



Northern Grampians Shire Council

Annual Report 2006-2007



Proud Past. Vibrant Future.

NORTHERN GRAMPIANS SHIRE COUNCIL

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From the Mayor, Cr Robyn Smith

Our year in 2006/07 has been one principally of recovery and consolidation from the effects of bushfires and a prolonged drought. The drought has been particularly damaging of the local economy because farming is the biggest industry in the Shire.

Now, our work in bushfire recovery is almost complete. The drought continues to threaten our water supplies for next summer owing to depleted water storage reserves. Winter rains have permitted extensive crop plantings and prospects for a bumper harvest are good but severe water restrictions are predicted for next summer. Our work last year to establish extensive bores, reticulation of reclaimed water and stormwater harvesting infrastructure will continue to provide important sources of alternative water.

Our Budget in 2006/07 was heavily influenced by the need to contain the rate burden on ratepayers, all of whom were affected by drought and some of whom were affected by bushfires and by significant property revaluations. We enjoyed one of the lowest rate rises in the State. But we budgeted for a record size capital works program and we substantially achieved that, despite the extra work to cart water to irrigate parks and heritage trees and to grade roads. Significant works completed include:

the STAR project which saved Lord Nelson Park, our most important sporting facility in St Arnaud; repairs to the St Arnaud swimming pool; restoration of the Navarre grandstand; extension of the Halls Gap walking and cycling path, a popular feature with residents and tourists alike; the realisation of the Gateway Industrial Estate in Stawell and the excellent maintenance of our extensive road network, heritage gardens and parks throughout the Shire.

I would like to take this opportunity to formally thank all Council staff for their efforts and many accomplishments this year.

We move into 2007/08 with a budget dominated by economies, designed to preserve our long term financial security. Operating Expenditure is planned to be lower than last year, despite rising costs. Economies have extended to staff, to contractors, to energy consumption and to vehicle purchase and operations but no services to residents have been reduced.

The 2007-2011 Council Plan builds on the 2006-2010 Plan that was developed through

extensive consultation and a series of planning workshops for community members and groups. Many of the objectives and strategies that were identified at those workshops are of a long term nature and continue through this Plan to accompany the new initiatives.

There is a whole of Shire approach with a very capable team that delivers services responsive to the needs of our community.

The Plan includes a range of activities and recognises the broad role undertaken by local government in the twenty first century. It specifically identifies a range of initiatives that Council intends to undertake and the achievement of these initiatives will measure how the Plan is being implemented. The Shire delivers a range of services to the community that affects the daily life of every member of the community.

Our economy is continuing to come forward in leaps and bounds. A heritage from gold combined with Australia's richest footrace, the Stawell Gift, and two beautiful National Parks, form the basis of the Northern Grampians as a successful international tourist destination. The Shire's retail sectors are continually being revitalised, growing and improving to service our communities and visitors alike.

Primary production is a strong contributor to our economy and while this sector has seen its challenges over the past decade, it remains the backbone of our community. Our agricultural industry is diverse and rich and includes sheep, crops, cattle, viticulture, olives and organic produce. Northern Grampians is home to some of the greatest wineries in Australia, famous sheep studs and Victoria's largest operating gold mine.

The Council has commenced the community's preparations for the eventual closure of Stawell Gold Mine. The worst-case remaining life of the mine is now under 3 years. The mine's owners and staff continue to make every effort to extend the economic life of the mine. The first task for the Stawell community is to identify the best use of the land, the mine site and its many assets.

Economic and social objectives are also to be ranked. The Council and the mine are cooperating with the community to ensure that Council's planning decisions reflect what local people want for Stawell.

More than ever, Northern Grampians Shire is unique and offers a natural environment and lifestyle that meets the demands of our vibrant, ageing and changing community.



Our tourism and business development activities are supporting growth and attracting new people to our towns. We provide high levels of service and ensure access to good education, childcare and aged care.

We also know that our buildings, roads and other infrastructure create great value for our

ratepayers and residents.

I would like to thank my fellow Councillors for their support throughout the year and for their continued hard work in the community representing our residents and being active on various committees and boards.

From the CEO, Glen Davis

Throughout 2006/07, the staff of Northern Grampians Shire has placed high priority on the improved delivery of Council services and the better satisfaction of the community.

We chose to measure the improvement not by self-assessment but by independent measurement. We have the assistance of a range of State surveys of residents of the Shire and a series of accreditation standards against which our health, child care, kindergarten, home and community services are judged.

I am very proud of the achievements of officers this year in the improvement of the Council's services to the community.

The Council's 2007 score for community satisfaction, measured by a State survey of residents, has improved on 2006 in all subjects. In three of the four key indicators (Overall Performance, Advocacy and Community Engagement), our ranking is significantly higher. Even in the remaining key indicator (Customer Contact), our ranking is ahead of the median for Councils in our group (small rural). Change of this magnitude is rarely achieved and is a result of a lot of very good work by many people.

Our results are also ahead of the median of other Councils in our Group for 8 of the 9 Specific Performance Areas surveyed. However, there is only one of those Specific Performance subjects for which we received top score (Health and Human Services, in which we also starred in 2006). This shows that there is still plenty of room for performance improvement in other areas to match or better the scores of the (un-named) Councils who have recorded the top scores. Our Customer Service initiatives focus on continuous improvement here and we have work to do to improve in economic development. Other State Surveys followed for Community Strength, Community Wellbeing and Community Indicators. They showed that our Shire is remarkably strong and stands out in many respects from comparable Shires elsewhere in the State.

These are competent, independent, standard

measures of community characteristics and they make great annual barometers of the Shire. They show Northern Grampians is distinct from other Shires in the Grampians Region and from the State average. They clearly indicate the strengths of our community for future use including in the attraction of new industry, commerce, services, tourism and population growth.

There is no survey for drought survival, but Northern Grampians has again performed very well. Our Drought Committee was quick to establish an extensive network of bores for stock water and alternative water sources for irrigation of parks and heritage trees. Our sporting facilities were the envy of the region and were shared with our neighbours when their fields became unplayable.

It is remarkable that all these improvements have occurred at a time that recovery from bushfires and drought survival measures demanded our attention. The community's willingness to volunteer and the high participation in community activities are permanent characteristics and not just responses to the hard times.

To switch to a drier subject, I must make some observations about our finances. Following much hard work, our assets are now well recorded, complete with Geographic Information System data. We have a well-developed Road Management Plan and detailed scheduled maintenance of buildings. Throughout the State, small rural Shires with lots of roads are finding finance difficult, and Northern Grampians is no exception but is performing particularly well. Ratepayers continue to receive very good value, reflected in low rates and charges, compared and published by the Municipal Association of Victoria.

My thanks go to our Councillors who work very hard and effectively to represent residents.

Thanks also to Council staff whose excellent work has resulted in much improvement in our services to the community. Well done, people, you can take pride in your work and achievements.

Our Councillors



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



Cr Greg Earle
Portfolio Councillor: Finance &
Assets
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



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



Cr Ray Hewitt
Portfolio Councillor: Youth and
Recreation, Economic Develop-
ment—Tourism
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



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



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



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



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



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

Council Meeting Attendance Register

	Ordinary	Special
No. of Meetings	12	2
Cr Bryan Small	11	2
Cr Kevin Erwin	12	2
Cr Ian Nicholson	12	2
Cr Greg Earle	10	2
Cr Robyn Smith	12	2
Cr Ray Hewitt	11	2
Cr Dorothy Patton	11	2
Cr Wayne Rice	10	2
Cr Ross Clementson	11	2

Audit Committee	
No. of Meetings	4
Cr Robyn Smith	3
Cr Greg Earle	4

Planning Committee	
No. of Meetings	4
Cr Greg Earle	3
Cr Kevin Erwin	4
Cr Ian Nicholson	4
Cr Bryan Small	2
Cr Wayne Rice	3
Cr Ross Clementson	4

Finance Committee	
No. of Meetings	5
Cr Robyn Smith	5
Cr Greg Earle	4
Cr Ray Hewitt	5
Cr Dorothy Patton	5

Our Organisation

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

This was the organisation as of 30 June, 2007.



CEO
Glen Davis



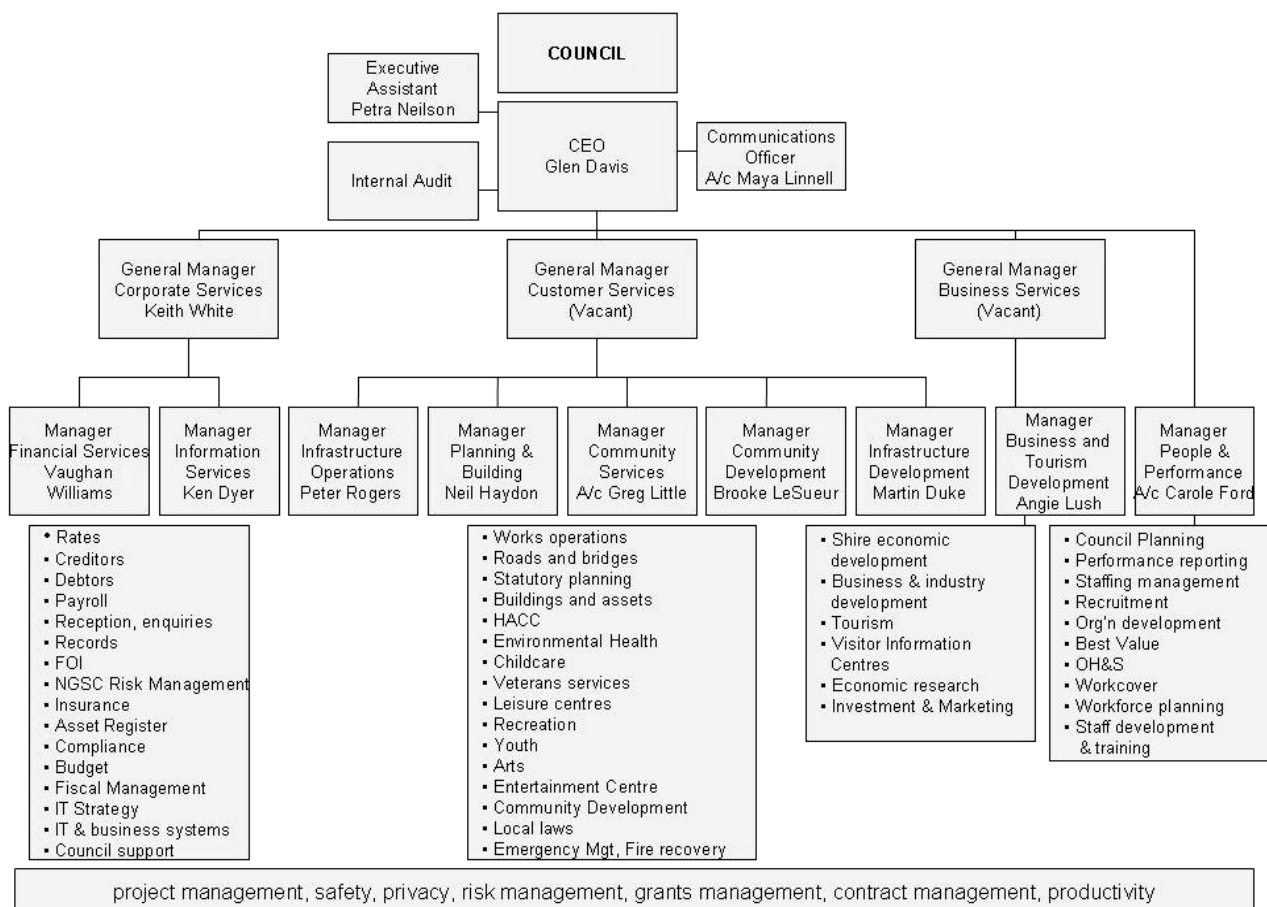
General Manager
Corporate Services
Keith White



General Manager
Customer Services
Jim Nolan

(commenced on 16 July 2007)

Organisational structure as at June



Corporate Services

Financial Management

Council is pleased to report another good financial result in 2006/07, achieving an operating surplus of \$1.0 million on revenue of \$21.4 million, compared to a budgeted surplus of \$0.24 million on budgeted revenue of \$21.47 million. Revenue was down in both User Fees & Charges and Capital Grants however this was offset by better than budgeted Operating grants. The key reason for the improved surplus over budget relates to lower than planned employee expenses and the impact of revaluation of some assets. The Shire's cash position is also strong with an ending cash balance of \$4.9 million compared to a budget of \$3.0 million. Details of these variances are available in the Financial Statements section of the Annual Report.

The Council continues to manage within tight financial constraints and is proud of the excellent financial controls that have been established over the past 2 years.

The Financial Services team continued to build on the work commenced the previous year with further improvements to financial reporting, budget preparation through the use of a new reporting system and processes. The major event for Financial Services in 2007/2008 will be the replacement of the core applications of Finance, Payroll and Property. It is intended that the new systems will be up and running for the preparation of the 2008/2008 Budget.

Audit Committee

The Audit Committee was constituted by Council in 1999 and has continued to provide a valuable service to Council. The Council currently engage the services of AFS & Associates from Bendigo to undertake the internal audit function. AFS & Associate current contract expires 30 June 2008.

The audit committee consists of the following members

External

Mr Don Webb (Chair) – first appointed 1999, term expires 31 May 2010
Mr Peter Knights - first appointed 2002, term expires 30 September 2008
Mr Mark Knights - first appointed 2006, term expires 30 September 2009

Internal Members (reappointed annually)

Cr Robyn Smith
Cr Greg Earle

The Committee met on 5 occasions during the year and received internal audit reports on Road management Plan follow up audit, Payroll, Purchasing, Children's Services, Tourism Operations and Cash handling.

Information Services

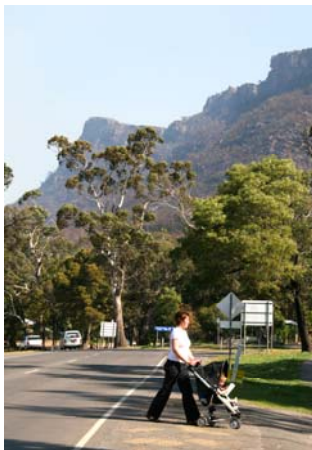
The information Services continues to roll out the elements of the Information Services Strategy that was agreed by Council in 2005 and continual improvement of hardware, software applications and communication services. Detailed below is a snap shot of the major completed/commenced activities of the Information Services Department for 2006/2007

Hardware/Software/Communications

- Continued to replace old leased desktop PC's
- Executed a Microsoft Enterprise Agreement to ensure that office software remains current
- Installed new PC's in 4 townships as part of the Victorian Government Internet Access program
- Completed move of voice services to Optus by migrating mobile phones for significant cost savings

IS Strategy

- Completed purchase/design for new web site expected to be fully implemented in late 2007
- Commenced the implementation Confirm Asset management system
- Implemented a new Customer Enquiry system
- Upgraded Geospatial systems
- Conducted GPS of road network for auditing purposes
- Implemented the latest version of our GIS product MapInfo Exponent for remote users
- Improved business resumption/ disaster recovery Infrastructure
- Installed backup diesel generator for emergency power supplies funded from a Federal Government grant
- Installed new air conditioning in computer room
- Purchased new servers
- Installed new technology in Taylor's Gully Childcare centre including CCTV for security and a new PABX linked to Stawell Town Hall



Community Services

Aged and Disability

It's been a year of achievement for Council, with the elimination of a home care waiting list.

While the complete care of residents cannot be met solely by Council, it has developed strong networks with East Wimmera Health Service, Stawell Regional Health and generic aged and disability service providers.

Statistics at a glance:

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

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

Veteran's Home Care Program

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

Children's Services

Taylor's Gully Children's Services (Stawell)

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

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

St Arnaud Children's Precinct

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

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

Outside School Hours Care (St Arnaud)

The Out of School Hours Care Program provided 7,772 hours of care and Vacation Care 8,095 hours. Both services have been Accredited by the NCAC achieving a high standard of care. The Kindergarten is now running at full

capacity and will celebrate 50 years of service in 2006/2007.

Occasional Care

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

Family Day Care

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

Maternal & Child Health

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

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

Statistics at a glance:

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

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

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

Community Development

AGED AND DISABILITY

Home and Community Care

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

The National Triennial HACC Assessment was conducted in May 2007, and the outcome for Council was 18.8 of a possible 20. Targeting Home Care services, policies and community satisfaction, this result was an improvement on our previous assessment and is considered to reflect excellence in our services.

The drought has had a significant impact on people who are frail, aged or have a disability. To support the installation of water saving devices and modify people's homes to be more drought tolerant the Aged and Disability Services Department was successful in gaining a water saving initiative grant through the State Government for \$10,000. This will be administered through the Aged and Disability Services Home Maintenance program.

2006/07 Aged and Disability Services Statistics at a glance:

- Aged and Disability programs had 1,325 clients
- 28,236.15 hours of direct care support (home care, personal care and respite care) was provided. This is a significant increase on 2005/06 and is reflective of Council's HACC services no longer having a waiting list
- 131,498 kilometres travelled by Northern Grampians Shire Council direct care workers to deliver services, an increase of 38000 km over 2005/06
- 280.25 hours of essential home maintenance was delivered to 126 clients to enable them to remain independent in their own homes, a 400% increase on the previous year, and,
- 26095 meals were distributed by the Meals on Wheels program, an increase of 73% on 06/06.

A special thanks to the volunteers who make this possible.

Senior Citizens

Northern Grampians Shire Council was again a key contributor to the 2006 Seniors Festival. Seniors in the Northern Grampians Shire had the opportunity to enjoy a joint meal, entertainment by "Pip'n'Mel" at Navarre during the Seniors Festival. A special movie screening and

afternoon tea was provided to seniors in St Arnaud. Three people from Stawell area were also supported to attend the Victorian Governor's Garden Party, where the announcement for the Senior of the Year was announced.

Community Access

2006/07 saw the appointment of community members and service providers to a newly formed Community Access Advisory Group. This group has evolved from the Community Access Advisory reference group, with a charter to support council with advice on access issues, identify improvements that can be made to assist accessibility for all people of the Northern Grampians Shire community and to be involved in a review of the Council's Community Access Plan.

Veterans' Home Care Program

Council retains a strong commitment to supporting the Veterans in our community with high quality affordable home care services. The provision of home care services and the assessment of Veterans for Home Care in the Grampians Region, was contracted (under two separate arrangements) to the Northern Grampians Shire in December 2003, however this was subject to tender again in 2006. While Council submitted a tender for the two services, we were advised in November 2006 that we were successful for the Service Provision contract, however unsuccessful with the Assessment contract. While no longer the Assessment agency, this contract being awarded to an organisation in Adelaide SA, phone queries for assessment are still being referred by Veterans to our organisation for advice due to our expertise.

CHILDREN'S SERVICES

Taylor's Gully Children's Centre (Stawell)

The highlight for Northern Grampians Shire Council Family and Children's Services this year was the successful completion and opening of the Taylors' Gully Children's Centre. The \$550000 redevelopment of Stawell Children's Centre, funded by Council and the Victorian Government, to incorporate Occasional Care, Maternal and Child Health, visiting specialist rooms and a multi-purpose room for use by family focused groups and playgroups, commenced construction in September 2006, was in operation on the 16th of March and was officially opened by Minister Lisa Neville in May 2007. Taylor's Gully Children's Centre is the complete 'one-stop shop' for family and children's services within the Shire, with the community able to access Childcare, baby capsule hire, kindergarten classes, pre and post natal advice and early childhood specialist.

Community Development

The Centre has received National recognition, being a finalist in the National Local Government Valuing and Promoting Quality Child Care Awards for 2007. Feedback from parents on the new centre has also been extremely positive. Parents and community groups are encouraged to visit the centre to see how they can benefit. The Visiting Specialist's room and multi-purpose room are available for use to anyone in the community provided the programs or meetings are associated with Children, Families or Children's Services.

Since commencing at Taylor's Gully Children's Centre in early March 2007, the 'Take a Break' Occasional Care program has provided 2029 hours of Care.

Some other statistics on Services:

- The Taylor's Gully Children's Centre Long Day Care program provided a total of 81,867 hours of childcare in 2006/07
- Family Day Care, offered in Stawell and St Arnaud, administered from Taylor's Gully Children's Centre provided 54039 hours of care for the 06/07 year.

St Arnaud Children's Precinct

The St Arnaud Children's precinct incorporates Long Day Care, the St Arnaud Kindergarten, Maternal & Child Health Nurse services and administers the Outside School Hours and Vacation Care programs.

The St Arnaud Children's Precinct underwent accreditation with the National Childcare Accreditation Council (NCAC) in October 2006, achieving high quality status in all areas.

St Arnaud children received 19,667 of long day care at the Children's Precinct in 2006/07.

A State Government grant has provided for the installation of a safety fence and childproof gate along the veranda of the Children's Precinct. This has improved safety for children, preventing them from exiting the Precinct into the busy car park without supervision. The same funding has also been used to install locally made padded wraps for the shade sail post to protect the children against contact injuries.

Outside School Hours Care (St Arnaud)

The Out of School Hours Care Program provided 4,783 hours of care and Vacation Care 4,235 hours.

St Arnaud Kindergarten

The Kindergarten has provided two four year old groups and a three year old program in 06/07. State Government drought relief funding has enabled the Kindergarten to offer the four year

old program fee free for concession card holders and reduced fees for other children during the 2007 school year.

Children's services continue to encourage child care as a career option for people. Several staff have been busy over the past twelve months studying. Three staff members have completed their Certificate III in Childcare and one staff member has completed her Diploma in Children's Services. Congratulations to these staff members on their achievements. Our commitment has also led to several Certificate III and Diploma students being on placements at our services, and we have also had a number of work experience students throughout the year. It is great to see that child care is such a popular career choice for these young people.

Staff have attended many Professional Development In-services throughout the year that have included:

- Food Safety Hygiene
- Building and Maintaining Positive Communication (Cath McDonald)
- OHS training for Managers and Supervisors.
- Autism Workshop (Sue Larky) JULY
- OHS In-service
- Recruitment and Orientation of staff (August)
- Moving Into Management, A Leadership Program (October)
- Food Safety and OHS
- Anaphylaxis, Epi-Pen Training. (November)
- Inclusion, How to access the services available. (December)
- Level 2 first aid, CPR Updates (January 2007)
- Asthma Management (February 2007)
- Customer Service Training (March 2007)
- Working alone in the Community, Work Safe and Stress Management. (March 2007)
- Basic Counselling Level One (March 2007)
- Understanding Speech and Speech Therapy
- First aid / CPR Updates
- Privacy Training
- Toddlers With Attitude
- Autism- Inclusive Environment
- Anaphylaxis
- Challenging Behaviours /including Children with disabilities)

Community Development

MATERNAL & CHILD HEALTH

Achievements:

- Successful relocation of Stawell MCH Services into the redeveloped Taylor's Gully Children's Centre building. The MCH Service was fully operational from new location March 2007 and families and children are making great use of the state of the art facilities.
- Undertook health promotional activities in conjunction with Stawell Library, Lenzone Young Mums, Stawell Regional Health Walking Group, Playgroups, Australian Breastfeeding Association, Budja Budja, Twin Group, as well as First Aid nights with local ambulance staff, Centacare parenting sessions, Dental Health services, and Quit Training for health professionals.
- Stawell MCH was able to provide work experience for VET students from Stawell Secondary College.
- Northern Grampians Shire Council MCH Staff are represented on community networks including REACT group (providing autism training), Stawell-Ararat autism support group, Family Violence Network, Healthy Eating Group, had input into an application for daystay parenting unit, State MCH Co-Ordinators Network, MCHS-user group (data collection).
- Our commitment to staff development is evidenced by regular training and in-service programs for all nurses including representation at the National MCH Conference in Sydney May 2007.

2006/07 Maternal and Child Health Statistics at a glance:

104 new enrolments of 0-1 yo children
98 Birth notices received
34 New first time mothers
43 parenting group sessions held
44 Families participating in Enhanced MCH program

These statistics are similar to the 2005/06 results showing that birth rates in the Shire are reasonably constant.

Future Goals:

- Cross sector training opportunities with all staff located within Taylors Gully complex
- Full review of policy/protocols within broader multi-disciplinary group of workers
- Undertake a review of immunization vaccine handling and storage within MCH Service for opportunistic vaccinations
- OHS roles and responsibilities including training

COMMUNITY DEVELOPMENT

Drought Recovery Initiatives

The recovery process included community barbecues through out the shire with each area receiving funding to purchase catering for the community. Activities also included community organised comedy nights and farmers trips to the Melbourne Cricket Ground and Bureau of Meteorology.

Arts Trail

The Northern Grampians Shire co-ordinated an Easter Arts Trail including artists from Stawell, Halls Gap and Deep Lead, adding another aspect to the Stawell Easter Weekend experience.

Recreation Facility Upgrades

Council has received funding from Sport and Recreation Victoria for the upgrade of the following recreation facilities:

- Central Park Netball Court Redevelopment
- North Park Netball Lighting.
- Lord Nelson Park Oval Lighting
- Navarre Recreation Reserve Clubroom redevelopment
- Great Western Recreation Reserve Clubroom Upgrade
- Old Lake Oval Clubroom Upgrade
- Banyena Tennis Courts upgrade
- Lord Nelson Park Gym facilities.

Bushfire Recovery

The bushfire recovery included several significant events including a movie in the Halls Gap Park, The Beyond the Smoke Festival and culminated in a very successful comedy ball for the entire community.

FReeZa

Five FReeZa activities have been conducted through out the shire. The events have been co-ordinated by young people in each ward of the shire and have included bus travel to other venues.

LEISURE SERVICES

St Arnaud Swimming Pool

- Over 10,000 visitations have occurred at the St Arnaud Swimming Pool in 2006/07.
- St Arnaud swimming Pool feasibility study has been completed and a report provided to Council.
- Remedial works on preventing water loss from the swimming pool have been successful with a decrease of approximately 7kl per day of water loss. Further works will be undertaken in 2007 to address the residual water loss.





Community Development

St Arnaud Swimming Pool: Cont'd

- Three new shade areas have been erected at the St Arnaud Swimming Pool.

Stawell Leisure Complex

- Stawell Leisure Complex had over 61,000 participation visitations during the year.
- A number of new programs have been launched or relaunched at the Stawell Leisure Complex including Men's basketball, ed gym and full lifeguard accreditation.
- Safety signage has been increased at Stawell Leisure Complex.
- New handrails have been installed into the swimming pool & spa to meet the building requirements.
- The wet deck grates have been replaced.
- The 'Play it Safe by the Water' campaign was successful with a number of primary and secondary schools being involved.

Other

The Stawell Motor Sports Club facility upgrade was completed with improvements to toilets, fences, and catering facilities at the Burrong Basin Speedway.

ENVIRONMENTAL HEALTH SERVICES

Registered Premises

At the end of this period, there were the following premises registered with Council:

- 176 food premises
- 37 annual food events
- 72 temporary food events
- 41 accommodation premises
- 20 hairdresser/beauty therapy premises
- 9 caravan parks

62% of premises were inspected in 2005-06.

irrigation purposes.

Municipal Public Health Plan

The 'Northern Grampians Municipal Health Action Plan 2005-2008' working group had the first meeting mapping the progress of strategies documented in the plan. The current plan has been extensively implemented with some goals remaining ongoing.

Complaints

A total of 31 complaints were recorded by environmental health in 2006-07, down from (37 complaints 2005-06)

Food	12
Environmental (asbestos)	1
Noise	2
Refuse/rodents	4
Septic/sewerage	5
Odour	4
Flies	0
Infectious Disease	0
Accommodation	3

Town Planning Referrals

A total of 58 planning department referrals resulted in site investigation prior to providing comment.

Infectious Disease

There have been a number of gastrointestinal outbreaks investigated during this period. One investigation involved 7 people and another involved 3 people. In both cases the source of the infection was unable to be established.

Confirmed notifications included a case of campylobacter infection occurring twice in a person and a case of salmonella.

	Monthly Sessions	School Sessions	Maternal Child Health	Private	Total
Stawell	511	298	64		
St. Arnaud	128	188			
Total	639	486	64	131	1320

Food Samples

24 food samples were obtained in 2006-07 with a compliance rate of 100%.

Environmental Samples

A number of environmental samples were obtained for investigational purposes. These included soil testing for contaminants, as well as testing of old building materials for the presence of asbestos. Water samples were also tested from various sources for suitability for

Immunisation

Total vaccination encounters for 2006-2007 are as follows:

A further 355 people were revaccinated due to a vaccine storage breach being detected.

Waste Water Program

A total of 39 'Applications to Install/Alter a Septic Tank' were received and processed during

Community Development

Domestic Wastewater Management

Council's Municipal Domestic Wastewater Management Plan was adopted by Council in December 2006. Part of the education program has rolled out with the launch at the opening of Mitre 10 in Stawell with a brochure developed.

Health Promotion

Environmental Health Officers have had key involvement with the Grampians Pyrenees Primary Care partnership in the Healthy Eating Working Group. Projects include the 'food for thought' brochure and promotion of healthy eating choices in our local food establishments.

People & Performance

The People & Performance department has been a key leader acting as a resource for all staff in our organisation, to drive change, enhance the organisation's people capabilities, promote strategic direction and improve organisation performance.

Working with the Chief Executive Officer and Executive Management Team this department has set goals to improve systems and processes. A focus is to support all staff to develop and grow within the organisation while linking an understanding of community needs with organisational support systems to generate a complete customer focus both internally and externally.

Key activities include:

- Advice and support to staff
- Best Value
- Change Management
- Council Plan
- Induction
- Industrial Relations
- Occupational Health & Safety
- Performance monitoring
- Recruitment and selection
- Staff job satisfaction
- Training and development
- WorkCover
- Education on succession planning

These activities are undertaken in a rural Shire in which many staff members have long careers with the Shire. Despite the aging workforce the average age of staff within this organisation is only 37 years. There have been numerous staff achievements this year for years of service recognition including 10, 15, 20, 25 and 30 years of service. When vacancies arise attracting candidates from elsewhere, relocation typically involves big distances and lifestyle changes.

The Shire often finds its recruitment and staff development activities are characterised by staff selection based on talent and aptitude, followed by training for skill enhancement and supplementation. The People & Performance department contributes processes, skills and experience and the selection of recommended training courses for use by line managers and their staff.

During the 06/07 year the People & Performance department had a stronger focus on Occupational Health & Safety by reviewing the designated work groups and arranging related training sessions with a positive and proactive forward outlook with many more staff now formally trained in this area. An OH&S Action Plan was developed and has been successfully implemented with the plan to remain as an ongoing process. A Corporate Training plan was created and effectively implemented and this was all delivered locally with participation from dozens of staff from all departments working together; all in conjunction with excellent trainers and role models from VECCI. The staff Annual Review process has been streamlined and put into practice in time to develop the 07/08 staff training development plan. Processes have been updated and placed on the intranet drive which allows easier access for staff to download forms and processes when required.

Infrastructure Services

The Northern Grampians Shire Council's Infrastructure Department has been busy with the delivery of the largest capital works expenditure in the municipality, and a heavy focus on water management due to the continuing drought.

Below are many of the achievements for the 2006/2007 financial year:

- The 'Roads to Recovery' federal funding program has assisted with many road maintenance programs, including the resheeting and resealing program
- Renewing another kilometre of the Old Glenorchy Road
- Replacing the kerb and channel in Queens Avenue in St Arnaud
- Creating a new kerb and channel in Bewley Street, St Arnaud
- Sealing a number of streets in Marnoo, Navarre, Great Western Stawell and St Arnaud.

Industrial Estate Infrastructure

- Opening of the Stawell Grampians Gateway Estate
- Completion of a four-lot subdivision at Thornfeldt and Playford Streets, Stawell
- Sealing Phillips Court in the St Arnaud Industrial Estate

Pedestrians and Cyclists

- Completion of the Halls Gap bike path from the town centre to Brambuk by finishing the new section from Silver Springs Road to Brambuk
- Installation of footpaths in William Street, Stawell and Franklin Street beside North Park Stawell, and moving the Central Park fence to make way for a footpath in Napier Street
- Installation of a street light in both Marnoo and Stawell
- Completion of a safety crossing in Sloane Street, Stawell

Road safety

- Altering three bad 'Y-intersections' at Lake Fyans and Pomonal Roads; the Glenorchy and Callawadda Roads; and the Banyena and Minyip Roads intersection with Banyena-Pimpinio Road
- Street narrowing and safety improvements at the Woods and Darlington Streets intersection, Stawell, and at Clifton Avenue and Barnes Street, Stawell
- Sealing the Leviathan and Albion Roads intersection, Stawell
- Sealing the Edelston Road and Sunraysia

- Highway intersection, Carapooee

Bridges

- Finished Landsborough Road bridge.
- Repaired erosions at two Banyena Road bridges

Buildings

- Completed Stage Two of the Taylor's Gully Children's Precinct, Stawell
- Erected a canopy and screens at the Navarre Co-operative shop

Parks and Gardens and Tree Management

- Audited the condition and species of roadside vegetation on all local roads
- Completed the annual canopy clearing program of town streets and rural roads
- Audited the trees in town streets and recreation areas to address risk management and aid development of maintenance programs

Halls Gap

- Installed two bus shelters

St Arnaud

- Continued the revitalisation of the St Arnaud streetscape by installing plantings at the roundabouts and the approaches to Napier Street and Kings Avenue
- Installed drought tolerant plantings, picnic tables, replaced advanced trees, audited and inspected current trees at the Queen Mary Gardens
- Continued street tree replacement program

Stawell

- Installed drought tolerant plantings at the town monument entrances
- Installed playground equipment at Cato Lake Park
- Continued street tree replacement program
- Installed carpark floodlighting in the CBD
- Installed a bus shelter in Main Street

Great Western

- Treescape maintenance works
- Planted advanced trees to maintain highway avenue
- Funded new fencing around the main park

SWANS project

- The Stormwater Alternative Natural System project progressed with the completion of storages in Maud Street, Stawell, providing a vital supply of water to treat gardens.

Water management

- Heavy focus on the bores due to the drought
- Twenty bores were tested
- Fifteen emergency water supply points were reactivated or commenced across the Shire

STARS project

- The Council was extremely proud that it was able to implement this innovative project with a number of partners, including DSE, EPA and GWM Water, after 10 years in 'incubation'
- It makes use of the treated, reclaimed water at the waste water treatment plant in St Arnaud and pumps it to the top of the Lord Nelson Mine Hill. The water is then used to irrigate the town's sporting ovals
- The project took a great amount of planning around the legislative approval process for consent to use the water in a strictly controlled manner, ensuring it would not inappropriately affect the soil or subsoil structure, or people

Other drought mitigating projects

- Upgrades to drainage from Main Street to Gordon Street to deliver storm water to the Moonlight Dams, Stawell
- Installation of a main culvert in Glenorchy in line with the Wimmera Catchment Management Authority's flood management plan

Emergency Management

- This year saw the earliest fire season declaration
- Staff were heavily involved in emergency management training, sharing knowledge from the 2005/06 MECC and their learnings from the recovery efforts

Waste Management

- New contracts were set in place and new waste and recycling kerbside collection contractors commenced

Planning & Building Services

In the reporting period, the Planning and Building Department issued the following permits:

Statutory Planning

132 Planning Permits having a total value of \$9,830,357

Statutory Building

261 Building Permits having a total value of \$20,864,015

Subdivisions

A total of 22 subdivisions were processed

Strategic Planning

Other strategic work undertaken by the Planning Department during the reporting period included:

Amendment C10 - Western Highway, Armstrong (Conversion of Public Acquisition Overlay to a Road Zone 1)

C11 – Wildfire Management Overlays (Shire Wide)

C15 – Staged implementation of the Northern Grampians Residential Land Strategy

C16 – Provision of a Buffer Zone to Stawell Wastewater Treatment Plant (GWM Water)

C17 – Northern Grampians Shire Heritage Amendment

C18 – Stawell Cemetery, VPO Correction, Mapping Corrections and changes to the Rural Living Zone Schedule

C20 – EMS Helipad Strategy (Stawell & District Hospital)

Halls Gap Flood Study

Land Capability Study – Stawell & St. Arnaud (Rural Residential Land)



Business & Tourism Development

The Northern Grampians Shire Council's business and tourism development department was this year boosted by two extremely successful programs to help bushfire and drought-affected businesses and community groups throughout 2006/07.

With the assistance of State Government funding, the Shire appointed a full time business recovery officer in August 2006. In addition to this role, Council was successful in achieving a StreetLife Grant for the Biggest Street in Victoria to assist small businesses on the fringe of the Grampians National Park from Halls Gap through Pomonal to Great Western.

The impacts of the drought and bushfire continue to effect businesses within our region, and the Northern Grampians Shire Visitor Information Centres have all experienced lower visitor enquiries for 2006/2007. It is hoped that a new marketing programs from Grampians Marketing Inc will provide the marketing activity to generate business activity, visitor enquiries and population growth.

Council has also continued its high level of success in attracting grants for capital projects and assistance for small business.

Funding achievements

The Business and Tourism Development Unit was responsible for securing and managing a substantial number of projects as a result of State Government Funding.

These programs include:
New Grants applied for and were successful:

St Arnaud Festival	\$5,000
Group Evaluation Program	\$15,000
Michael Ford St Arnaud Speed Trails 2007	\$5,000
Economic Recovery Project Officer	\$25,000
Halls Gap Urban Design Stage 2	\$80,000
St Arnaud Community Meeting Place	\$25,000
Stawell Gift Grandstand Project	\$195,000
Halls Gap Community and Tourism Hub Stage 1	\$250,000
Stawell Industrial Gas Pipeline	\$185,000
Streetlife the 'Biggest Street in Victoria' Project	\$40,000

2007 BCP Workshops & forums—\$51,508

Activities undertaken in Business

- Bushfire Recovery Program, one on one business support, workshops & social events
- Coordinated Economic Development Drought response through attendance at Landcare meetings, co-ordination of Exceptional Circumstances meetings and communications. Also coordinated information required by DPI from local farmers for EC declaration and active representation on Councils drought committee
- Worked collaboratively with Grampians Pyrenees Regional Development Board to develop workshops for business affected by drought
- Conducted survey of 58 businesses affected by drought
- Coordinated the sale of industrial lots in the Kell Road Industrial Estate, St Arnaud.
- Implemented a number of marketing programs aimed at improving local business opportunities ie Online Christmas Gift List, shop in St Arnaud invitation, as well as many PR activities
- New Christmas decorations for Stawell and St Arnaud
- Delivery of the Biggest Street Project funded through StreetLife Program.
- Support provided to local businesses through the Northern Grampians Shire Council Business Incentive Program.
- Implementation of the Economic Investment Plan developed for Council by Dr Kim Houghton
- Provided support to Stawell Chamber of Commerce, St Arnaud Development and Tourism Association, Grampians Produce, Halls Gap Tourism and Business Association, and Halls Gap Initiatives Inc.
- Continuation of Town Renewal projects with Village Well, including workshops, design of logo and eco bags for Halls Gap, new banners for St Arnaud and a new brochure, shopping bags and shop decals for Stawell.
- Installation of new secondary entrance signs in Stawell
- Redevelopment of 'New Residents Guide'; A-Z format
- Actively participated in the Provincial Victoria Campaign through the Grampians Pyrenees Regional Development Board

Activities undertaken in Business cont.

- Conducted various workshops and forums including: presentations by Dr Kim Houghton, Peter Kenyon, How to make an espresso, OH&S and branding workshop by Charlotte Prouse
- Supported the promotion and coordination of the 2006 Grampians Pyrenees Business Dinner
- Represented Council at Creating Vibrant and Successful Communities Conference, Small Towns Conference and various EDV workshops.
- Staff participated in Wimmera Leadership Program
- Coordinated NGSC website redevelopment
- Supported St Arnaud in hosting the Australian Turkey Convention 2007
- Coordinated NGSC presence on the Ballarat, Hepburn and Beyond Film Location Website
- Assisted the St Arnaud Newcomers BBQ
- Staff participated in Wimmera Leadership Program
- Coordinated NGSC website redevelopment
- Supported St Arnaud in hosting the Australian Turkey Convention 2007
- Coordinated NGSC presence on the Ballarat, Hepburn and Beyond Film Location Website
- Assisted the St Arnaud Newcomers BBQ
- Attended and represented GSTR at Australian Tourism Exchange (ATE)
- Represented GSTR at Oz Talk SE Asia
- Co-ordinated full day international workshop for international ready product in the Grampians
- Represented Council on the Grampians Marketing Inc, Great Southern Touring Route, Great Grape Touring Route and Grampians Grape Escape Committee
- Assisted in development of the Grampians Arts Trail at Easter
- Started production and design of Grampianstravel.com website for Halls Gap Booking Service
- Promotion of the Stawell Easter Festival Events
- Provided leadership for the 10 year nature based tourism strategy under Tourism Victoria
- Provided leadership for the development of the Strategic Business Plan for the proposed Regional Tourism Organisation

Support for events

- *Stawell Gift 2007*
- *St Arnaud Speed Trials*
- *Festival of St Arnaud*
- *Halls Gap Jazz Festival*
- *Grampians Wildflower Show – Halls Gap*
- *Day on the Green – Great Western*
- *Grampians Grape Escape*
- *Beyond the Smoke Festival*
- *Halls Gap Alternative Fair*
- *Halls Gap Christmas in July*
- *St Arnaud Country Hoe Down and Truck Show*

Activities undertaken tourism

- Hosted travel trade and media familiarisation tours
- Presence at NATAS Singapore
- Co-ordinated Victoria's Visitor Centre Summit
- Attended the Caravan and Camping Trade Shows Melbourne and Adelaide
- Attended backpacker shows in Melbourne and Sydney
- Attended Victoria's International Exchange
- Represented Great Southern Touring Route (GSTR) at Inbound Tourism Operator mission in Sydney
- Represented Grampians Marketing Inc on UK/Europe Trade mission





Donations and grants

The following donations or grants (amounts GST exclusive) were made during 2006-2007

Stawell State Emergency Service	10200.00
St Arnaud State Emergency	10200.00
Stawell Athletic Club Inc	10000.00
Stawell Tennis Club	10000.00
Festival Of St Arnaud	5000.00
Halls Gap Initiatives Inc	5000.00
St Arnaud Speed Trial Car Club	5000.00
Central Grampians LLEN	5000.00
Horsham Rural City Council	5000.00
Grampians Grape Escape Inc	4000.00
Halls Gap Initiatives Inc	4000.00
St Arnaud 150 Celebration Comm	3377.56
Festival Of St Arnaud	2500.00
Grampians Alternative Expo	2500.00
Church Of Christ	2500.00
Grampians Community Health Centre	2272.73
Grampians Alternative Expo	2272.73
Victorian Farmers Federation	2000.00
NCLLEN	1818.18
St Arnaud Steel	1818.18
Community Association of Halls Gap	1700.00
Melbourne Inter Film Festival	1500.00
Stawell Secondary College	1500.00
St Arnaud Development Assoc.	1500.00
Grampians Marketing Inc.	1500.00
St Arnaud Lions Club	1500.00
Spirit Sista'S	1300.00
NCLLEN	1200.00
Marnoo Pool Committee of Management	1000.00
Halls Gap Pool Committee	1000.00
St Arnaud Country Music Club	1000.00
Stawell Agricultural Society	1000.00
St Arnaud Hockey Club	1000.00
Stawell Gymnastics Club	1000.00
St Arnaud Horse & Pony Club	1000.00
Brass Band St Arnaud Citizens	1000.00
Glenorchy Primary School	1000.00
Great Grape Touring Route	1000.00
Rainbow & District Landcare	1000.00
Halls Gap Cricket Club	1000.00
Navy Blue Supporters Group	800.00
OZACT	800.00
Stuart Mill Urban Design Frame	750.00
Halls Gap Rural Fire Brigade	600.00
Aero Restoration	556.00
Tony's Pizza, Pasta & Fish & Chips	530.00

Beauty On Bayliss	500.00
La Cochon Rose	500.00
Stawell Secondary College	500.00
Stuart Mill Urban Design Framework	500.00
Callawadda Mechanics Institute	500.00
Deep Lead Public Hall Reserve	500.00
Great Western Public Hall	500.00
Glenorchy Mechanics Institute	500.00
Navarre Public H all	500.00
	<hr/>
	126695.38

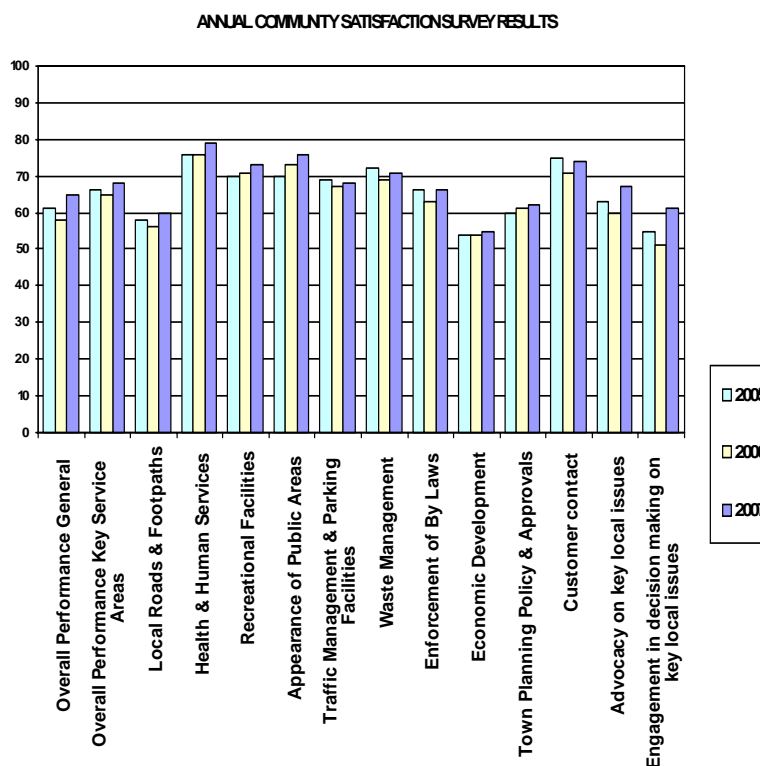
Donations & Grants of less then \$500 (GST exclusive) totalling \$5,026.73 were granted to 22 community groups.



Local Government Indicators

INDICATOR	2006/07	2005/06
Affordability/Cost of Governance		
Average rates and charges per assessment	\$943	\$904
Average rates and charges per residential assessment	\$915	\$870
Sustainability		
Average liabilities per assessment	\$631	\$640
Operating expenditure per assessment	\$2,236	\$2,210
Operating result per assessment	\$110	\$166
Working capital ratio (ie current assets as a ratio to current liabilities)	182%	161%
Community satisfaction rating for overall Council performance	65	58
Infrastructure		
Average capital expenditure per assessment	\$608	\$501
Renewal gap	98%	66%
Renewal and maintenance gap	99%	79%
Governance		
Community satisfaction rating for Council's customer contact	67	60
Community satisfaction rating for Council's engagement in decision making	61	51

Community Satisfaction Survey



Staffing Levels

Number of staff employed at 30 June 2007

	Male	Female	No. of Staff
Full Time	59	36	95
Part Time/Casual	18	96	114
Total	77	132	209

Number of staff employed at 30 June 2007

Work Group Area	No of Staff	EFT
Executive Services	4	4
Corporate Services	23	22
Infrastructure Services	48	47
Building and Planning	3	3
Community Services	82	48
Recreation	23	9
Economic Development & Tourism	10	9
Local Laws	16	5
TOTAL	209	147

Memberships

Council was a member of the following organisations during the 2006-2007 year

- Australian Fitness Network
- Australian Institute Of Building Surveyors
- Central Victorian Greenhouse Alliance
- Civil Contractors Federation
- Cultural Development Network
- Family Day Care Incorporated
- Fire Protection Association
- Grampians Pyrenees Regional Development Board
- Grampians Winemakers Inc
- Great Southern Touring Route
- Halls Gap Tourism & Business Association
- Lady Gowrie Child Centre
- Law Institute Of Victoria
- Life Saving Victoria Ltd
- MAV- Step Asset Management Program
- Meals Victoria
- Municipal Association Of Victoria
- National Family Day Care Council
- North West Municipalities Association
- Planning Institute Of Australia
- Rail Freight Development Alliance
- Regional Tourism Association
- Stawell Chamber Of Commerce
- TAXED
- VECCI
- Victorian Safer Communities Network
- Wimmera Regional Library
- Wimmera Transport Group Membership



Committees

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

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

Contracts

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



Freedom of Information

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

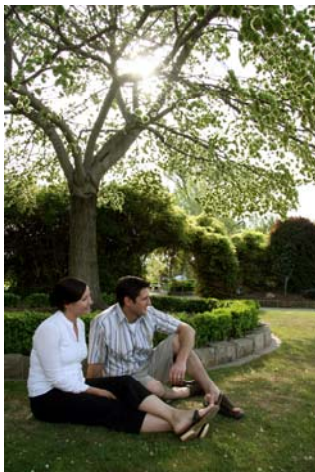
Council received four requests under Freedom of Information for the period 1 July 2006 to 30 June 2007. Council decided that three requests were not entitled to full access to a variety of documents because they affected personal privacy as defined in Section 33 of the Freedom of Information Act.

There 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 \$196.20 in charges was collected by Council.

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

Information available for Inspection

- Audited Finance Statements
- Details of current allowances fixed for the Mayor and Councillors under Section 74 of the Local Government Act 1989
- Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council
- Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel
- Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
- Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted
- Agendas and Minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except where such Minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act
- A list of all special committees established by the Council and the purpose for which each committee was established
- A list of all special committees established by the Council which were abolished or ceased to function during the financial year
- Minutes of meetings of Special Committees established under Section 86 of the Act and held in the previous 12 months except if the Minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act
- Applications for enrolment on the voters' roll under Sections 12 and 13 of the Act for the immediate past roll and the next roll being prepared
- Register of delegations kept under Sections 87, 88 and 98 of the Act
- Submissions received in accordance with Section 223 of the Act during the previous 12 months
- Agreements to establish regional libraries under Section 196 of the Act
- Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease
- A Register of authorised officers appointed under Section 224 of the Act
- A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant
- A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council
- A list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) of the Act.



Policies and Laws

Equal opportunity

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

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

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

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

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

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

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

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

It has adopted other policies on:

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

Occupational Health and Safety

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

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

Whistleblowers Protection Act

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

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

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

Local Laws

The Local Laws current as at 30 June 2007 were:

General Law 2005

Drainage of Land Local Law 2006

Local Law 9 - Use of the Common Seal

Local Law 10 - Meeting Procedure

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

National Competition Policy Compliance 2006/07 Certification by Chief Executive Officer

Northern Grampians Shire Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of :

National Competition Policy (in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002);

For the financial year 2006-2007 as set out below :

A. Trade Practices Compliance

Northern Grampians Shire Council is compliant with national trade practices legislation and has maintained a trade practices compliance program, in order to maintain awareness of conduct that is prohibited as anti-competitive under the Competition Code.

B. Local Laws Compliance

Northern Grampians Shire Council is compliant with National Competition Policy in its enforcement of local laws and the application of local laws do not restrict competition.

C. Competitive Neutrality Compliance

Northern Grampians Shire Council is compliant with Competitive Neutrality Policy and ensures that it removes or offsets any net advantages it may hold with competing with the private sector.

I certify that :

- a) this statement has been prepared in accordance with the 2005/06 Local Government Improvement Incentive guidelines issued in August 2006 for reporting on the following criterion:

National Competition Policy in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002); and

- b) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed



GLEN DAVIS
CHIEF EXECUTIVE OFFICER

Dated : 20 September, 2007

Contact Us

Postal Address

All correspondence
PO Box 580, Stawell Vic 3380

E-mail

ngshire@ngshire.vic.gov.au

Website

www.ngshire.vic.gov.au

Stawell

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

St Arnaud

Napier Street
Phone: 5495 1500
Facsimile: 5495 1026

Tourism Offices

Stawell
Freecall 1800 330 080

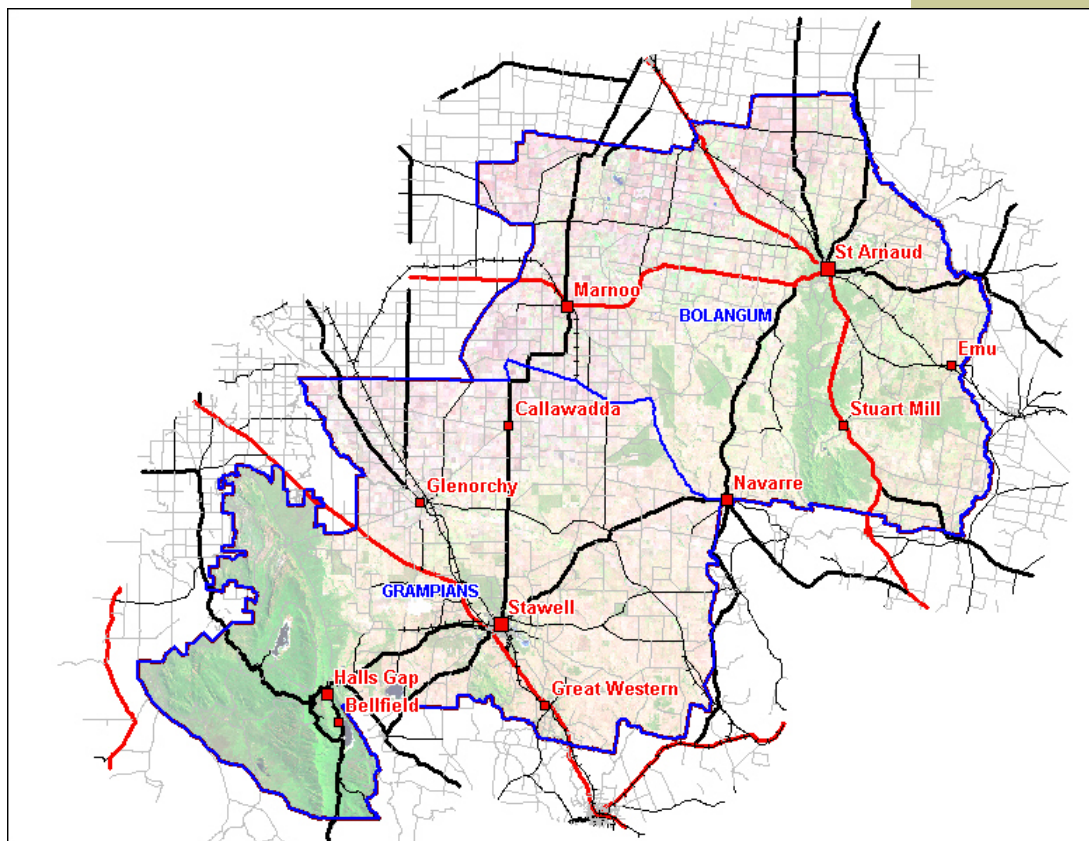
St Arnaud
Freecall 1800 014 455

Halls Gap
Freecall 1800 065 599

Emergency after hours (All areas)

Phone: (03) 5358 8700

Northern Grampians Shire Council boundaries



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

Northern Grampians Shire Council
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2007



Northern Grampians Shire Council
Financial Report
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Income Statement For the Year Ended 30 June 2007

	Note	2007 \$'000	2006 \$'000
Revenue			
Rates and Charges	3	8,630	8,329
User Fees	4	2,501	2,689
Contributions	6	363	480
Grants - Operating	5	6,914	6,570
Grants - Capital	5	2,676	3,327
Other Revenue	7	318	214
Total Revenue		21,402	21,609
Expenses			
Employee Benefits	8	(8,146)	(7,985)
Materials and Services	9	(7,837)	(7,861)
Depreciation and Amortisation	10	(4,305)	(4,127)
Finance Costs	11	(132)	(175)
Total Expenses		(20,420)	(20,148)
Net gain(loss) on disposal of property, infrastructure, plant and equipment		(95)	(2)
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	12	(44)	50
Net Increment on Revalued Assets		160	0
Surplus(deficit) for the year		1,003	1,509

The accompanying notes form part of this financial report

Balance Sheet As at 30 June 2007

	Note	2007 \$'000	2006 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	13	4,993	3,913
Trade and Other Receivables	14	1,306	1,533
Accrued Income	14	45	120
Prepayments		165	353
Inventories	15	83	286
Total Current Assets		6,592	6,205
Non-current Assets			
Trade and Other Receivables	14	133	193
Investments in Associates accounted for using the equity method	12	508	552
Property, Plant and Equipment, Infrastructure	16	182,424	169,022
Total Non-current Assets		183,065	169,767
Total Assets		189,657	175,972
Liabilities			
Current Liabilities			
Trade and Other Payables	17	1,306	1,584
Trust Funds and Deposits	18	112	96
Provisions	19	1,562	1,462
Interest-bearing Loans and Borrowings	20	644	714
Total Current Liabilities		3,624	3,856
Non-current Liabilities			
Provisions	19	297	249
Interest-bearing Loans and Borrowings	20	1,952	1,826
Total Non-current Liabilities		2,249	2,075
Total Liabilities		5,873	5,931
Net Assets		183,784	170,041
Equity			
Accumulated Surplus		107,346	106,880
Reserves	21	76,438	63,161
Total Equity		183,784	170,041

The accompanying notes form part of this financial report

Statement of Changes in Equity For the Year Ended 30 June 2007

	Note	Total 2007 \$'000	Accumulated Surplus 2007 \$'000	Asset Revaluation Reserve 2007 \$'000	Other Reserves 2007 \$'000
2007					
Balance at beginning of the financial year		170,041	106,880	61,143	2,018
Surplus(deficit) for the year		1,003	1,003	0	0
Net asset revaluation increment(decrement)	21(a)	12,740	0	12,740	0
Transfers to other reserves	21(b)	0	(769)	0	769
Transfers from other reserves	21(b)	0	232	0	(232)
Balance at end of the financial year		183,784	107,346	73,883	2,555

		Total 2006 \$'000	Accumulated Surplus 2006 \$'000	Asset Revaluation Reserve 2006 \$'000	Other Reserves 2006 \$'000
2006					
Balance at beginning of the financial year		157,808	106,037	50,419	1,352
Surplus(deficit) for the year		1,509	1,509	0	0
Net asset revaluation increment(decrement)	21(a)	10,724	0	10,724	0
Transfers to other reserves	21(b)	0	(1,280)	0	1,280
Transfers from other reserves	21(b)	0	614	0	(614)
Balance at end of the financial year		170,041	106,880	61,143	2,018

The accompanying notes form part of this financial report

Cash Flow Statement For the Year Ended 30 June 2007

	Note	2007 Inflows/ (Outflows) \$'000	2006 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and Charges		8,627	8,254
User Fees		2,851	2,454
Grants		10,108	10,219
Contributions		363	480
Other Revenue		393	156
GST Refunded from ATO		1,171	876
Employee Benefits		(7,998)	(7,993)
Materials and Services		(9,246)	(8,417)
Finance Costs		(132)	(175)
Payments to ATO for GST		(578)	(385)
Net cash provided by (used in) operating activities	22	<u>5,559</u>	<u>5,469</u>
Cash flows from investing activities			
Payments for Property, Infrastructure, Plant and Equipment		(5,204)	(4,118)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		653	235
Net cash provided by (used in) investing activities		<u>(4,551)</u>	<u>(3,883)</u>
Cash flows from financing activities			
Trust Funds and Deposits		16	19
Proceeds from Interest Bearing Loans and Borrowings		770	0
Repayment of Interest Bearing Loans and Borrowings		(714)	(672)
Net cash provided by (used in) financing activities		<u>72</u>	<u>(653)</u>
Net increase (decrease) in Cash and Cash Equivalents		1,080	933
Cash and Cash Equivalents at the Beginning of the Financial Year		3,913	2,980
Cash and Cash Equivalents at the End of the Financial Year	23	<u>4,993</u>	<u>3,913</u>
Financing Arrangements	24	200	1,000
Restrictions on Cash Assets	25	3,507	2,912

The accompanying notes form part of this financial report

Introduction

- (a) The Northern Grampians Shire Council was established by an Order of the Governor in Council on 20 January, 1995 and is a body corporate. The Council's main office is located at Main St Stawell.
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - AFS & Associates Pty Ltd

Bankers - CBA

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

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

Financial report complies with AIFRS

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

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

Note 1 Significant Accounting Policies

(a) Basis of Accounting

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

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

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

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

Note 1 Significant Accounting Policies (cont.)

(b) Revenue Recognition

Rates, Grants and Contributions

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

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

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

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

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

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

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

User Fees

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

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

Sale of Property, Infrastructure, Plant and Equipment

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

Interest and Rents

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

Note 1 Significant Accounting Policies (cont.)

(c) Depreciation and Amortisation of Non-current Assets

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

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

Road earthworks are not depreciated.

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

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

	Period
Land and Buildings	
Buildings	15 - 145 years
Heritage Assets	
Heritage Assets	100 years
Plant and Equipment	
Plant and Machinery	2 - 66 years
Furniture, Equipment and Computers	2 - 8 years
Infrastructure	
Roads	
- Formations (Sealed & Unsealed)	100-160 years
- Sealed Pavement	70-160 years
- Unsealed Pavement	15-32 years
- Seal	1-80 years
Footpaths	14-100 years
Kerb and Channel	25-150 years
Drains	30-200 years
Bridges	60-150 years
Other	
Street Furniture	10-100 years
Parks & Gardens	25 years

(d) Repairs and Maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Note 1 Significant Accounting Policies (cont.)

(e) **Borrowing Costs**

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

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

(f) **Recognition and Measurement of Assets**

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the amount for which the asset could be exchanged between knowledgeable willing parties in an arm's length transaction.

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

The following classes of assets have been recognised in note 16. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
Class of Asset	
<i>Land and Buildings</i>	
Land	All assets
Buildings	2.5
<i>Heritage Assets</i>	
Heritage Assets	10
<i>Plant and Equipment</i>	
Plant and Machinery	1
Furniture, Equipment, and Computers	1
<i>Infrastructure</i>	
Roads	
- Formation	10
- Substructure	10
- Seal	10
Footpaths	10
Kerb and Channel	10
Drains	5
Bridges	10
<i>Other</i>	
Street Furniture	1
Parks & Gardens	1

Note 1 Significant Accounting Policies (cont.)

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

Revaluation

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

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

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

Land Under Roads

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2009.

(g) Cash and Cash Equivalents

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

(h) Other Financial Assets

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

(i) Investments

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

(j) Accounting for Investments in Associates

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

Note 1 Significant Accounting Policies (cont.)

(k) Tender Deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 18).

(l) Employee Benefits

Wages and Salaries

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

Annual Leave

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

Long Service Leave

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

Classification of Employee Benefits

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

Superannuation

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

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

Note 1 Significant Accounting Policies (cont.)

(m) Leases

Operating Leases

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

(n) Allocation between Current and Non-current

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

(o) Agreements Equally Proportionately Unperformed

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

(p) Web Site Costs

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

(q) Goods and Services Tax (GST)

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

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

(r) Impairment of Assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Income Statement.

(s) Rounding

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

Note 2 Change in Accounting Policy

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.

AASB Amendment	Standards Affected	Outline of Amendment	Application Date of Standard	Application Date for Council
AASB 2005-10 Amendments to Australian Accounting Standards	AASB 1 First time adoption of AIFRS	The disclosure requirements of AASB 132: Financial Instruments: Disclosure and Presentation have been replaced due to the issuing of AASB 7: Financial Instruments: Disclosures in August 2005. These amendments will involve changes to financial instrument disclosures within the financial report. However, there will be no direct impact on amounts included in the financial report as it is a disclosure standard.	1/01/2007	1/07/2007
	AASB 101 Presentation of Financial Statements			
	AASB 117 Leases			
	AASB 139 Financial Instruments: Recognition and Measurement			
AASB 7 Financial Instruments: Disclosures	AASB 132 Financial Instruments: Disclosure and Presentation	As above.	1/01/2007	1/07/2007
AASB 2006-3 Amendments to Australian Accounting Standards	AAS 27 Financial Reporting by Local Governments	From the beginning of the reporting period to which this Standard is first applied, until the end of the first reporting period ending on or after 31 December 2007, transitional provisions shall apply. Under those provisions, local governments, while encouraged to apply the full provisions of this Standard, may elect instead not to recognise land under roads as an asset in the balance sheet.	October 2006	1/07/2008
	AASB 1045 Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A			
		The impact of any changes that may be required when the transitional provisions cease cannot be reliably estimated and is not disclosed in the financial report.		

Note 3 Rates & Charges

Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.

The valuation base used to calculate general rates for 2006-07 was \$1,615,925 million (2005-06 \$1,205,595 million). The 2006-07 rate in the capital improved value dollar was 0.4963 cents (2005-06, 0.6393 cents).

	2007 \$'000	2006 \$'000
Residential	4,168	4,127
Commercial	459	420
Industrial	24	21
Farm/Rural	2,194	2,005
Cultural & Recreational	6	4
Supplementary Rates & Rate Adjustments	(3)	15
Interest on Rates	29	21
Garbage Charge	1,022	989
Municipal Charge	731	727
	<u>8,630</u>	<u>8,329</u>

The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2006, & the valuation first applied to the rating period commencing 1 July 2006.

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

Note 4 User Fees

Child Care	480	387
Home Care	472	468
Leisure Centre	290	290
Private Works	223	389
Meals on Wheels	183	153
Family Day Care Fees	127	151
Building	94	98
Tip Fees	84	87
Environmental Health Fees	77	74
Other	71	102
Tourist Office	69	111
Animal Registrations	66	77
Cemetery Fees	61	83
Town Planning Fees	53	75
Caravan Park Fees	37	36
Property Rentals	36	48
Films	31	36
Local Laws Fines & Permits	29	11
Town Hall Hire	18	13
	<u>2,501</u>	<u>2,689</u>

Note 5 Grants

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

Recurrent

	2007 \$'000	2006 \$'000
General Revenue Grant	4,593	4,329
Home Care	453	428
Main Roads	440	239
Natural Disaster Funding	191	0
Child Care Centre	184	257
Family Day Care	169	225
Environmental Grants	141	141
Drought	130	0
Infant Welfare Centre	117	113
Other Grants	88	71
Community Projects	82	17
Veterans Home Care Assessments	68	97
Economic Development Grants	65	57
Information Services	38	0
Meals on Wheels	37	36
Recreation Grants	23	73
Bushfire Grants	20	223
Heritage	17	8
Senior Citizens	16	14
School Crossing Subsidy	13	16
Youth	12	5
State Emergency Service Grant	10	10
Jobs for Young Grant	7	38
National Competition Policy	0	173
Total	6,914	6,570

Non-recurrent

Roads to Recovery	954	2,304
Drought Funding LWIP	300	0
Bore Construction	296	0
Taylors Gully Stage 2	250	0
Halls Gap Bike Path Grant	217	252
Stars Project St Arnaud	137	0
Halls Gap Tourism Hub	125	0
Grampians Gateway Estate Development Grants	100	100
Centre Park Media Centre Grant	97	98
Halls Gap Streetscape Grant	76	30
Sporting Recreation Grants	68	139
LGS Emergency Management	36	0
Drought Relief Water Tank Grants	20	0
St Arnaud Library Grant	0	160
Stormwater Grant - Stawell	0	125
Great Western Development Grant	0	32
Glenorchy Flood Plain Grant	0	32
Cato Park Grant	0	28
CMA Wetland Scheme Grant	0	16
Other Grants	0	11
Total	2,676	3,327

Note 5 Grants (cont.)

Conditions on Grants

Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:

	2007 \$'000	2006 \$'000
Drought Funding LWIP	286	0
Halls Gap Tourism Hub Grant	121	0
STARS Project St Arnaud Grant	69	0
Roads to Recovery Grant	53	311
Drought Business Support Grant	47	0
Drought Relief Community Sport Grant	45	0
Community Cohesion Project Grant	38	0
North Park Grass Conversion Grant	20	0
Drought Relief Water Tank Grant	18	0
Interim Roadside Control Grant	16	0
Drought Recovery Grant	11	0
Youth Grant - FReeZA	5	5
Central Park Netball Court Grant	3	0
Landcare Festival Grant	3	0
Bore Construction Grant	2	0
ICLEI Grant	2	0
Additional Roads to Recovery Grant	0	1,118
Halls Gap Bike Path	0	153
Bushfire Community Development Grant	0	148
Grampians Gateway Industrial Estate	0	55
Navarre Football & Netball Club Grant	0	38
Stormwater Grant - Stawell	0	36
Glenorchy Flood Plain Grant	0	31
Old Lake Clubroom Redevelopment Grant	0	18
CMA Wetland Scheme Grant	0	14
St Arnaud Netball Club Grant	0	14
Roadside Revegetation Grant	0	12
Minor Equipment Grants	0	11
Sustainable Water Use Program Grant	0	7
Landcare Festival Grant	0	6
Street Party Kit Grant	0	2
	<u>739</u>	<u>1,979</u>

Note 5 Grants (cont.)

Conditions on Grants (cont.)

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

	2007 \$'000	2006 \$'000
Drought Relief Funding	0	400
Victorian Heritage Program - Kara Kara Hall	0	105
Great Western Development Grant	0	32
Streetlife Program	0	25
Aged & Disabled Service Grant	0	14
Victorian Heritage Restoration Program	0	13
Great Western Sewerage Grant	0	13
Community Alliance Grant	0	9
Domestic Waste Water Plan Grant	0	6
War on Weeds Grant	0	6
Town Planning Grant	0	2
Roads to Recovery Grant	311	0
Additional R2R Funding	216	0
Halls Gap Bike Path	153	0
Bushfire Community Development Grant	114	0
Grampians Gateway Industrial Estate	55	0
Stormwater Grant - Stawell	36	0
Glenorchy Flood Plain Grant	31	0
Old Lake Clubroom Redevelopment Grant	18	0
CMA Wetland Scheme Grant	14	0
St Arnaud Netball Club Grant	14	0
Roadside Revegetation Grant	12	0
Minor Equipment Grants	11	0
Sustainable Water Use Program Grant	7	0
Landcare Festival Grant	6	0
Youth Grant - FReeZA	5	0
	<u>1,003</u>	<u>625</u>

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

(264) 1,354

Note 6 Contributions

Child Care Benefits	213	230
Contributions to Valuations	11	74
Contributions to Capital	10	53
Other	50	52
Workcover	27	38
Contributions to Legal Expenses	23	28
Open Space Contributions	29	5
	<u>363</u>	<u>480</u>

Note 7 Other Revenue

Interest from Short Term Investments	232	167
Other Revenue	86	47
	<u>318</u>	<u>214</u>

Note 8 Employee Benefits

	2007 \$'000	2006 \$'000
Wages & Salaries	7,701	7,587
Less Capitalised Salary & Wages	(513)	(438)
	7,188	7,149
Increase/(decrease) in Long Service Leave	46	(52)
Increase/(decrease) in Annual Leave	101	42
Superannuation	630	626
Fringe Benefits Tax	52	63
Work Cover	129	157
	958	836
	8,146	7,985

Note 9 Materials & Services

Materials & Services	7,837	7,861
	7,837	7,861

Note 10 Depreciation

Sealed Pavements	833	833
Sealed Surfaces	699	637
Unsealed Pavement	637	615
Plant & Machinery	463	459
Motor Vehicles	141	121
Buildings	703	659
Major Bridges & Culverts	328	323
Kerb & Channel	132	132
Drains	117	116
Computer Equipment	112	113
Footpaths	59	55
Furniture & Fittings	29	34
Parks & Gardens	32	13
Formations Sealed	4	4
Formations Unsealed	4	4
Street Furniture	10	7
Heritage Assets	2	2
	4,305	4,127

Note 11 Finance Costs

Interest - Borrowings	132	175
	132	175

Note 12 Investment in Associates

Investments in Associates accounted for by the equity method are:		
- Wimmera Regional Library Corporation Profit/(Loss)	(44)	50
	(44)	50
Carrying value of Investment at end of year	508	552

Note 13 Cash & Cash Equivalents

	2007 \$'000	2006 \$'000
Cash on Hand	4	4
Cash at Bank	1,400	599
Short Term Deposits	3,589	3,310
	<u>4,993</u>	<u>3,913</u>

Note 14 Trade & Other Receivables

Current

Rates Debtors	318	314
Scheme Debtors	1	2
Loans & Advances to Community Organisations	62	111
Other Debtors	854	1,025
GST Receivable	71	81
Accrued Income	45	120
	<u>1,351</u>	<u>1,653</u>

Non-current

Loans & Advances to Community Organisations	133	193
	<u>133</u>	<u>193</u>

Total	<u>1,484</u>	<u>1,846</u>
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Note 15 Inventories

Inventories for distribution	72	276
Inventories held for sale	11	10
	<u>83</u>	<u>286</u>

Note 16 Property, Plant and Equipment, Infrastructure

		2007 \$'000	2006 \$'000
Summary			
	at cost	15,871	11,629
	at fair value as at 30 June 2007	72,030	0
	at fair value as at 30 June 2006	23,084	23,146
	at fair value as at 1 January 2006	6,019	6,297
	at fair value as at 1 July 2004	149,473	196,585
	at fair value as at 1 January 2000	210	210
	Work In Progress	815	1,813
		267,502	239,680
	Less accumulated depreciation	(85,078)	(70,658)
	Total	182,424	169,022
Property			
Land			
	at cost	41	0
	at fair value as at 30 June 2006	6,019	6,297
	Work In Progress	38	22
	Total Land	6,098	6,319
Buildings			
	at cost	1,560	0
	at fair value as at 30 June 2006	23,084	23,146
	Work In Progress	42	816
	Less accumulated depreciation	(702)	0
	Total Buildings	23,984	23,962
The valuation of land and buildings was determined by Council's independent contract valuer Mr. Ian Wilson Dip. Valuations RMIT, as at 30th June 2006. The valuation of buildings is based on current market value. The land value is at fair value being market value based on highest best use permitted by relevant land planning provisions.			
	Total Property	30,082	30,281
Plant, Machinery & Motor Vehicles			
Plant & Machinery			
	at cost	6,160	5,581
	Less accumulated depreciation	(2,418)	(2,118)
		3,742	3,463
Motor Vehicles			
	at cost	973	952
	Less accumulated depreciation	(236)	(205)
		737	747
	Total Plant, Machinery & Motor Vehicles	4,479	4,210
Equipment			
Furniture & Fittings			
	at cost	325	317
	Less accumulated depreciation	(263)	(235)
		62	82
Computer Equipment			
	at cost	816	637
	Less accumulated depreciation	(527)	(416)
		289	221
	Total Equipment	351	303

		2007 \$'000	2006 \$'000
Note 16	Property, Plant and Equipment, Infrastructure (cont.)		
	<i>Infrastructure</i>		
	Footpaths		
	at cost	0	241
	at fair value as at 1 July 2004	0	3,737
	at fair value as at 30 June 2007	9,090	0
	Work In Progress	123	194
	Less accumulated depreciation	(4,218)	(1,787)
	Total Footpaths	4,995	2,385
	Kerb & Channel		
	at cost	0	347
	at fair value as at 1 July 2004	0	10,775
	at fair value as at 30 June 2007	16,073	0
	Work In Progress	0	12
	Less accumulated depreciation	(8,089)	(5,439)
	Total Kerb & Channel	7,984	5,695
	Sealed Pavements		
	at cost	60	61
	at fair value as at 1 July 2004	90,919	90,920
	Work In Progress	0	0
	Less accumulated depreciation	(31,583)	(30,750)
	Total Sealed Pavement	59,396	60,231
	Sealed Surfaces		
	at cost	2,518	1,424
	at fair value as at 1 July 2004	8,543	8,543
	Less accumulated depreciation	(6,166)	(5,466)
	Total Sealed Surfaces	4,895	4,501
	Unsealed Pavements		
	at cost	1,899	1,027
	at fair value as at 1 July 2004	17,683	17,683
	Less accumulated depreciation	(7,629)	(6,992)
	Total Unsealed Pavement	11,953	11,718
	Formations Sealed		
	at fair value as at 1 July 2004	7,287	7,287
	Less accumulated depreciation	(47)	(44)
	Total Formations Sealed	7,240	7,243

		2007 \$'000	2006 \$'000
Note 16	Property, Plant and Equipment, Infrastructure (cont.)		
	Formations Unsealed		
	at fair value as at 1 July 2004	8,235	8,235
	Less accumulated depreciation	(54)	(50)
	Total Formations Unsealed	8,181	8,185
	Bridges & Major Culverts		
	at cost	0	183
	at fair value as at 1 July 2004	0	32,599
	at fair value as at 30 June 2007	46,867	0
	Work In Progress	132	286
	Less accumulated depreciation	(18,704)	(12,875)
	Total Bridges & Major Culverts	28,295	20,193
	Drainage		
	at cost	440	184
	at fair value as at 1 July 2004	16,659	16,659
	Work In Progress	425	200
	Less accumulated depreciation	(4,320)	(4,203)
	Total Drainage	13,204	12,840
	Total Infrastructure	146,143	132,991
	Street Furniture		
	at cost	271	169
	at fair value as at 1 July 2004	147	147
	Work In Progress	0	0
	Less accumulated depreciation	(55)	(45)
	Total Street Furniture	363	271
	Parks & Gardens		
	at cost	808	506
	Work In Progress	55	283
	Less accumulated depreciation	(51)	(19)
	Total Parks & Gardens	812	770
	Heritage Assets		
	at fair value as at 1 January 2000	210	210
	Less accumulated depreciation	(16)	(14)
	Total Heritage Assets	194	196
	 The valuation of infrastructure and street furniture assets was determined by Mr. Peter Moloney Dip.C.E.C.E, MIE Aust. as at 1 July 2004 and was based on current written down replacement value of the assets. Valuations for infrastructure assets were reviewed as at 30 June 2007 by Mr Martin Duke Dip C.E., LGE, MBF, EWS, MIE Aust. resulting in revaluations of Bridges and Major Culverts, Footpaths and Kerb and Channel.		
	Total Property, Plant and Equipment, Infrastructure	182,424	169,022

Note 16 Property, Plant and Equipment, Infrastructure (cont.)

2007	Balance at Beginning of Financial Year	Acquisition of Assets	Revaluation Increments (Decrements) (note 21)	Depreciation (note 10)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	6,297	175	0	0	(412)	0	6,060
Buildings	23,146	744	0	(703)	(61)	815	23,941
Total Property	29,443	919	0	(703)	(473)	815	30,001
Plant & Equipment							
Plant & Equipment	3,463	824	0	(463)	(82)	0	3,742
Motor Vehicles	747	323	0	(141)	(192)	0	737
Furniture & Fittings	82	8	0	(29)	0	0	61
Computers	221	179	0	(112)	0	0	288
Street Furniture	271	102	0	(10)	0	0	363
Heritage Assets	196	0	0	(2)	0	0	193
Total Plant & Equipment	4,980	1,436	0	(757)	(274)	0	5,384
Infrastructure							
Sealed Pavements	60,231	0	0	(833)	0	0	59,398
Sealed Surfaces	4,501	1,094	0	(699)	0	0	4,896
Unsealed Pavements	11,718	872	0	(637)	0	0	11,953
Formations Sealed	7,242	0	0	(4)	0	0	7,238
Formations Unsealed	8,186	0	0	(4)	0	0	8,182
Total Roads	91,878	1,966	0	(2,177)	0	0	91,667
Bridge & Major Culverts	19,907	209	8,090	(328)	0	286	28,164
Footpaths	2,191	97	2,448	(59)	0	194	4,871
Kerb & Channel	5,683	60	2,362	(132)	0	12	7,985
Drainage	12,640	205	0	(117)	0	50	12,778
Parks & Gardens	487	20	0	(32)	0	283	758
Total Infrastructure	40,908	591	12,900	(668)	0	825	54,556
Works in Progress							
Buildings	816	41	0	0	0	(815)	42
Land	22	16	0	0	0	0	38
Street Furniture	0	0	0	0	0	0	0
Sealed Surfaces	0	0	0	0	0	0	0
Unsealed Pavement	0	0	0	0	0	0	0
Footpaths	194	123	0	0	0	(194)	123
Kerb & Channel	12	0	0	0	0	(12)	0
Bridge & Major Culverts	286	132	0	0	0	(286)	132
Drainage	200	276	0	0	0	(50)	426
Parks & Gardens	283	55	0	0	0	(283)	55
Total Works in Progress	1,813	643	0	0	0	(1,640)	816
Total Property, Plant and Equipment and Infrastructure	169,022	5,555	12,900	(4,305)	(747)	0	182,424

Note 16 Property, Plant and Equipment, Infrastructure (cont.)

2006	Balance at Beginning of Financial Year	Acquisition of Assets	Revaluation Increments (Decrements) (note 21)	Depreciation (note 10)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	3,937	0	2,638	0	(278)	0	6,297
Buildings	15,533	186	8,086	(659)	0	0	23,146
Total Property	19,470	186	10,724	(659)	(278)	0	29,443
Plant & Equipment							
Plant & Equipment	3,573	388	0	(459)	(39)	0	3,463
Motor Vehicles	759	257	0	(121)	(148)	0	747
Furniture & Fittings	104	15	0	(34)	(3)	0	82
Computers	161	204	0	(113)	(31)	0	221
Street Furniture	105	168	0	(7)	0	5	271
Heritage Assets	199	0	0	(2)	0	0	196
Total Plant & Equipment	4,901	1,032	0	(736)	(221)	5	4,980
Infrastructure							
Sealed Pavements	61,064	0	0	(833)	0	0	60,231
Sealed Surfaces	4,363	737	0	(637)	0	38	4,501
Unsealed Pavements	11,856	477	0	(615)	0	0	11,718
Formations Sealed	7,246	0	0	(4)	0	0	7,242
Formations Unsealed	8,190	0	0	(4)	0	0	8,186
Total Roads	92,719	1,214	0	(2,093)	0	38	91,878
Bridge & Major Culverts	20,069	30	0	(323)	0	131	19,907
Footpaths	2,004	242	0	(55)	0	0	2,191
Kerb & Channel	5,727	28	0	(132)	0	60	5,683
Drainage	12,711	45	0	(116)	0	0	12,640
Parks & Gardens	227	273	0	(13)	0	0	487
Total Infrastructure	40,738	618	0	(639)	0	191	40,908
Works in Progress							
Buildings	105	711	0	0	0	0	816
Land	0	22	0	0	0	0	22
Street Furniture	5	0	0	0	0	(5)	0
Sealed Surfaces	38	0	0	0	0	(38)	0
Unsealed Pavement	0	0	0	0	0	0	0
Footpaths	0	194	0	0	0	0	194
Kerb & Channel	60	12	0	0	0	(60)	12
Bridge & Major Culverts	154	263	0	0	0	(131)	286
Drainage	0	200	0	0	0	0	200
Parks & Gardens	165	118	0	0	0	0	283
Total Works in Progress	527	1,520	0	0	0	(234)	1,813
Total Property, Plant and Equipment and Infrastructure	158,355	4,570	10,724	(4,127)	(499)	0	169,022

	2007 \$'000	2006 \$'000
Note 17 Trade & Other Payables		
Trade Payables	1,011	1,259
Accrued Salary & Wages	264	278
Accrued Expenses	31	47
	<u>1,306</u>	<u>1,584</u>
Note 18 Trust Funds & Deposits		
Refundable Building Deposits	13	19
Refundable Security Deposits	28	65
Refundable Civic Facilities Deposits	2	2
Other Refundable Deposits	69	10
	<u>112</u>	<u>96</u>

Note 19 Provisions

	Annual Leave \$ '000	Rostered Days Off \$ '000	Long Service Leave \$ '000	Total \$ '000
2007	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	729	22	960	1,711
Additional Provisions	111	80	166	357
Reduction of Provisions	(26)	(64)	(119)	(209)
Balance at the end of the financial year	<u>814</u>	<u>38</u>	<u>1,007</u>	<u>1,859</u>

2006

Balance at beginning of the financial year	687	19	1,013	1,719
Additional Provisions	151	237	114	502
Reduction of Provisions	(109)	(234)	(167)	(510)
Balance at the end of the financial year	<u>729</u>	<u>22</u>	<u>960</u>	<u>1,711</u>

	2007 \$'000	2006 \$'000
(a) Employee Benefits		
<i>Current</i>		
Annual Leave	814	729
Long Service Leave	710	711
Rostered Days Off	38	22
	<u>1,562</u>	<u>1,462</u>
<i>Non-current</i>		
Long Service Leave	297	249
	<u>297</u>	<u>249</u>
Aggregate carrying amount of Employee Benefits:		
Current	1,562	1,462
Non-current	297	249
	<u>1,859</u>	<u>1,711</u>

	2007 \$'000	2006 \$'000
Note 19 Provisions (cont.)		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4%	4%
Weighted average discount rates	3.4%	3.0%
Weighted average settlement period	13	14
(i) Current		
All annual leave and the long service leave entitlements representing 10 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	933	880
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	629	582
	<u>1,562</u>	<u>1,462</u>
(ii) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	297	249
Note 20 Interest-bearing Loans and Borrowings		
Current		
Borrowings - secured	644	714
Non-current		
Borrowings - secured	1,952	1,826
Total	<u>2,596</u>	<u>2,540</u>
The maturity profile for Council's borrowings is:		
Not later than one year	644	714
Later than one year and not later than five years	1,538	1,413
Later than five years	414	413
	<u>2,596</u>	<u>2,540</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	644	714
Non-current	1,952	1,826
	<u>2,596</u>	<u>2,540</u>

Note 21 Reserves

(a) Asset Revaluation Reserve

	Land \$'000	Buildings \$'000	Footpaths \$'000	Kerb & Channel \$'000
Balance at beginning of reporting period	3,725	11,918	0	0
Increment (decrement)	0	0	2,299	2,350
Balance at end of reporting period	<u>3,725</u>	<u>11,918</u>	<u>2,299</u>	<u>2,350</u>

	Bridges & Major Culverts \$'000	Drains \$'000	Street Furniture \$'000	Sealed Pavements \$'000
Balance at beginning of reporting period	2,223	4,905	20	22,912
Increment (decrement)	8,091	0	0	0
Balance at end of reporting period	<u>10,314</u>	<u>4,905</u>	<u>20</u>	<u>22,912</u>

	Sealed Surfaces \$'000	Unsealed Pavements \$'000	Sealed Formations \$'000	Unsealed Formations \$'000
Balance at beginning of reporting period	2,214	8,723	1,860	2,643
Increment (decrement)	0	0	0	0
Balance at end of reporting period	<u>2,214</u>	<u>8,723</u>	<u>1,860</u>	<u>2,643</u>

	Total 2007 \$'000	Total 2006 \$'000
Balance at beginning of reporting period	61,143	50,419
Increment (decrement)	12,740	10,724
Balance at end of reporting period	<u>73,883</u>	<u>61,143</u>

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

Note 21 Reserves (cont.)

(b) General Reserves

	Plant Replacement Reserve	Public Open Spaces Reserve	Economic Development Reserve	St Arnaud Cemetery
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	634	17	0	54
Transfer to/from accumulated surplus	348	27	348	(12)
Balance at end of the reporting period	982	44	348	42

	Stawell Cemetery	Gravel Pits Restoration	Roads to Recovery	St Arnaud Cinema
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	68	122	1,118	5
Transfer to/from accumulated surplus	(2)	0	(216)	(3)
Balance at end of the reporting period	66	122	902	2

	Western Highway Action Reserve
	\$'000
Balance at beginning of the reporting period	0
Transfer to/from accumulated surplus	47
Balance at end of the reporting period	47

	Total 2007	Total 2006
	\$'000	\$'000
Balance at beginning of the reporting period	2,018	1,352
Transfer to/from accumulated surplus	537	666
Balance at end of the reporting period	2,555	2,018
Total Reserves	76,438	63,161

Description of General Reserve

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

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

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

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

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

Gravel Pits Restoration - Provision for future rehabilitation of pits.

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

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

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

	2007 \$'000	2006 \$'000
Note 22 Reconciliation of Cash Flows from Operating Activities to surplus (deficit)		
Surplus(deficit) for the year	1,003	1,509
Depreciation	4,305	4,127
(Profit)/loss on Disposal of Property, Plant and Equipment and Infrastructure	95	2
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in Trade and Other Receivables	287	(373)
Increase/(decrease) in Accrued Income	75	(58)
Increase/(decrease) in Trade and Other Payables	(441)	319
(Increase)/decrease in Inventories	203	1
Increase/(decrease) in Provisions	148	(8)
(Increase)/decrease in Regional Library	44	(50)
Net Increment on Revalued Assets	(160)	0
Net Cash provided by/(used in) Operating Activities	5,559	5,469
Note 23 Reconciliation of Cash and Cash Equivalents		
Cash and Cash Equivalents (see note 13)	4,993	3,913
	4,993	3,913
Note 24 Financing Arrangements		
Bank Overdraft	200	1,000
Used Facilities	0	0
Unused Facilities	200	1,000
Note 25 Restricted Assets		
Council has cash and cash equivalents (note 13) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Long Service Leave (note 19)	952	894
Reserve Funds (note 21)	2,555	2,018
	3,507	2,912

* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 19 due to a different basis of calculation prescribed by the regulation.

Note 26 Post-employment Benefit

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, each of which is funded differently.

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

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

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

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

The Fund's liability for accrued benefits was determined in the 30 June 2006 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	30-Jun-06 \$'000
Net Market Value of Assets	3,443,686
Accrued Benefits (per accounting standards)	3,319,598
Difference between Assets and Accrued Benefits	124,088
Vested Benefits	3,040,443

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

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

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

	2007 \$'000	2006 \$'000
Employer Contributions to Local Authorities Superannuation Fund (Vision Super)	545	623
Employer Contributions to Employee Choice Super	85	44
Employer Contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	0	0

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

Note 27 Commitments

The Council has entered into the following commitments

2007	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating	1,363	621	1,426	0	3,410
Capital	326	0	0	0	326
Total	1,689	621	1,426	0	3,736

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

	2007 \$'000	2006 \$'000
Note 28 Operating Lease Commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	53	73
Later than one year and not later than five years	76	116
Later than five years	0	0
	<u>129</u>	<u>189</u>
Note 29 Contingent Liabilities		
Contingent Liabilities		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
(i) Insurances		
As at 30 June 2007 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
A number of minor public liability claims are outstanding. Whilst Council will be required to meet the insurance excess deductible on any claims that are successful, its potential liability under those claims is otherwise adequately insured.		
(ii) There is the potential for Council to have to pay for restoration costs on gravel pits for land controlled by the D.S.E, these risks are covered by way of bank guarantee.		
(iii) Bank Guarantees		
The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.		
Department of Primary Industries	0	20
Gold Coast Blocks PTY LTD	0	6
Minister for Agriculture and Resources	6	6
Planning Authority	0	10
Minister for Resources	50	50
	<u>56</u>	<u>92</u>

Note 30 Financial Instruments
(a) Accounting Policy, Terms & Conditions

Recognised Financial Instruments			
Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial			
Cash and Cash Equivalents	13	Cash on hand and at bank and money market call account are valued at face value.	Deposits returned a floating interest rate of between 5.25% and 6.55% (5.25% and 6.29% in 2005-06). The average rate at balance date was 6.11% (5.81% in 2005-06).
Trade and Other Receivables			
Other Debtors	14	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
Financial Liabilities			
Trade and Other Payables	17	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	20	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.45% at balance date (6.15% in 2005-06).
Bank Overdraft	24	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. Current overdraft facility is \$200,000. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate as at balance date was 9.95% (9.45% in 2005-06).

Note 30 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:

2007

	Floating interest rate \$'000	Fixed Interest Maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial Assets						
Cash and Cash Equivalents	1,400	3,589	0	0	4	4,993
Trade and Other Receivables	0	62	133	0	970	1,165
Total Financial Assets	1,400	3,651	133	0	974	6,158
Weighted Average Interest Rate	5.75%	6.32%	7.31%			
Financial Liabilities						
Trade and Other Payables	0	0	0	0	1,306	1,306
Trust Funds and Deposits	0	0	0	0	112	112
Interest-bearing Loans and Borrowings	0	644	1,538	414	0	2,596
Total Financial Liabilities	0	644	1,538	414	1,418	4,014
Weighted Average Interest Rate		6.11%	6.08%	6.14%		
Net Financial Assets (Liabilities)	1,400	3,007	(1,405)	(414)	(444)	2,144

2006

	Floating interest rate \$'000	Fixed Interest Maturing in: 1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial Assets						
Cash and Cash Equivalents	599	3,310	0	0	4	3,913
Trade and Other Receivables	0	111	193	0	1,106	1,410
Total Financial Assets	599	3,421	193	0	1,110	5,323
Weighted Average Interest Rate	5.25%	6.32%	6.72%			
Financial Liabilities						
Trade and Other Payables	0	0	0	0	1,584	1,584
Trust Funds	0	0	0	0	96	96
Interest-bearing Liabilities	0	714	1,413	413	0	2,540
Total Financial Liabilities	0	714	1,413	413	1,680	4,220
Weighted Average Interest Rate	0.00%	6.26%	6.09%	6.14%		
Net Financial Assets (Liabilities)	599	2,707	(1,220)	(413)	(570)	1,103

Note 30 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total Carrying Amount as per Balance Sheet	
	2007 \$'000	2006 \$'000
<i>(1) Financial Assets</i>		
Cash and Cash Equivalents	4,993	3,913
Trade and Other Receivables	1,165	1,410
<i>Total Financial Assets</i>	<u>6,158</u>	<u>5,323</u>
<i>(2) Financial Liabilities</i>		
Trade and Other Payables	1,306	1,584
Trust Funds and Deposits	112	96
Interest Bearing Loans & Borrowings	2,596	2,540
<i>Total Financial Liabilities</i>	<u>4,014</u>	<u>4,220</u>

(d) Credit Risk

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

Note 31 Auditors' Remuneration

	2007 \$'000	2006 \$'000
Audit Fee to conduct external audit - Victorian Auditor-General	21	21
Internal Audit Fees	47	9
	<u>68</u>	<u>30</u>

Note 32 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 Robyn Smith from December 2006
	Mayor Kevin Erwin to November 2006
	Councillor Robyn Smith to November 2006
	Councillor Kevin Erwin from December 2006
	Councillor Bryan Small
	Councillor Ian Nicholson
	Councillor Greg Earle
	Councillor Wayne Rice
	Councillor Dorothy Patton
	Councillor Ray Hewitt
	Councillor Ross Clementson

Chief Executive Officer Glen Davis

(ii) Remuneration of Responsible Persons

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

	2007 No.	2006 No.
\$500 - \$9,999	0	9
\$10,000 - \$19,999	7	3
\$20,000 - \$29,999	2	3
\$70,000 - \$79,999	0	1
\$160,000 - \$169,999	1	0
\$250,000 - \$259,999	0	1
	10	17
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	306	481

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2005-06, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2005-06, \$0).

(v) Other Transactions

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

Councillor Ian Nicholson	Stawell Rubbish Removal/A & N Collection Services (Razarba Pty Ltd) - provision of recycling services. Councillor Ian Nicholson is a shareholder in the company.	\$215,373.74
Councillor Robyn Smith	Stawell Drycleaners - provision of dry cleaning services. Councillor Robyn Smith is a partner in the business.	\$258.50
Director Justine Linley	Linley Design - provision of design and printing services. Owned by husband of Justine Linley.	\$1,660.00
Manager Carole Ford	B & D Plumbing - provision of plumbing services. Owned by husband of Carole Ford.	\$69,156.71

Note 32 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 \$100,000.

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

	2007	2006
Income Range:	No.	No.
<\$100,000	3	4
\$100,000 - \$109,999	0	2
\$110,000 - \$119,999	1	0
\$130,000 - \$139,1000	0	2
	<u>4</u>	<u>6</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	322	714

Note 33 Income, Expenses and Assets by Function/Activities

	Governance		Corporate Services		Customer Services		Business Services		Total	
	2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME										
Grants	251	33	4,666	4,507	3,838	5,022	835	335	9,590	9,897
Other	59	68	9,077	8,821	2,607	2,714	69	159	11,812	11,762
TOTAL	310	101	13,743	13,328	6,445	7,736	904	494	21,402	21,659
EXPENSES	(986)	(1,184)	(7,798)	(7,908)	(10,526)	(9,712)	(1,089)	(1,346)	(20,399)	(20,150)
SURPLUS (DEFICIT) FOR THE YEAR	(676)	(1,083)	5,945	5,420	(4,081)	(1,976)	(185)	(852)	1,003	1,509
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	193	196	37,314	37,231	152,150	138,545	0	0	189,657	175,972

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

Governance

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

Corporate Services

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

The Division includes the following Branches :

Corporate Services	Customer Services
Financial Services	Information Services

Customer Services

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

The Division includes the following Branches :

Infrastructure Operations	Community Development
Infrastructure Development	Planning & Building
Community Services	

Business Services

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

The Division includes the following Branches :

Economic Development	Tourism
Marketing	

Note 34 Financial Ratios (Performance Indicators)

	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u> Total Revenue	$\frac{132}{21,402}$	= 0.62%	$\frac{175}{21,609}$	= 0.81%	$\frac{192}{18,211}$	= 1.05%
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> Rate Revenue	$\frac{846}{8,630}$	= 9.80%	$\frac{847}{8,329}$	= 10.17%	$\frac{777}{7,410}$	= 10.49%
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> Total Revenue	$\frac{8,630}{21,402}$	= 40.32%	$\frac{8,329}{21,609}$	= 38.54%	$\frac{7,410}{18,211}$	= 40.69%
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> Total Realisable Assets	$\frac{4,921}{26,149}$	= 18.82%	$\frac{5,037}{27,154}$	= 18.55%	$\frac{4,914}{28,881}$	= 17.01%
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 25) is excluded from total indebtedness.						
The following assets are excluded from total assets when calculating Council's realisable assets: land - other controlled; buildings on other controlled land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.						
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.						

Note 34 Financial Ratios (Performance Indicators) (cont.)

	2006 \$'000	2006 (%)	2005 \$'000	2005 (%)	2004 \$'000	2004 (%)
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	6,592		6,205		4,497	
<u>Current Liabilities</u>	3,624	= 181.90%	3,856	= 160.92%	2,919	= 154.06%

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>	6,592		6,205		4,497	
<u>Current liabilities</u>	2,995	= 220.10%	3,274	= 189.52%	2,347	= 191.61%

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

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

Certification of the Financial Report

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



Vaughan Williams B.Comm
Principal Accounting Officer

Date: 24, 9, 07

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampian Shire Council for the year ended 30 June 2007 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 20 September 2007 to certify the financial statements in their final form.



Robyn Smith
Councillor

Date: 24, 9, 07



Greg Earle
Councillor

Date: 24, 09, 07



Glen Davis
Chief Executive Officer

Date: 24, 9, 07

Northern Grampians Shire Council

Standard Statements 2006-2007

Northern Grampians Shire Council

Standard Statements

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Northern Grampians Shire Council

Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2007

1 BASIS OF PREPARATION OF STANDARD STATEMENTS

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

These statements and supporting notes form a Special Purpose Financial Report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

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

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

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

The budget figures included in the Statements are those adopted by Council on 20 July 2006. 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 2007

	Budgeted 2006/2007 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2006/2007 (\$'000)
Revenues						
Rates and Garbage Charges	8,609	21	0%			8,630
User Fees and Charges	2,831	(330)	(12%)	1		2,501
Contributions	336	27	8%			363
Grants - Operating	6,285	629	10%	2		6,914
Grants - Capital	3,125	(449)	(14%)	3		2,676
Other Revenue	279	39	14%	4		318
Total Revenues	21,465	(63)	(0%)			21,402
Expenses						
Employee Benefits	(8,798)	652	(7%)			(8,146)
Materials and Services	(7,765)	(72)	1%			(7,837)
Depreciation	(4,500)	195	(4%)			(4,305)
Borrowing Costs	(167)	35	(21%)	5		(132)
Total Expenses	(21,230)	810	(4%)			(20,420)
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	(95)	0%	6		(95)
Share of net profit(loss) of Associates accounted for by the equity method	0	(44)	0%	7		(44)
Net Increment on Revalued Assets	0	160	0%	8		160
Total Changes in Equity for the Year	235	768	327%			1,003

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Year Ending 30 June 2007

Variance Explanation Report

Ref.	Item	Commentary
1	User Fees and Charges	Reduced utilisation of Children's Services resulting in lower than budget fees income. Reduction in development activity across the Shire resulting in lower than anticipated planning permit fees.
2	Grants - Operating	Reimbursement of damage to Council's assets as a result of bushfires and drought relief grants received.
3	Grants - Capital	Additional funding received for bushfire and drought recovery.
4	Other Revenue	Additional interest income as a result of lower than budgeted capital expenditure.
5	Borrowing Costs	Delay in draw down of budgeted loan.
6	Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	The sale of some assets were less than the book value of the assets at the time of sale.
7	Share of net profit(loss) of Associates accounted for by the equity method	No allowance was made at the time of the budget for a loss from investments in associates.
8	Net Increment on Revalued Assets	This is the reversal of a prior decrement to resulting from the revaluation of footpaths and kerb and channel.

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 2007

	Budgeted 2006/2007 (\$'000)	Variances			Actual 2006/2007 (\$'000)
		(\$'000)	%	Ref	
CURRENT ASSETS					
Cash and Cash Equivalents	3,028	1,965	65%	9	4,993
Receivables	1,039	267	26%	10	1,306
Prepayments and Accrued Income	307	(97)	(32%)	11	210
Inventories	295	(212)	(72%)	12	83
Total Current Assets	4,669	1,923	41%		6,592
NON-CURRENT ASSETS					
Non-current Receivables	145	(12)	(8%)		133
Investments in Associates	502	6	1%		508
Fixed Assets	156,670	25,754	16%	13	182,424
Total Non-Current Assets	157,317	25,748	16%		183,065
TOTAL ASSETS	161,986	27,671	17%		189,657
CURRENT LIABILITIES					
Payables	848	458	54%	14	1,306
Trust Funds	91	21	23%	15	112
Employee Benefits	877	685	78%	16	1,562
Interest Bearing Liabilities	651	(7)	(1%)		644
Total Current Liabilities	2,467	1,157	47%		3,624
NON-CURRENT LIABILITIES					
Employee Benefits	956	(659)	(69%)	16	297
Interest Bearing Liabilities	1,878	74	4%		1,952
Total Non-Current Liabilities	2,834	(585)	(21%)		2,249
TOTAL LIABILITIES	5,301	572	11%		5,873
NET ASSETS	156,685	27,099	17%		183,784
EQUITY					
Accumulated Funds	104,913	2,433	2%		107,346
Asset Revaluation Reserve	50,420	23,463	47%	17	73,883
General Reserves	1,352	1,203	89%	18	2,555
TOTAL EQUITY	156,685	27,099	17%		183,784

Northern Grampians Shire Council

Standard Balance Sheet Comparison Report for the Year Ending 30 June 2007

Variance Explanation Report

Ref.	Item	Commentary
9	Cash and Cash Equivalents	The capital works program budgeted was not completed by 30 June and there was a surplus from operations resulting in higher cash balances.
10	Receivables	Budgeted receivables were higher than anticipated.
11	Prepayments and Accrued Income	Insurances previously prepaid were costed to 2007-08.
12	Inventories	Inventories held for distribution have been rationalised resulting in lower stock levels.
13	Fixed Assets	Due to material movements in the construction rates of bridges, footpaths, and kerb and channel.
14	Payables	High level of carried forward works and completed works not yet invoiced as at 30 June.
15	Trust Funds	Budget movement assumed similar levels of deposits but increased due to the take up of the Western Highway Action Committee account.
16	Employee Benefits	The budget assumed higher levels of leave utilisation than actually occurred.
17	Asset Revaluation Reserve	The budget did not have any allowance for revaluation effects.
18	General Reserves	Budget assumed more spending on Roads to Recovery supplementary funded roads.

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 2007

	Budgeted 2006/2007 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2006/2007 (\$'000)
	Inflows (Outflows)					Inflows (Outflows)
Cash Flows from Operating Activities						
Rates and Charges	8,609	18	0%			8,627
User Fees	2,831	(100)	(4%)			2,731
Grants	9,410	240	3%			9,650
Contributions	336	27	8%			363
Other Revenue	278	115	41%	19		393
Employee Benefits	(8,798)	800	(9%)			(7,998)
Materials and Services	(7,765)	(310)	4%			(8,075)
Finance Costs	(167)	35	(21%)	20		(132)
<i>Net Cash provided by Operating Activities</i>	4,734	825	17%			5,559
Cash Flows from Investing Activities						
Payments for Property, Plant and Equipment	(6,238)	1,034	(17%)	21		(5,204)
Proceeds from Sale of Fixed Assets	1,164	(511)	(44%)	22		653
<i>Net Cash used in Investing Activities</i>	(5,074)	523	(10%)			(4,551)
Cash Flows from Financing Activities						
Trust Deposit Movements (Net)	0	16	0%			16
Proceeds from Borrowings	770	0	0%			770
Repayment of Borrowings	(781)	67	(9%)			(714)
<i>Net Cash provided by/(used in) Financing Activities</i>	(11)	83	(755%)			72
NET INCREASE/(DECREASE) IN CASH HELD	(351)	1,431	(408%)			1,080
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,379	534	16%	23		3,913
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	3,028	1,965	65%			4,993

Northern Grampians Shire Council

Standard Cash Flow Statement Comparison Report for the Year Ending 30 June 2007

Variance Explanation Report

Ref.	Item	Commentary
19	Other Revenue	Additional interest income as a result of lower than budgeted capital expenditure.
20	Finance Costs	Delay in draw down of budgeted loan.
21	Payments for Property, Plant and Equipment	The original budget included some major projects which have been delayed. These include the Halls Gap Tourism Hub, works at the St Arnaud Pool and the Hall of Fame project. In addition some heavy plant purchases were still awaiting delivery offset by carry forward road works from 2005-06.
22	Proceeds from Sale of Fixed Assets	A number of properties budgeted for sale were not sold.
23	Cash And Cash Equivalents at the Beginning of the Year	Increased cash holdings due to underspending of capital works.

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

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

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

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

Northern Grampians Shire Council

Standard Statement of Capital Works for the Financial Year Ending 30 June 2007

	Budgeted 2006/2007 (\$'000)	Variances			Actuals 2006/2007 (\$'000)
		(\$'000)	%	Ref	
Capital Works Areas					
Infrastructure Assets	2,701	367	14%	24	3,068
Plant and Equipment	1,350	(203)	(15%)	25	1,147
Parks and Gardens	328	(151)	(46%)	26	177
Land and Buildings	1,628	(652)	(40%)	27	976
Other	231	(44)	(19%)	28	187
Total Capital Works	6,238	(683)	(11%)		5,555
Represented by:					
Renewal	3,562	43	1%		3,605
New Assets	1,558	(389)	(25%)	29	1,169
Expansion	1,118	(337)	(30%)	29	781
Total Capital Works	6,238	(683)	(11%)		5,555
Property, Plant & Equipment Movement Reconciliation Worksheet					
	Budgeted 2006/2007 (\$'000)	Variances			Actuals 2006/2007 (\$'000)
		(\$'000)	%		
Total Capital Works	6,238	(683)	(11%)	30	5,555
Depreciation	(4,500)	195	(4%)		(4,305)
Revaluation	0	12,900	0%	31	12,900
Written Down Value of Assets Sold	(1,164)	417	(36%)	32	(747)
Net Movement in Property, Plant and Equipment	574	12,829	2235%		13,403

Northern Grampians Shire Council

Standard Statement of Capital Works Comparison Report for the Year Ending 30 June 2007

Variance Explanation Report

Ref.	Item	Commentary
24	Infrastructure Assets	Higher levels of spending on roads due to carried forward works from 2005-06.
25	Plant and Equipment	Some heavy plant purchases were still awaiting delivery as at June 30.
26	Parks and Gardens	Stawell and St Arnaud CBD developments have been delayed.
27	Land and Buildings	There have been delays in the following projects; Halls Gap Tourism Hub, St Arnaud Pool and Hall of Fame.
28	Other	Budgeted capital expenditure expended.
29	New Assets and Expansion	The classification of assets between new and expansion is different from budget.
30	Total Capital Works	Refer notes 21, 22, 23, 24 & 25
31	Revaluation	The budget did not have any allowance for revaluation effects.
32	Written Down Value of Assets Sold	A number of properties budgeted for sale have not sold.

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

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

Northern Grampians Shire Council

Certification of Standard Statements for the Financial Year Ending 30 June 2007

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2007 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.



Vaughan Williams
Principal Accounting Officer

Date: 24/9/07

Statement by Councillors and Chief Executive Officer

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

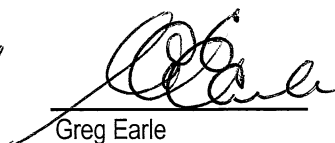
As at the date of signing, we are not aware of any circumstances which would render any particulars in the Standard Statements to be misleading or inaccurate.

On 20 September 2007 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



Robyn Smith
Councillor

Date: 24/9/07



Greg Earle
Councillor

Date: 24/09/07



Glen Davis
Chief Executive Officer

Date: 24/9/07

INDEPENDENT AUDIT REPORT

Northern Grampians Shire Council

To the Councillors

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2007 of the Northern Grampians Shire Council which comprises of the income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2007 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

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

This responsibility includes:

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

Auditor's Responsibility

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

Independent Audit Report (continued)

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 internal control relevant to the Councillors' 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 Council'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.

I believe that the audit evidence 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. The Auditor-General, his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2007 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act* 1989.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act* 1989.

MELBOURNE
25 September 2007


D.D.R. Pearson
Auditor-General



Northern Grampians Shire Council

Performance Statement

2006-2007



Proud Past. Vibrant Future.

KEY STRATEGIC ACTIVITIES 2006/2007

Financial Performance

Financial stability driven by strong financial management ensures a sustainable future for the Shire and enables the Council to meet the objectives of the Council Plan. Council's objective is to maintain and build its financial position by generating an operating result in line with budget expectations.

	Actuals 2006/07	Budget 2006/2007
Actual Operating Surplus/(Deficit) v's Budget	427%	100%
Operating Surplus/(deficit) as % of Total Recurrent Revenue	4.7%	1.1%
Change in Net Assets from previous year	8.1%	0.2%
Working Capital Ratio	181.9%	204.0%
Total Debt Servicing costs % of Rates & Charges	9.8%	1.9%
% of Rates, Fees & Charges outstanding at 30 June	5.5%	4.9%

Rates Management

Council's rating strategy is to provide an equitable rate contribution for all ratepayers, whilst allowing Council to provide the services necessary to support the needs of the community in an efficient and cost effective manner.

	Actuals 2006/07	Budget 2006/2007
% Movement in Rates & Charges Revenue	3.53%	3.64%
Rates & Charges per assessment	\$943	\$942
Rates & Charges per Capita	\$687	\$654
Rates & Charges as a % of CIV	0.53%	0.53%
Average Rates & Charges per assessment – Residential	\$908	\$906
Average Rates & Charges per assessment – Farm	\$955	\$947
Average Rates & Charges per assessment – Comm./Indus	\$1,461	\$1,446
Rates & Charges as a % of Total Recurrent Revenue	40.2%	40.5%

Capital Expenditure

Implement a well structured capital works strategy to maintain existing Council assets and to provide a source of funds for new initiatives.

	Actuals 2006/07	Budget 2006/2007
Capital per assessment	\$608	\$683
% Achievement of Capital program	89%	94%
Ratio of Capital Expenditure to Depreciation	1.29	1.39

Operating Costs

Manage the operations of Council to maintain and improve the level of Council services while keeping operating cost increases to an acceptable level.

	Actuals 2006/07	Budget 2006/2007
Net Operating Expenditure per assessment	\$2,236	\$2,325
Net Operating Expenditure per Capita	\$1,630	\$1,614

Community Satisfaction

Monitor community feelings on Council's performance and issues influencing community satisfaction to achieve a "Best Value" outcome for the community.

	Actuals 2006/07	Budget 2006/2007
Overall Performance of Council	65	60
Overall Performance in Key Service Areas and Responsibilities	68	66
Rating of Council's interaction and responsiveness in dealing with the Public	74	72
Rating for Council's Advocacy and Community Representation	67	61
Rating for Council's engagement in Decision making on Key Issues	61	52

1. Deliver services that meet community needs

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Roads and infrastructure delivery meets community and Government requirements	1. Ensure that the Roads to Recovery responsibilities are delivered	On-going	YES
	2. Construct and maintain roads as outlined in the Road Management Plan for the Shire and in association with the Traffic Management Plan	On-going	YES
	3. Advocate for changes to the Western Highway that will support business, industry and community growth, including the development of truck stops	On-going	YES
	4. Continue to implement the Urban Design Frameworks for all our communities	Include as part of the Municipal Strategic Statement Review	NO
	5. Identify other transport infrastructure needs including public transport that will encourage business and population growth	Initial planning by 30 June 2007	YES
	6. Establish and deliver on a 5 year Capital Management Plan that covers buildings, capital equipment, roads, drainage and reserves	Plan developed by 31 March 2007	YES
Enhance the beauty and liveability of our townships	7. Implement water management and conservation approaches which can include recycling of storm water	As per capital Works Program	YES
	8. Deliver waste management services that are cost effective and environmentally sensitive	On-going	YES
	9. Conserve and manage our heritage assets through implementing key recommendations from the Heritage Study	Deliver by 30 June 2007	NO
	10. Continue to improve signage in towns and on our roads	As per Capital Works Program	YES

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Ensure the safety and security of our communities	11. Enhance community safety and well-being in partnership with Victorian Police	Regular meetings with Victorian Police	YES
	12. Advocate for 24 hour policing in Stawell and improved policing activities in St Arnaud	Regular meetings with Victorian Police	YES
	13. Increase community safety through local laws services	On-going	YES
	14. Upgrade shopping precincts and amenities	As per capital Works Program	NOT ACHIEVED work commenced but not yet completed
	15. Continue to implement the Road Safety Strategy	As per capital Works Program	YES
	16. Identify ways to ensure lighting and streetscapes support safety and law and order through the Traffic Management Plan	As per Capital Works Program	YES
	17. Continue to manage the community and business renewal to support recovery from the Deep Lead and Grampians Fires	Community Development Officers in place until 30 June 2007	YES
	18. Manage emergencies through providing the Municipal Emergency Coordination Centre	On-going	YES
Support the needs of an aging population	19. Deliver Home and Community Care services for aged and disabled people through the HACC Guidelines, the Aged Care Plan and the Community Access Plan	Services delivered as outlined in the budget Aged Care Plan in place by 30 June 2007	YES
	20. Work with private and other providers to deliver other aged and health services	Two meetings held per year	YES

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Improve the health and wellbeing of our communities	21. Implement the Municipal Health Plan and the Domestic Waste Water Management Plan and deliver environmental health services	Municipal Health Plan implementation is on-going Domestic Waste Water Plan in place by 30 June 2007	YES
	22. Provide appropriate and cost effective recreation and leisure facilities as outlined in the Recreation and Leisure Strategy	On-going and implementation of the Recreation and Leisure Plan	YES
	23. Provide and facilitate access to childcare facilities	Municipal Early Years Plan delivered Accreditation assessments for all centres will be conducted Taylors Gully Stage 2 will be delivered by March 2007	YES
Support young people in our community	24. Provide opportunities to be involved in community life, including facilitating events	On-going	YES
	25. Work with schools, TAFEs and other educational institutions to encourage involvement, jobs access and in community activities	2 meetings held by 30 June 2007	YES
	26. Continue to provide Youth Grants	Grants Program delivered twice during the year	YES
Communicate and engage with the community	27. Make it easier for community members to do business with Council through face to face, telephone and internet access to services and information	Review customer service requirements by 31 March 2007	YES
	28. Market our Shire's achievements and use multiple approaches to telling the community about Council services, events and activities	Update the NGSC internet site by 31 December 2006	YES

Objectives	Strategies	2006/2007 Delivery	Target Achieved
	29. Implement regular, more informal meetings between Councillors and communities	2 meetings per year in Stawell, St Arnaud, Navarre and Halls Gap	NOT ACHIEVED regular informal meetings but only 1 formal meeting held YES
	30. Continue to track works requirements, complaints and respond to the community around these issues	System reviewed by 30 September 2006	

2. Plan for the future of our community

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Support the future of our community by planning effectively	31. Implement the Master Plan for each community, building on the urban design framework and the review of the Municipal Strategic Statement	Municipal Strategic Statement to be reviewed by 30 June 2007	NOT ACHIEVED Continually referenced to existing plans with timelines reviewed for MSS
	32. Work with communities and community leaders to review community plans for each township in the Shire	Reviews to be complete by 30 June 2007	NOT ACHIEVED Continually referenced to existing plans with timelines reviewed for MSS
	33. Planning will also consider the mix of town attractiveness, businesses, services and community that will support population growth	Municipal Strategic Statement to be reviewed by 30 June 2007	NOT ACHIEVED Continually referenced to existing plans with timelines reviewed for MSS

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Be a leader in sustainability and ecological development	34. All Council projects to consider water recycling, grey water and reclamation options	On-going	YES
	35. Environmental sustainability and ecological needs will be included in planning policy and practice	On-going	YES
	36. Promote alternative sources of energy		YES
	37. Continue to work with groups such as Grampians Wimmera Mallee Water to promote improved water access and use	For 36 and 37 - Research opportunities as part of the Council Planning program by 30 April 2007	YES
Identify ways to attract new community members to the Shire	38. Work with state government to promote living in regional areas	2 meetings to be held with key groups	YES
	39. Implement the Arts and Culture Strategy and continue to support a regional arts focus	Review to be conducted by 31 March 2007	NOT ACHIEVED focus continued to be supported, timelines reviewed for Strategy
	40. Continue to support the development of education and health services in the Shire	2 meetings with providers by 30 June 2007	YES
	41. Ensure that new community members are welcomed	New Residents Packages continue to be delivered	YES

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Capitalise on new opportunities	42. Identify opportunities for agricultural and industrial development	For items 42 to 46 Research opportunities as part of the Council Planning program by 30 April 2007	YES
	43. Work with the CSIRO and other key groups to identify ways to build on the Shire's attributes		YES
	44. Support the sustainable development of the sand mining industry		YES
	45. Continue to work with the gold mining industry to support development		YES
	46. Identify potential uses for increasing gas and water supplies		YES

3. Market our community and businesses

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Support strong business and industry	47. Encourage businesses to work together to build business capacity and increase wealth generation	Incorporate in review of Economic Development Strategy commenced 1 June 2007	NOT ACHIEVED Work commenced but not completed
	48. Support key groups and monitor outcomes for the community	Support business groups in Halls Gap, Stawell, St Arnaud and Great Western and other key regional groups	YES
	49. Work with telecommunications service providers to improve services the region eg broadband	Regular meetings held	YES
	50. Source funding from Government and other groups to support business development	2 funding sources to be identified	YES

Objectives	Strategies	2006/2007 Delivery	Target Achieved
	51. Support a strong agricultural business focus in the Shire	Research opportunities as part of the Council Planning program by 30 April 2007	YES
	52. Encourage new and future business development with examples being the equine, wine and recycling industries	Investment Plan Stage 2 to be delivered by 30 June 2007	NOT ACHIEVED Work commenced but not completed
Support volunteer groups	53. Recognise and celebrate the contribution of volunteer groups to our community	Hold 2 events per year	YES
	54. Continue to support non-profit organizations through: providing the volunteer register to support non-profit organizations, encouraging resource sharing and communication between groups, and identifying ways to attract young people to these organisations	Continue to provide the volunteer register 4 activities delivered to support non-profit organization by 30 June 2007	YES
	55. Provide coordinated grants information and grants for community groups	Grants coordination system in place by 30 September 2006	YES

4. Deliver strong resource management and governance systems

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Deliver a strong budget position	56. Communicate our rates policy and objectives to the community	On-going as part of Council's Engagement Strategy	YES
	57. Manage the budget effectively including tracking and reporting to the community on current project commitments	Monthly reports provided to Council	YES
	58. Establish purchasing policies that enhance the budget position	Purchasing Policy in place by 31 December 2006	NOT ACHIEVED

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Manage assets effectively	59. Develop and implement the Asset Management Plan 60. Use technology to improve service delivery and to support operational efficiency	Asset Management Plan in place by 30 June 2007 Information Services Strategy Stage 2 to be delivered	NOT ACHIEVED YES
Continuously improve services	61. Implement a Best Value Service Review Program – Review 2 service areas each year as part of a regular review of services to identify efficiency and effectiveness, including focusing on the reduction of red tape	2 Reviews to be complete by April 30 2007	NO
Strengthen governance	62. Establish a set of governance principles that guide decision making and business rules 63. Implement the Risk Management Policy 64. Develop an engagement strategy that will ensure the community is involved in key decisions	Governance principles to be in place by 30 September 2006 On-going Community Engagement Strategy to be developed by 30 June 2007	NOT ACHIEVED YES NOT ACHIEVED Continually engaged with community. Timelines reviewed for development of Strategy

5. Develop and sustain our organisational capabilities

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Build our organizational capabilities	65. Commit to Councillors' professional development through training and workshops 66. Provide training and development opportunities for staff	4 workshops per year Training and Development Plan in place by 31 December 2006	NOT ACHIEVED Regular informal workshops provided but limited opportunities provided for professional development for Councillors

Objectives	Strategies	2006/2007 Delivery	Target Achieved
Continue to build a culture of achievement	67. Recognise staff and team achievements 68. Continue to implement equal employment opportunity principles and practices	On-going EEO policy reviewed by 30 September 2006	YES YES
Provide a safe workplace	69. Implement the Occupational Health and Safety Action Plan 70. Ensure that OH & S principles are practiced in the workplace	Action Plan in place by 31 July 2006 On-going	YES YES
Build an internal communication strategy	71. Update the Council website and branding, including the development of an intranet for staff induction and information	Communication Strategy in place by 31 November 2006	NOT ACHIEVED New website purchased to go live by January 2008, with timelines reviewed for strategy.
Measure satisfaction with our services	72. Survey the community to identify service satisfaction levels	Survey to be developed and undertaken by 30 April 2007	YES

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2006-07 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



Cr Robyn Smith

Date: 24 / 9 / 07



Cr Greg Earle

Date: 24 / 09 / 07



Chief Executive Officer
Glen Davis

Date: 24 / 9 / 07

INDEPENDENT AUDIT REPORT

Northern Grampians Shire Council

To the Councillors

The Performance Statement

The accompanying performance statement for the year ended 30 June 2007 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 Responsibility of the Councillors for the Performance Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to internal control relevant to the Councillors' 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 Council's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Independent Audit 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. The Auditor-General, his staff and delegates comply 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 2007 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
25 September 2007


D.D.R. Pearson
Auditor-General