



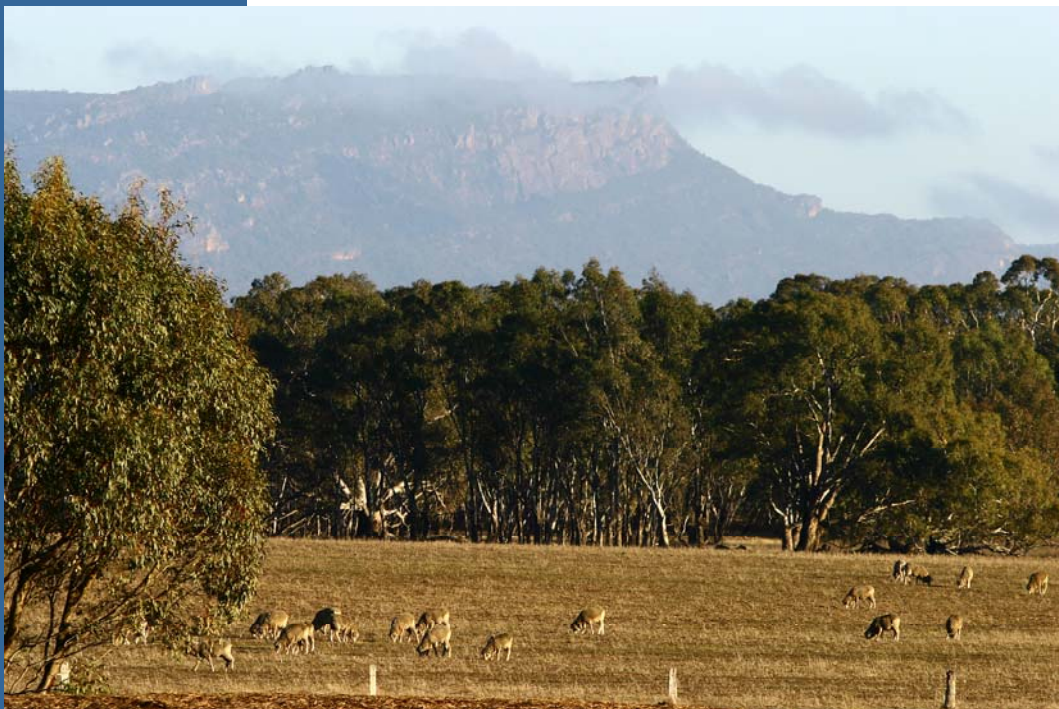
Annual Report

2007-2008

www.ngshire.vic.gov.au

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From the Mayor, Cr Bryan Small

It is with pleasure that the Council presents its 2007/2008 annual Report. Whilst the year was not without its challenges, there is much of which we can be very proud.

Finance

The annual financial statements have been accepted by the Shire's auditors without qualification. They reveal that the Council is in a very solid position, with manageable borrowings and investments which are conservative. A report tabled in Parliament by the Auditor General ranks the Shire as financially sustainable, a ranking not achieved by some of our peers.

Our reliance on grant funding is not in itself a concern. Rather it is the time-consuming cap-in-hand application processes, through bureaucratic labyrinths, which concern us because of their unproductive paperwork and unpredictable outcomes. Council continues to push for a formula-based system of grant funding, such as the highly successful Roads to Recovery grants, whereby the funds are provided direct to Councils for allocation to worthwhile projects.

I would especially like to thank the external members of the Audit Committee, which provides an independent view of the financial position of the Shire under the wise chairmanship of Mr Don Webb.

Governance

The responsibility of Council to use the due processes of local government to provide a clear and unambiguous direction for the Shire has I believe been wisely exercised during the past year. In the early years of the Shire an indifference to due process was quite damaging to the reputation of the Council.

When I was first elected Mayor in 2004 I encouraged the Council to leave behind its adversarial approach to decision making and embrace a consensus method whereby informed negotiation is used to achieve outcomes which are acceptable to all. This was successful, and even though Council debates are still robust, and, occasionally, heated, there is no longer the acrimonious undermining of Council resolutions which existed previously. Split votes at Council meetings are now rare and there was no case during the year when the Councillors from one ward used their numbers to defeat the expressed wishes of the other.

In view of the settled atmosphere of the Council it was most disappointing when a Victorian Electoral Commission review, ordered by the State Government, decided, against the expressed wishes of the community and the Council, to reduce the number of Councillors by two and institute a new and absurdly illogical arrangement of four wards.

Whilst the performance statement reveals that not all milestones of our key strategic activities were achieved on time, many of the remainder were in fact achieved soon after the required date. Council has also done much solid policy work, upgrading and refreshing older policies, and formulating new ones to meet new needs.

Planning

The Council's statutory responsibilities in land use planning, as both the legislator and the regulator, are frequently misunderstood and the past year has been no exception. However Council and staff have processed a record number of applications resulting from a building boom in the Shire.

We are now in the process of reviewing the Municipal Strategic Statement - the core document of the planning scheme - and are preparing to make the necessary planning scheme amendments resulting from the heritage study. Good community planning will continue to be a priority for Council.

Drought

The drought has been more or less constant throughout the short history of the Shire. The whole Shire is now drought-declared with the north of the Shire having been so since 2005. Stage four water restrictions are in place, and likely to remain so.

Our drought and Landcare officers have been both proactive and supportive in their assistance to affected farmers and businesses. Stormwater harvesting projects in Stawell, St Arnaud and Halls Gap have been quickly planned to provide much-needed irrigation for public facilities, such as the iconic Queen Mary Gardens in St Arnaud and Central Park in Stawell. Strategic bores throughout the Shire have been sunk and equipped, and have saved valuable breeding stock.

The Wimmera Mallee pipeline is now being laid in our Shire, and is due for completion next year. But after such a disappointing season in the past year, we wait anxiously for the rains that will signal the end of the drought. Given good rains and a continuation of the high prices for primary commodities, we could see a turnaround year in the fortunes of our farmers, and in the communities whose prosperity depends upon them.

Infrastructure

The Shires 3490 km road network is in good condition. The only advantage of the drought has been the reduction in damage to roads and the more frequent favourable conditions for road works. Nine years ago we embarked on the seemingly impossible task of replacing all our dangerous and expensive timber bridges with concrete. This year we completed the replacement

cont. From the Mayor, Bryan Small

of the last timber bridge – an important milestone and a major investment.

In addition to the water projects identified above, Council gave the go-ahead for several long-awaited projects, including the upgrade of the Stawell Gift Hall of Fame, the completion of the Kara Kara Shire Hall redevelopment, the construction of the Halls Gap Visitor Centre, and the St Arnaud CBD redevelopment.

At the same time Council recognises the importance of reducing its inventory of land and buildings to those essential to providing its services. It is thus expected that properties surplus to its requirements will gradually be divested.

Economic Development

Despite a number of setbacks during the year, the economic outlook for the Shire improved enormously.

In St Arnaud the drought still takes its toll on farmers and the agricultural service industries which underpin the local economy. QAF piggeries have scaled back operations owing to overseas competition, but Rainbow Valley Turkeys are defying the trend with a confident expansion. Rex Minerals is conducting drilling operations to establish the extent of deep gold and silver deposits in the St. Arnaud. Council contributed to the environmental effects process for the Donald Mineral Sands project in the Banyena district, which was in line with Council view that, if this enormous project is to go ahead, then the interests of local landholders must be protected.

In Stawell continuing aftershocks of globalisation are still being felt with job losses from the closures of Aunde Trim, Motorway and SteelChief; but unemployment remains low. The Stawell gold mine was acquired during the year by the Canadian company Northgate. It was encouraging to have the assurances of the President of Northgate, Mr Ken Stowe, that the company is committed to an exploration programme which will ensure the extraction of all winnable gold. However Council recognises that the mine will some day have to close, and has, in consultation with mine management and the community, developed a plan for that eventuality.

Council is of the view that Stawell needs to extend its economic base from being principally a mining and industrial centre, to being a service centre for a much wider region. So whilst it is good to see the expansion at Frewstall, for instance, it is also encouraging to see increased retail activity in both the CBD and the Western Highway retail centres, and the provision of new services like the \$20 million Health and

Community Centre, the \$6 million Skene Street School upgrade and the \$800,000 Centrelink building.

In Halls Gap and the Grampians the tourist industry still suffers from the drought and after-effects of the 2006 fires. However the establishment of the long-awaited Grampians Tourism to promote the region has given much hope to the tourism operators. Council's new contemporary Visitor Centre and Community Hub in the centre of Halls Gap will cement the town's traditional role as the 'Heart of the Grampians'.

In Great Western, and indeed throughout the Shire, the wine industry is gradually putting behind it the setbacks of recent years, and is enhancing its position as the States premier producer of quality table wines.

Right around the Shire our economic development team, operating out of their new offices on the Western Highway, have energetically facilitated new investment, and supported those industries going through difficulties.

Community Services

The many services which we deliver have as usual elicited much praise from our diverse communities. Our work in keeping our older and more infirm residents in their own homes by the provision of a wide range of services, from Meals on Wheels to home help, is greatly appreciated. Younger members of the community enjoy the use of our many recreation facilities, and our decision to provide the use of the two Town Halls free of charge to local organisations is resulting in them once again becoming the centres of community life.

Engaging with our Community

For nine Councillors to represent such a large geographic area is a daunting task. But throughout the year we engaged with our communities on various levels, both personal and public. Community organisations, interest groups, industry representatives and individuals have all had access to Council either at public consultations, Council meetings or workshop sessions.

I am grateful to the media – especially *North Central News*, *Wimmera Mail Times*, *Stawell Times News* and ABC Radio – for their generous reporting of Council activities. Whilst it was disappointing to have to make a complaint to the Press Council in regard to an incorrect newspaper report, we were satisfied when Council's position was upheld.

cont. From the Mayor, Bryan Small

I would like to thank all those who in a voluntary capacity assist the Council in its many activities. These include those who operate the visitor centres, deliver meals on wheels, and represent Council on Committees like the Recreation Boards or the Queen Mary Gardens Committee, the kindergarten committees, cinema committees and the heritage committee. These, combined with the massive contribution made by volunteers in all facets of public life, are the foundation of our community.

Staff

My thanks go to all members of our staff, both indoor and outdoor, for their commitment to the Shire during the year. In particular I would like to thank staff members with regulatory responsibilities – local laws, planning, corporate support and health – who sometimes have to bear the brunt of disgruntled residents who don't accept that compliance with the law is not optional.

An agreeable rapport between the CEO and the Mayor is a crucial element in any Council, and I would especially like to thank Glen Davis for his patience and good humour. I would also like to thank our General Managers, Jim Nolan and Keith White, and Mrs Petra Neilson, who not only has the role of personal assistant to the CEO but also manages to provide support to me and the Council.

Looking Ahead

This is the final Annual Report for the current Council which goes to election in November. The Shire has I believe matured as an organisation, and is well placed to realise the extensive potential of our diverse economy. I thank the Council for their loyalty and support, and, for those returning to the new Council, I express my good wishes as they rise to the challenge of ensuring a vibrant future for our people whilst respecting our proud past.

Bryan Small.
Mayor

From the CEO, Glen Davis

2007-08 has been a year in which we placed greater emphasis on economic development. This emphasis was partly to do what the Shire could to counteract some trends and some risks to our economy. In part it was enabled by the progress we had made over the last two years. Over that time, the Shire had made improvements in its customer services, in infrastructure and assets, and a strengthening of our finances. So the Council asked for this revised emphasis on economic development and welcomed my personal commitment to it.

The Mayor's report describes the impact of the drought on our agricultural industries, the threat of approaching closure of Stawell Gold Mine, the risk that our manufacturing industries would suffer especially from foreign competition, globalisation and exchange rates and the scope for the growth of our tourism industry. We faced hard economic times and national trends threatening our major industries. The State's statistics place Northern Grampians among the most socially disadvantaged regions of the State. If we fell, we were going to be hurt.

During 2007-08, some of these risks crystalised. Several long-established businesses in our Shire, employing numerous residents, were obliged to close. It is important to describe the Shire's response to the lost employment and the economic and social consequences because it is in no way mandatory under State law.

The Shire's actions were voluntary and were taken in the interests of residents and the community.

In those cases where the employer provided advance notice, the Shire worked with the employer. Where the employer provided no notice, the Shire coordinated advice directly to the former employees. For the staff and contractors of each of the closed businesses, we provided coordinated sources of information to secure alternative work, access entitlements and benefits and to protect the health of residents. This was done initially in a single meeting, in which contacts and appointments were offered for individual assistance. Our role was care and coordination and we are immensely grateful to the many service providers who pitched in expertly to provide jobs, advice and assistance. My thanks go to WorkCo, Bests, St Lawrence, CentreLink, University of Ballarat, Greater Green Triangle, Grampians Community Health, Regional Development Victoria for the great help they provided to people in need. Each of these forums was a great example of a caring community at work and the former employees were most appreciative.

Much of our work in economic development is to encourage growth. "Encourage" is the key word, because the Shire can identify opportunities, introduce parties, provide relevant market information but a development may not always occur.



cont. From the CEO, Glen Davis

During 2007-08, the Council made important policy decisions which set the scene. Our Business Assistance Scheme was revised to newly provide an entitlement to financial support by the Shire of a business development. This positive incentive successfully created investment and employment. The Shire's rating differentials were reviewed and the Council resolved to continue to rate commercial and industrial premises at the same rate as residences of equivalent value. These policy settings had the desired effect of encouraging economic growth.

It is identified, in Council's "investment map", that opportunities would exist for specialised manufacturers with local advantages being able to scale up. Many of the Shire's manufacturers have succeeded recently in finding growth opportunities. This is particularly true in mining and agriculture sectors and these sectors are among Northern Grampians' strengths. Stawell Gold Mine, Rainbow Valley Turkeys, and SKM Engineering have recently grown production. Action Steel is soon to relocate to larger new premises providing growth room for their neighbour, tank manufacturer All Poly. Carey Covers has almost outgrown its old site. Frewstal, our very important meat business and major employer, has grown and successfully diversified. In total, the value of the Shire's production has greatly increased (% over period) and this has occurred despite the drought and the national downturn in manufacturing industry.

Apart from the growth of some of our existing businesses, we sought also new investment. We prepared excellent information kits which we customised for each new opportunity. We provided personal introductions for developers. As I noted before, the Shire can only "encourage". Many ideas have not yet borne fruit. But, as result of a lot of factors identified in our Investment Plan, we have a boom in investment and development. The values of Planning Permits and Building Permits issued recently are at the highest levels in memory.

The developments under way are highly varied, encompassing schools, offices, health services, restaurants, manufacturing enterprises, service industries and sporting and recreation facilities. The economy of the Northern Grampians has successfully bucked some nationwide trends. One result was that Stawell, which had been most at risk at the start of the year, ranked higher than its neighbours in real estate price rises. The first batch of these new investments has now taken place, spread around the Shire. There are more "in the pipeline" and we will continue to progress them and encourage others. A survey of local

businesses showed good confidence and growth plans.

The Shire has actively assisted the tourism industry. During the year, Halls Gap Tourism was created from a merger and adopted a new and positive outlook. After 15 years of effort, we now have Grampians Tourism, a new regional industry body to build marketing, product development, staff training and to grow tourism faster than competing destinations.

Northern Grampians has again performed very well as a survivor of the drought. Our Shire 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.

The Shire's services in care of aged and disabled residents have again led the State in official accreditation scores as well as in community satisfaction. Our kindergarten and maternal health services also gained top ranking and our one-stop-shop structure has been a model for Federal Government programs nationally. Taylors Gully and St Arnaud children and staff are frequently photographed with visiting Ministers and Members.

Among our most expensive services to residents is the maintenance and construction of our vast road network. Our roads are in good shape and are appreciated by the community. High in resident popularity are the Shire staff who maintain our parks and gardens.

The finances of Northern Grampians Shire were ranked higher than its neighbours by the State's Auditor General.

Thanks to the work of staff, the Shire has ended the year stronger than it began and stronger than we could reasonably have expected. Our focus on economic development has borne fruit and there are many indications that our investment boom is yet to peak.

Our Councillors



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



Cr Greg Earle
Portfolio Councillor:
Economic Development,
Finance & assets
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



Cr Kevin Erwin
Portfolio Councillor:
Economic Development,
Environment,
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



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



Cr Ian Nicholson
Portfolio Councillor:
Transport / Roads / Plant,
Youth and Recreation
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



Cr Dorothy Patton
Portfolio Councillor:
Economic Development,
Heritage, Arts/Libraries
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008



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



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



Cr Bryan Small
Portfolio Councillor:
Heritage
Elected: 26 Nov 2005
Term Expires: 29 Nov 2008

Council Meeting Attendance Register

	Ordinary	Special
No. of Meetings	12	4
Cr Bryan Small	11	4
Cr Kevin Erwin	12	4
Cr Ian Nicholson	11	4
Cr Greg Earle	12	4
Cr Robyn Smith	11	4
Cr Ray Hewitt	12	4
Cr Dorothy Patton	11	4
Cr Wayne Rice	10	3
Cr Ross Clementson	11	4

Finance Committee	
No. of Meetings	10
Cr Greg Earle	8
Cr Kevin Erwin	5 out of 5
Cr Ray Hewitt	10
Cr Dorothy Patton	4 out of 5
Cr Robyn Smith	5 out of 5
Cr Bryan Small	5 out of 5

Audit Committee	
No. of Meetings	4
Cr Greg Earle	4
Cr Bryan Small	2 out of 2
Cr Robyn Smith	2 out of 2

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, 2008.



Chief Executive Officer
Glen Davis

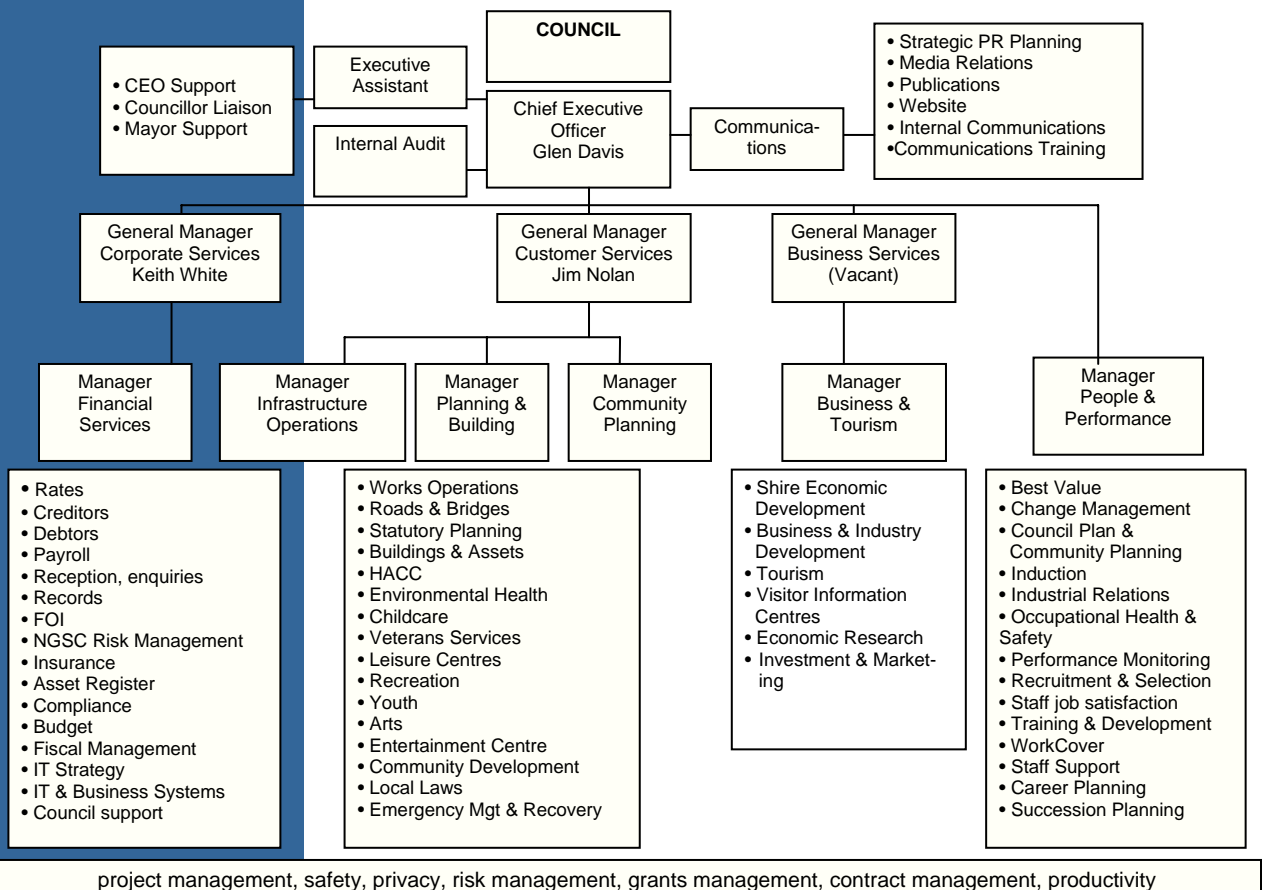


General Manager
Corporate Services
Keith White



General Manager
Customer Services
Jim Nolan

Organisational structure as at June 30, 2008



Corporate Services

Financial Management

Council reports that in 2007/2008 a minor operating deficit of \$0.2 million on revenue of \$20.75 million, compared to a budgeted surplus of \$0.59 million on budgeted revenue of \$20.93 million was achieved. This result was brought about by a drop off in Capital grants, additional material and service charges and depreciation charges as compared to budget. However it is important to highlight that the Shire's cash position remains strong with an ending cash balance of \$3.79 million compared to a budget of \$2.93 million. Details of the Shire's financial performance and comparisons to budget and the previous financial year are contained within the financial statements section of the annual report.

The Council continues to manage within tight financial constraints and continues to improve the management and reporting of its financial performance. The Council, through its Finance Committee closely monitors the Council's financial situation and regularly presents financial reports to Council detailing current performance and forecasting and detailing any major variances to the adopted budget. This process ensures that the Council is fully informed at all times.

Financial Services

The Financial Services team has continued to improve financial reporting, budget preparation throughout the year however the major event for the team in 2007/2008 was the implementation of the new financial system.

Council approved the Officer's recommendation in December to purchase and install the Authority software application supplied by Civica. Within a very short window of time the team managed to install, train and commence using the new system as from 1 July 2008.

The successful implementation of the system is a testament to the staff's dedication and commitment to get the job done. In addition to the implementation they still had to contend with the preparation of the 2008/2009 budget, the 2007/2008 financial accounts and the management of the general revaluation of all of the Shire's properties. The revaluation exercise took many months and the new values will be used in the preparation of the 2008/2009 rate notices. The Executive Management team are extremely proud of the 'can do' attitude and work undertaken by this small dedicated team.

Audit Committee

The audit committee was constituted by Council in 1999 and has continued to provide a valuable service to Council. The Council engages the services of AFS & Associates from Bendigo to undertake the internal audit function.

During the 2007/2008 financial year the Audit Committee, met on four occasions and following the development of a 3 year audit plan requested and received reports on the following

- Information Technology Assessment Report
- Council Strategic Planning
- Community Relations
- Contract Management/Tendering

In addition the Audit Committee received and reviewed the 2006/2007 financial statements and performance statement, reviewed and submitted to Council an updated Audit Charter and monitored progress on issues that had been raised by both the external and internal audit processes.

The Audit Committee plays an invaluable role in the governance of the Shire and this is reflected in the breadth of reports requested by the Committee.

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 Bryan Small (from 6/12/2007)

Cr Greg Earle

Cr Robyn Smith (to 5/12/07)

Corporate Services

Another major activity of Corporate Services is governance and risk management.

Throughout the year the team have been involved in:

- Electoral Representation Review
- Preparation of the voters roll for the November 2008 election
- Update and adoption in March 2008 of a revised Governance Code (incorporating Councillor Code of Conduct)
- Roll out of the final stage of the rural addressing project
- Sign off of an updated Regional Library Agreement and a Service and Funding Agreement



Corporate Services

In regards to risk management a lot of emphasis is placed on the management of risk throughout the organisation.

During the year the Risk Committee met 9 times and reviewed and presented for adoption a revised Risk Management Strategy, undertook a number of risk awareness training sessions, warden training, reviewed the Council's business contingency plans for Stawell and St Arnaud and commenced a schedule of property inspections.

Information Services

Detailed below is a snapshot of the major tasks completed/commenced by the information services department for 2007/2008

- Continued the active desk top hardware replacement program
- Set up the infrastructure and network requirements for the installation of the new Civica Authority system
- Completed the implementation of the new customer enquiry system
- Continued with the implementation of the Confirm asset management system
- Reduced the number of computer servers required by implementing a VM (virtual machine) environment
- Improved data storage capacity by the introduction of a SAN (storage area network)
- Commenced planning for the development of a new IS Strategy

The People & Performance department is a resource for all staff in our organisation to enhance the organisation's performance.

People & Performance

The People & Performance Department is a resource for all staff in our organisation to enhance the organisation's performance. Working with the CEO and Executive Management Team this department has improved systems and processes, particularly the coupling of staff and leave records with payroll systems. The Department supports the careers of all staff with training, education, development and succession planning. It links an understanding of community needs with organisational support systems to generate a complete customer focus both internally and externally.

Key activities include:

- Support of staff including career planning and personal development
- Best Value
- Change Management
- Council Plan and Community Planning
- 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 42 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 07/08 year the Department continued its focus on OH&S, by working with 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. Safety Week was celebrated in October 2007 with all departments partaking in group training sessions, special staff meetings with a focus on safety at work and general knowledge OH&S quizzes. The OH&S Action Plan has continued to be successfully implemented with the plan to remain as an ongoing process.

Staff have maintained existing conditions and now have new and improved working conditions through the renegotiation of Councils Enterprise Bargaining Agreement. This will assist with the attraction and retention of staff in the future. Storage of personnel files has been reviewed and upgraded to further enhance accessibility and security. A Corporate Training plan was created and effectively implemented, this was all delivered locally with participation from dozens of staff from all departments working together, this was all in conjunction with excellent trainers and role models from VECCL. The staff Annual review process has been streamlined further and again put into practice in time to develop the 08/09 training staff development plan. Staff policies and processes were reviewed and updated on the intranet drive, this allows easier access for staff to download forms and processes when required.

Community Planning

Aged and Disability Services

To plan for how Council can best meet the needs of older members of our community into the future, Council developed its 'Seniors Participation and Care Plan 2008-2012'. The plan describes in detail the current and predicted demographics of our community, the services that we presently have to support our community, and key actions to continue to provide the high level care that our community has come to expect.

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 drought has a significant impact on people who are frail, aged or have a disability. With the assistance of State Government funding, Council's Aged and Disability Services implemented a water saving program through the Home Maintenance program. These activities included providing mulch and grey water watering systems to eligible people.

2007/08 Aged and Disability Services Statistics at a glance:

- Aged and Disability programs had 1,035 clients
- 26,513.2 hours of direct care support (home care, personal care and respite care) was provided.
- 21,308 kilometres travelled by Northern Grampians Shire Council direct care workers to deliver services to people in their own homes, an increase of 70,000 km over 2006/07
- 293.75 hours of essential home maintenance was delivered to 156 clients to enable them to remain independent in their own homes, a 5% increase on the previous year,
- 291 people had their service needs assessed and,
- 26,637 meals were distributed by the Meals on Wheels program. On average 113 people a week received meals

A special thanks to the volunteers who make this possible.

Senior Citizens

Northern Grampians Shire Council was again a key contributor to the 2007 Seniors Festival. During the Seniors Festival, seniors in the Northern Grampians Shire had the

opportunity to enjoy a joint meal at Navarre and entertainment provided by the Children from Navarre Primary School.

Four people from St Arnaud were also supported to attend the Victorian Governor's Garden Party, where the announcement for the Senior of the Year was announced.

Community Access

2007/08 saw the review completed of the Community Access Plan by Council and the Community Access Advisory Group. The plan provides a framework to enhance the accessibility of our streets, buildings and attractions which has benefit to all members and visitors to our community. The Community Access Advisory Group continues to play an important role in supporting council with advice on access issues, identifying improvements that can be made to assist accessibility and contributing to development of Council's policies that impact on community accessibility.

Children's Services

Taylor's Gully Children's Centre (Stawell)

Building on the success of its first year as a multi-use children's hub, Taylor's Gully has continued to make improvements to the facilities and also to the service that is provided to children and families in the region. This has been confirmed by positive feedback received from parents and clients regarding the Centre and continued high satisfaction results in the Community satisfaction survey. During 2007/08 Taylor's Gully Children's Centre received visits from state Government Ministers, local members of parliament and government representatives and officials to view our "one stop shop" for Family & Children's Services.

The heating and cooling throughout the original childcare rooms and kindergarten was replaced in 2007 with more efficient units, comparable to those in the new section. The 2-5 year old group play yard has been upgraded to include a garden area. The addition of water tanks has enabled watering of the small gardens during the drought, and allows for children to enjoy some water play whilst in care. The yards will further be enhanced by confirmation of a State Government grant to upgrade the shade sails in all the play yards. The Multi-purpose room is being well utilised by the Stawell Playgroup, parenting groups, Maternal & child Health programs, and visiting children's specialists

With a commitment to providing a professional career path for members of our community, and also to provide high quality services for children, Taylors Gully Children's Centre has supported six staff to complete certificate level qualifications in childcare, and three staff in obtaining a Diploma of Children's Services.



Community Planning

A further eight staff members are also currently undergoing Certificate and Diploma level training. Taylor's Gully Children's Centre has also been a choice for other students undertaking study on their way to a career in childcare, with to several Certificate and Diploma students being on placements within our services, and a number of work experience student placements throughout the 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 Kindergarten operates in a partnership between the Council and the St Arnaud Parents Advisory (PAC). The PAC have invested in the kindergarten facilities by installing clear plastic blinds around the playground Veranda allowing staff to enclose this area during winter to create an indoor / outdoor space. In a joint project between Council and the PAC, the kinder playground has been further enhanced by the construction of a bike track. Apart from being particularly popular with the children, it has also allowed for road safety education to be instilled. State Government drought relief funding has continued, allowing concession card holders free kindergarten sessions and reduced fees for other families.

The St Arnaud Children's Precinct has also been successful in being awarded a state Government grant to improve the playgrounds. This will be used to lay artificial lawn in the Long Day Care Playground, reducing our reliance on water and providing a safe play area for the children...

Outside School Hours Care and Vacation Care has successfully completed the gruelling accreditation process in June 2008, achieving a high quality standard, which mirrors the results throughout the Shire for Council's children's services.

St Arnaud Children's Precinct is also actively engaged in supporting staff and keen local community members to obtain the skills and qualifications to have a career in childcare. One staff member is currently completing a Bachelor of Early Childhood Teaching (Kindergarten), three staff are undertaking a Diploma of Children's Services, and two trainees in the Diploma course have been offered a traineeship at the Precinct.

2007/08 Family and Children's services statistics at a glance:

- Council's Taylor's Gully and St Arnaud Long Day Care programs provided a total of

118,235 hours of childcare in 2007/08 increase of 16.4% on last year

- The Family Day Care Program, administered from Taylor's Gully Children's Centre, provided 38,992.50 hours of care for the 07/08 year.
- 'Take a Break' Occasional Care service has provided 6,382 hours of childcare for the 07/08 year
- Out of School Hours Care (St Arnaud) provided 4,190 hours of after school care and 3920 hours of School Vacation care.
- The St Arnaud Kindergarten provides 10 hours of 4 year-old Kinder to 32 children each week, and one 2hour Kinder session for 18 of 3year olds per week.

Maternal & Child Health

The Maternal and Child Health program has benefited from being collocated at the Taylors Gully Children's Centre and St Arnaud Children's Precinct. The nurses continue to receive positive feedback from families with young children around service location and convenience. Opportunistic contact with families is being maximised by MCH nurses as much as possible, ensuring availability at times when families are present in the facility for kinder and childcare. Taylor's Gully and St Arnaud Children's Precinct reception has also provided an 8am-6pm "personal face" to the MCH service when nurses are undertaking increasing amounts of home visiting and outreach work. Families are able to make contact and leave messages for the MCH staff via the reception service. The MCH nurses continue to build upon existing community links and establish new partnerships with other local providers of Early Years services. Many positive links are being established and built upon within the Taylor's Gully Children's Centre with increased opportunities for shared learning, training and exchange of information.

MCH staff continue to work with many external and internal community groups. In particular the service in conjunction with Lenzone has continued to operate a weekly Young Mums group from Taylors Gully throughout the year. MCH staff supported a pilot initiative of aqua-natal classes for 10 weeks at the Stawell Leisure Complex. A successful toddler parenting evening was held facilitated by Centacare. Staff contributed to the network for sustaining breastfeeding, locally held by the Stawell/Ararat Australian Breastfeeding Association group. MCH staff continue to establish protocols and procedures for vaccine handling and storage in conjunction with Council's Environmental Health Department.

MCH staff have also supported valuable research projects with universities and hospitals including 'Eating and activity patterns in toddlers' (Deakin university) and 'Developmental

Community Planning

Dysplasia of Hip' training module (Royal Children's Hospital).

Staffing has remained stable across Stawell and St Arnaud centres with one regular MCH Nurse available for relief work.

Staff have provided training to several students on placement from childcare and nursing specialities. An ongoing schedule of regular training and clinical competencies was attended by all nurses, as a requirement of the Victorian Nurses Board. Sessions attended include a wide variety of educational components and two regional forums held in Northern Grampians Shire (Stawell and St. Arnaud) for all MCH Nurses from the Grampians region. From the beginning of 2008, the inclusion of St Arnaud MCH service into the administrative structure of Stawell MCH team has provided benefits with data collection, addressing OHS issues, and improved staff support.

2007/08 Maternal and Child Health Statistics at a glance:

- 142 new enrolments of 0-1 year old children, up 36.5% on 2006/07
- 134 Birth notices received, up 36.7% on 2006/07
- 34 New first time mothers
- 43 parenting group sessions held
- 44 Families participating in Enhanced MCH program

These statistics demonstrate an increase in the birth rates in the Shire, well above the preceding two years.

Drought Recovery Initiatives

The Drought recovery officer has established strong relationships with various agencies also working on minimising the impact of drought. These include Grampians Pyrenees Primary Care Partnership, East Wimmera Health Services, Rural Financial Councillors and many more. The recovery process has included several significant events including "Farming in the 21st Century", Rural women's workshops, Supporting Raising Dust rural leadership group, and establishing the FarmGate trial through out the Northern end of Northern Grampians Shire Council.

Recreation Facility Upgrades

The following projects have been completed in 2007-2008

- Central Park Stawell Netball court redevelopment
- North Park Stawell Netball court lighting.
- Lord Nelson Park Oval lighting
- Swans water initiative pipeline to Central Park
- Lord Nelson Park St Arnaud Gym facilities.
- Navarre Recreation Reserve Clubroom redevelopment

- Great Western Recreation Reserve Clubroom upgrade
- Goldfields Reservoir St Arnaud redevelopment

Funding has also been secured for:

- St Arnaud Tennis Club – Synthetic Surfaces
- Shire Rains on Droughts Impact - Catchment dams and piping throughout the Shire.

Leisure Services

Stawell Leisure Complex

- Stawell Leisure Complex had over 60,000 participation visitations during 2007/08.
- A number of new programs were launched or re launched including Bronze Medallion, Men's Soccer, Edgym.
- In its seventh year, The 'PLAY IT SAFE' Campaign was again successful with a number of primary and secondary schools being involved in open water activities & lifesaver visits.
- The indoor cricket facilities were markedly improved by the removal and replacement of the indoor cricket nets as well laying new carpet. Soccer and netball lines were also marked in the new carpet
- The 'Fitopia' Gym was opened in the facility. Operated by Sue Gunther, the gym conducts personal training, classes and casual usage.
- To ensure the safety of swimmers, the ends of the outdoor pool were re-tiled.

St Arnaud Swimming Pool

- The St Arnaud Swimming Pool had approximately 13000 participation visitations during 2007/08
- A Pool Party was conducted with over 200 in attendance.
- A Swim & Survive program was established, with approximately forty children enrolled

Environmental Health Services

Registered Premises

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

- 179 food premises
- 38 accommodation premises
- 20 hairdresser/beauty therapy premises
- 9 caravan parks

There were 134 food premises inspected and 60 food safety program compliance checks undertaken. There were also 59 temporary food stalls inspected in this period.

Food Sampling Program

Locally produced foods as well as high-risk, ready to eat foods were targeted in Council's food sampling program for this period. 47 food samples were obtained with a compliance rate of 81%. Non compliance issues included incorrect labelling of products.



Community Planning

Municipal Public Health Plan

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

Complaints

A total of 45 complaints were recorded by environmental health, up down 31 complaints last year.

Food	13
Environmental	12
Septic/sewerage	4
Tobacco	2
Refuse	2
Other	10

Infectious Disease Investigations

There have been three gastrointestinal outbreaks investigated during this period. Two of the outbreaks were confirmed with Norovirus as the causative agent. Over eighty people were affected by these outbreaks with considerable effort and time given by Environmental Health Officers, facility staff and Department of Human Services Communicable Disease staff into minimising spread and identifying the source of illness. There have also been a number of single case notifications for Campylobacter and Salmonella infections.

Tobacco Education and Enforcement

Council Environmental Health Officers have continued to be active in supporting initiatives to reduce the impact of smoking cigarettes in our community. Officers inspected 22 tobacco retailers, 25 licensed premises and 23 eating establishments and found 16 breaches of signage requirements. New compliant signage was given to display. There were no complaints received by Council for sales of tobacco to minors.

Immunisation

Total vaccination encounters for 2007-2008 are as follows:

	Monthly Sessions	School Sessions	Other	Total
Stawell	240	608	214	
St. Arnaud	107	242	32	
Total	347	850	246	1443

Council maintains high immunisation rates equivalent to Victorian averages.

Waste Water Program

A total of 44 'Applications to Install/Alter a Septic Tank' were received and processed during this period. 73 inspections were conducted, 43 'Permits to Install/Alter' were issued and 20 'Approval to Use' were issued.

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.

Local Laws

Council's Local Laws Department provides controls in areas such as environmental protection, animals, roads and public places, livestock, Municipal Fire Prevention, protection of Council assets and building sites. Staff continue to undertake professional development including certificate level training in Local Government Local Laws. As a result Local Laws Officers are better able to meet the varied demands of the job from wandering stock on the roads to people distressed at having a snake in or around their home.

When it came to responsible pet ownership in the Shire this year, there were a total of 3,840 animals registered with Council, comprising of 2,843 dogs and 997 cats. During 2007/08, Council local laws officers impounded 484 animals (263 Dogs, 211 Cats and 10 Stock). Of these 152 animals (134 Dogs, 16 Cats and 2 Stock) returned to their owners, and 52 Animals were purchased (41 Dogs, 8 Cats and 3 Stock).

There were 14 dog attacks during this period.

With the assistance of a European wasp committee comprising Council and community members, the Local Laws Department continued to monitor and control European Wasp activity throughout the Shire. This has reduced the numbers of European Wasp reports significantly.

Business & Tourism Development

The effects of the prolonged drought have continued to erode the Shire's economy. Farming is our biggest industry. Following a patchy harvest, the total income of the sector has continued to be depressed resulting in Increased farm debt. Reduced expenditure has drained many local businesses.

The economy of the Shire is, of course, exposed to national trends. Increasing competition from Asia has been a factor in many manufacturing industries. The higher value of the Australian Dollar has compounded the effects on Australian exports, both of farm produce and manufactured goods. The Shire's large manufacturing industries have felt these effects and several businesses have closed. QAF Piggeries in St Arnaud and Gre Gre, Aunde's automotive trim business, and SteelChief shed manufacturers ceased business during the year, each with significant immediate impact on employees, contractors and residents. Motorway Tyres in Stawell closed subsequently, compounding the effects.

Council, Shire staff and the community have been busy and largely successful in addressing these challenges.

We had a year-long focus on economic development, we provided and funded a revised Business Assistance Scheme and we continued to rate our business and industrial properties at the same levels as residential properties of the same capital value. Those Council policies have helped to stimulate a high level of investment in the Shire and the generation of new employment opportunities.

Our economy is expanding despite some unfavourable nationwide trends and circumstances.

Primary production is a strong contributor to our economy and 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 gold mine.

Winter rains have given a good start to record areas of crops. Depending upon the Spring, the harvest could yet range widely. Current world grain prices remain favourable. But the cost of freighting export grain to port falls to producers, and the current shortage of rail freight capacity would become an enormous issue if a bumper harvest were to eventuate.

Road freight would present great cost and logistical issues and would place the State's ambitious road safety objectives at great risk.

Our local roads would suffer highways and roads accessing the ports. accelerated wear, along with arterial roads, Council and its neighbours have been active in highlighting these issues.

The Council and the community are now well progressed with preparations for the eventual closure of Stawell Gold Mine, the Shire's largest single employer. However, the mine's new Canadian owners, Northgate, have been successful in recent exploration and the remaining life of the mine is now greater than 3 years. That period may be further extended should current exploration of greater depths produce further reserves. The Council and the mine are cooperating with the community to ensure that Council's planning decisions for the eventual closure of the mine reflect what local people want for Stawell.

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. To capitalise on our opportunities for increased tourism, Council and its neighbours have supported the formation of Grampians Tourism. This new regional organisation will seek to improve the development of tourism products and service as well as promotion and marketing. Its task is to grow our tourism industry faster than rival destinations. Council is strongly supportive of its nature-based tourism themes and has secured the Great Victorian Bike Ride, bringing 4000 participants to the Shire in 2008. We are in the construction phase of our new Halls Gap Visitor Information Centre to continue to serve an expanding industry.

The measures that we took to encourage economic development have exceeded all expectations and we now have record levels of investment in the towns, the mines and in crops in the ground and we are holding up in manufacturing industry as a result of specialisation in mining machinery and agricultural machinery.

Northern Grampians Shire offers a natural environment and lifestyle that meets the demands of our changing community. Our tourism and business development activities are supporting growth and attracting new people to our towns.





Infrastructure Services

The Northern Grampians Shire Council's Infrastructure Department has delivered a large capital works program across the municipality, with a continuing focus on water management.

Below are many of the achievements for the 2007/2008 financial year:

The 'Roads to Recovery' federal funding program has assisted with many road maintenance programs, including:

- the annual resheeting and resealing program
- Dundas Street bypass reconstruction
- Renewing 1.2 km of Hines road
- Sealing a number of streets in Marnoo, Navarre, Great Western Stawell and St Arnaud.

Pedestrians and Cyclists

Completion of the bike track at St Arnaud kinder.

New pedestrian paths were installed at Cato Park

Road Safety

Improvement of the Western Highway intersection at Panrock Reservoir Road.

Bridges

- Replaced Archdale Road Bridge and Paradise Road Bridge
- Completed Glenorchy Fire Access Bridge & Hunts Scour Company Bridge
- Buildings
- Renovated Halls Gap community hall & toilets, Callawadda hall, Deep Lead hall, Joel Joel hall and Concongella Community hall.

Parks and Gardens and Tree Management

- Improved Banyena Tennis Court, Campbell Bridge and Emu Tennis Court
- Improved Bicentennial Park Playground
- Installed LNP lights for Football oval & North Park netball court
- Various play ground upgrades

Adopted a new Roadside Vegetation Management Plan for our rural roadsides.

Halls Gap

Completed Streetscape stage II

St Arnaud

- Renovated St Arnaud Pool
- Upgraded Load Nelson Park Toilets
- Continued St. Arnaud park land development
- Continued Town centre beautification works
- Continued street tree replacement program

Stawell

- Stage I of Airport Upgrade project commenced
- Renewed Air conditioners at Library and Taylor's Gully Children's precinct
- Upgraded Western Highway Office
- Continued Town centre beautification works
- Installed playground equipment at Cato Lake Park
- Continued street tree replacement program

Great Western

- Renovated Football & Netball club change rooms
- Continued township beautification project
- SWANS project
- The Stormwater Alternative Natural System project progressed with the completion of Stage II of the projects and constructed dams at the Stawell Secondary School site.

Water Management

- Adopted a Sustainable Water Use plan for the Shire.
- Completed Duke Sands pipe line works
- Upgraded the Goldfield reservoir and improved catchment areas

Fifteen emergency water supply points continued to be activated for the supply of stock and domestic water across the Shire.

STARS project

The Council has continued 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 second stage pipeline to the Country Club golf course was constructed during the year and is anticipated to be commissioned in 2009.

Emergency Management

This year saw another early fire season declaration. An annual clean up day was undertaken in Halls Gap in preparation for the fire season which was well supported by the community and other emergency management agencies.

Waste Management

A new contract was set in place to manage Council waste transfer stations at Stawell, Halls Gap and Great Western.

Donations and grants

The following donations or grants (amounts GST exclusive) were made during 2007-2008

	Amount
Stawell Athletic Club Inc	\$ 16,500.00
Raising Dust Inc	\$ 11,250.00
Central Grampians LENN	\$ 5,500.00
David O Jones Hardware	\$ 5,355.00
St Arnaud Playgroup	\$ 5,000.00
St Arnaud Netball Club	\$ 5,000.00
St Arnaud Turntable Preservation	\$ 5,000.00
Stawell Lions Club	\$ 5,000.00
Wallaloo Golf Club	\$ 5,000.00
Grampians Grape Escape Inc	\$ 5,000.00
Stawell Agricultural Society	\$ 4,974.00
Grampians Produce	\$ 4,950.00
St Arnaud Country Club Inc	\$ 3,618.00
St Arnaud Elderly Persons Hostel	\$ 3,524.00
Navarre Progress Association	\$ 3,502.00
CCES Chaplaincy Committee	\$ 3,000.00
Stawell Urban Landcare Group	\$ 2,900.00
Stawell Camera Club	\$ 2,673.00
Halls Gap & Pomonal Playgroup	\$ 2,500.00
Festival of St Arnaud	\$ 2,500.00
St Arnaud Country Music Club	\$ 2,500.00
Great Western Progress Association	\$ 2,500.00
Ecotourism Australia	\$ 2,200.00
PS & JD Baker Automotive	\$ 2,184.10
St Arnaud Angling Club	\$ 2,100.00
St Arnaud Agricultural Society	\$ 2,000.00
Mountain Deer Tavern	\$ 1,615.00
Grampians Model Railroaders	\$ 1,600.00
Brass Band St Arnaud Senior Citizens	\$ 1,500.00
Norman Simpson Memorial Band	\$ 1,500.00
Stawell City Brass Band	\$ 1,500.00
St Arnaud Horse & Pony Club	\$ 1,500.00
Stawell Riding for the Disabled	\$ 1,500.00
Victorian Police	\$ 1,500.00
St Arnaud Lions Club	\$ 1,500.00
Halls Gap Tourism & Business	\$ 1,500.00
Community Association of Halls Gap	\$ 1,200.00
St Arnaud Country Music Club	\$ 1,200.00
Stawell Regional Arts	\$ 1,099.90
Halls Gap Pool Committee	\$ 1,000.00
Marnoo Pool Committee of Management	\$ 1,000.00
Rotary Club of St Arnaud	\$ 1,000.00
Buoyage Systems Australia P/L	\$ 1,000.00
Halls Gap Caravan Park & Recreation Reserve	\$ 1,000.00

Cont. Donations and Grants

Grampians Veterans Cycling Club	\$ 1,000.00
Halls Gap & Grampians Historic Society	\$ 959.00
Grampians Veterans Cycling Club	\$ 850.00
St Arnaud District Orchid Society	\$ 790.00
Stawell Biarri Group For Genealogy Inc	\$ 700.00
Great Western Progress Association	\$ 550.00
Stawell Gifts and Variety	\$ 500.00
	<hr/>
Total	\$ 145,294.00

Donations & Grants of less than \$500 (GST inclusive) totalling \$4754.00 were granted to 34 community groups

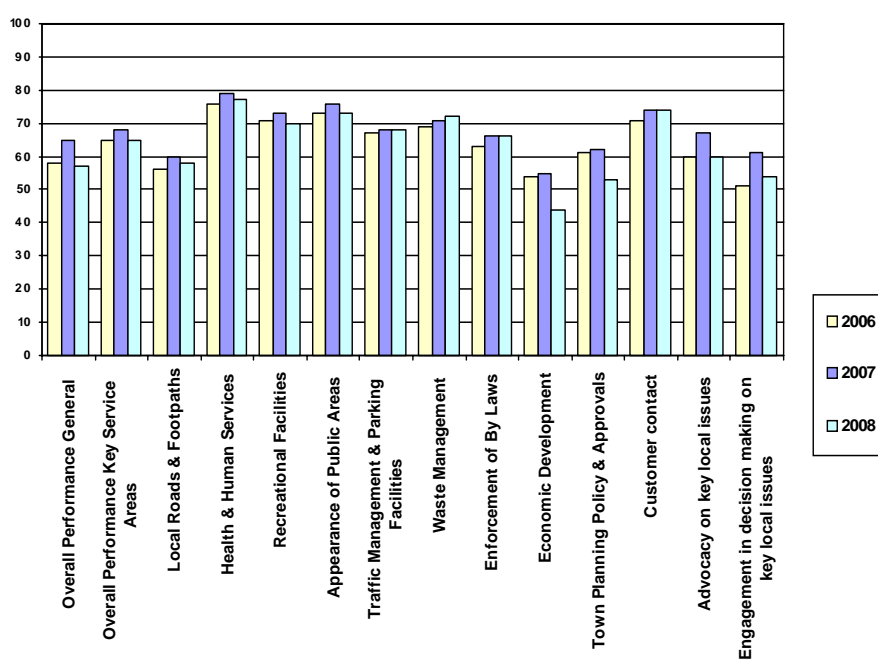


Local Government Indicators

INDICATOR	2007/08
Affordability/Cost of Governance	
Average rates and charges per assessment	\$1005
Average rates and charges per residential assessment	\$972
Sustainability	
Average liabilities per assessment	\$556
Operating expenditure per assessment	\$2,300
Operating result per assessment	(22)
Working capital ratio (ie current assets as a ratio to current liabilities)	151%
Community satisfaction rating for overall Council performance	57
Infrastructure	
Average capital expenditure per assessment	\$600
Renewal gap	62%
Renewal and maintenance gap	77%
Governance	
Community satisfaction rating for Council's customer contact	60
Community satisfaction rating for Council's engagement in decision making	54

Community Satisfaction Survey

ANNUAL COMMUNITY SATISFACTION SURVEY RESULTS



Staffing Levels

Number of staff employed at 30 June 2008

	Male	Female	No. of Staff
Full Time	56	33	89
Part Time/Casual	12	112	124
Total	68	145	213

Work Group Area	No of Staff	EFT
Executive Services	5	5.0
Corporate Services	27	25.2
Infrastructure Services	49	47.8
Building and Planning	4	3.7
Community Services	87	55.2
Recreation	19	5.7
Economic Development & Tourism	10	9.2
Local Laws	12	5.8
TOTAL	213	157.6

Memberships

Council was a member of the following organisations during the 2007-2008 year

- Planning Institute Of Australia
- Australian Institute Of Building Surveyors
- Central Victorian Greenhouse Alliance
- TAXED
- Kindergarten Parents Victoria
- 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
- Royal Life Saving Society
- Rail Freight Development Alliance
- Regional Tourism Association
- Stawell Chamber Of Commerce
- Wimmera Mallee Rail Service
- VECCI
- Victorian Safer Communities Network
- Wimmera Regional Library Corporation
- Wimmera Transport Group

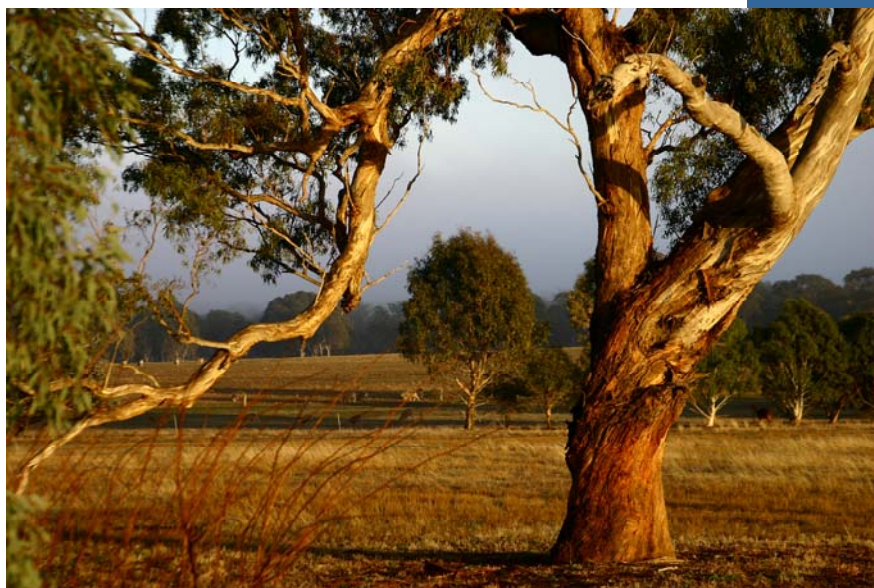
Committees

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

- 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 two requests under Freedom of Information for the period 1 July 2007 to 30 June 2008. Council decided that two requests were not entitled to full access to a variety of documents because they affected personal privacy as defined in Section 33 of the Freedom of Information Act.

There 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 \$113.00 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 2008 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 2007/08 Certification by Chief Executive Officer

Northern Grampians Shire Council has complied with the requirements of the National Competition Policy (NCP) for the period 1 July 2007 to 30 June 2008, in accordance with the requirements outlined in *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; as set out below:

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

I certify that:

this statement has been prepared in accordance with the 2007-08 National Competition Policy guidelines issued in May 2008 for reporting on National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; and

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

Signed:



Glen Davis
(Chief Executive Officer)

Date: 23 September, 2008

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

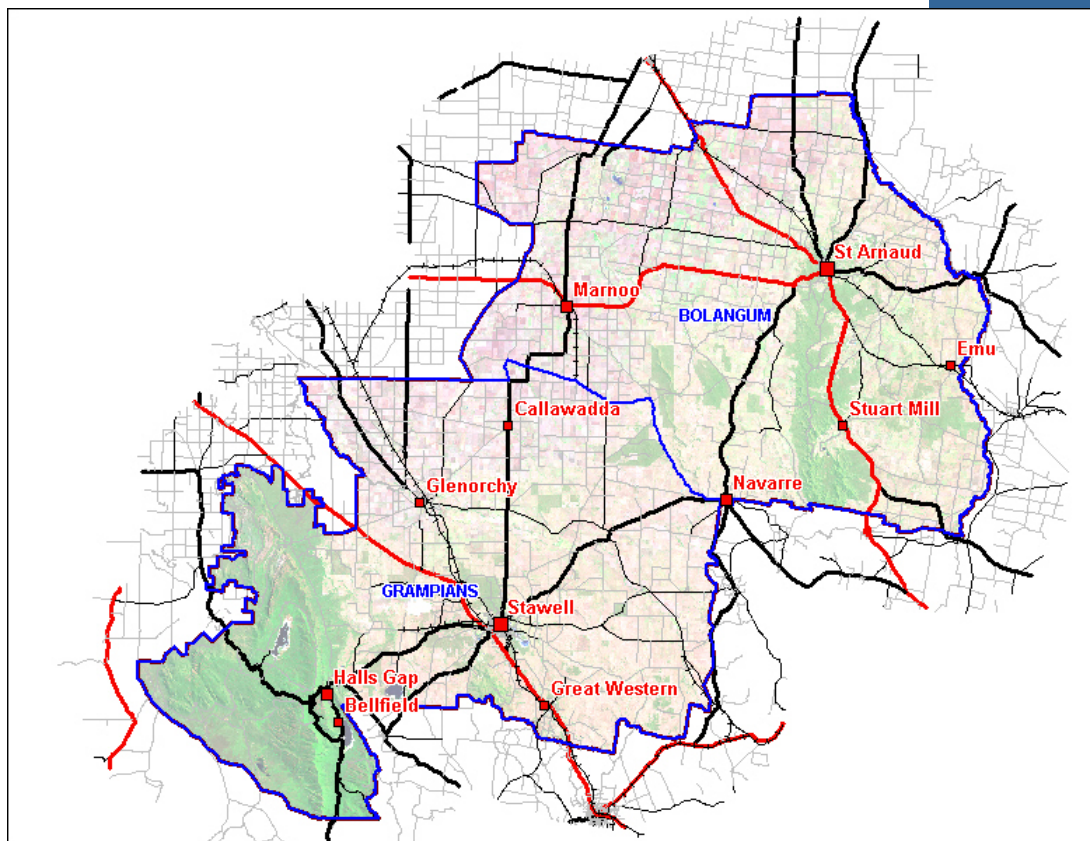
St Arnaud
Freecall 1800 014 455

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."*



Annual Financial Report

FOR THE YEAR ENDED 30 JUNE, 2008

Northern Grampians Shire Council
Financial Report
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Income Statement For the Year Ended 30 June 2008

	Note	2008 \$'000	2007 \$'000
Revenue			
Rates and Charges	2	9,253	8,630
User Fees	3	2,625	2,501
Contributions - Cash	5	396	363
Grants - Recurrent	4	6,292	6,914
Grants - Non Recurrent	4	1,799	2,676
Other Revenue	6	382	318
Total Revenue		20,747	21,402
Expenses			
Employee Benefits	7	(8,758)	(8,146)
Materials and Services	8	(7,551)	(7,837)
Bad & Doubtful Debts	9	(12)	0
Depreciation and Amortisation	10	(4,543)	(4,305)
Finance Costs	11	(146)	(132)
Total Expenses		(21,010)	(20,420)
Net gain(loss) on disposal of property, infrastructure, plant and equipment		108	(95)
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	12	(43)	(44)
Net Increment on Revalued Assets		0	160
Surplus(deficit) for the year		(198)	1,003

The accompanying notes form part of this financial report

Balance Sheet As at 30 June 2008

	Note	2008 \$'000	2007 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	13	3,786	4,993
Trade and Other Receivables	14	1,338	1,351
Prepayments		206	165
Inventories	15	32	83
Total Current Assets		5,362	6,592
Non-current Assets			
Trade and Other Receivables	14	101	133
Investments in Associates accounted for using the equity method	12	465	508
Property, Plant and Equipment, Infrastructure	16	221,858	182,424
Total Non-current Assets		222,424	183,065
Total Assets		227,786	189,657
Liabilities			
Current Liabilities			
Trade and Other Payables	17	1,099	1,306
Trust Funds and Deposits	18	55	112
Provisions	19	1,901	1,562
Interest-bearing Loans and Borrowings	20	493	644
Total Current Liabilities		3,548	3,624
Non-current Liabilities			
Provisions	19	123	297
Interest-bearing Loans and Borrowings	20	1,460	1,952
Total Non-current Liabilities		1,583	2,249
Total Liabilities		5,131	5,873
Net Assets		222,655	183,784
Equity			
Accumulated Surplus		106,941	107,346
Reserves	21	115,714	76,438
Total Equity		222,655	183,784

The accompanying notes form part of this financial report

Statement of Changes in Equity For the Year Ended 30 June 2008

	Note	Total 2008 \$'000	Accumulated Surplus 2008 \$'000	Asset Revaluation Reserve 2008 \$'000	Other Reserves 2008 \$'000
2008					
Balance at beginning of the financial year		183,784	107,346	73,883	2,555
Surplus(deficit) for the year		(198)	(198)	0	0
Net asset revaluation increment(decrement)	21(a)	39,069	0	39,069	0
Transfers to other reserves	21(b)	0	(594)	0	594
Transfers from other reserves	21(b)	0	387	0	(387)
Balance at end of the financial year		222,655	106,941	112,952	2,762

		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

The accompanying notes form part of this financial report

Cash Flow Statement For the Year Ended 30 June 2008

	2,008	2007
	Inflows/ (Outflows)	Inflows/ (Outflows)
Note	\$'000	\$'000
Cash flows from operating activities		
Rates and Charges	9,229	8,627
User Fees	2,875	2,851
Grants	8,367	10,108
Contributions	396	363
Other Revenue	236	393
GST Refunded from ATO	1,175	1,171
Employee Benefits	(8,593)	(7,998)
Materials and Services	(8,923)	(9,246)
Finance Costs	(146)	(132)
Payments to ATO for GST	(323)	(578)
Net cash provided by (used in) operating activities	4,293	5,559
Cash flows from investing activities		
Payments for Property, Infrastructure, Plant and Equipment	(5,482)	(5,204)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment	682	653
Net cash provided by (used in) investing activities	(4,800)	(4,551)
Cash flows from financing activities		
Trust Funds and Deposits	(57)	16
Proceeds from Interest Bearing Loans and Borrowings	0	770
Repayment of Interest Bearing Loans and Borrowings	(643)	(714)
Net cash provided by (used in) financing activities	(700)	72
Net increase (decrease) in Cash and Cash Equivalents	(1,207)	1,080
Cash and Cash Equivalents at the Beginning of the Financial Year	4,993	3,913
Cash and Cash Equivalents at the End of the Financial Year	3,786	4,993
Financing Arrangements	200	200
Restrictions on Cash Assets	3,789	3,507

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.

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 4. The note also discloses the amount of unused grants or contributions from prior years that were expended on Council's operations during the current year.

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

User Fees

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

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

Sale of Property, Infrastructure, Plant and Equipment

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

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) Inventory

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

(i) 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. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlement. Commonwealth band rates are used for discounting future cash flows.

Long Service Leave

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

Classification of Employee Benefits

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

Superannuation

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

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

Note 1 Significant Accounting Policies (cont.)

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

(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 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 2007-08 was \$1,749 million (2006-07 \$1,615 million). The 2007-08 rate in the capital improved value dollar was 0.5291 cents (2006-07, 0.4963 cents).

	2008 \$'000	2007 \$'000
Residential	4,363	4,168
Commercial	612	459
Industrial	32	24
Farm/Rural	2,348	2,194
Cultural & Recreational	7	6
Supplementary Rates & Rate Adjustments	6	(3)
Interest on Rates	32	29
Garbage Charge	1,120	1,022
Municipal Charge	733	731
	<u>9,253</u>	<u>8,630</u>

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

The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2010, & the valuation will be first applied in the rating year commencing 1 July 2010.

Note 3 User Fees

Child Care	476	480
Home Care	472	472
Private Works	356	223
Leisure Centre	296	290
Meals on Wheels	182	183
Building	107	94
Family Day Care Fees	89	127
Environmental Health Fees	86	77
Other	82	71
Tip Fees	81	84
Tourist Office	77	69
Cemetery Fees	76	61
Animal Registrations	63	66
Town Planning Fees	55	53
Property Rentals	45	36
Caravan Park Fees	32	37
Films	21	31
Local Laws Fines & Permits	21	29
Town Hall Hire	8	18
	<u>2,625</u>	<u>2,501</u>

Note 4 Grants

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

Recurrent

	2008 \$'000	2007 \$'000
General Revenue Grant	4,807	4,593
Home Care	489	453
Child Care Centre	204	184
Family Day Care	129	169
Infant Welfare Centre	129	117
Information Services	116	38
Environmental Grants	94	141
Other Grants	85	88
Drought	84	130
Meals on Wheels	38	37
Economic Development Grants	33	65
Senior Citizens	16	16
Heritage	14	17
Community Projects	13	82
School Crossing Subsidy	13	13
State Emergency Service Grant	10	10
Recreation Grants	8	23
Youth	5	12
Jobs for Young Grant	5	7
Main Roads	0	440
Natural Disaster Funding	0	191
Veterans Home Care Assessments	0	68
Bushfire Grants	0	20
Total	6,292	6,914

Non-recurrent

Roads to Recovery	891	954
Stawell Airport Upgrade Grant	350	0
Sporting Recreation Grants	146	68
Gas Pipeline Grant	93	0
Bore Construction	79	296
Central Park Water Grant	77	0
Community Water Grant	43	0
Halls Gap Streetscape Grant	40	76
Other Grants	36	0
Goldfield Reservoir Grant	20	0
Central Park Alt Pipeline Grant	10	0
LGS Emergency Management	9	36
Drought Relief Water Tank Grants	5	20
Drought Funding Local Works Infrastructure Program	0	300
Taylors Gully Stage 2	0	250
Halls Gap Bike Path Grant	0	217
Stars Project St Arnaud	0	137
Halls Gap Tourism Hub	0	125
Grampians Gateway Estate Development Grants	0	100
Centre Park Media Centre Grant	0	97
Total	1,799	2,676

Note 4 Grants (cont.)

Conditions on Grants

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

	2008 \$'000	2007 \$'000
Stawell Airport Upgrade Grant	227	0
Central Park Water Grant	72	0
Community Water Grant	43	0
Drought Recovery Grant	42	0
Shire Rains on Drought Grant	32	0
Banyena Tennis Court Minors Grant	16	0
Heritage Grants	10	0
Great Western Clubrooms Refurbishment Grant	2	0
Drought Funding Local Works Infrastructure Program	0	286
Halls Gap Tourism Hub Grant	0	121
STARS Project St Arnaud Grant	0	69
Roads to Recovery Grant	0	53
Drought Business Support Grant	0	47
Drought Relief Community Sport Grant	0	45
Community Cohesion Project Grant	0	38
North Park Grass Conversion Grant	0	20
Drought Relief Water Tank Grant	0	18
Interim Roadside Control Grant	0	16
Drought Recovery Grant	0	11
Youth Grant - FReeZA	0	5
Central Park Netball Court Grant	0	3
Landcare Festival Grant	0	3
Bore Construction Grant	0	2
ICLEI Grant	0	2
	445	739

Note 4 Grants (cont.)

Conditions on Grants (cont.)

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

	2008 \$'000	2007 \$'000
Drought Funding LWIP	286	0
Additional Roads to Recovery Funding	198	0
Halls Gap Tourism Hub Grant	121	0
STARS Project St Arnaud Grant	69	0
Roads to Recovery Grant	53	0
Drought Business Support Grant	47	0
Drought Relief Community Sport Grnt	46	0
Community Cohesion Project Grant	38	0
Navarre Football & Netball Club Grant	38	0
Bushfire Comm Dev Grant	35	0
Drought Relief Water Tank Grant	18	0
Drought Recovery Grant	11	0
Interim Roadside Control Grant	10	0
Youth Grant - FReeZA	3	0
Central Park Netball Crt Grant	3	0
Landcare Festival Grant	3	0
Bore Contruction Grant	2	0
ICLEI Grant	2	0
Street Party Kit Grant	2	0
Roads to Recovery Grant	0	311
Additional Roads to Recovery Funding	0	216
Halls Gap Bike Path	0	153
Bushfire Community Development Grant	0	114
Grampians Gateway Industrial Estate	0	55
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
Youth Grant - FReeZA	0	5
	982	1,003

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

(538) (264)

Note 5 Contributions - Cash

Child Care Benefits	165	213
Contributions to Revaluation Process	84	11
Contributions to Capital	31	10
Other	24	50
Workcover	16	27
Contributions to Legal Expenses	31	23
Open Space Contributions	45	29
	396	363

	2008 \$'000	2007 \$'000
Note 6 Other Revenue		
Interest	316	232
Other Revenue	66	86
	<u>382</u>	<u>318</u>
Note 7 Employee Benefits		
Wages & Salaries	8,124	7,701
Less Capitalised Salary & Wages	(433)	(513)
	<u>7,691</u>	<u>7,188</u>
Increase/(decrease) in Long Service Leave	163	46
Increase/(decrease) in Annual Leave	2	101
Superannuation	683	630
Fringe Benefits Tax	49	52
Work Cover	170	129
	<u>1,067</u>	<u>958</u>
	<u>8,758</u>	<u>8,146</u>
Note 8 Materials & Services		
Materials & Services	7,551	7,837
	<u>7,551</u>	<u>7,837</u>
Note 9 Bad & Doubtful Debts		
Childcare Debtors	12	0
	<u>12</u>	<u>0</u>
Note 10 Depreciation		
Sealed Pavements	834	833
Sealed Surfaces	785	699
Unsealed Pavement	665	637
Plant & Machinery	511	463
Motor Vehicles	163	141
Buildings	719	703
Major Bridges & Culverts	323	328
Kerb & Channel	128	132
Drains	118	117
Computer Equipment	146	112
Footpaths	54	59
Furniture & Fittings	26	29
Parks & Gardens	46	32
Formations Sealed	4	4
Formations Unsealed	4	4
Street Furniture	15	10
Heritage Assets	2	2
	<u>4,543</u>	<u>4,305</u>
Note 11 Finance Costs		
Interest - Borrowings	146	132
	<u>146</u>	<u>132</u>

Note 12 Investment in Associates

Investments in Associates accounted for by the equity method are:

- Wimmera Regional Library Corporation Profit/(Loss)

2008
\$'000

2007
\$'000

(43) (44)

(43) (44)

Carrying value of Investment at end of year

465 508

Note 13 Cash & Cash Equivalents

Cash on Hand

4 4

Cash at Bank

351 1,400

Short Term Deposits

3,431 3,589

3,786 4,993

Note 14 Trade & Other Receivables

Current

Rates Debtors

343 318

Scheme Debtors

0 1

Loans & Advances to Community Organisations

45 62

Other Debtors

771 854

Provision for Doubtful Debts

(12) 0

GST Receivable

0 71

Accrued Income

191 45

1,338 1,351

Non-current

Loans & Advances to Community Organisations

101 133

101 133

Total

1,439 1,484

Note 15 Inventories

Inventories for distribution

23 72

Inventories held for sale

9 11

32 83

Note 16 Property, Plant and Equipment, Infrastructure

		2008 \$'000	2007 \$'000
Summary			
	at cost	11,251	16,081
	at fair value as at 30 June 2008	330,970	0
	at fair value as at 30 June 2007	0	72,030
	at fair value as at 30 June 2006	0	29,103
	at fair value as at 1 July 2004	0	149,473
	Work In Progress	86	815
		342,307	267,502
	Less accumulated depreciation	(120,449)	(85,078)
	Total	221,858	182,424
Property			
Land			
	at cost	0	41
	at fair value as at 30 June 2008	6,967	0
	at fair value as at 30 June 2006	0	6,019
	Work In Progress	0	38
	Total Land	6,967	6,098
Buildings			
	at cost	0	1,560
	at fair value as at 30 June 2008	60,203	0
	at fair value as at 30 June 2006	0	23,084
	Work In Progress	0	42
	Less accumulated depreciation	(21,968)	(702)
	Total Buildings	38,235	23,984
The valuation of land and buildings was determined by Council's independent contract valuer Mr. Ian Wilson Dip. Valuations RMIT, as at 30th June 2008. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.			
	Total Property	45,202	30,082
Plant, Machinery & Motor Vehicles			
Plant & Machinery			
	at cost	6,779	6,160
	Less accumulated depreciation	(2,634)	(2,418)
		4,145	3,742
Motor Vehicles			
	at cost	934	973
	Less accumulated depreciation	(195)	(236)
		739	737
	Total Plant, Machinery & Motor Vehicles	4,884	4,479
Equipment			
Furniture & Fittings			
	at cost	344	325
	Less accumulated depreciation	(289)	(263)
		55	62
Computer Equipment			
	at cost	1,131	816
	Less accumulated depreciation	(673)	(527)
		458	289
	Total Equipment	513	351

		2008 \$'000	2007 \$'000
Note 16	Property, Plant and Equipment, Infrastructure (cont.)		
	<i>Infrastructure</i>		
	Footpaths		
	at fair value as at 30 June 2008	8,065	0
	at fair value as at 30 June 2007	0	9,090
	Work In Progress	0	123
	Less accumulated depreciation	(3,676)	(4,218)
	Total Footpaths	4,389	4,995
	Kerb & Channel		
	at fair value as at 30 June 2008	13,369	0
	at fair value as at 30 June 2007	0	16,073
	Work In Progress	0	0
	Less accumulated depreciation	(5,957)	(8,089)
	Total Kerb & Channel	7,412	7,984
	Sealed Pavements		
	at cost	0	60
	at fair value as at 30 June 2008	130,020	0
	at fair value as at 1 July 2004	0	90,919
	Less accumulated depreciation	(45,902)	(31,583)
	Total Sealed Pavement	84,118	59,396
	Sealed Surfaces		
	at cost	0	2,518
	at fair value as at 30 June 2008	14,637	
	at fair value as at 1 July 2004	0	8,543
	Less accumulated depreciation	(6,949)	(6,166)
	Total Sealed Surfaces	7,688	4,895
	Unsealed Pavements		
	at cost	0	1,899
	at fair value as at 30 June 2008	20,344	0
	at fair value as at 1 July 2004	0	17,683
	Less accumulated depreciation	(7,882)	(7,629)
	Total Unsealed Pavement	12,462	11,953
	Formations Sealed		
	at fair value as at 30 June 2008	7,227	0
	at fair value as at 1 July 2004	0	7,287
	Less accumulated depreciation	(36)	(47)
	Total Formations Sealed	7,191	7,240

		2008 \$'000	2007 \$'000
Note 16	Property, Plant and Equipment, Infrastructure (cont.)		
	Formations Unsealed		
	at fair value as at 30 June 2008	8,225	0
	at fair value as at 1 July 2004	0	8,235
	Less accumulated depreciation	(41)	(54)
	Total Formations Unsealed	8,184	8,181
	Bridges & Major Culverts		
	at fair value as at 30 June 2008	43,190	0
	at fair value as at 30 June 2007	0	46,867
	Work In Progress	0	132
	Less accumulated depreciation	(16,112)	(18,704)
	Total Bridges & Major Culverts	27,078	28,295
	Drainage		
	at cost	0	440
	at fair value as at 30 June 2008	18,723	0
	at fair value as at 1 July 2004	0	16,659
	Work In Progress	86	425
	Less accumulated depreciation	(7,951)	(4,320)
	Total Drainage	10,858	13,204
	Total Infrastructure	169,380	146,143
	Street Furniture		
	at cost	418	418
	Less accumulated depreciation	(69)	(55)
	Total Street Furniture	349	363
	Parks & Gardens		
	at cost	1,435	808
	Work In Progress	0	55
	Less accumulated depreciation	(97)	(51)
	Total Parks & Gardens	1,338	812
	Heritage Assets		
	at cost	210	210
	Less accumulated depreciation	(18)	(16)
	Total Heritage Assets	192	194
	 The valuation of Footpath, Kerb & Channel, Sealed Surfaces, Sealed Pavement, Sealed Formations was determined by Mr. Peter Moloney, Dip.C.E.C.E, MIE Aust. as at 30 June 2008 and was based on current written down replacement value of the assets. Valuations for Drainage, Bridges, Unsealed Pavement and Unsealed Formations were determined by Mr Sanjay Maniasagasivam B. Engineering(Civil) MIE Aust. as at 30 June 2008 and was based on current written down replacement value of the assets.		
	Total Property, Plant and Equipment, Infrastructure	221,858	182,424

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

2008	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	6,060	27	893	0	(51)	38	6,967
Buildings	23,942	517	14,551	(719)	(98)	42	38,235
Total Property	30,002	544	15,444	(719)	(149)	80	45,202
Plant & Equipment							
Plant & Equipment	3,742	962	0	(511)	(47)	0	4,146
Motor Vehicles	737	543	0	(163)	(378)	0	739
Furniture & Fittings	62	19	0	(26)	0	0	55
Computers	289	315	0	(146)	0	0	458
Street Furniture	363	0	0	(15)	0	0	348
Heritage Assets	194	0	0	(2)	0	0	192
Total Plant & Equipment	5,387	1,839	0	(863)	(425)	0	5,938
Infrastructure							
Sealed Pavements	59,396	297	25,259	(834)	0	0	84,118
Sealed Surfaces	4,895	770	2,808	(785)	0	0	7,688
Unsealed Pavements	11,953	746	428	(665)	0	0	12,462
Formations Sealed	7,240	0	(45)	(4)	0	0	7,191
Formations Unsealed	8,181	0	7	(4)	0	0	8,184
Total Roads	91,665	1,813	28,457	(2,292)	0	0	119,643
Bridge & Major Culverts	28,163	271	(1,165)	(323)	0	132	27,078
Footpaths	4,872	101	(653)	(54)	0	123	4,389
Kerb & Channel	7,984	0	(444)	(128)	0	0	7,412
Drainage	12,779	256	(2,570)	(118)	0	425	10,772
Parks & Gardens	757	572	0	(46)	0	55	1,338
Total Infrastructure	54,555	1,200	(4,832)	(669)	0	735	50,989
Works in Progress							
Buildings	42	0	0	0	0	(42)	0
Land	38	0	0	0	0	(38)	0
Footpaths	123	0	0	0	0	(123)	0
Bridge & Major Culverts	132	0	0	0	0	(132)	0
Drainage	425	86	0	0	0	(425)	86
Parks & Gardens	55	0	0	0	0	(55)	0
Total Works in Progress	815	86	0	0	0	(815)	86
Total Property, Plant and Equipment and Infrastructure	182,424	5,482	39,069	(4,543)	(574)	0	221,858

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
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

			2008	2007	
			\$'000	\$'000	
Note 17	Trade & Other Payables				
	Trade Payables		742	1,011	
	Accrued Salary & Wages		337	264	
	Accrued Expenses		20	31	
			1,099	1,306	
Note 18	Trust Funds & Deposits				
	Refundable Building Deposits		15	13	
	Refundable Security Deposits		21	28	
	Refundable Civic Facilities Deposits		1	2	
	Other Refundable Deposits		18	69	
			55	112	
Note 19	Provisions				
		Annual Leave	Rostered Days Off	Long Service Leave	Total
	2008	\$ '000	\$ '000	\$ '000	\$ '000
	Balance at beginning of the financial year	814	38	1,007	1,859
	Additional Provisions	583	285	274	1,142
	Reduction of Provisions	(586)	(279)	(112)	(977)
	Balance at the end of the financial year	811	44	1,169	2,024
	2007				
	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	814	38	1,007	1,859
				2,008	2,007
				\$'000	\$'000
	(a) Employee Benefits				
	Current				
	Annual Leave			811	814
	Long Service Leave			1,046	710
	Rostered Days Off			44	38
				1,901	1,562
	Non-current				
	Long Service Leave			123	297
				123	297
	Aggregate carrying amount of Employee Benefits:				
	Current			1,901	1,562
	Non-current			123	297
				2,024	1,859

	2008 \$'000	2007 \$'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	3.3%	3.4%
Weighted average settlement period	13	13
(i) Current		
All annual leave and the long service leave entitlements representing 7 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	910	933
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	991	629
	<u>1,901</u>	<u>1,562</u>
(ii) Non-current		
Long service leave representing less than 7 years of continuous service measured at present value	123	297
Total	<u>2,024</u>	<u>1,859</u>
Note 20 Interest-bearing Loans and Borrowings		
Current (i)		
Borrowings - secured	493	644
Non-current (ii)		
Borrowings - secured	1,460	1,952
Total	<u>1,953</u>	<u>2,596</u>
The maturity profile for Council's borrowings is:		
Not later than one year	493	644
Later than one year and not later than five years	1,254	1,538
Later than five years	206	414
	<u>1,953</u>	<u>2,596</u>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	493	644
Non-current	1,460	1,952
	<u>1,953</u>	<u>2,596</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	2,299	2,350
Increment (decrement)	893	14,551	(653)	(444)
Balance at end of reporting period	<u>4,618</u>	<u>26,469</u>	<u>1,646</u>	<u>1,906</u>

	Bridges & Major Culverts \$'000	Drains \$'000	Street Furniture \$'000	Sealed Pavements \$'000
Balance at beginning of reporting period	10,314	4,905	20	22,912
Increment (decrement)	(1,165)	(2,570)	0	25,259
Balance at end of reporting period	<u>9,149</u>	<u>2,335</u>	<u>20</u>	<u>48,171</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)	2,808	428	(45)	7
Balance at end of reporting period	<u>5,022</u>	<u>9,151</u>	<u>1,815</u>	<u>2,650</u>

	Total 2008 \$'000	Total 2007 \$'000
Balance at beginning of reporting period	73,883	61,143
Increment (decrement)	39,069	12,740
Balance at end of reporting period	<u>112,952</u>	<u>73,883</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	982	44	348	42
Transfer to/from accumulated surplus	26	45	(20)	12
Balance at end of the reporting period	1,008	89	328	54

	Stawell Cemetery	Gravel Pits Restoration	Roads to Recovery	St Arnaud Cinema
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	66	122	902	2
Transfer to/from accumulated surplus	3	0	(198)	0
Balance at end of the reporting period	69	122	704	2

	Western Highway Action Reserve	Community Loan Reserve	Heritage Verandah Restoration Reserve
	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	47	0	0
Transfer to/from accumulated surplus	(34)	363	10
Balance at end of the reporting period	13	363	10

	Total 2008	Total 2007
	\$'000	\$'000
Balance at beginning of the reporting period	2,555	2,018
Transfer to/from accumulated surplus	207	537
Balance at end of the reporting period	2,762	2,555
Total Reserves	115,714	76,438

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.

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

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

	2008 \$'000	2007 \$'000
Note 22 Reconciliation of Cash Flows from Operating Activities to surplus (deficit)		
Surplus(deficit) for the year	(198)	1,003
Depreciation	4,543	4,305
(Profit)/loss on Disposal of Property, Plant and Equipment and Infrastructure	(108)	95
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in Trade and Other Receivables	191	287
Increase/(decrease) in Accrued Income	(146)	75
Increase/(decrease) in Trade and Other Payables	(248)	(441)
(Increase)/decrease in Inventories	51	203
Increase/(decrease) in Provisions	165	148
(Increase)/decrease in Regional Library	43	44
Net Increment on Revalued Assets	0	(160)
Net Cash provided by/(used in) Operating Activities	4,293	5,559
Note 23 Reconciliation of Cash and Cash Equivalents		
Cash and Cash Equivalents (see note 13)	3,786	4,993
	3,786	4,993
Note 24 Financing Arrangements		
Bank Overdraft	200	200
Used Facilities	0	0
Unused Facilities	200	200
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 *	1,027	952
Reserve Funds (note 21)	2,762	2,555
	3,789	3,507

* 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 Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). Obligations for contributions are recognised as an expense in profit or loss when they are due. The Fund has two categories of membership, 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. From 1 July 2008 employers are required to pay superannuation guarantee contributions based on Ordinary Time Earnings (OTE) which may put upward pressure on contribution levels.

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 by the Actuary at 30 June 2007 pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	30-Jun-07 \$'000
Net Market Value of Assets	4,102,154
Accrued Benefits (per accounting standards)	3,923,436
Difference between Assets and Accrued Benefits	<u>178,718</u>
Vested Benefits	<u>3,572,589</u>

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:

Fund	2008 \$'000	2007 \$'000
Defined benefit plans		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	126	118
	<u>126</u>	<u>118</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	459	427
Employer Contributions to Employee Choice Super	98	85
	<u>557</u>	<u>512</u>

Note 27 Commitments

The Council has entered into the following commitments

2008	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Tree Maintenance	74	0	0	0	74
Waste Management	691	681	949	0	2,321
Cleaning Services	69	71	0	0	140
Valuations	33	172	0	0	205
	866	924	949	0	2,739
Capital					
Computer Equipment	168	0	0	0	168
Buildings	357	0	0	0	357
Roads	394	0	0	0	394
	919	0	0	0	919
Total	1,785	924	949	0	3,658

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					
Tree Maintenance	105	0	0	0	105
Waste Management	585	589	1,254	0	2,428
Cleaning Services	115	0	0	0	115
Valuations	163	32	172	0	367
Roadside Maintenance	12	0	0	0	12
	980	621	1,426	0	3,027
Capital					
Plant & Equipment	305	0	0	0	305
Land	21	0	0	0	21
Roads	383	0	0	0	383
	709	0	0	0	709
Total	1,689	621	1,426	0	3,736

	2008 \$'000	2007 \$'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	45	53
Later than one year and not later than five years	93	76
Later than five years	0	0
	138	129
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 2008 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
A number of minor public liability claims are outstanding. Whilst Council will be required to meet the insurance excess deductible on any claims that are successful, its potential liability under those claims is otherwise adequately insured.		
(ii) There is the potential for Council to have to pay for restoration costs on gravel pits for land controlled by the D.S.E, these risks are covered by way of bank guarantee.		
(iii) Bank Guarantees		
The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.		
Department of Sustainability and Environment	50	50
Minister for Agriculture & Resources	6	6
Victorian Rail Track	6	0
	62	50

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 5.75% and 7.70% (5.25% and 6.55% in 2006-07). The average rate at balance date was 7.24% (6.11% in 2006-07).
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 6.48% at balance date (6.45% in 2006-07).
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 11.77% (9.95% in 2006-07).

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:

2008						
	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	351	3,431	0	0	4	3,786
Trade and Other Receivables	0	45	101	0	962	1,096
Total Financial Assets	351	3,476	101	0	966	4,882
Weighted Average Interest Rate	6.75%	7.32%	8.16%			
Financial Liabilities						
Trade and Other Payables	0	0	0	0	1,099	1,099
Trust Funds and Deposits	0	0	0	0	55	55
Interest-bearing Loans and Borrowings	0	493	1,254	206	0	1,953
Total Financial Liabilities	0	493	1,254	206	1,154	3,107
Weighted Average Interest Rate		6.10%	6.07%	6.21%		
Net Financial Assets (Liabilities)	351	2,983	(1,153)	(206)	(188)	1,775
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	0	0	0	0	112	112
Interest-bearing Liabilities	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

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	
	2008 \$'000	2007 \$'000
<i>(1) Financial Assets</i>		
Cash and Cash Equivalents	3,786	4,993
Trade and Other Receivables	1,096	1,165
<i>Total Financial Assets</i>	<i>4,882</i>	<i>6,158</i>
<i>(2) Financial Liabilities</i>		
Trade and Other Payables	1,099	1,306
Trust Funds and Deposits	55	112
Interest Bearing Loans & Borrowings	1,953	2,596
<i>Total Financial Liabilities</i>	<i>3,107</i>	<i>4,014</i>

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

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

Interest rate risk

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

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

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

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

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

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

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

Note 30 Financial Instruments (cont.)

Credit risk

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 29.

Liquidity risk

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

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

To help reduce these risks we:

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

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

(f) Sensitivity disclosure analysis

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

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 7%.

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

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	(1%) 100 basis points	2% 200 basis points		
		Profit	Equity	Profit	Equity
2008	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	3,786	(38)	(38)	76	76
Trade and other receivables	1,439	(14)	(14)	29	29
Financial liabilities:					
Interest-bearing loans and borrowings	1,953	20	20	(39)	(39)

Note 31 Auditors' Remuneration

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

2008	2007
\$'000	\$'000
21	21
22	47
43	68

Note 32 Pending Accounting Standards

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

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2006-3 Amendments to Australian Accounting Standards	AAS 27 Financial Reporting by Local Governments AASB 1045 Land Under Roads: Amendments to AAS 27A, AAS 29A and AAS 31A	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-Jul-08
AASB 1004 Contributions	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to contributions contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08
AASB 1051 Land Under Roads	AAS 27 Financial Reporting by Local Governments	In respect to land under roads acquired before 30 June 2008: allows a Council to elect to recognise or not to recognise an asset; requires any adjustment upon recognition to be made against accumulated surplus; requires a Council to disclose its accounting policy; allows a Council to elect to adopt the fair value or a previous revaluation; requires any above elections to be made effective as at 1 July 2008. Requires that land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116. The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.	1-Jul-08	1-Jul-08
AASB 1052 Disaggregated Disclosures	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to disaggregated disclosures contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08
AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31	AAS 27 Financial Reporting by Local Governments Amendments to: AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127, AASB 137	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	1-Jul-08	1-Jul-08

Note 33 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

Councillor Bryan Small (Mayor from 6/12/2007)
Councillor Robyn Smith (Mayor to 5/12/2007)
Councillor Ian Nicholson
Councillor Greg Earle
Councillor Ross Clementson
Councillor Wayne Rice
Councillor Kevin Erwin
Councillor Dorothy Patton
Councillor Ray Hewitt

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:

	2008 No.	2007 No.
\$10,000 - \$19,999	7	7
\$20,000 - \$29,999	2	2
\$160,000 - \$169,999	0	1
\$180,000 - \$189,999	1	0
	10	10
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	324	306

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2006-07, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2006-07, \$0).

(v) Other Transactions

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

Councillor Ian Nicholson	A & N Collection Services (Razarba Pty Ltd) - provision of recycling services. Councillor Ian Nicholson is a shareholder in the company.	157
Manager Carole Ford	B & D Plumbing - provision of plumbing services. Owned by husband of Carole Ford.	66

Note 33 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:

Income Range:	2008 No.	2007 No.
< \$100,000	1	3
\$100,000 - \$109,999	4	0
\$110,000 - \$119,999	0	1
\$120,000 - \$129,999	1	0
\$130,000 - \$139,999	1	0
	<u>7</u>	<u>4</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	764	322

Note 34 Income, Expenses and Assets by Function/Activities

	Governance		Corporate Services		Customer Services		Business Services		Total	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME										
Grants	0	251	4,932	4,666	3,079	3,838	80	835	8,091	9,590
Other	53	59	9,872	9,077	2,641	2,607	90	69	12,656	11,812
TOTAL	53	310	14,804	13,743	5,720	6,445	170	904	20,747	21,402
EXPENSES	(889)	(986)	(8,541)	(7,798)	(10,515)	(10,526)	(1,000)	(1,089)	(20,945)	(20,399)
SURPLUS (DEFICIT) FOR THE YEAR	(836)	(676)	6,263	5,945	(4,795)	(4,081)	(830)	(185)	(198)	1,003
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	192	193	51,130	37,314	176,464	152,150	0	0	227,786	189,657

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

Governance

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

Corporate Services

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

The Division includes the following Branches :

Corporate Services	Customer Support
Financial Services	Information Services

Customer Services

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

The Division includes the following Branches :

Infrastructure Operations	Community Planning
Infrastructure Development	Planning & Building

Business Services

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

The Division includes the following Branches :

Economic Development	Tourism
Marketing	

Note 35 Financial Ratios (Performance Indicators)

	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u> Total Revenue	$\frac{146}{20,747}$	= 0.70%	$\frac{132}{21,402}$	= 0.62%	$\frac{175}{21,609}$	= 0.81%
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	$\frac{789}{9,253}$	= 8.53%	$\frac{846}{8,630}$	= 9.80%	$\frac{847}{8,329}$	= 10.17%
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	$\frac{9,253}{20,747}$	= 44.60%	$\frac{8,630}{21,402}$	= 40.32%	$\frac{8,329}{21,609}$	= 38.54%
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	$\frac{4,104}{40,857}$	= 10.04%	$\frac{4,921}{26,149}$	= 18.82%	$\frac{5,037}{27,154}$	= 18.55%

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 35 Financial Ratios (Performance Indicators) (cont.)

	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)	2006 \$'000	2006 (%)
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	5,362		6,592		4,497	
<u>Current Liabilities</u>	3,548	= 151.13%	3,624	= 181.90%	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>	5,362		6,592		4,497	
<u>Current liabilities</u>	2,557	= 209.70%	2,995	= 220.10%	3,274	= 137.35%

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 ASA
Principal Accounting Officer

Date : 11.9.08

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampian Shire Council for the year ended 30 June 2008 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 11 September 2008 to certify the financial statements in their final form.

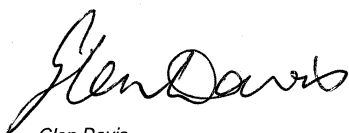

Bryan Small
Councillor

Date : 11.9.08



Greg Earle
Councillor

Date : 11.9.08



Glen Davis
Chief Executive Officer

Date : 11.9.08



Standard Statements

2007 - 2008

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 2008

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 28 June 2007. 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 2008

	Budgeted 2007/2008 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2007/2008 (\$'000)
Revenues						
Rates and Garbage Charges	9,178	75	1%			9,253
User Fees and Charges	2,598	27	1%			2,625
Contributions	444	(48)	(11%)	1		396
Grants - Operating	6,089	203	3%			6,292
Grants - Capital	2,343	(544)	(23%)	2		1,799
Other Revenue	281	101	36%	3		382
Total Revenues	20,933	(186)	(1%)			20,747
Expenses						
Employee Benefits	(8,574)	(184)	2%			(8,758)
Materials and Services	(7,206)	(345)	5%			(7,551)
Bad and Doubtful Debts	0	(12)	(100%)	4		(12)
Depreciation	(4,410)	(133)	3%			(4,543)
Borrowing Costs	(151)	5	(3%)			(146)
Total Expenses	(20,341)	(669)	3%			(21,010)
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	108	(100%)	5		108
Share of net profit(loss) of Associates accounted for by the equity method	0	(43)	0%	6		(43)
Surplus(deficit) for the year	592	(790)	(133%)			(198)

Northern Grampians Shire Council

Standard Income Statement Comparison Report for the Year Ending 30 June 2008

Variance Explanation Report

Ref.	Item	Commentary
1	Contributions	Reduced utilisation of Children's Services resulting in lower than budgeted Child Care Benefit income.
2	Grants - Capital	Several capital projects were not completed to the point at which grant funding could be acquitted as budgeted. These projects include Roads to Recovery, Halls Gap Drainage Project, Halls Gap Visitor Information Centre Community Hub and Stawell Gift Hall of Fame.
3	Other Revenue	Higher than anticipated levels of cash held combined with higher interests rates.
4	Bad and Doubtful Debts	A provision has been made for doubtful child care debts.
5	Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	The sale of some assets were higher than the book value of the assets at the time of sale.
6	Share of net profit(loss) of Associates accounted for by the equity method	No allowance was made at the time of the budget for a loss from investments in associates.

Commentary on the Standard Income Statement for the Annual Report:

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

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

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

Northern Grampians Shire Council

Standard Balance Sheet Comparison Report for the Year Ending 30 June 2008

	Budgeted 2007/2008 (\$'000)	Variances			Actual 2007/2008 (\$'000)
		(\$'000)	%	Ref	
CURRENT ASSETS					
Cash and Cash Equivalents	2,928	858	29%	7	3,786
Receivables	1,485	(338)	(23%)	8	1,147
Prepayments and Accrued Income	361	36	10%		397
Inventories	294	(262)	(89%)	9	32
Total Current Assets	5,068	294	6%		5,362
NON-CURRENT ASSETS					
Non-current Receivables	151	(50)	(33%)	10	101
Investments in Associates	552	(87)	(16%)	11	465
Fixed Assets	171,401	50,457	29%	12	221,858
Total Non-Current Assets	172,104	50,320	29%		222,424
TOTAL ASSETS	177,172	50,614	29%		227,786
CURRENT LIABILITIES					
Payables	1,279	(180)	(14%)	13	1,099
Trust Funds	96	(41)	(43%)	14	55
Employee Benefits	1,542	359	23%	15	1,901
Interest Bearing Liabilities	581	(88)	(15%)	16	493
Total Current Liabilities	3,498	50	1%		3,548
NON-CURRENT LIABILITIES					
Employee Benefits	279	(156)	(56%)	15	123
Interest Bearing Liabilities	1,864	(404)	(22%)	16	1,460
Total Non-Current Liabilities	2,143	(560)	(26%)		1,583
TOTAL LIABILITIES	5,641	(510)	(9%)		5,131
NET ASSETS	171,531	51,124	30%		222,655
EQUITY					
Accumulated Funds	108,369	(1,428)	(1%)		106,941
Asset Revaluation Reserve	61,145	51,807	85%	12	112,952
General Reserves	2,017	745	37%	17	2,762
TOTAL EQUITY	171,531	51,124	30%		222,655

Northern Grampians Shire Council

Standard Balance Sheet Comparison Report for the Year Ending 30 June 2008

Variance Explanation Report

Ref.	Item	Commentary
7	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.
8	Receivables	Budgeted receivables were lower than anticipated.
9	Inventories	Inventories held for distribution have been rationalised resulting in lower stock levels.
10	Non-current Receivables	Budget assumed for an additional Community Loan that was not taken up.
11	Investments in Associates	No allowance was made at the time of the budget for a movement in the value of investments in associates.
12	Fixed Assets	No provision was made in the adopted budget for the impact of infrastructure revaluations or the resultant accumulated depreciation movement.
13	Payables	The budget assumed higher levels of outstanding creditors than actually occurred.
14	Trust Funds	No provision was made in the adopted budget for any movement in trust funds or deposit held. However, there was a reduction in contractor retained payments and WHAC trust funds held.
15	Employee Benefits	Changes to the new EBA reducing the years of service (from 10 to 7 years) for long service leave entitlement was not budgeted for.
16	Interest Bearing Liabilities	Budget assumed a new loan was to be taken up. This did not occur.
17	General Reserves	Budget did not include provision for new Community Loan reserve.

Commentary on the Standard Balance Sheet for the Annual Report:

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

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

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

Northern Grampians Shire Council

Standard Cash Flow Statement for the Financial Year Ending 30 June 2008

	Budgeted 2007/2008 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2007/2008 (\$'000)
	Inflows (Outflows)					Inflows (Outflows)
Cash Flows from Operating Activities						
Rates and Charges	9,178	51	1%			9,229
User Fees	2,598	198	8%			2,796
Grants	8,432	(309)	(4%)			8,123
Contributions	444	(48)	(11%)	18		396
Other Revenue	281	(45)	(16%)	19		236
Employee Benefits	(8,574)	(19)	0%			(8,593)
Materials and Services	(7,206)	(542)	8%			(7,748)
Finance Costs	(151)	5	(3%)			(146)
<i>Net Cash provided by Operating Activities</i>	5,002	(709)	(14%)			4,293
Cash Flows from Investing Activities						
Payments for Property, Plant and Equipment	(6,260)	778	(12%)			(5,482)
Proceeds from Sale of Fixed Assets	1,003	(321)	(32%)	20		682
<i>Net Cash used in Investing Activities</i>	(5,257)	457	(9%)			(4,800)
Cash Flows from Financing Activities						
Trust Deposit Movements (Net)	0	(57)	(100%)	21		(57)
Proceeds from Borrowings	500	(500)	(100%)	22		0
Repayment of Borrowings	(651)	8	(1%)			(643)
<i>Net Cash provided by/(used in) Financing Activities</i>	(151)	(549)	364%			(700)
NET INCREASE/(DECREASE) IN CASH HELD	(406)	(801)	197%			(1,207)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	3,334	1,659	50%	23		4,993
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	2,928	858	29%			3,786

Northern Grampians Shire Council

Standard Cash Flow Statement Comparison Report for the Year Ending 30 June 2008

Variance Explanation Report

Ref.	Item	Commentary
18	Contributions	Reduced utilisation of Children's Services resulting in lower than budgeted Child Care Benefit income.
19	Other Revenue	Higher than anticipated levels of cash held combined with higher interests rates.
20	Proceeds from Sale of Fixed Assets	A number of properties budgeted for sale were not sold.
21	Trust Deposit Movements (Net)	No provision was made in the adopted budget for any movement in trust funds or deposit held. However, there was a reduction in contractor retained payments and WHAC trust funds held.
22	Proceeds from Borrowings	Budget assumed a new loan was to be taken up. This did not occur.
23	Cash And Cash Equivalents At The Beginning Of The Year	Increased cash held 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 2008

	Budgeted 2007/2008 (\$'000)	Variances (\$'000)	%	Ref	Actuals 2007/2008 (\$'000)
Capital Works Areas					
Infrastructure Assets	3,405	(878)	(26%)	24	2,527
Plant & Motor Vehicles	1,015	490	48%	25	1,505
Parks and Gardens	728	(156)	(21%)	26	572
Land & Buildings	951	(407)	(43%)	27	544
Other	161	173	107%	28	334
Total Capital Works	6,260	(778)	(12%)		5,482
Represented by:					
Renewal	3,134	975	31%	29	4,109
New Assets	1,453	(141)	(10%)	29	1,312
Expansion	1,673	(1,612)	(96%)	29	61
Total Capital Works	6,260	(778)	(12%)		5,482
	Budgeted 2007/2008 (\$'000)	Variances (\$'000)	%		Actuals 2007/2008 (\$'000)
Property, Plant & Equipment Movement Reconciliation Worksheet					
Total Capital Works	6,260	(778)	(12%)	30	5,482
Depreciation	(4,410)	(133)	3%		(4,543)
Revaluation	0	39,069	(100%)	31	39,069
Written Down Value of Assets Sold	(1,003)	429	(43%)	32	(574)
Net Movement in Property, Plant and Equipment	847	38,587	4556%		39,434

Northern Grampians Shire Council

Standard Statement of Capital Works Comparison Report for the Year Ending 30 June 2008

Variance Explanation Report

Ref.	Item	Commentary
24	Infrastructure Assets	Bridge repair works deferred to 2008-09. Halls Gap Drainage and Stawell Airport Upgrade projects carried forward.
25	Plant & Motor Vehicles	Some heavy plant purchases were budgeted for and ordered in the previous years but received and paid for in 2007-08.
26	Parks and Gardens	Some community projects budgeted for in the Parks & Gardens capital program were expensed.
27	Land & Buildings	Halls Gap Tourism Hub and Stawell Hall of Fame projects carried forward.
28	Other	Replacement of Core Systems not included in adopted budget.
29	New, Renewal and Expansion	The classification of assets between new and expansion is different from budget as the projects had not been completely scoped prior to the adoption of the budget.
30	Total Capital Works	Refer notes 25, 26, 27, 28 & 29
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 2008

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2008 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.



Vaughan Williams B. Comm ASA
Principal Accounting Officer


Date: 11/9/08

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.

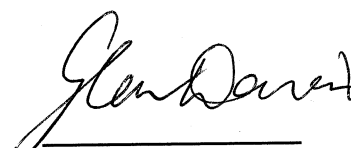
On 11 September 2008 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.


Bryan Small
Councillor

Date: 11/9/08


Greg Earle
Councillor

Date: 11/9/08


Glen Davis
Chief Executive Officer

Date: 11/9/08

INDEPENDENT AUDITOR'S REPORT

To the Councillors', Northern Grampians Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2008 of the Northern Grampians Shire Council which comprises of an 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 2008 of the Northern Grampians Shire Council which comprises of a standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

This responsibility includes:

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

Auditor's Responsibility

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

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

Independent Auditor's Report (continued)

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.

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

This auditor's report relates to the financial statements published in both the annual report and on the website of the Northern Grampians Shire Council for the year ended 30 June 2008. The Councillor's are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Northern Grampians Shire Council web site.

Independence


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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2008 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
12 September 2008


R D R Pearson
Auditor-General



Performance Statement

2007-2008

KEY STRATEGIC ACTIVITIES 2007/2008

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 2007/08	Budget 2007/08
Actual Operating Surplus/(Deficit) v's Budget	(33%)	100%
Operating Surplus/(deficit) as % of Total Recurrent Revenue	(1%)	2.9%
Change in Net Assets from previous year	21.19%	0.35%
Working Capital Ratio	151.13%	144.9%
Total Debt Servicing costs % of Rates & Charges	1.58%	1.6%
% of Rates, Fees & Charges outstanding at 30 June	1.65%	3.0%

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 2007/08	Budget 2007/08
% Movement in Rates & Charges Revenue	7.22%	6.7%
Rates & Charges per assessment	\$1,005	\$1,004
Rates & Charges per Capita	\$736	\$697
Rates & Charges as a % of CIV	0.57%	0.56%
Average Rates & Charges per assessment – Residential	\$978	\$957
Average Rates & Charges per assessment – Farm	\$1,015	\$1004
Average Rates & Charges per assessment – Comm./Indus	\$1,338	\$1,483
Rates & Charges as a % of Total Recurrent Revenue	44.4%	43.8%

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 2007/08	Budget 2007/08
Capital per assessment	\$600	\$685
% Achievement of Capital program	88%	90%
Ratio of Capital Expenditure to Depreciation	1.21	1.42

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 2007/08	Budget 2007/08
Net Operating Expenditure per assessment	\$2,300	\$2,227
Net Operating Expenditure per Capita	\$1,677	\$1,547

Community Satisfaction

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

	Actuals 2007/08	Budget 2007/08
Overall Performance of Council	57	66
Overall Performance in Key Service Areas and Responsibilities	65	69
Rating of Council's interaction and responsiveness in dealing with the Public	74	75
Rating for Council's Advocacy and Community Representation	60	68
Rating for Council's engagement in Decision making on Key Issues	54	62

Performance Indicators - 67% achieved by milestone date

(30 achieved, 15 not achieved by milestone date)

(10 of 15 achieved or partly achieved since milestone date)

Outcome - A roads network and built infrastructure that provides for a transport system that supports community and business needs

	KEY ACTIVITIES 2007/08	MILESTONE	ACHIEVED
1	Review of the Road Management Plan to reflect management and maintenance needs	Updated plan signed off by Council by August 2007	Yes Plan adopted by Council July 2007
2	Development of an Asset Management Plan	Draft plan developed by March 2008	Not achieved Partially completed in conjunction with STEP program. New targets set in STEP program for AMP's for all assets
3	Advocate for changes to the Western Highway that will support business, industry and community growth, including the strategic development of truck stops	Continued membership of Western Highway Action Committee (WHAC)	Yes Report to Council November 2007
4		WHAC strategic plan signed endorsed by Council by December 2007	Yes Endorsed by Council November 2007
5	Development of a Roadside Management Plan	Plan developed by October 2007	Yes Plan to Roads Committee October 2007
6	Improve the community satisfaction rating for overall performance in the provision of roads and footpaths	Index score greater than 60	Not achieved Index score - 58 in 2008 Community Satisfaction Survey

OUTCOME - Enhanced beauty and liveability of our townships

7	Completion of a Cato Park Master plan to guide the future development of the park	Plan completed by September 2007	Yes Plan completed September 2007 then endorsed by Council October 2007
8	Improve the community satisfaction rating for overall performance in the appearance of public areas	Index score greater than 68	Yes Index score - 73 in 2008 Community Satisfaction Survey
9	Improve the community satisfaction rating for overall performance in the provision of recreation facilities	Index score greater than 73	Not achieved Index score - 70 in 2008 Community Satisfaction Survey

OUTCOME - Improved safety and security of our communities

10	Completion of the "community and business renewal" to support recovery from the Deep Lead & Grampians Fires	Support program completed by September 2007	Yes Report to Council September 2007 then endorsed October 2007
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11	Review of the Municipal Emergency Management Plan	Review to be undertaken July 2007	Yes Plan revised June 2007, confirmed in August 2007 with Certificate of Audit from SES.
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OUTCOME - Support for the needs of an aging population

12	Development of an Aged Care Plan	Plan developed by April 2008	Yes Presented to Council April 2008
13	Review & implementation of the Community Access Plan	Review completed by May 2008	Yes Adopted by Council March 2008

OUTCOME - Improved health and wellbeing of our communities

14	All Children's Services to maintain the standards required for ongoing accreditation	Ongoing	Yes Acknowledgment from the National Accreditation Childcare Council
15		Ongoing - Update of policies and procedures during year that reflect applicable standards	Yes All policies and procedures reviewed and updated
16	Review of the Municipal Early Years Plan	Review completed by January 2008	Yes Plan adopted by Council January 2008
17	Review of the immunisation program to ensure improved delivery of service	Review completed by April 2008	Not achieved Commenced but not yet completed
18	Maintain the community satisfaction rating for overall performance in the provision of health & human services	Index score no less than 79	Not achieved Index score - 77 in 2008 Community Satisfaction Survey

OUTCOME - Young people are engaged in the life of our communities

19	Youth Grants Program delivered twice during the year	September 2007 + March 2008	Yes Grants allocated by Council in both September 2007 and March 2008
20	Council to become an active participant within the Youth Options Guarantee program	Ongoing	Yes Heads of Agreements signed
21		Membership of Youth Options Guarantee committee	Yes Officers attendance confirmed in minutes of meetings

OUTCOME – Effective planning supporting the future of our community

22	Creation of a Community Action Plan, identifying opportunities and priorities relating to social, economic and land use issues resulting from the Stawell Gold Mine closure	Establishment of Community focus group by July 2007	Yes 1 st meeting of focus group held June 2007
23		Community consultation undertaken by December 2007	Yes Peter Kenyon facilitated community meeting July 2007
24		Draft Action plan completed by June 2008	Yes Plan in final report February 2008
25	Commence review of the Municipal Strategic Statement	Council provided with briefing paper by end March 2008	Yes Report to Council March 2008
26	Improve the community satisfaction rating for overall performance in the provision of town planning policies and approvals	Index score greater than 62	Not achieved Index score - 53 in 2008 Community Satisfaction Survey

OUTCOME - Increased sustainability of our community

27	Creation of an Action Plan to attract the 25 – 45 age new resident	Action Plan created by December 2007	Not achieved Plan completed April 2008
28	Initiation of the Stawell Water Security Project	Funding application submitted by March 2008	Not achieved Progressed project with stakeholders, and met on several occasions. The major funding body (RDV) has sought application from GWMW (supported by the other parties). This application is dependent on commitment from the parties, and agreement on the funding options and project costs
29	Improve the community satisfaction rating for overall performance in the provision of waste management services	Index score greater than 71	Yes Index score – 72 in 2008 Community Satisfaction Survey

OUTCOME - A successful and diversified business community

30	Review and consolidate the Economic Development and Tourism Strategies.	Review and consolidation completed by March 2008	Not achieved Working draft provided to Council in March 2008, final still to be approved. Delayed with incorporation of Business Survey results and new census results
31	Implement Investment Plan Stage 2, focusing on identified growth industries	Support provided through Council attendance at 3 meetings	Yes Officer attendance confirmed in minutes of meetings
32	Improve the community satisfaction rating for overall performance in the provision of economic development services	Index score greater than 55	Not achieved Index score - 44 in 2008 Community Satisfaction Survey

OUTCOME - Increased tourism activity and repeat visits to the region

33	Support the establishment of the Regional Tourism Organisation	Active involvement in development of RTO through attendance at working party steering committee	Yes Officer attendance confirmed in minutes of meetings
34	Undertake research to identify the needs of visitors to the region	Research project completed by June 2008	Yes Project completed by June 2008

OUTCOME - Strengthened community networks and services

35	Provide 4 activities to support non-profit organisations	Identified activities completed by June 2008	Yes Examples of support include Raising Dust, Rich Avon Services Cricket Club, Back to Callawdda 50 th Anniversary and Stuttgart Orchestra's performance
36	Facilitate a grant information session to assist community groups to access grant funding	Session to be held by end December 2007	Yes Information session held December 2007

OUTCOME - Strong resource management and governance systems are utilised

37	Development of a Purchasing Policy	Policy developed and signed off by Finance Committee by October 2007	Not achieved Policy adopted by Council March 2008
38	Review and update the Information Services Strategy	Updated plan signed off by November 2007	Not achieved Commenced but not yet completed
39	Review of the Governance Principles	Updated Code of Conduct signed off by Council by March 2008	Yes Adopted by Council March 2008
40	Develop a Community Engagement Strategy	Strategy completed by June 2008	Not achieved Commenced, strategy yet to be completed

OUTCOME - Effective and consistent service delivery

41	Development of a Staff Training and Development Plan	Plan developed by September 2007	Yes Plan developed September 2007
42	Development of an intranet site for staff induction and information	Intranet updated by November 2007	Not achieved Commenced but not yet completed


OUTCOME - Our community is aware of available services and delivered outcomes

43	Implement an integrated customer service management system	Ongoing	Yes
44		Confirm Customer Service system implemented by July 2007	Yes "Confirm" system installed June 2007
45	Implement a new Internet and Intranet system to facilitate community engagement	New internet/intranet available by August 2007	Not achieved New web system developed, live December 2007. Intranet currently being developed.

COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2007-08 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 Bryan Small

Date: 14/09/08



Cr Greg Earle

Date: 11/9/08



Chief Executive Officer
Glen Davis

Date: 11/9/08

INDEPENDENT AUDIT REPORT

To the Councillors, Northern Grampians Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2008 of the Northern Grampians Shire Council which comprises the statement, the related notes and the council approval of performance statement has been audited.

The Councillors Responsibility for the Performance Statement

The Councillors of the Northern Grampians Shire Council are responsible for the preparation and 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 entity's preparation and fair presentation of the performance statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This auditor's report relates to the statement of performance published in both the annual report and on the website of the Northern Grampians Shire Council for the year ended 30 June 2008. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's web site.

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

Auditor's Opinion

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2008 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE
12 September 2008



D D R Pearson
Auditor-General