-	farm fencing lost or damaged
	2-	farm machinery/tractors
	6ha-	plantation timber
2 –		businesses
1–		caravan
1-		farm
2-		houses (primary residences)
15-		other houses, cottages and residences
18-		sheds
3-		carports/pergolas/external fittings
4-		fences damaged/destroyed
10ha-		reported pasture/ grazing crop loss
	8-	properties where a water supply was delivered (cost of reinstatement: \$13,500)
	14-	municipal roads impacted by fire or suppression activities
	\$40K-	of road furniture, signpost and rails
	1-	community recreational reserves
	97-	trees requiring cutting or removal
	400+	people evacuated or relocated to Relief Centre

** Information sourced from Northern Grampians Shire Council post impact assessments and correct as at March 2014.*

FIRES SPARK MECC INTO ACTION

Council's Emergency Management Plan was activated in January 2014 when the Grampians Complex Fires occurred in the region. One fatality was recorded and several properties were impacted by the event. At one stage there were five separate fires burning in the municipality. The Municipal Emergency Coordination Centre was operational for four days and four nights, and Emergency Relief Centres were operational with substantial input from Council staff. Many Council staff worked excessive hours during the fires, whilst other Council officers were personally impacted by the fire.

FLOOD RECOVERY DRIES UP

The flood recovery project concluded on 30 June 2014 in line with the funding provided by the Natural Disaster Relief and Recovery Arrangements (NDRRA). The floods, storms and landslides of 2010 and 2011 were an enormous task to respond to, and recover from, and exposed Council and its community to huge social, economic and environmental risks if they had not been responded to appropriately. From the day it was adopted, to the last day of June 2013, the Municipal Recovery Action Plan (MRAP) identified the structure required, mapped the risks and the objectives to bring the four environments of recovery to conclusion. Importantly, it also justified to the Commonwealth and State the funding requirements, and that this Council had the capacity to deliver on this massive project.

When the MRAP was implemented in April 2011 it was not envisaged that we would have further floods in 2011, that the flood response and recovery costs would exceed \$31 million or that the demand on contractors and resources would be so high. It was significant then that the Council allowed the recovery program to run its full course, keeping the remaining work going until it reached its conclusion. In the end, this came about the same time that the funds were expired on June 2014. Time and the community themselves will eventually be the judge of the success of this recovery program, but in the meantime Council has left a footprint and evidence of recovery in each town and community of our shire since the first floods in September 2010.

IMPORTANT INFRASTRUCTURE ALL DONE

The most obvious, lengthy and costly aspect of the recovery program was the restoration of damaged community infrastructure.

Not counting some minor work or initial response activities, 765 roads, 125 major culverts and drop structures and 122 bridges and floodways were repaired after the floods. Some had recovery work undertaken on them in numerous sections, some also had work more than once due to the repeated events.

While betterment was not permitted to mitigate against future floods, there is no doubt that rebuilding the road heights and grades and reconstructing floodways and bridges has meant that these roads must be in a better condition than what they were prior to the floods. Seven contractors were engaged to undertake the repairs to bridges, culverts and associated drainage and water storage structures and road repairs work, which provided a three year period of continuous and additional work for the contractors. The commitment from the contractors to add to their plant and staff to make sure the works' program was completed was a key to the recovery process.

The flood recovery program managed 45 significant public and private community asset recovery projects which were completed, including tennis courts, open space reserves, public halls, tourist attractions and community service venues such as museums, galleries and childcare centres.



North Park Athletic Track, Stawell.

ON YOUR MARKS, GET SET, GO

The biggest flood recovery project on a Council controlled asset was the North Park athletic complex repairs. Following the December 2011 storms and floods, the oval and the athletics' track basins of North Park resembled a lake. When inspected, the drainage had been eroded and required redesign and replacement, the athletics' storage shed had flooded and damaged the foundations requiring a new floor, and more significantly the old athletic track became unusable and required a complete rebuild. This work was undertaken by international track consultant Bob Jones as project manager, with WM Loud engaged to do the work over eight months. The project was completed in March 2014, with work on the track, drainage and shed bringing the facility up to a standard consistent with its original design intentions and at current athletic track standards. Stawell can rightfully boast having the best athletics track in Western Victoria, which pays respect to a long and intrinsic history of athletics in our community.



WHEN IS A POSTCODE NOT A POSTCODE?

The devastation in the upper Wimmera catchment areas in the south of the shire from the storm and floods of December 2011 were recognised by state and commonwealth governments as a natural disaster, and it was with great satisfaction to the flood affected primary producers that at the end of June 2013, the state and commonwealth government announced that grants would be made available to flood impacted primary producers from these disasters. What happened then though was the allocation was being based upon a farmer's postcode and some of the key areas were left out because the wrong postcode identifier had been used by the fund administrators -Australia Post, Google Maps and the web-based map of Australian Postcodes all had different postcode boundaries! It took Council lobbying right up until Christmas eve in 2013 to clear up the anomaly and enable all of the shire's flood affected primary producers the opportunity to seek financial assistance for their flood losses.

DOING THE JOB RIGHT

Council has sourced financial commitments of more than \$30 million from the National Disaster Recovery Fund (NDRF), government grants and donations to meet the enormous cost of flood recovery. Every recovery action is fully justified and costed and must meet strict guidelines that are in place to ensure the funding is used to repair essential infrastructure and rebuild the capacity of the community after the floods. Council's Flood Recovery Team faced the challenge of using the funding prudently while making sure that at the end of the day, the job was done right. Northern Grampians Shire Council is grateful to the State and Australian Governments for making these funds available.

RESILIENCE FOR FUTURE EVENTS

The Resilient Australia Awards in 2013 were provided to give the State and Australian governments the opportunity to recognise and promote projects and initiatives that make our communities safer, stronger, more resilient and better prepared for disaster. Three Northern Grampians Shire Council flood recovery projects were nominated in the Local Government section of these awards at the state level- the Halls Gap 'Community Website', 'Stawell Steps/Monash Steps' at Cato Park, and the 'Women of the Joel Joel community', for the work the flood recovery team had undertaken with the Joel Joel women in their community through empowering them to lead their own community's long term recovery.

At the ceremony in November 2013, the Hon Kim Wells, Minister for Police and Emergency Services first awarded the Joel Joel women with a 'highly commended' certificate- effectively the 'runner up' recognition in the category, before announcing the Stawell Steps/Monash Steps project as the State Resilience Award winner. Invited then to the National Awards ceremony in Canberra in December, the Stawell Steps/Monash Steps project was named as the winner of the National Resilient Australia Award. This additional recognition was a reflection of the unique nature of the project that was made up not only of bricks, but particularly the partnership of community, Council, Monash University, Krause Bricks Stawell, the Country Education Project, and a number of other significant contributing partners, to create a significant flood infrastructure outcome and community space.

“ IT WAS WITH GREAT SATISFACTION TO THE FLOOD AFFECTED PRIMARY PRODUCERS THAT AT THE END OF JUNE 2013, THE STATE AND COMMONWEALTH GOVERNMENT ANNOUNCED THAT GRANTS WOULD BE MADE AVAILABLE



ASSET INITIATIVES

ON THE ROAD AGAIN

Over the past year, Council's infrastructure works team completed some major road renewal and upgrade works. A section of Roses Gap Road was sealed and the intersection of Roses Gap Road and the Western Highway were upgraded to improve road safety. A 1.3 kilometre section of Murray Road was sealed to decrease Council's long term maintenance costs and provide residents with sealed access to their properties. In addition, road rehabilitation works were undertaken to fully reconstruct a one kilometre section of the Banyena-Pimpinio Road that was in poor condition. This improvement has increased road safety and driver comfort.

George Mitchell Square received a facelift with new kerb and channel and road surface. Both the existing kerb and channel and road surface were in a very poor condition and required reconstruction. Council also undertook three urban road intersection projects to improve road safety. These projects were at Albion Road / Duke Street, Dawson Street / Shirreff Street and Burnside Road / Victoria Street. The works involved realigning the intersection into a T to improve sight distance. To achieve this, kerb and channel and landscaping were used to control traffic.



BRIDGING THE RENEWAL GAP

Council undertook a major culvert renewal project at Mokepilly Road during the 2013/14 year. This project involved upgrading the existing flood way with large box culverts which will now give access to local residents and tourists when the Mount William Creek is running. Culvert widening was completed on Bolangum Inn Road which will improve road safety and accessibility for large farm machinery. Major bridge works were undertaken on the Scilini Road Bridge to replace all bridge beams and repair concrete defects. These works have meant the load limit on the bridge can be removed.

UPGRADES FOR THE DRAINS

Council continued to undertake vital drainage improvements in 2013/14. Some of these drainage projects were identified as a result of the 2011/12 flood events. The aim of these projects was to upgrade stormwater drainage in known problem areas across the shire so flood damage to both private property and Council assets could be reduced. These included works at Cato Lake, Playford Street, Clarissa Street, Little Dawson Street, Kell Road and King Street.

FUN RUN LEADS TO BIKE PATH EXTENSION

Halls Gap locals and visitors can now enjoy an extended bike path which stretches from Halls Gap to Lake Bellfield, with the construction of the last 330 metres completed in February 2014. The works were funded with \$20,000 from the Victorian Government's 2013 Transport Investing in Regions initiative, Council funds, and a \$3000 donation from the Run the Gap Committee. The eight kilometre path now stretches from Ararat-Halls Gap Road, through the Halls Gap town centre to Lake Bellfield.

The trail connects cyclists and pedestrians to important local attractions including Brambuk National Park and Culture Centre, Grampians Adventure Golf, and now Lake Bellfield. The finished path provides a safe route that has been well received by locals and tourists and usage of the path has been increasing steadily since the project's completion.

The works were funded by the Victorian Government's Regional Aviation Fund.

The Minister also announced a further stage four grant for works which commenced in February 2014. This will allow for a new 24/7 fuel facility upgrade with lighting, power upgrade and associated works, all of which should be completed by September 2014. This project will be jointly funded by Council, the Victorian Government's Regional Aviation Fund and a private contribution from AG Services who are one of the major business tenants at the airport.



Work continues on the Halls Gap Community and Tourism Hub.

HUB PROJECT A JEWEL IN HALLS GAP'S CROWN

After many years of planning and lobbying for funding, this major construction project is now underway. Preliminary site works commenced in August 2013 with the concealment of an overhead power-line underground, the removal of a temporary portable toilet block and the start of the main building contract in October 2013.

The project will fully link the existing Visitor Information Centre (VIC) with the existing Centenary Hall to create one large multi-use building. Spaces within the Hub will be used for a wide range of community events, functions, displays, meetings and small performances. The project includes two new multi-use meeting rooms, upgrade of the VIC staff amenity room, alterations to the existing VIC entry doors, new display areas, additional public toilets and showers, upgraded kitchen facility in the Hall, a large outside community meeting area, paved areas, landscaping and associated works.

The total cost of the Halls Gap Tourism and Community Hub is \$1.75 million, and is funded by the Federal Government-Regional Development Australia Fund, the Victorian Government –Putting Locals First Program and a Council contribution.

At 30 June 2014 the works were approximately 50 per cent completed. The project is expected to be finished by November 2014.



Minister for Aviation Gordon Rich-Phillips and Mayor Cr Kevin Erwin officially open stage three of the Stawell Airport upgrade.

AIRPORT TAKING OFF

This ongoing major project reached a further milestone with the Minister for Aviation opening stage three in June 2014. This stage included further navigation aids, a new terminal building, apron upgrades, apron lights, fencing, main access road upgrade to a sealed standard, additional underground services, extensive airside sealing and associated works.



The new toilet block in Halls Gap.

NEW AMENITIES PRETTY AS A PICTURE

Halls Gap now has a new public toilet block located in a central area, adjacent to the swimming pool. The new facilities will provide a more convenient option for patrons attending events in Halls Gap and shoppers in the main precinct, while also serving as a back-up for the Halls Gap Swimming Pool. The new facilities have been well received by the public as a result of their striking appearance and simple functionality. The project was funded through the State Government- Regional Growth Fund Local Government Infrastructure Program, and constructed with the cooperation of the Halls Gap Recreation Reserve committee of management.

ROADSIDE PLANTOUT GIVES HIGHWAY A LIFT

As part of a project to beautify the Western Highway, 150 native and exotic trees have been planted along the roadside at Stawell. The species were selected for their manageability in the constraints of the constructed environment. Approximately 3000 native strappy leafed plants were planted where opportunities were available amongst the constructed infrastructure. More works are planned for the coming year.

RESIDENTS MAKE TRACKS TO NORTH PARK

To complement its wetland project at North Park, Northern Grampians Shire Council has constructed a gravel walking paths at the popular recreation facility. The trail provides connections to the tennis courts, netball courts and the newly created water storage dams. The three dams were built in 2013 to mitigate flooding, improve the quality of the outflow water and create an attractive feature at North Park. The walking path

is expected to become a highly used recreational asset and has been designed to cater for residents of all ages and abilities. Landscaping works will now be undertaken to further develop the area, and seating will be installed to provide the community with places to enjoy the facility.

The walking path project was fully funded by the Local Government Infrastructure Program. Further works will progress as funding is made available.

WARM WELCOME TO MARNOO

The entrance to the Marnoo township has been enhanced with landscaping around the dam and the installation of gravel paths, seating and raised garden beds planted out with native species.



The new lake edge at Cato Park, Stawell.

LAKE EDGE SECURED

As part of the final stages of flood recovery works at Cato Park, Council extended the water ebb wall to reduce erosion and improve the look of the water's edge. The eastern bank of the lake was badly undercut and eroded after the December 2011 floods, creating an unsafe edge and drop off when the lake is full.

To repair the damaged lake edge and protect it in future floods, Council created a permanent edge with a concrete brick along the damaged side. This has also provided a definitive edge line for lake users.

CREWS BUSY IN ST ARNAUD

A concrete apron was installed around Inglewood Road roundabout in St Arnaud as vehicle damage was detracting from the visual amenity of the main entrance into the town. Council also replaced 500 metres of storm water harvesting transfer pipe at Queen Mary Gardens as the old pipe work, an integral part of the harvesting system, was no longer viable.



WASTE INITIATIVES

TRANSFER STATION REVIEWS

A review of the transfer station hours was undertaken through an extensive community consultation process which included surveying residents about their use of the transfer stations during the current opening hours, and seeking their opinions on the proposed opening hours. This work informed the development of the contracts for the provision of transfer station services and resulted in seasonal opening hours at Council's transfer stations. A review of the transfer station gate fees was also undertaken by Council officers, with the true service costs presented to Council. As a result, Council adopted a uniform subsidisation of transfer station gate fees, which will see Council and transfer station users eventually contribute an equal amount to the cost of waste management by the 2016/2017 financial year.

REDUCTION IN WASTE TO LANDFILL

During 2013-2014, 2349 tonnes of waste was deposited to landfill from the kerbside waste service, and 1205 tonnes of recyclables were recovered through the kerbside recycling service. Since the commencement of the new kerbside waste and recycling contracts and changeover to 120 litre waste bins, there has been a 22.5 per cent reduction in the amount of waste going to landfill from the kerbside service (685 tonne reduction). This is a significant reduction in waste to landfill. There has also been an increase in the kerbside recycling tonnage in 2013-14, compared to the 2012-13 financial year. Council's waste services are designed to assist the community to reduce waste to landfill, increase resource recovery and improve access to waste management infrastructure.

DATA & INFORMATION INITIATIVES



COUNCIL WEBSITE GOES MOBILE

During 2013/14 a number of projects to increase efficiencies and improve service delivery to the community, as identified in the 2013-2017 Information Communication Technology Strategy, were implemented.

Stage one of the Public Wi-Fi Access project was undertaken providing public Wi-Fi to the main retail precinct of Stawell, delivering improved accessibility for our community, businesses and visitors.

The 'www.ngshire.vic.gov.au' website was redesigned, providing improved access to Council's electronic information. The new website now responds to automatically display on the variety of devices available and also follows the Web Content Accessibility Guidelines (WCAG) to make the content accessible to a wider range of people with disabilities.

Other recommendations for improvement identified in the 2013-2017 Information Communication Technology Strategy will continue to be progressively implemented over the next few years.

FINANCIAL SUSTAINABILITY INITIATIVES

KEEPING FINANCIALS IN CHECK

Council continues to meet its reporting and accountability requirements. The Audit Committee, consisting of two Councillors and three external representatives, met four times during 2013/14, as set out in the Audit Committee Charter. The Committee focuses on risks identified by the Risk Management Committee, reviewing processes to provide assurance regarding Council's performance, risk management, financial and governance responsibilities.

Work towards long term sustainability is ongoing, however the recent announcement of freezing of Financial Assistance Grants is of great concern, and will have a significant financial impact on Council's capacity to provide services to the community.



In an effort to reduce Red Tape, Council has been involved in the Regional Red Tape Rubbish Bin project.

ADVOCATING FOR LESS RED TAPE

Council has been involved with the Regional Red Tape Rubbish Bin Project and has met with the Red Tape Commissioner. The CEO made a presentation on the matter at the Wimmera Development Association Annual General Meeting.

REDUCING OUR OWN RED TAPE

Internally, Council has reconfigured its Council reports to be easier to read with straightforward recommendations and options provided for Councillors to discuss. We have plans to introduce efficiencies in regulatory services by simplifying processes to improve customer service.

COMMITTED TO IMPROVING CONVENIENCE

Council is committed to reducing red tape where possible. The issue is being approached from two angles - firstly, advocating for reduced red tape from other levels of government that applies to the organisation, and secondly, reviewing our own processes.

“ COUNCIL IS COMMITTED TO REDUCING RED TAPE WHERE POSSIBLE

CUTTING RED TAPE *INITIATIVES*





CORE SERVICES INITIATIVES

Northern Grampians Shire Council has customer service centres located in Stawell and St Arnaud. These centres provide an important resource for the community and serve as the 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.

Council's Audit Committee is composed of two Councillor and three external representatives.

MEMBERSHIPS

Council was a member of the following organisations during the 2013/14 year:

- Australian Airports Association
- Civil Contractors Federation
- FKA Children's Services Inc.
- Grampians Produce
- Local Government Professionals
- Municipal Association of Victoria
- North West Municipalities Association
- Rail Freight Development Alliance
- Sunraysia Highway Improvement Committee
- Vicsport
- Waste Management Association of Australia
- Western Highway Action Committee
- Wimmera Development Association
- Wimmera Regional Library Corporation
- Wimmera Regional Transport Group
- Victorian Local Governance Association
- VECCI
- Planning Institute of Australia

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.

- Queen Mary Gardens Committee
- Stawell Community Recreation Committee
- St Arnaud Community Recreation Committee

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

- Northern Grampians Shire Council Planning Committee



Stawell Australia Day Award winners, Cato Park.

AUSTRALIA DAY AWARDS 2014

In 2014, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, Navarre and Great Western.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Mr Harold Mitchell (Stawell) and Ms Rachel Porter (St Arnaud).

CITIZEN OF THE YEAR

Graeme Anyon (Stawell)
Howard Amos (St Arnaud)

SENIOR OF THE YEAR

Joan Supple (St Arnaud)

LOCAL HERO AWARD

'Adoptable' (Ashleigh Dark and Lynley Hoiles) (Stawell)

YOUNG CITIZEN OF THE YEAR

Northern Grampians Shire Youth Action Council (YAC) (Stawell)
Matilda Douglas (St Arnaud)

COMMUNITY EVENT OF THE YEAR

ACE Radio Wimmera Grampians Heart Challenge 'Run for Russ' (Stawell)

Joint Winners: Telling It Like It Was and Victorian Women on Farms Gathering (St Arnaud)

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 (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 three requests under Freedom of Information for the period 1 July 2013 to 30 June 2014. Full access to

documents was given for the request and access in part for the second request. The third request was not finalised by 30 June.

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 \$77.10 in fees 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 1982 are available to the public and can be obtained by contacting the Freedom of Information Officer.

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

Documents made available for public inspection (Local Government (General) Regulations 2004)

- Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Local Government Act 1989 (Act);
- 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 the Council of the overseas or interstate travel, including accommodation costs;
- 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

STAFFING LEVELS

Employee Statistics

	Male	Female	No. of staff
Full Time	74	52	126
Part Time / Casual	12	120	132
TOTAL	86	172	258

Work Group	No. of staff	EFT
Corporate Services	31	28.4
Infrastructure & Environment	92	77.4
Economic & Community	135	70.5
TOTAL	258	176.2

OCCUPATIONAL HEALTH & SAFETY

The Northern Grampians Shire Council is committed to providing and maintaining a working environment for employees, Councillors, contractors, volunteers, clients and members of the public that is safe and without risks to health, so far as is reasonably practicable.

A program of workplace safety was undertaken during WorkSafe Week including information sessions and seminars for employees and contractors. WorkSafe conducted an information session for Council contractors outlining their obligations under the OHS Act which was well participated. It is planned to conduct these seminars again in 2014 with the inclusion of an additional session in St Arnaud.

SERVICE REVIEWS

In 2013-14 Northern Grampians Shire Council determined to undertake a review of services to ensure the long term sustainability of the Council. The services identified for review include:

- Tourism Services
- Local Laws
- Regulatory Services
- Building and Planning Services
- Leisure Services
- Information Technology
- Customer Service
- Home and Community Care

- Children's Services
- Waste Management Services

Affected employees are being consulted and have participated in the review process. Council is committed to acting in good faith during the consultation period, meeting with employees, discussing relevant information, and genuinely considering their proposals. Council's commitment to ongoing engagement with its employees, in relation to service reviews, will continue throughout the review process.



Several staff members completed Contact Officer Training in 2013-14.

EQUAL OPPORTUNITY

The Northern Grampians Shire Council continues to be committed to the principles of Equal Employment Opportunity. In June 2014, eight staff volunteered and undertook training to become Contact Officers. The primary role of the Contact Officer is to be the first point of contact for anyone in the organisation who has an enquiry or possible complaint about discrimination, harassment or bullying. Any allegations of harassment or discrimination by an employee, independent contractor, volunteer or Councillor will be immediately acted upon in accordance with Council's Equal Opportunity, Harassment & Bullying policy and procedure. Contact Officers are trained and committed to assist and support fellow colleagues to explore a range of options and access information relating to their concerns. Contact Officers are just one way our organisation is committed to ensuring all employees are treated fairly and equitably in the workplace.

Northern Grampians Shire 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

CARERS RECOGNITION ACT 2012

Council has taken all practicable measures to comply with its responsibilities outlined in the Carers Recognition Act 2012. Council has promoted the principles of the Act to people in care relationships who receive council services, to people in care relationships and to the wider community by:

- Distributing printed material such as the carers brochure.
- Holding bi-annual Staying Active and Healthy Community Expos.
- Providing links to State Government resources on Council's website.
- Networking with, and providing information to, allied organisations.

Council has taken all practicable measures to ensure staff, Council agents and volunteers working for Council are informed about the principles and obligations of the Act by including information on the care relationship in:

- Council induction and training programs for Home & Community Care and disability staff
- Carers Recognition Act 2012 link on the NGSC Intranet for all staff to access
- Council induction and training programs for staff working in front-line positions with the general community

Council has taken all practicable measures to review and modify policies, procedures and supports to include recognition of the carer relationship and have utilised the following services and resources to achieve this:

- Carers Respite Services
- ACAS
- Northern Grampians region HACC Active Service Model Project (Memorandum of Understanding) with allied health services
- Community Access Advisory Group

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 Local Government Act 1989 (Act) during the year without first engaging in a competitive process and which are not contracts referred to in section 186 (5) of the Act. 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 for contracts for the carrying out of works.

PROTECTED DISCLOSURE

No disclosures were received or notified to the Independent Broad-based Anti-corruption Commission (IBAC) under section 21(2) during the year in relation to the Protected Disclosures Act 2012 (the Act). Council has adopted guidelines and procedures in accordance with the requirements of the Act and these can be accessed via Council's website or by contacting Council's Manager Governance & Civic Support.



Seniors Week, St Arnaud.



NAIDOC Week 2014, Halls Gap.



Budget Breakfast 2014, St Arnaud.

LOCAL GOVERNMENT INDICATORS

INDICATOR	2013-14
Affordability/Cost of Governance	
Average rates and charges per assessment	\$1,556
Average rates and charges per residential assessment	\$1,491
Sustainability	
Average liabilities per assessment	\$1,074
Operating expenditure per assessment	\$3,658
Operating result per assessment (This result is affected by the prepayment of 50% of the 2013-14 Federal Assistance Grant in 2012-13)	\$(318)
Working Capital Ratio (This figure is affected by high levels of capital grants)	164%
Infrastructure	
Average Capital Expenditure per Assessment	\$979
Renewal Gap	196%
Renewal and Maintenance Gap (These figures are affected by high levels of funded capital restoration works following the floods)	158%

ANNUAL FINANCIAL STATEMENTS

NORTHERN GRAMPIANS SHIRE COUNCIL





Standard Statements

FOR THE YEAR ENDED 30 JUNE 2014



Northern Grampians Shire Council

Standard Statements

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Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2014

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 Standard 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 (Planning and Reporting) Regulations 2014.

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 with a positive or negative dollar variance of \$160,000. 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 28 June, 2013. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Financial Year Ending 30 June 2014

	Budgeted 2013/2014 (\$'000)	Variances		Ref	Actuals 2013/2014 (\$'000)
	(\$'000)	(\$'000)	%		
Operating Activities					
Operating Revenue					
Rates and Charges	14,348	(94)	(1%)		14,254
Government Grants - Capital	5,252	1,627	31%	1	6,879
Government Grants - Operational	8,040	(2,357)	(29%)	2	5,683
User Fees and Charges	2,279	(32)	(1%)		2,247
Contributions - Capital	100	57	57%		157
Contributions - Operating	872	(198)	(23%)	3	674
Interest Revenue	181	128	71%		309
Other Revenue	78	(27)	(35%)		51
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	-	14	100%		14
Share of net profit(loss) of Associates accounted for by the equity method	-	18	100%		18
Recognition of Previously Unrecognised Assets	-	116	100%	4	116
Operating Revenue	31,150	(748)	(2%)		30,402
Operating Expenses					
Employee Costs	(12,860)	262	(2%)	5	(12,598)
Materials and Services	(9,398)	(1,597)	17%	6	(10,995)
Depreciation	(6,587)	(629)	10%	7	(7,216)
Borrowing Costs	(307)	145	(47%)	8	(162)
Other Expenses	(781)	38	(5%)		(743)
Bad and Doubtful Debts	-	(76)	100%		(76)
Derecognition of Previously Recognised Assets	-	(827)	100%	4	(827)
Operating Expenses	(29,933)	(2,684)	9%		(32,617)
Flood Operating Activities					
Operating Grants	382	(10)	(3%)		372
Other Revenue	-	32	100%		32
Flood Operating Revenue	382	22	6%		404
Employee Benefits	(137)	(70)	51%		(207)
Materials and Services	(245)	(669)	273%	9	(914)
Flood Operating Expenses	(382)	(739)	193%		(1,121)
Net Surplus (deficit) from operations	1,217	(4,149)	(341%)		(2,932)

**Standard Income Statement
Comparison Report for the Year Ending 30 June 2014**

Variance Explanation Report

Ref. Item	Commentary
1 Government Grants - Capital	Higher than anticipated disaster recovery grants were received for infrastructure restoration works (\$1,036,000). In addition, the Stawell Aerodrome Redevelopment grant funding (\$327,000) budgeted for in 2012-13 was received in 2013-14 and two unbudgeted grants from The Local Government Improvement fund (\$151,000) and Strengthening Basin Communities (\$100,000) were received.
2 Government Grants - Operational	Operational grants were lower than budgeted as a result of the early payment of the Victorian Grants Commission financial assistance grants in 2012-13 (\$2,668,000) which was offset partly by the receipt of an unbudgeted grant for a low energy efficiency program (\$366,000).
3 Contributions - Operating	Contributions were lower than expected as a result of the Golden Heritage Feasibility Study and Halls Gap Skate Park projects not proceeding during 2013 -14 and the Child Care reimbursement being down due to lower than expected patronage.
4 Recognition of Previously Unrecognised Assets and Derecognition of Assets Previously Recognised	The budget did not include any provision for lost and found assets as these could not be predicted, however during the 2013-14 land and buildings revaluation process, some assets that were not previously recognised were recognised, and some previously recognised assets were derecognised.
5 Employee Costs	Employee costs were lower than budgeted as a result of staff vacancies and temporary reassignments as a result there is a corresponding increase in materials and services due to the employment of contract staff to back fill these positions.
6 Materials and Services	Materials and services includes the recognition of the liability for the reinstatement of the St Arnaud tip site (\$1,119,300 see Balance Sheet Note 17) and additional contract employment costs see Note 5 above.
7 Depreciation	The impact of the 2012-13 revaluation on Footpaths, Kerb & Channel, Bridges & Major Culverts and Roads depreciation was not included in the budget as the impact could not be predicted at the time of preparing the budget.
8 Borrowing Costs	Borrowing costs were lower than budget as a result of Council being able to fund part of the proposed borrowing program from cash reserves.
9 Flood Operating - Materials and Services	Additional expenditure in relation to completion of flood recovery works and unbudgeted costs associated with the Northern Grampians Complex, Black Ranges and Emu Fires during January 2014 have been included here. This section of the accounts has been renamed Emergency Operations.

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 2014

	Budgeted 2013/2014 (\$'000)	Variances			Actual 2013/2014 (\$'000)
		(\$'000)	%	Ref	
Current Assets					
Cash Assets	2,053	3,770	184%	10	5,823
Receivables	1,637	1,264	77%	11	2,901
Inventories	50	(4)	(8%)		46
Other	55	50	91%		105
Total Current Assets	3,795	5,080	134%		8,875
Non Current Assets					
Receivables	53	0	0%		53
Property, Plant & Equipment	265,927	21,840	8%	12	287,767
Financial Assets	1,007	9	1%		1,016
Other	674	173	26%	13	847
Total Non-Current Assets	267,661	22,022	8%		289,683
Total Assets	271,456	27,102	10%		298,558
Current Liabilities					
Payables	1,162	710	61%	14	1,872
Interest Bearing Liabilities	565	(212)	(38%)	15	353
Employee Provisions	2,645	531	20%	16	3,176
Other	30	(12)	(40%)		18
Total Current Liabilities	4,402	1,017	23%		5,419
Non Current Liabilities					
Interest Bearing Liabilities	4,274	(1,445)	(34%)	15	2,829
Employee Provisions	316	1,362	431%		1,678
Land Improvement Liability	275	(275)	(100%)	17	-
Total Non-Current Liabilities	4,865	(358)	(7%)		4,507
Total Liabilities	9,267	659	7%		9,926
Net Assets	262,189	26,443	10%		288,632
Equity					
Accumulated Funds	130,305	1,769	1%		132,074
Asset Revaluation Reserve	129,623	24,538	19%	18	154,161
General Reserves	2,261	136	6%		2,397
Total Equity	262,189	26,443	10%		288,632

**Standard Balance Sheet
Comparison Report for the Year Ending 30 June 2014**

Variance Explanation Report

Ref.	Item	Commentary
10	Cash Assets	Higher than budgeted cash balances are the result of higher than budgeted opening cash balances.
11	Receivables - current	No movement in receivables was budgeted for, however a large invoice was raised prior to the end of the year for Country Roads and Bridges Initiative funding (\$1 million) and the Stawell Aerodrome project grant (\$200,000).
12	Property, Plant & Equipment - current	The budget did not include changes resulting from infrastructure asset revaluations in late 2012-13 as the impact was not able to be predicted.
13	Other	Initial recognition of Council's share in the equity of Wimmera Development Association which had not been included in the adopted budget.
14	Payables	The budget assumed lower levels of payables than actually occurred, resulting from flood restoration works payments outstanding at 30 June, 2014.
15	Interest Bearing Liabilities	Interest bearing liabilities were lower than budget as a result of Council being able to fund part of the proposed borrowing program from cash reserves therefore borrowing less.
16	Employee Provisions	Annual leave and long service leave provisions have risen more than anticipated.
17	Land Improvement Liability	This represents the recognition of the estimated rehabilitation costs for the St Arnaud Tip. This had not been included in the budget as the EPA Guidelines for non licenced landfills were not released until April 2014.
18	Asset Revaluation Reserve	The budget did not include changes resulting from asset revaluations as the impact was not able to be predicted.

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 2014

	Budgeted 2013/2014 (\$'000)	Variances			Actuals 2013/2014 (\$'000)
		(\$'000)	%	Ref	
Operating Activities	Inflows (Outflows)				Inflows (Outflows)
Income					
Rates & Charges	14,348	(191)	(1%)	1	14,157
Operating Grants	8,040	(2,486)	(31%)	2	5,554
User Fees & Charges	2,279	(108)	(5%)		2,171
Contributions - Operating	872	(88)	(10%)		784
Interest Revenue	181	21	12%		202
Other	78	(27)	(35%)		51
Net GST Refund/(Payment)	-	283	100%	3	283
	25,798	(2,596)	-10%		23,202
Expenditure					
Employee Costs	(12,861)	663	(5%)	4	(12,198)
Super call on defined benefits	(2,099)	2,099	100%	5	-
Materials and Services	(9,398)	(1,874)	20%	6	(11,272)
Borrowing Costs	(307)	145	(47%)	7	(162)
Other Expenses	(781)	38	(5%)		(743)
	(25,446)	1,071	-4%		(24,375)
Flood Operating Activities					
Income					
Operating Grants	382	(10)	(3%)		372
Other Revenue	-	32	100%		32
	382	22	6%		404
Expenditure					
Employee Costs	(137)	(70)	51%		(207)
Materials and Services	(245)	(669)	273%	8	(914)
	(382)	(739)	193%		(1,121)
Net Operating	352	(2,242)	-637%		(1,890)
Investing Activities					
Capital Expenditure	(7,239)	1,326	(18%)		(5,913)
Government Grants - Capital	3,327	591	18%	9	3,918
Capital Contributions	100	57	57%		157
Capital Income	339	(139)	(41%)		200
Net Investing Activities	(3,473)	1,835	(53%)		(1,638)
Flood Restoration Investing Activities					
Capital Expenditure	(1,925)	(1,188)	62%	10	(3,113)
Capital Grants	1,925	1,036	54%	11	2,961
Net Flood Investing Activities	-	(152)	100%		(152)
Financing Activities					
New Loans	2,600	(1,600)	(62%)	12	1,000
Principal Repayments	(553)	173	(31%)	12	(380)
Trust Deposit Movements (Net)	-	(8)	100%		(8)
Total Financing Activities	2,047	(1,435)	(70%)		612
Net Movements for Year	(1,074)	(1,994)	186%		(3,068)
Opening Cash	4,127	4,764	115%		8,891
Closing Cash	3,053	2,770	91%		5,823

**Standard Cash Flow Statement
Comparison Report for the Year Ending 30 June 2014**

Variance Explanation Report

Ref.	Item	Commentary
1	Rates & Charges	The budget was prepared on the basis of an extension to the garbage collection area however Council subsequently resolved to make services in this area voluntary rather than compulsory resulted in lower waste collection fees.
2	Operating Grants	Operational grants were lower than budgeted as a result of the early payment of the Victorian Grants Commission financial assistance grants in 2012-13 (\$2,668,000) which was offset partly by the receipt of an unbudgeted grant for a low energy efficiency program (\$366,000).
3	Net GST Refund/(Payment)	No provision is made in the budget for GST adjustments.
4	Employee Costs	Employee costs were lower than budgeted as a result of staff vacancies and temporary reassignments as a result there is an corresponding increase in materials and services due to the employment of contract staff to back fill these positions.
5	Super call on defined benefits	The additional superannuation call on defined benefits was paid in the 2012-13 financial year.
6	Materials and Services	Materials and services is higher than budget due to a substantial decrease in the level of trade creditors and additional contract employment costs see Note 4 above. Also included is the cost of a large number of culvert repairs budgeted for under the capital works program that were below Councils capitalisation threshold and have therefore been expensed.
7	Borrowing Costs	Borrowing costs were lower than budget as a result of Council being able to fund part of the proposed borrowing program from cash reserves.
8	Materials and Services - Flood	Additional expenditure in relation to completion of flood recovery works and unbudgeted costs associated with the Northern Grampians Complex, Black Ranges and Emu Fires during January 2014 have been included here. This section of the accounts has been renamed Emergency Operations.
9	Government Grants - Capital	The Stawell Aerodrome Redevelopment grant funding (\$327,000) budgeted for in 2012-13 was received in 2013-14 and two unbudgeted grants from the Local Government Improvement fund (\$151,000) and Strengthening Basin Communities (\$100,000) were received.
10	Capital Expenditure - Flood	Capital expenditure was higher than budgeted for restoration of flood and bush fire damaged assets.
11	Capital Grants - Flood	Higher than anticipated disaster recovery grants were received for infrastructure restoration works.
12	New Loans	New loans were lower than budget as a result of Council being able to fund part of the proposed borrowing program from cash reserves therefore borrowing less.

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.

Standard Statement of Capital Works
for the Financial Year Ending 30 June 2014

	Budgeted 2013/2014 (\$'000)	Variances			Actuals 2013/2014 (\$'000)
		(\$'000)	%	Ref	
Capital Works					
Roads	3,976	303	8%	13	4,279
Bridges & Culverts	965	(509)	(53%)	14	456
Plant & Equipment	1,430	(328)	(23%)	15	1,102
Buildings	1,925	(471)	(24%)	16	1,454
Open Spaces	90	915	1017%	17	1,005
Drainage	335	266	79%	18	601
Computer & Office Equipment	347	(218)	(63%)	19	129
Land & Land Improvements	96	(96)	(100%)	20	-
Total Capital Works	9,164	(138)	(2%)		9,026
Represented by:					
Asset Renewal	7,258	(13)	(0%)		7,245
New Assets	100	18	18%		118
Asset Expansion/Upgrade	1,806	(143)	(8%)		1,663
Total Capital Works	9,164	(138)	(2%)		9,026
Property, Plant & Equipment Movement Reconciliation Worksheet					
	Budgeted 2013/2014 (\$'000)	Variances			Actuals 2013/2014 (\$'000)
		(\$'000)	%		
Total Capital Works	9,164	(138)	(2%)		9,026
Found & Relinquished Assets	-	(711)	100%	21	(711)
Depreciation	(6,587)	(629)	10%	22	(7,216)
Revaluation	-	2,787	100%	23	2,787
Written Down Value of Assets Sold	(339)	153	(45%)		(186)
Net Movement in Property, Plant and Equipment	2,238	1,462	65%		3,700

**Standard Statement of Capital Works
Comparison Report for the Year Ending 30 June 2014**

Variance Explanation Report

Ref.	Item	Commentary
13	Roads	Relates to additional flood reconstruction works which were not included in Councils original budget.
14	Bridges & Culverts	A large number of culvert works budgeted for under the capital works program have been expensed as they were below Councils capitalisation threshold.
15	Plant & Equipment	Replacement of a number of small fleet vehicles was delayed pending an assessment of the composition of the fleet and the return of a number of vehicles that had been used in both the flood and bushfire reconstruction works.
16	Buildings	Lower than budgeted expenditure on Halls Gap Information Centre due to the delay in obtaining design engineering plans. Because of the complexity of the design, plans could not be sourced locally and needed to be prepared overseas which resulted in a delay to the planned construction program.
17	Open Spaces	Additional expenditure relates to the approval to replace the athletics track at North Park under the Flood Reconstruction Program. This item had not been included in the Councils original budget.
18	Drainage	Unbudgeted grant received from Strengthening Basin Communities program which enabled additional drainage work to be undertaken.
19	Computer & Office Equipment	Replacement of some items of equipment was deferred pending a review of the IT area and consideration of a cloud based option for data storage and processing.
20	Land & Land Improvements	Scheduled works at transfer station and recycling centres were deferred pending the outcome of grant applications.
21	Found & Relinquished Assets	Some small parcels of land were identified during the preparation work for the transfer to a new asset management system. In addition some Crown Land that was leased by the Council was handed back to the crown at the expiration of the lease as it was no longer required.
22	Depreciation	The impact of the 2012-13 infrastructure revaluation process on depreciation was not included in the budget as the impact could not be predicted.
23	Revaluation	The budget did not include changes resulting from asset revaluations as the impact was not able to be predicted.

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 2014**

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June, 2014 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.



John Traill CPA
Principal Accounting Officer

Date: 5th September 2014

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 (Planning and Reporting) Regulations 2014.

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 1 September, 2014 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



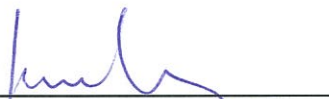
Cr Kevin Erwin
Councillor

Date: 5th September 2014



Cr Murray Emerson
Councillor

Date: 5th September 2014



Justine Linley
Chief Executive Officer

Date: 5th September 2014



Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2014

Northern Grampians Shire Council

Annual Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Revenue			
Rates and Charges	2	14,254	13,666
User Fees	3	2,247	2,219
Contributions - Cash	5	834	985
Grants - Operating (recurrent)	4	6,055	11,841
Grants - Capital (non-recurrent)	4	6,879	13,070
Other Revenue	7	389	598
Net Gain/(Loss) on Disposal of Property, Plant and Equipment	6	14	128
Share of Net Profit/(Loss) of Associates and Joint Ventures accounted for by the equity method	14	18	11
Found Assets	20	116	3,165
Total Revenue		30,806	45,683
Expenses			
Employee Costs	8	(12,805)	(12,473)
Superannuation Call on Defined Benefits	8	-	8
Materials and Services	9	(11,909)	(13,351)
Bad and Doubtful Debts	10	(76)	(17)
Depreciation and Amortisation	11	(7,216)	(7,058)
Finance Costs	12	(162)	(148)
Other Expenses	13	(743)	(755)
Relinquished Assets	20	(827)	(963)
Total Expenses		(33,738)	(34,757)
Surplus / (Deficit)		(2,932)	10,926
Other Comprehensive Income			
Items that may be reclassified to surplus or deficit in future periods			
Fair Value Adjustments for Financial Assets at fair value	25	(3)	12
Items that will not be reclassified to surplus or deficit in future periods			
Share of Other Comprehensive Income of Associates accounted for by the equity method	14	142	3
Net Asset Revaluation Increment/(Decrement)	25	2,787	21,743
Total Comprehensive Result		(6)	32,684

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

Balance Sheet			
As at 30 June 2014			
	Note	2014	2013
		\$'000	\$'000
Assets			
Current Assets			
Cash and Cash Equivalents	15	5,823	8,891
Trade and Other Receivables	16	2,901	2,653
Inventories	18	46	45
Other Assets	19	105	94
Total Current Assets		8,875	11,683
Non-current Assets			
Trade and Other Receivables	16	53	75
Other Financial Assets	17	1,016	1,019
Investments in Associates accounted for using the equity method	14	847	687
Property, Plant and Equipment, Infrastructure	20	287,767	284,067
Total Non-current Assets		289,683	285,848
Total Assets		298,558	297,531
Liabilities			
Current Liabilities			
Trade and Other Payables	21	1,872	2,970
Trust Funds and Deposits	22	18	26
Provisions	23	3,176	2,773
Interest-bearing Loans and Borrowings	24	353	380
Total Current Liabilities		5,419	6,149
Non-current Liabilities			
Provisions	23	1,678	562
Interest-bearing Loans and Borrowings	24	2,829	2,182
Total Non-current Liabilities		4,507	2,744
Total Liabilities		9,926	8,893
Net Assets		288,632	288,638
Equity			
Accumulated Surplus		132,074	135,359
Reserves	25	156,558	153,279
Total Equity		288,632	288,638

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

Statement of Changes in Equity For the Year Ended 30 June 2014

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		2014	2014	2014	2014
		\$'000	\$'000	\$'000	\$'000
2014					
Balance at beginning of the financial year		288,638	135,359	151,377	1,902
Comprehensive Result		(6)	(2,790)	2,784	-
Transfers to other reserves	25(b)	-	(495)	-	495
Balance at end of the financial year		288,632	132,074	154,161	2,397

	Note	Asset			
		Total	Accumulated Surplus	Revaluation Reserve	Other Reserves
		2013	2013	2013	2013
		\$'000	\$'000	\$'000	\$'000
2013					
Balance at beginning of the financial year		255,954	124,733	129,622	1,599
Comprehensive Result		32,684	10,929	21,755	-
Transfers to other reserves	25(b)	-	(658)	-	658
Transfers from other reserves	25(b)	-	355	-	(355)
Balance at end of the financial year		288,638	135,359	151,377	1,902

The above statement of changes in equity should be read in conjunction with accompanying notes.

Statement of Cash Flows

For the Year Ended 30 June 2014

		2014	2013
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and Charges		14,157	13,534
User Fees		2,171	2,202
Grants		12,805	24,886
Contributions		944	1,095
Other Revenue		282	590
Net GST (Refund)/Payment		283	359
Employee Costs		(12,405)	(14,465)
Materials and Services		(12,186)	(12,948)
Finance Costs		(162)	(148)
Other Expenses		(743)	(755)
Net cash provided by (used in) operating activities	26	<u>5,146</u>	<u>14,350</u>
Cash flows from investing activities			
Payments for Property, Infrastructure, Plant and Equipment		(9,026)	(15,865)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		200	344
Trust Funds and Deposits		(8)	(3)
Net cash provided by (used in) investing activities		<u>(8,834)</u>	<u>(15,524)</u>
Cash flows from financing activities			
Proceeds from Interest Bearing Loans and Borrowings		1,000	770
Repayment of Interest Bearing Loans and Borrowings		(380)	(392)
Net cash provided by (used in) financing activities		<u>620</u>	<u>378</u>
Net increase (decrease) in Cash and Cash Equivalents		(3,068)	(796)
Cash and Cash Equivalents at the Beginning of the Financial Year		8,891	9,687
Cash and Cash Equivalents at the End of the Financial Year	15	<u>5,823</u>	<u>8,891</u>
Financing Arrangements	27	200	200
Restrictions on Cash Assets	28	4,540	4,798

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

Introduction

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 59 - 69 Main St Stawell.

The purpose of the Council is to:

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

External Auditor - Auditor-General of Victoria
Bankers - Commonwealth Bank Australia
Website address - www.ngshire.vic.gov.au

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, 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 (Planning and Reporting) Regulations 2014.

Note 1 Significant Accounting Policies

(a) Basis of Accounting

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

This financial report has been prepared under the historical cost convention, except where specifically stated in notes 1(g), 1(i), 1(j), 1(l), 1(n) and 1(t).

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.

(b) Change in Accounting Policies

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

Note 1 Significant Accounting Policies (cont.)

(b) Change in Accounting Policies (cont.)

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (please see note 20 disclosures).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

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

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Councils measurement of the annual leave provision.

(c) 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.

Note 1 Significant Accounting Policies (cont.)

(c) Revenue Recognition (cont.)

Rates, Grants and Contributions (cont.)

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 & Fines

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

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.

Rental

Rents are recognised as revenue when the payment is due or received, whichever first occurs.

Interest

Interest is recognised progressively as it is earned.

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.

(d) 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. Depreciation rates and methods are reviewed regularly.

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

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

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.

Note 1 Significant Accounting Policies (cont.)

(d) Depreciation and Amortisation of Non-current Assets (cont.)

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

	2014
Land and Buildings	
Buildings (2013 - 60 Years)	40-100 Years
Land improvements	10 years
Heritage Assets	
Heritage Assets	100 years
Plant and Equipment	
Plant and Machinery	2-20 years
Furniture, Equipment and Computers	2-10 years
Infrastructure	
Roads	
- Sealed Pavement	90 years
- Unsealed Pavement	64 years
- Seal	14 years
Footpaths	74 years
Kerb and Channel	90 years
Drains	142 years
Bridges	112 years
Other	
Street Furniture	28 years
Parks & Gardens	25 years

Road formations (sealed and unsealed) were depreciated over a life of 30 - 200 years. As a result of the revaluation completed on 1 July, 2012, it was assessed that these assets have an indefinite useful life and are therefore not depreciated from 1 July, 2012.

(e) 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.

(f) 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.

(g) 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.

Note 1 Significant Accounting Policies (cont.)

(g) Recognition and Measurement of Assets (cont.)

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:

Class of Asset	Threshold Limit \$'000
Land and Buildings	
Land	All assets
Land Under Roads	All assets
Land Improvements	5
Buildings	5
Heritage Assets	
Heritage Assets	10
Plant and Equipment	
Plant and Machinery	1
Furniture, Equipment, and Computers	1
Infrastructure	
Roads	5
Footpaths	5
Kerb and Channel	5
Drains	5
Bridges	15
Other	
Street Furniture	5
Parks & Gardens	5

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, open space, land improvements and land under roads are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 20 Property Plant and Equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

Note 1 Significant Accounting Policies (cont.)

(h) 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.

(i) 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.

(j) Other 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.

(k) Investments

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

(l) 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.

(m) 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).

(n) Employee Costs

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

Wages, Salaries and Annual Leave

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

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

Note 1 Significant Accounting Policies (cont.)

(n) Employee Costs (cont.)

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.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

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

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of its staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

(o) 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.

(p) 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.

(q) 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.

(r) Web Site Costs

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

Note 1 Significant Accounting Policies (cont.)

(s) 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 Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(t) 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.

(u) Rounding

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

(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. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

Note 1 Significant Accounting Policies (cont.)

Note (w) 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.

Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exist. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> • Amortised cost – those assets with 'basic' loan features'. • Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). • Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> • Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. • There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. <p>Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</p>	1-Jul-15	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.</p> <p>This will also create a requirement to measure some instruments annually that has not previously existed.</p>
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1-Jul-14	<p>The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.</p>

Note 1 Significant Accounting Policies (cont.)

Note (w) Pending Accounting Standards (cont.)

Pronouncement	Summary	Application Date	Impact on Council
AASB 11 Joint Arrangements	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.	1-Jul-14	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.	1-Jul-14	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1-Jul-14	Council has yet to determine the impact of this standard.

	2014	2013
	\$'000	\$'000
Note 2 Rates and Charges		
Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.		
The valuation base used to calculate general rates for 2013-14 was \$2,060 million (2012-13, \$2,066 million). The 2013-14 rate in the capital improved value dollar was 0.6738 cents (2012-13 0.6417 cents).		
Residential	6,352	6,132
Commercial	880	910
Industrial	275	62
Farm/Rural	3,581	3,414
Cultural & Recreational	12	11
Garbage Charge	2,123	2,148
Municipal Charge	1,031	989
	14,254	13,666
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation will be first applied to the rating period commencing 1 July 2014.		
The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, & the valuation first applied in the rating year commencing 1 July 2012.		
Note 3 User Fees		
Aged and Disability Service Fees	505	513
Child Care	435	489
Leisure Centre	332	293
Private Works - Infrastructure	167	177
Other	193	187
Local Laws Fines & Permits	130	146
Waste Management Fees	162	89
Building	101	106
Property Rentals	75	74
Environmental Health Fees	86	71
Planning Fees	48	38
Economic Development Fees	13	36
	2,247	2,219
Note 4 Grants		
Income from federal & state government grants & subsidies for the year consist of:-		
Recurrent		
General Revenue Grant	3,217	5,943
Disaster Recovery Grants	391	3,831
Aged and Disability Services	681	682
Child Care	366	359
Public Safety	99	349
Other Grants	228	240
Economic Development Grants	394	170
LGIP Infrastructure Grant	150	140
Sporting & Recreation Grants	103	105
Environmental Grants	426	22
Total	6,055	11,841

	2014	2013
	\$'000	\$'000
Note 4 Grants (cont.)		
Non-recurrent		
Disaster Recovery	2,961	8,974
Roads to Recovery	1,269	1,268
CRBI Roads & Bridges Grant	1,000	1,000
Building Grants	41	546
Roads & Bridges	-	345
LGIP Infrastructure Grant	400	297
Sporting Recreation Grants	85	177
Water Management Grants	100	170
Streetscape Grants	-	150
Other Grants	26	124
Halls Gap Bike Path Grant	20	19
Aerodrome Redevelopment Grant	327	-
Halls Gap Visitor Information Centre Grant	650	-
Total	6,879	13,070
Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Country Roads & Bridges Initiative Grant	1,056	878
Disaster Recovery Grants	16	622
Building Grants	135	300
Aerodrome Redevelopment Grant	29	-
Municipal Emergency Resource Grant	-	120
Sporting Recreation Grants	21	108
Other Operational Grants	58	107
Other Capital & Projects Grants	43	94
Local Government Infrastructure Program Grant	173	87
	1,531	2,316
Grants which were recognised as revenue in prior years & were expended during the current year in the manner specified by the grantor were:		
Disaster Recovery Grants	615	1,112
Country Roads & Bridges Initiative Grant	878	972
Building Grants	300	237
LGIP Infrastructure Grant	87	109
Swifts Lighting Grant	72	-
Other Capital & Projects Grants	154	103
Other Operational Grants	170	99
R2R Grant	-	73
	2,276	2,705
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	(745)	(389)

	2014	2013
	\$'000	\$'000
Note 5 Contributions - Cash		
Child Care Benefits	508	572
Capital	157	260
Other	152	141
Legal Expenses	14	10
Revaluation	3	2
	834	985
Note 6 Net Gain/(Loss) on Disposal of Property, Plant and Equipment		
Proceeds of Sale	201	344
Written Down Value of Assets Disposed	(187)	(216)
	14	128
Note 7 Other Income		
Interest	268	391
Interest on Rates	70	62
Reversals of Impairment Losses	-	30
Other Revenue	51	115
	389	598
Note 8 Employee Costs		
Wages and Salaries	11,579	11,390
Less Capitalised Wages and Salaries	(374)	(348)
	11,205	11,042
Increase/(decrease) in Long Service Leave	168	102
Increase/(decrease) in Annual Leave & RDO's	232	(3)
Superannuation	1,026	975
Superannuation - additional call*	-	(8)
Fringe Benefits Tax	68	61
Work Cover	106	296
	1,600	1,423
	12,805	12,465

*During the prior period Council was required to make an additional contribution to Vision Super to meet obligations in relation to members of the defined benefit plan. In the reporting period Council received a discount in relation to payment of the additional contribution.

	2014	2013
	\$'000	\$'000
Note 9 Materials and Services**		
Other Materials and Services	7,751	8,622
Contract Employees	796	1,107
Fuel	704	656
Equipment Maintenance & Repair	549	622
Utilities	447	477
Insurance	334	334
Software Costs	233	287
Goods for Resale	195	220
Audit Fees	67	205
Communications	294	181
Training	142	161
Advertising/Marketing	42	86
Legal Expenses	50	88
Memberships and Subscriptions	167	164
Bank Fees	56	46
Catering	46	57
Postage and Freight	36	38
	11,909	13,351
**It should be noted that the total Materials & Services includes the following:		
Disaster Recovery Materials and Services	913	3,510
Note 10 Bad and Doubtful Debts		
Local Law Debtors	10	11
Childcare Debtors	3	5
Other Debtors	63	1
	76	17
Note 11 Depreciation and Amortisation		
Sealed Surfaces	2,294	2,204
Buildings	873	948
Sealed Pavements	857	838
Unsealed Pavement	763	696
Plant & Equipment	645	618
Major Bridges & Culverts	605	600
Motor Vehicles	220	239
Kerb & Channel	202	201
Computer Equipment	195	185
Footpaths	177	173
Drainage	163	158
Open Spaces	159	132
Land Improvements	28	28
Furniture & Equipment	17	20
Street Furniture	16	16
Heritage Assets	2	2
	7,216	7,058
Note 12 Borrowing Costs		
Interest - Borrowings	162	148
	162	148

	2014	2013
	\$'000	\$'000
Note 13 Other Expenses		
Other	572	578
Councillors Allowances	171	177
	<u>743</u>	<u>755</u>
Note 14 Investment in Associates		
<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	25.72%	25.73%
Wimmera Regional Library Corporation	770	687
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	339	329
Change in equity share appointment	-	2
Reported surplus(deficit) for year	22	11
Transfers (to) from reserves	(6)	(3)
Council's share of accumulated surplus(deficit) at end of year	<u>355</u>	<u>339</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	348	345
Change in equity share appointment	-	1
Transfers (to) from reserves	6	3
Share of asset revaluation	61	-
Council's share of reserves at end of year	<u>415</u>	<u>349</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	687	673
Change in equity share appointment	-	3
Share of surplus(deficit) for year	22	11
Share of asset revaluation	61	-
Carrying value of investment at end of year	<u>770</u>	<u>687</u>

	2014 \$'000	2013 \$'000
Note 14 Investment in Associates (cont.)		
<i>Background</i>		
Council's investment in the Wimmera Development Association was recognised in 2013-2014 following advice received from Horsham Rural Council during the year. Council's investment is based on the equity method of accounting.		
Council's interest in equity	20.17%	-
Wimmera Development Association	77	-
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	60	-
Reported surplus(deficit) for year	(4)	-
Transfers (to) from reserves	(5)	-
Council's share of accumulated surplus(deficit) at end of year	51	-
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	21	-
Transfers (to) from reserves	5	-
Council's share of reserves at end of year	26	-
<i>Recognition of share of investment</i>		
Recognition of investment at Cost	86	-
Change in equity share appointment	(5)	-
Share of surplus(deficit) for year	(4)	-
Carrying value of investment at end of year	77	-
Note 15 Cash and Cash Equivalents		
Cash on Hand	2	2
Cash at Bank	631	696
Short Term Deposits	5,190	8,193
	5,823	8,891

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.

Note 16 Trade and Other Receivables

Current

Rates Debtors	814	717
Private Schemes	3	-
Loans & Advances to Community Organisations	30	23
Other Debtors	1,860	1,586
Provision for Doubtful Debts	(89)	(32)
GST Receivable	283	359
	2,901	2,653

Non-current

Loans & Advances to Community Organisations	53	75
	53	75

Total	2,954	2,728
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	2014	2013
	\$'000	\$'000
Note 17 Other Financial Assets		
Floating rate note at fair value	1,016	1,019
	<u>1,016</u>	<u>1,019</u>
Note 18 Inventories		
Inventories for distribution	46	42
Inventories held for sale	-	3
	<u>46</u>	<u>45</u>
Note 19 Other Assets		
Prepayments	72	58
Accrued Income	33	36
	<u>105</u>	<u>94</u>

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	2014 \$'000	2013 \$'000
Note 20 Property, Plant and Equipment, Infrastructure		
Summary		
at cost	37,584	31,832
at fair value as at 30 June 2010	-	11,723
at fair value as at 30 June 2011	-	66,035
at fair value as at 30 June 2012	19,496	19,496
at fair value as at 1 July 2012	256,582	256,582
at fair value as at 30 June 2014	75,197	-
Work In Progress	1,323	302
	390,182	385,970
Less accumulated depreciation	(102,415)	(101,903)
Total	287,767	284,067
Property		
Land		
at fair value as at 30 June 2010	-	11,723
at fair value as at 30 June 2014	10,701	-
	10,701	11,723
Land Under Roads		
at cost	2	2
at fair value as at 30 June 2014	5	-
	7	2
Land Improvements		
at cost	275	275
Less accumulated depreciation	(165)	(138)
	110	137
Total Land	10,818	11,862
Buildings		
at cost	-	1,411
at fair value as at 30 June 2011	-	66,035
at fair value as at 30 June 2014	64,491	-
Work In Progress	1,316	212
Less accumulated depreciation	(7,612)	(12,819)
Total Buildings	58,195	54,839
Total Property	69,013	66,701

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land - Non specialised	-	347	-
Land - Specialised	-	-	10,354
Land Under Roads	-	-	7
Buildings - Specialised	-	-	56,879
Total	-	347	67,240

	2014 \$'000	2013 \$'000
Note 20 Property, Plant and Equipment, Infrastructure (cont.)		
Plant, Machinery & Motor Vehicles		
Plant & Machinery		
at cost	9,822	9,430
Less accumulated depreciation	(4,221)	(4,132)
	5,601	5,298
Motor Vehicles		
at cost	1,323	1,244
Less accumulated depreciation	(746)	(557)
	577	687
Total Plant, Machinery & Motor Vehicles	6,178	5,985
Equipment		
Furniture & Fittings		
at cost	401	428
Less accumulated depreciation	(379)	(390)
	22	38
Computer Equipment		
at cost	2,235	2,098
Work In Progress	-	21
Less accumulated depreciation	(1,902)	(1,713)
	333	406
Total Equipment	355	444
Infrastructure		
Footpaths		
at cost	561	469
at fair value as at 1 July 2012	11,613	11,613
Less accumulated depreciation	(3,781)	(3,604)
Total Footpaths	8,393	8,478
Kerb & Channel		
at cost	136	112
at fair value as at 1 July 2012	17,988	17,988
Less accumulated depreciation	(7,157)	(6,956)
Total Kerb & Channel	10,967	11,144
Roads		
at cost	14,694	10,530
at fair value as at 1 July 2012	163,624	163,624
Less accumulated depreciation	(53,118)	(49,204)
Total Roads	125,200	124,950

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

Valuation basis

Non-specialised land, non-specialised buildings

Non-specialised land and non-specialised buildings are valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land, an independent valuation was performed by Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd to determine the fair value using the market based direct comparison method. For non-specialised buildings, an independent valuation was performed by Ashay Prabhu MIE (Aust) CP Eng, NPER Assetic Pty Ltd. The valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2014.

To the extent that non-specialised land and non-specialised buildings do not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land was performed by Grant Kerambrun AAPI Certified Practising Valuer VRC Property Pty Ltd and the independent valuation of Council's specialised buildings was performed by Ashay Prabhu MIE (Aust) CP Eng, NPER Assetic Pty Ltd. The valuations were performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2014.

Land Under Roads

Council does not recognise land under roads that it controlled prior to 30 June 2008 in its financial report. Land under roads acquired after this date is brought to account at deemed cost unless transferred into land under roads at which point it is valued at fair value using site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Infrastructure

The valuations of footpaths, kerb & channel, bridges & major culverts, sealed surfaces, sealed pavements, unsealed pavements and formations were determined by Mr Sanjay Manivasagasivam B. Engineering(Civil) MIE Aust. as at 1 July 2012 and were based on depreciated replacement cost method. Condition assessments were undertaken by Infrastructure Management Group Pty Ltd for roads, footpaths and kerb and channel, and by Dooley, Mitchell and Morrison Pty Ltd for bridges and major culverts.

Valuations for drainage assets were determined by Mr Sanjay Manivasagasivam B. Engineering(Civil) MIE Aust. as at 30 June 2012 and were based on depreciated replacement cost method.

This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an "as new" standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

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

Reconciliation of Level 3 fair value

2014	Specialised Land	Specialised Buildings	Land Under Roads	Infrastructure
	\$'000	\$'000	\$'000	\$'000
Opening Balance	11,135	54,627	2	207,078
Depreciation	-	(873)	-	(5,061)
Revaluation	(219)	3,247	-	-
Acquisitions (Disposals)	(32)	244	-	5,337
Relinquished/ Recognised Assets	(525)	(186)	-	-
Transfers	(5)	(180)	5	-
Closing Balance	10,354	56,879	7	207,354

Description of significant unobservable inputs into level 3 valuations

Asset Group	Valuation Technique	Significant Unobservable Inputs	Weighted average cost per unit/ Range	Sensitivity
Specialised Land	Market based direct comparison	Extent and impact of community services obligation (CSO)	20%	Increase or decrease in the CSO would result in a significantly lower or higher fair value.
Specialised Buildings	Depreciated Replacement Cost	Direct cost per square metre	\$73 to \$6,325 (Avg. \$1,331)	Increase or decrease in the direct cost per square metre adjustment would result in a significantly higher or lower fair value.
		Useful life of specialised buildings	40 to 100 years (Avg. 78 years)	Increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower fair value.
Land Under Roads	Market based direct comparison approach (refer above)	Extent and impact of restriction of use	90%	Increase or decrease in the extent of restriction would result in a significantly lower or higher fair value.
Footpaths	Depreciated Replacement Cost	Cost per unit	\$36 to \$91 (Avg. \$74)	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.
		Useful life of Footpaths	74 years	Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.

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

Description of significant unobservable inputs into level 3 valuations (cont.)

Asset Group	Valuation Technique	Significant Unobservable Inputs	Weighted average cost per unit/ Range	Sensitivity
Kerb & Channel	Depreciated Replacement Cost	Cost per unit	\$50 to \$500 (Avg. \$141)	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.
		Useful life of Kerb & Channel	90 years	Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Roads	Depreciated Replacement Cost	Cost per unit	\$1 to \$23 (Avg. \$9)	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.
		Useful life of Roads	14 to 90 years (Avg. 57 Years)	Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Bridges & Major Culverts	Depreciated Replacement Cost	Cost per unit	\$1,170 to \$2,700 (Avg. \$2,183)	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.
		Useful life of Bridges & Major Culverts	112 years	Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.
Drainage	Depreciated Replacement Cost	Cost per unit	\$15 to \$5,127 (Avg. \$259)	Increase or decrease in the cost per unit would result in a significantly higher or lower fair value.
		Useful life of Drainage	142 years	Increase or decrease in the estimated useful life would result in a significantly higher or lower fair value.

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

2014	Balance at Beginning of Financial Year	Acquisition of Assets	Found & Relinquished Assets (a)	Revaluation Increments (Decrements) (note 25)	Depreciation (note 11)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	11,723	-	(525)	(460)	-	(31)	(5)	10,702
Land Improvements	137	-	-	-	(28)	-	-	109
Land Under Roads	2	-	-	-	-	-	5	7
Buildings	54,627	350	(186)	3,247	(873)	(106)	(180)	56,879
Total Property	66,489	350	(711)	2,787	(901)	(137)	(180)	67,697
Other Assets								
Plant & Equipment	5,298	961	-	-	(645)	(13)	-	5,601
Motor Vehicles	687	141	-	-	(220)	(32)	-	576
Furniture & Fittings	38	2	-	-	(17)	-	-	23
Computers	385	127	-	-	(195)	(4)	21	334
Street Furniture	313	-	-	-	(16)	-	-	297
Heritage Assets	182	-	-	-	(2)	-	-	180
Total Other Assets	6,903	1,231	-	-	(1,095)	(49)	21	7,011
Infrastructure								
Roads	124,950	4,162	-	-	(3,914)	-	-	125,198
Bridges & Culverts	47,887	456	-	-	(605)	-	-	47,738
Footpaths	8,478	93	-	-	(177)	-	-	8,394
Kerb & Channel	11,144	24	-	-	(202)	-	-	10,966
Drainage	14,619	601	-	-	(163)	-	-	15,057
Open Spaces	3,296	998	-	-	(159)	-	248	4,383
Total Infrastructure	210,374	6,334	-	-	(5,220)	-	248	211,736
Works in Progress								
Buildings	212	1,104	-	-	-	-	-	1,316
Computers	21	-	-	-	-	-	(21)	-
Open Spaces	68	7	-	-	-	-	(68)	7
Total Works in Progress	301	1,111	-	-	-	-	(89)	1,323
Total Property, Plant and Equipment and Infrastructure	284,067	9,026	(711)	2,787	(7,216)	(186)	-	287,767

(a) Reconciliation of Relinquished, Found & Recognised Assets

Relinquished assets are derecognised assets that were previously recognised and are recognised in the Comprehensive Income Statement as expenses.

Found assets are recognised assets that were previously unrecognised and are recognised in the Comprehensive Income Statement as revenue.

Asset Category	Relinquished Assets	Found Assets	Net Position
Land	(641)	116	(525)
Buildings	(186)	-	(186)
Total	(827)	116	(711)

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

2013	Balance at Beginning of Financial Year	Acquisition of Assets	Lost & Found Assets (a)	Revaluation Increments (Decrements) (note 25)	Depreciation (note 11)	WDV of Disposals	Impairment	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
Land	11,826	-	-	-	-	(103)	-	-	11,723
Land Improvements	165	-	-	-	(28)	-	-	-	137
Land Under Roads	2	-	-	-	-	-	-	-	2
Buildings	54,833	640	-	-	(948)	-	-	102	54,627
Total Property	66,826	640	-	-	(976)	(103)	-	102	66,489
Other Assets									
Plant & Equipment	4,804	1,145	-	-	(618)	(33)	-	-	5,298
Motor Vehicles	612	394	-	-	(239)	(80)	-	-	687
Furniture & Fittings	58	-	-	-	(20)	-	-	-	38
Computers	402	168	-	-	(185)	-	-	-	385
Street Furniture	329	-	-	-	(16)	-	-	-	313
Heritage Assets	184	-	-	-	(2)	-	-	-	182
Total Other Assets	6,389	1,707	-	-	(1,080)	(113)	-	-	6,903
Infrastructure									
Roads	124,215	10,532	(56)	(6,003)	(3,738)	-	-	-	124,950
Bridges & Culverts	25,457	588	1,827	20,615	(600)	-	-	-	47,887
Footpaths	4,658	468	272	3,253	(173)	-	-	-	8,478
Kerb & Channel	7,415	112	159	3,878	(201)	-	-	(219)	11,144
Drainage	13,892	666	-	-	(158)	-	-	219	14,619
Open Spaces	2,504	894	-	-	(132)	-	30	-	3,296
Total Infrastructure	178,141	13,260	2,202	21,743	(5,002)	-	30	-	210,374
Works in Progress									
Buildings	137	177	-	-	-	-	-	(102)	212
Computers	-	21	-	-	-	-	-	-	21
Open Spaces	8	60	-	-	-	-	-	-	68
Total Works in Progress	145	258	-	-	-	-	-	(102)	301
Total Property, Plant and Equipment and Infrastructure	251,501	15,865	2,202	21,743	(7,058)	(216)	30	-	284,067

(a) Reconciliation of Lost & Found Assets

Lost assets are derecognised assets that were previously recognised and are recognised in the Comprehensive Income Statement as expenses.

Found assets are recognised assets that were previously unrecognised and are recognised in the Comprehensive Income Statement as revenue.

Asset Category	Lost Assets	Found Assets	Net Lost & Found
Roads	(780)	724	(56)
Bridges	(180)	2,007	1,827
Footpaths	(3)	275	272
Kerb & Channel	-	159	159
Total	(963)	3,165	2,202

(b) Impairment

Impairment losses are recognised in the Comprehensive Income Statement under other expenses.

Reversals of impairment losses are recognised in the Comprehensive Income Statement under other revenue.

	2014 \$'000	2013 \$'000
Note 21 Trade and Other Payables		
Trade Payables	1,464	2,158
Accrued Wages and Salaries	228	182
Accrued Expenses	180	630
	<u>1,872</u>	<u>2,970</u>
Note 22 Trust Funds and Deposits		
Refundable Trusts and Deposits	18	26
	<u>18</u>	<u>26</u>

Note 23 Provisions

	Landfill Restoration	Annual Leave	Rostered Days Off	Long Service Leave	Total
2014	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	275	1,104	52	1,904	3,335
Additional Provisions	1,119	946	234	638	2,937
Reduction of Provisions	-	(727)	(221)	(470)	(1,418)
Balance at the end of the financial year	<u>1,394</u>	<u>1,323</u>	<u>65</u>	<u>2,072</u>	<u>4,854</u>

2013

Balance at beginning of the financial year	275	1,102	57	1,802	3,236
Additional Provisions	-	743	221	650	1,614
Reduction of Provisions	-	(741)	(226)	(548)	(1,515)
Balance at the end of the financial year	<u>275</u>	<u>1,104</u>	<u>52</u>	<u>1,904</u>	<u>3,335</u>

(a) Employee Provisions

Current provisions expected to be settled within 12 months

Annual Leave	867	1,104
Long Service Leave	213	1,617
Rostered Days Off	65	52
	<u>1,145</u>	<u>2,773</u>

Current provisions expected to be settled after 12 months

Annual Leave	456	
Long Service Leave	1,575	
	<u>2,031</u>	<u>-</u>
Total Current provisions	<u>3,176</u>	<u>2,773</u>

Non-current

Long Service Leave	284	287
	<u>284</u>	<u>287</u>

Aggregate carrying amount of Employee Provisions:

Current	3,176	2,773
Non-current	284	287
	<u>3,460</u>	<u>3,060</u>

	2014 \$'000	2013 \$'000
Note 23 Provisions (cont.)		
(a) Employee Provisions (cont.)		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4.5%	-
Weighted average discount rates	1.8%	1.9%
Weighted average settlement period	15	15
(b) Landfill Restoration		
Council is obligated to restore a landfill site to a particular standard. Current predictions indicate that the landfill site will cease operations in 2019 and restoration work is expected to commence shortly thereafter. The forecast of the life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly the estimation of the provision required is dependant on the accuracy of the forecast timing of the work and the related work.		
Non-current		
Gravel Pit Rehabilitation	-	275
Landfill Restoration	1,394	-
	<u>1,394</u>	<u>275</u>
Note 24 Interest-bearing Loans and Borrowings		
Current		
Borrowings - secured	353	380
Non-current		
Borrowings - secured	2,829	2,182
Total	<u>3,182</u>	<u>2,562</u>
The maturity profile for Council's borrowings is:		
Not later than one year	353	380
Later than one year and not later than five years	1,239	1,248
Later than five years	1,590	934
	<u>3,182</u>	<u>2,562</u>

Note 25 Reserves

(a) Asset Revaluation Reserve

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
2014			
Property			
Land	6,056	(460)	5,596
Buildings	49,910	3,247	53,157
Infrastructure			
Footpaths	4,919	-	4,919
Kerb & Channel	5,784	-	5,784
Bridges & Major Culverts	28,397	-	28,397
Drains	4,202	-	4,202
Sealed Pavements	14,630	-	14,630
Sealed Surfaces	14,381	-	14,381
Unsealed Pavements	16,221	-	16,221
Formations	6,839	-	6,839
Other			
Financial Assets	19	(3)	16
Investment in Associates	19	-	19
Total Asset Revaluation Reserves	151,377	2,784	154,161

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
2013			
Property			
Land	6,056	-	6,056
Buildings	49,910	-	49,910
Infrastructure			
Footpaths	1,666	3,253	4,919
Kerb & Channel	1,906	3,878	5,784
Bridges & Major Culverts	7,782	20,615	28,397
Drains	4,202	-	4,202
Sealed Pavements	47,538	(32,908)	14,630
Sealed Surfaces	4,932	9,449	14,381
Unsealed Pavements	1,139	15,082	16,221
Formations	4,465	2,374	6,839
Other			
Financial Assets	7	12	19
Investment in Associates	19	-	19
Total Asset Revaluation Reserves	129,622	21,755	151,377

Asset Revaluation Reserves - These reserves have been established to record the increased (net) value of Council's assets over time.

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
2014			
Plant Replacement	920	164	1,084
Economic Development	-	9	9
Gravel Pits Restoration	122	-	122
Community Loans	202	15	217
Waste Management	280	179	459
Long Service Leave	278	28	306
Defined Benefits	100	100	200
Total General Reserves	1,902	495	2,397

	Balance at Beginning of Reporting Period \$'000	Transfer to/(from) Reserves \$'000	Balance at End of Reporting Period \$'000
2013			
Plant Replacement	1,044	(124)	920
Stawell Cemetery	37	(37)	-
Gravel Pits Restoration	122	-	122
Community Loans	376	(174)	202
Heritage Restoration	20	(20)	-
Waste Management	-	280	280
Long Service Leave	-	278	278
Defined Benefits	-	100	100
Total General Reserves	1,599	303	1,902

Description of General Reserves

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

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

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

Gravel Pits Restoration - Provision for future rehabilitation of pits.

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

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

Waste Management - Funds held for the restoration of waste sites and bin replacement.

Long Service Leave Reserve - Funds held for employee long service leave.

Defined Benefits Reserve - Funds held for future calls on defined benefits superannuation.

	2014	2013
	\$'000	\$'000
Note 26 Reconciliation of Cash Flows from Operating Activities to Surplus/(Deficit)		
Surplus /(Deficit)	(2,932)	10,926
Relinquished & Found Assets	711	(2,202)
Impairment Loss Reversals	-	(30)
Depreciation	7,216	7,058
(Profit)/Loss on Disposal of Property, Plant and Equipment	(14)	(128)
Share of Net Result of Associates	(18)	(11)
<i>Change in Assets and Liabilities:</i>		
(Increase)/Decrease in Trade and Other Receivables	(226)	(156)
Increase/(Decrease) in Other Assets	3	132
Increase/(Decrease) in Trade and Other Payables	(1,112)	(1,343)
(Increase)/Decrease in Inventories	(1)	5
Increase/(Decrease) in Provisions	1,519	99
Net Cash provided by Operating Activities	<u>5,146</u>	<u>14,350</u>
Note 27 Financing Arrangements		
Bank Overdraft	200	200
Used Facilities	-	-
Unused Facilities	<u>200</u>	<u>200</u>
Note 28 Restricted Assets		
Council has cash and cash equivalents (note 15) that are subject to restrictions. As at the reporting date, Council had trusts and deposits (note 22), reserve funds (note 25) and unspent grants (note 4).		
Trusts and Deposits (note 22)	18	26
Reserve Funds (note 25)	2,397	1,902
Unspent Grants (note 4)	2,125	2,870
	<u>4,540</u>	<u>4,798</u>

Note 29 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are due.

Accumulation

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 (for the year ended 30 June 2014, this was 9.25% 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.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.50%, and will progressively increase to 12% by 2022.

Defined Benefit Plan

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

Council makes employer contributions to the defined benefit 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 2011, Council makes employer contributions to the Funds Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of member's salaries (9.25% in 2012/13).

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Unfunded Superannuation Liability - Funding Calls

The fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standards SPS 160, The Fund is required to target full funding of its vested benefits. There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below the shortfall limit at any time other than the date of the actuarial investigations.

If either of the above occur, the Fund has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013 the VBI has been in excess of 100%. The 31 March estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

The next full actuarial investigation of the Fund's liability for accrued benefits will be based on the Fund's position as at 30 June 2014. The anticipated completion date of this actuarial investigation is 19 December 2014.

Superannuation Contributions

Details of contributions made by Council (excluding any unfunded liability payment) to superannuation funds during the year are as follows:

Fund	2014 \$'000	2013 \$'000
Defined benefit plans		
Local Authorities Superannuation Fund (Vision Super) - 9.25%	102	106
	102	106
Accumulation funds		
Local Authorities Superannuation Fund (Vision Super) - 9.25%	659	645
Employees Choice Superannuation Funds - 9.25%	265	224
	924	869

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2014.

Note 30 Commitments

The Council has entered into the following commitments

2014	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
Operating					
Waste Management	657	674	1,398	-	2,729
Meals on Wheels	193	-	-	-	193
Cleaning Services	235	21	-	-	256
Provision of Transfer Stations	217	222	114	-	553
Software License Agreement	131	131	262	72	596
	1,433	1,048	1,774	72	4,327
Capital					
Halls Gap Rehabilitation	15	-	-	-	15
Halls Gap Community & Tourism Hub	503	-	-	-	503
St Arnaud Childrens Precinct	42	-	-	-	42
Business Precinct Plan	198	-	-	-	198
	758	-	-	-	758
Total	2,191	1,048	1,774	72	5,085

2013	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
Operating					
Waste Management	680	653	1,355	703	3,391
Meals on Wheels	187	-	-	-	187
Cleaning Services	92	-	-	-	92
Municipal Property Valuation	132	-	-	-	132
	1,091	653	1,355	703	3,802
Capital					
Flood Restoration Works	58	-	-	-	58
North Park Athletics Track	658	-	-	-	658
Halls Gap Rehabilitation	260	-	-	-	260
Stawell Airport	56	-	-	-	56
	1,032	-	-	-	1,032
Total	2,123	653	1,355	703	4,834

	2014 \$'000	2013 \$'000
Note 31 Operating Leases		
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	87	105
Later than one year and not later than five years	31	67
Later than five years	441	317
	559	489
Note 32 Contingent Liabilities		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
(i) Insurances		
As at 30 June 2014 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
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.		
Minister for Resources	50	50
Minister for Energy & Resources	92	92
Minister for Agriculture & Resources	6	6
	148	148

Note 33 Financial Instruments

(a) Accounting Policy, Terms & Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and Cash Equivalents	15	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Investments and term deposits are valued at cost.</p> <p>Investments are made to maximise interest returns on surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	Deposits returned a floating interest rate of between 2.00% and 4.56% (2.25% and 5.21% in 2012-13). The average rate at balance date was 2.79% (3.25% in 2012-13).
Trade and Other Receivables			
Other Debtors	16	<p>Receivables are carried at nominal amounts due less any provision for doubtful debts.</p> <p>A provision for doubtful debts is recognised when collection in full is no longer probable.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
Financial Liabilities			
Trade and Other Payables	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.
Interest-bearing Loans and Borrowings	24	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.</p> <p>Interest is accrued over the period it becomes due and recognised as part of payables.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>The weighted average interest rate on borrowings is 5.10% at balance date (6.69% in 2012-13).</p>
Bank Overdraft	27	<p>Overdrafts are recognised at the principal amount.</p> <p>Interest is charged as an expense as it accrues.</p>	The overdraft is subject to annual review. Council currently has an overdraft facility of \$200,000 (\$200,000 in 2012-13).

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:

2014						
	Floating interest rate \$'000	Fixed Interest Maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	3,820	2,000	-	-	2	5,823
Other Financial Assets	1,016	-	-	-	-	1,016
Trade and Other Receivables	-	30	53	-	2,871	2,954
<i>Total Financial Assets</i>	4,836	2,030	53	-	2,873	9,793
Weighted Average Interest Rate	2.69%	3.25%	7.77%			
Financial Liabilities						
Trade and Other Payables	-	-	-	-	1,872	1,872
Trust Funds and Deposits	-	-	-	-	18	18
Interest-bearing Loans & Borrowings	-	353	1,239	1,590	-	3,182
<i>Total Financial Liabilities</i>	-	353	1,239	1,590	1,890	5,072
Weighted Average Interest Rate		5.90%	5.83%	4.35%		
<i>Net Financial Assets (Liabilities)</i>	4,836	1,677	(1,186)	(1,590)	983	4,721

2013						
	Floating interest rate \$'000	Fixed Interest Maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	4,589	4,300	-	-	2	8,891
Other Financial Assets	1,019	-	-	-	-	1,019
Trade and Other Receivables	-	23	75	-	2,630	2,728
<i>Total Financial Assets</i>	5,608	4,323	75	-	2,632	12,638
Weighted Average Interest Rate	2.84%	3.82%	7.72%			
Financial Liabilities						
Trade and Other Payables	-	-	-	-	2,970	2,970
Trust Funds	-	-	-	-	26	26
Interest-bearing Loans & Borrowings	-	380	1,248	934	-	2,562
<i>Total Financial Liabilities</i>	-	380	1,248	934	2,996	5,558
Weighted Average Interest Rate		6.73%	6.87%	0.00%		
<i>Net Financial Assets (Liabilities)</i>	5,608	3,943	(1,173)	(934)	(364)	7,080

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 Statement of Financial Position		Aggregate Net Fair Value	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<i>(1) Financial Assets</i>				
Cash and Cash Equivalents	5,823	8,891	5,823	8,891
Available-for-Sale	1,016	1,019	1,016	1,019
Trade and Other Receivables	2,954	2,728	2,954	2,728
Total Financial Assets	9,793	12,638	9,793	12,638
<i>(2) Financial Liabilities</i>				
Trade and Other Payables	1,872	2,970	1,872	2,970
Trust Funds and Deposits	18	26	18	26
Interest Bearing Loans & Borrowings	3,182	2,562	3,078	2,464
Total Financial Liabilities	5,072	5,558	4,968	5,460

(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 Statement of Financial Position.

(e) Risks and Mitigation

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

Market risk

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

Interest rate risk

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

Loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Interest rate risk on our net debt portfolio is managed by:

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

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Transport, Planning & Local Infrastructure 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.

	2014 \$'000	2013 \$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	32	34
New Provisions recognised during the year	65	6
Amounts already provided for and written off as uncollectible	(6)	(6)
Amounts provided for but recovered during the year	(2)	(2)
Balance at end of year	89	32

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:

	2014 \$'000	2013 \$'000
Current (not yet due)	428	826
Past due by up to 30 days	1,841	106
Past due between 31 and 90 days	230	1,125
Past due between 91 and 365 days	264	446
Past due by more than 1 year	280	257
Total Trade & Other Receivables	3,043	2,760

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$88,907 (\$31,643 in 2013) were impaired. The amount of the provision raised against these debtors was \$88,907 (\$31,643 in 2013). The individually impaired debtors relate to sundry and childcare debts and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collection agency or are on payment arrangements.

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

2014	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	1,872	-	-	1,872
Trust Funds and Deposits	18	-	-	18
Interest Bearing Loans & Borrowings	353	1,239	1,590	3,182
Total Financial Liabilities	2,243	1,239	1,590	5,072

2013	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	2,970	-	-	2,970
Trust Funds and Deposits	26	-	-	26
Interest Bearing Loans & Borrowings	380	1,248	934	2,562
Total Financial Liabilities	3,376	1,248	934	5,558

(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 2.5%.

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	Carrying amount subject to interest	Interest rate risk			
		(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	5,823	(58)	(58)	116	116
Available for sale	1,016	(10)	(10)	20	20
Trade and other receivables	2,987	-	-	-	-
Financial liabilities:					
Trade and Other Payables	1,872	-	-	-	-
Trust Funds and Deposits	18	-	-	-	-
Interest Bearing Loans & Borrowings	3,182	16	16	(32)	(32)

Market risk exposure	Carrying amount subject to interest	Interest rate risk			
		(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	8,891	(89)	(89)	178	178
Available for sale	1,019	(10)	(10)	20	20
Trade and other receivables	2,764	-	-	-	-
Financial liabilities:					
Trade and Other Payables	2,970	-	-	-	-
Trust Funds and Deposits	26	-	-	-	-
Interest-bearing loans & borrowings	2,562	9	9	(19)	(19)

Note 34 Auditors' Remuneration

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

2014 \$'000	2013 \$'000
27	26
11	7
38	33

Note 35 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 36 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 Wayne Rice - to 27 November 2013
Mayor Kevin Erwin - from 28 November, 2013
Councillor Wayne Rice - from 28 November, 2013
Councillor Kevin Erwin - to 27 November, 2013
Councillor Murray Emerson
Councillor Karen Hyslop
Councillor Tony Driscoll
Councillor Paul Russell - to 5 December, 2013
Councillor Jim Anderson - to 30 August, 2013
Councillor Merrilee Reid - from 23 November, 2013
Councillor Jason Hosemans - from 15 March, 2014

Chief Executive Officer Justine Linley

(ii) Remuneration of Responsible Persons

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

	2014 No.	2013 No.
\$0 - \$9,999	3	4
\$10,000 - \$19,999	2	7
\$20,000 - \$29,999	2	-
\$30,000 - \$39,999	1	-
\$40,000 - \$49,999	1	1
\$190,000 - \$199,999	-	1
\$210,000 - \$219,999	1	-
	10	13
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	385	360

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2012-13, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012-13, \$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.	5	2
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Note 36 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 \$133,000.

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

Income Range:	2014 No.	2013 No.
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	-	1
\$170,000 - \$179,999	2	1
\$180,000 - \$189,999	1	-
	3	3
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	531	484

Note 37 Income, Expenses and Assets by Function/Activities

	Corporate Services		Infrastructure & Environment		Economic & Community		Emergency Event		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
INCOME										
Grants	3,227	6,037	8,143	13,895	1,193	1,179	372	3,800	12,934	24,911
Other	14,997	17,746	1,008	1,024	1,835	1,935	32	67	17,872	20,772
TOTAL	18,224	23,783	9,151	14,919	3,028	3,114	404	3,867	30,806	45,683
EXPENSES	(13,411)	(13,615)	(13,221)	(11,242)	(6,035)	(6,122)	(1,010)	(3,778)	(33,738)	(34,757)
SURPLUS (DEFICIT) FOR THE YEAR	4,813	10,168	(4,070)	3,677	(3,007)	(3,008)	(606)	89	(2,932)	10,926
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	11,140	13,821	287,480	283,710	-	-	-	-	298,558	297,531

*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 :

Corporate Services	Governance & Civic Support	Finance & Rating	ICT & GIS
Records	Human Resources	Leasing & Property	

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 :

Roads & Transport	Asset Management	Statutory Planning & Building	Strategic Planning
Emergency Management & Local Laws	Environment & Sustainable Living	Buildings & Maintenance	Parks & Gardens

Economic & Community

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

The Division includes the following Branches :

Media & Marketing	Investment Attraction	Business & Tourism Services	Grant Management
Community Services & Development	Recreation, Arts & Culture	Events & Hall Hire	Economic Development

Emergency Event

Emergency Event 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 emergency related response, recovery and future planning.

	2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
Note 38 Financial Ratios (Performance Indicators)						
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u>	162		148		181	
Total Revenue	30,658	= 0.53%	42,379	= 0.35%	41,080	= 0.44%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b) Debt Commitment Ratio (to identify Council's debt redemption strategy)						
<u>Debt Servicing & Redemption Costs</u>	542		540		724	
Rate Revenue	14,254	= 3.80%	13,666	= 3.95%	12,730	= 5.69%
The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
(c) Revenue Ratio (to identify Council's dependence on non-rate income)						
<u>Rate Revenue</u>	14,254		13,666		12,730	
Total Revenue	30,658	= 46.49%	42,379	= 32.25%	41,080	= 30.99%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d) Debt Exposure Ratio (to identify Council's exposure to debt)						
<u>Total Indebtedness</u>	9,908		8,867		9,730	
Total Realisable Assets	29,118	= 34.03%	29,766	= 29.79%	30,317	= 32.09%
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.						


	2014 \$'000	2014 (%)	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)
Note 38 Financial Ratios (Performance Indicators) (cont.)						
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	8,875		11,683		12,433	
Current Liabilities	5,419	= 163.78%	6,149	= 190.00%	5,277	= 235.61%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)						
<u>Current assets</u>	8,875		11,683		12,433	
Current liabilities	3,430	= 258.75%	4,676	= 249.85%	3,926	= 316.68%
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 2014

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 (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



John Traill CPA
Principal Accounting Officer

Date: 5th September 2014

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 2014 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 1 September 2014 to certify the financial statements in their final form.



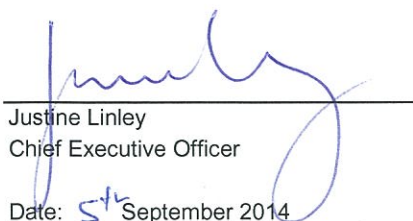
Cr Kevin Erwin
Councillor

Date: 5th September 2014



Cr Murray Emerson
Councillor

Date: 5th September 2014



Justine Linley
Chief Executive Officer

Date: 5th September 2014



Performance Statement

FOR THE YEAR ENDED 30 JUNE 2014



KEY STRATEGIC ACTIVITIES 2013/2014

For the year ending 30 June, 2014

Key Strategic Activity

Develop a Land Development Strategy in order to identify opportunities for residential, commercial and industrial development throughout the shire.		
Performance Measure	Performance Target	Achieved
Time: Develop Land Development Strategy within timeframe	June 2014	Achieved
Quality: Identify development opportunities within each land classification	≥ 2	Achieved
Complete Roads Infrastructure Capital Program to ensure assets are provided and maintained at an appropriate level.		
Performance Measure	Performance Target	Achieved
Quantity: The proportion of forecasted capital works projects completed at the conclusion of the financial year	≥ 90%	Achieved 94%
Cost: Proportion of capital works completed within forecast	≥ 90%	Achieved 93%
Identify an appropriate asset management software system and develop a plan to implement it.		
Performance Measure	Performance Target	Achieved
Time: System is identified	March 2014	Achieved
Time: Implementation plan is developed and project is commenced	June 2014	Achieved
Identify an appropriate customer relationship management software system and develop a plan to implement it.		
Performance Measure	Performance Target	Achieved
Time: System is identified	March 2014	Achieved
Time: Implementation plan is developed and project is commenced	June 2014	Achieved
Implement a responsive website design in order to improve electronic public access to Northern Grampians Shire Council information using current technologies.		
Performance Measure	Performance Target	Achieved
Time: Implement a responsive website design within timeframe	June 2014	Achieved
Cost: Complete responsive website design within budget		Achieved
Implement public Wi-Fi in the main retail precinct of Stawell in order to provide improved accessibility for our community, businesses and visitors.		
Performance Measure	Performance Target	Achieved
Time: Implement public Wi-Fi access within timeframe	June 2014	Achieved
Quality: Businesses trained in use and promotion of public Wi-Fi	> 5	Achieved

**Council Approval of the Performance Statement
for the Financial Year Ending 30 June 2014**

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2013-14 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 1 September, 2014 we were authorised by the Council to certify the Performance Statement in its final form on behalf of the Council.



Cr Kevin Erwin
Councillor

Date: 5th September 2014



Cr Murray Emerson
Councillor

Date: 5th September 2014



Justine Linley
Chief Executive Officer

Date: 5th September 2014

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2014 of the Northern Grampians Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Northern Grampians Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statement have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

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

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

Independent Auditor's Report (continued)

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

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.

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

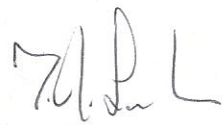
Basis of Accounting for Standard Statements

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 Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Northern Grampians Shire Council for the year ended 30 June 2014 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 financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
10 September 2014


John Doyle
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 2014 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* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from 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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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.

Independent Auditor's Report (continued)

Independence

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

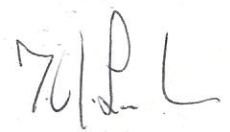
Auditor's Opinion

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2014 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 2014 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
10 September 2014


John Doyle
Auditor-General