



# Annual Report

2008-2009

*Creating a better lifestyle and environment*



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## AFFIRMATION

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

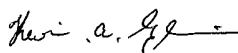
## FROM THE MAYOR, CR KEVIN ERWIN

Northern Grampians Shire continues to move forward with business investment at strong levels. It has much to be proud of with a record year in building and more to come, a large increase in visitors to the Shire especially Halls Gap, Victoria's largest gold mine going strong, and expansion to our poultry, turkey and pig industries.

With the development of the new Gold Reef Community Centre, the celebration of the 150<sup>th</sup> Anniversary of the Hospital, the excellence of health services available in Stawell and planned improvements to the health services in St Arnaud, Northern Grampians is a great place to be.

We have seen the Wimmera Mallee Pipeline weave its way through almost half the Shire eventually providing these parts of our Shire with water security and a base to increase agricultural production.

This year we will see part of a wind farm introduced into the Northern Grampians Shire and we are ready to see further growth in the alternate energy area. Northern Grampians is a unique and inviting Shire.



Kevin Erwin  
**Mayor**

## FROM THE CEO, GLEN DAVIS

Our Shire continues to prosper despite an extended period of drought. Investment in the Shire is at record levels and Council is taking a proactive approach to maintain this. Our major employers are faring well, particularly the Stawell Gold Mine which currently has a projected life longer than ever seen before.

We also continue to host many successful events each year, the biggest being the Stawell Gift. NGSC has this year renewed the agreement with the Stawell Athletic Club to continue the strong support we have provided in the past for this prestigious event. Council has also been able to provide funding to some events which haven't received it in the past ensuring that our events continue to get bigger and better.

The Council does however need to moderate ideals with the resources available for their achievement. Unfortunately, resources available to Councils in this region are not as plentiful as in some others and

these constraints sometimes mean we cannot afford to progress as fast as we would like. We continue to apply for funding from the State to fill this gap and further the projects we wish to complete. This formula has worked for some time and we just need to be patient.

The worldwide economic downturn is also of considerable concern and in the back of the majority of our residents' minds at present. However, the Northern Grampians has proved itself in the past as a strong and resilient community and I have no doubt that we can all continue to tackle these tough times head on and still enjoy the many wonderful things our region has to offer.



Glen Davis  
**Chief Executive Officer**



## OUR COUNCILLORS



### Central Ward

**Mayor Kevin Erwin**

Portfolio Councillor: Waste (regional), Transport/Roads and Economic Development (Primary Industry), Environment and Open Space, Assets and Transport  
First Elected: 14 March, 2003  
Term expires: 24 November, 2012

### Kara Kara Ward

**Cr Dorothy Patton**

Portfolio Councillor: Economic Development (Industrial & Retail and Primary Industry)  
First Elected: 26 November, 2005  
Term expires: 24 November, 2012

### Cr Ray Hewitt

Portfolio Councillor: Youth & Recreation, Economic Development (tourism), Assets and Transport  
First Elected: 26 November, 2005  
Term expires: 24 November, 2012

### South West Ward

**Cr Ross Clementson**

Portfolio Councillor: Community Care  
First Elected: 27 January, 2006  
Term expired: 24 November, 2012

### Stawell Ward

**Cr Andrea Cooper**

Portfolio Councillor: Community Care  
Elected: 1 December, 2008  
Term expires: 24 November, 2012

### Cr Barry Marrow

Portfolio Councillor: Youth and Recreation, Environment and Open Space  
Elected: 1 December, 2008  
Term expired: 24 November, 2012

### Cr Wayne Rice

Portfolio Councillor: Economic Development (Industrial and Retail), Assets and Transport  
First Elected: 26 November, 2005  
Term expires: 24 November, 2012

## OUR COUNCILLORS



**Cr Robyn Smith**  
Mayor 2006/07  
Portfolio Councillor:  
Open Space, Economic  
Development (Tourism),  
First Elected: 3 Mar 2001  
Term Expired: 29 Nov 2008



**Cr Bryan Small**  
Mayor 2004/05 and 2007/08  
Portfolio Councillor:  
Heritage  
First Elected: 15 Mar 1997  
Term Expired: 29 Nov 2008



**Cr Greg Earle**  
Portfolio Councillor:  
Economic Development,  
Finance & Assets  
First Elected: 14 Mar 2003  
Term Expired: 29 Nov 2008



**Cr Ian Nicholson**  
Portfolio Councillor:  
Transport / Roads / Plant,  
Youth and Recreation  
First Elected: 14 Mar 2003  
Term Expired: 29 Nov 2008

## COUNCIL MEETING ATTENDANCE REGISTER

	Ordinary			Special		
No. of Meetings	10	5	5	4	1	3
Cr Ross Clementson	10			4		
Cr Greg Earle		3				
Cr Kevin Erwin	10			4		
Cr Ray Hewitt	10			4		
Cr Ian Nicholson		5			1	
Cr Dorothy Patton	8			3		
Cr Wayne Rice	5			3		
Cr Bryan Small		5			1	
Cr Robyn Smith		5			1	
Cr Andrea Cooper			5			3
Cr Barry Marrow			5			3

Finance Committee			
No. of Meetings	9	5	4
Cr Greg Earle		3	
Cr Kevin Erwin	9		
Cr Ray Hewitt	9		
Cr Dorothy Patton			4
Cr Bryan Small		5	
Cr Ross Clementson			4
Cr Wayne Rice			1
Cr Andrea Cooper			4
Cr Barry Marrow			4

Audit Committee		
No. of Meetings	2	1
Cr Greg Earle	1	
Cr Bryan Small	2	
Cr Kevin Erwin		1
Cr Barry Marrow		1

## OUR ORGANISATION

This was the organisation as of 30 June, 2009.



**Glen Davis**  
Chief Executive  
Officer

Commenced: 5/2006  
Key Responsibilities:  
- strategic develop  
ment & finances  
- communications  
- People & Perform-  
ance



**Keith White**  
General Manager  
Corporate Services

Commenced: 3/2005  
Key Responsibilities:  
- Financial Services  
- Property Services  
- Information Services  
- Customer Support  
- Governance  
- Administration  
- Legal



**Justine Linley**  
General Manager  
Business Services

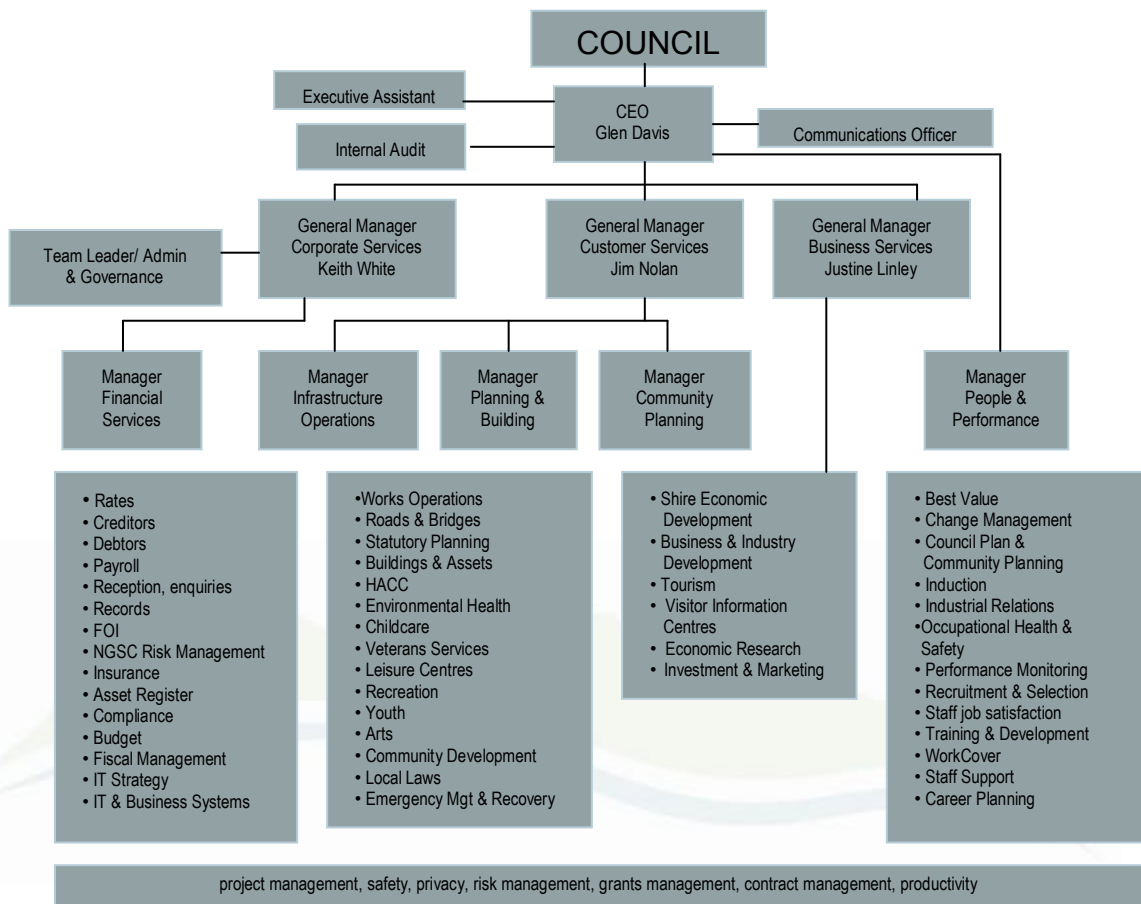
Commenced: 1/2009  
Key Responsibilities:  
- Business & eco  
development  
- Tourism  
- Marketing  
- Investment  
- VICs



**Jim Nolan**  
General Manager  
Customer Services

Commenced: 7/2007  
Key Responsibilities:  
- Community Planning  
- Planning  
- Building  
- Infrastructure  
Development and  
Operations

## ORGANISATION STRUCTURE AS AT 30 JUNE, 2009



## CORPORATE SERVICES

### Financial Management

Council reports that in 2008/2009 an operating surplus of \$2.07 million on revenue of \$24.34 million, compared to a budgeted surplus of \$0.38 million on budgeted revenue of \$21.69 million, was achieved. The significant change to the surplus achieved was, in the main, due to the Government's decision to prepay 25% of the 2009/2010 Grants Commission financial assistance grants in this financial year. This early payment increased our cash holdings by \$1.3 million. The Shire's cash position remains strong with an ending cash balance of \$4.38 million compared to a budget of \$2.9 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 continues, through its Finance Committee to closely monitor 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. The Finance Committee of Council consists of all Councillors and meets on a monthly basis.

### Financial Services

The Financial Services team has continued to improve financial reporting and budget preparation throughout the year, however, the major event for the team in 2008/2009 was going live with the new financial system.

In addition to the trials and tribulations of using a new system and preparing accounts out of the old financial system the team also achieved the following major activities

- New Investment Policy prepared and approved by Council in September 2008. The Investment Policy sets out the guidelines for making decisions with respect of Council funds in accordance with s143 of the Local Government Act
- Development of a Procurement (purchasing) Policy and appropriate guidelines. The policy was adopted by Council on 26 March 2009 and the guidelines signed off by Council on 28 May 2009
- Prepared the 2009/2010 Budget which Council adopted on 25 June 2009
- Finalised the Shire's general revaluation. The new valuations come into effect with the production of the 2008/2009 rate notices.

### 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. The Audit Committee recommended an extension to the agreement with AFS until 30 June 2010 to enable AFS to complete the agreed audit program. The Council agreed with the extension and will be seeking expressions of interest from appropriately qualified accounting firms early in 2010.

During the 2008/2009 financial year, the Audit Committee met on three occasions and following the development of a 3 year audit plan requested and received reports on the following:

- Occupational Health & Safety
- Infrastructure Management

In addition the Audit Committee received and reviewed the 2007/2008 financial statements and performance statement, met with the External Auditors 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 Council received and approved an updated Audit Charter and set the remuneration for the external members at its meeting of 24 July 2008. The remuneration of the Committee members is as follows:

Chair - \$1,800 per annum  
External Members - \$1,300 per annum

The audit committee consists of the following members:  
External members:

- Mr Don Webb (Chair) – first appointed 1999, term expires 31 May 2010
- Mr Peter Knights - first appointed 2002, reappointed by Council on 25 September 2008 with the new term expiring on 30 September 2011
- Mr Mark Knights - first appointed 2006, term expires 30 September 2009

Internal Members (Appointed annually):

Cr Kevin Erwin (appointed 29 January 2009)  
Cr Barry Marrow (appointed 29 January 2009)  
Cr Bryan Small (to 29 November 2008)  
Cr Greg Earle (to 29 November 2008)



## CORPORATE SERVICES

### Corporate Services

The major event in 2008 was the finalisation of the Electoral representation review which resulted in Northern Grampians going from 2 Wards and 9 Councillors, namely Bolangum (3 Councillors) and Grampians (6 Councillors) to 4 Wards and 7 Councillors, namely Kara Kara (2 Councillors), Central (1 Councillor), Stawell (3 Councillors) and South West (1 Councillor). This change saw the retirement of Councillors Small, Earle, Smith and Nicholson and Northern Grampians having the unique experience of not having to hold an election as we received the right number of nominations for the right number of Councillors in each Ward. Northern Grampians was the only Council in Victoria that did not require a vote to be undertaken for the election of its Councillors.

The Council places a lot of emphasis on risk management and assists the organisation manage its risk. A Risk Management Committee consisting of all the Shire's Managers meets to review and manage the various aspects of risks facing the organisation.

During the year the Risk Committee met 11 times and reviewed and presented for adoption a revised Risk Management Strategy, undertook a number of risk awareness training sessions, updated the risk matrix and commenced the implementation of a new risk management system to enable better recording and management of identified risks.

The Council was also subject to two risk audits during the year, the JMAPP property risk audit and the CMP public liability and professional indemnity risk audit. In both instances there was significant improvement in the audit scores which is testament to the work of the Committee and staff to improve its management of risk.

### Information Services

Detailed below is a snap shot of the major tasks completed/commenced by the information services department for 2008/2009

- Continued the active desk top and server hardware replacement program
- Completed the implementation of the new Civica Authority system
- Continued the implementation of the Confirm asset management system with the introduction of new software modules and hardware devices
- Prepared a new Information Services Strategy
- Upgraded all Shire aerial photography
- Developed a new Online Mapping service that is to be launched in July 2009
- Undertook a 'Computers up for Grabs' program which enabled local community groups an opportunity to pick up a pre-owned computer for free which had become available as a result of the Council's hardware replacement program
- Managed the technology requirements for the new Visitor Information Centre in Halls Gap
- Implemented the new Interplan planning tool





## PEOPLE & PERFORMANCE

The People & Performance department is responsible for:

- Staff Selection and Recruitment
- Staff Development and Training
- Succession Planning
- Workforce Planning
- Performance Management
- Occupational Health and Safety
- Annual Review Process
- Career Planning
- Equal Opportunity
- Human Rights
- Staff Induction
- Industrial Relations
- Organisational Development
- Payroll
- Staff Support
- Best Value
- Change Management
- Council Plan
- Superannuation
- WorkCover

This department works with the Chief Executive Officer and management team to engage, develop and nurture the staff of the Council and to facilitate the improvement of systems and processes. Support is provided to grow and develop the talent and capacity of staff while linking an understanding of community needs with organisational systems.

Following the election of the new Council in November 2008, P&P facilitated the development of the 2009-2013 Council Plan to ensure we create a better lifestyle and environment for the entire community.

There has been a clear sense of progress and commitment towards the objectives of the Council Plan which will assist to translate all our goals and objectives into practical outcomes for the future and the 2009-2013 Council Plan.

This year with integration of payroll into the P&P department Council has seen an improvement in the maintenance of personnel document management, processes and dissemination of information to staff which has led to stronger working relationships across the entire organisation.

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

The annual review process was a huge success with all staff within the entire organisation participating and setting goals for not only this coming year but some for the next two, three and even five years and beyond. The process was also completed earlier than in previous years.

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

In our staff recognition and reward program last year thirty staff received recognition awards for their dedication and service with Council totalling four hundred and eighty-five years of service .

- Eleven staff received a ten year service award
- Ten staff a fifteen year service award
- Four staff a twenty year service award
- Two staff a thirty year service award
- Two staff a twenty-five year service award
- One staff received an award for thirty-five years

Council has a strong belief in supporting our youth and has committed to supporting a number of trainees during the year in a variety of departments across the Shire including community development, childcare, IT, planning, administration, outdoor works and our leisure services. Council has also supported many students undertaking their secondary and tertiary studies through opportunities for work experiences with our organisation. Continuing to support in these areas will see our future generations build on their talents to ensure effective management and services into the future.

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

The continuation and variation of the Enterprise Bargaining Agreement endorsed by the Industrial Relations Commission has improved conditions. Our culture continues to sustain our operational performance, reputation and growth. Maintaining effective leadership and commitment from the top down and energy and enthusiasm from all, Northern Grampians Shire Council will continue to be seen as a place to live, work, visit and an investment for generations to come.

## COMMUNITY PLANNING

### Community Development

#### Community Planning

Stawell, Halls Gap and St Arnaud communities have been assisted by the Community Planning team in creating community plans for their respective communities. The plans were developed by the communities themselves and articulate a vision and priorities for the community going forward. The Council has received the plans which led to Council incorporating the visions and priorities into its Council Plan and budget. Also, each plan has been seen by other community organisations and State Government departments as being truly representative of the desires and objectives of each community and an opportunity to form stronger partnerships with the communities in achieving these goals.

#### Drought Recovery Initiatives

The Drought Officer position was funded by the Department of Planning and Community Development-Local Government Victoria to assist farmers and farming communities remain socially connected through the drought. Funding for this position concluded at June 30 2009. During 2008/09 the Drought Officer coordinated the St Arnaud and Stawell Drought network meetings, and facilitated the Northern Grampians Shire Rural Grants Program which funded small communities to run their own community events and gatherings. A major achievement of the position was coordinating phase two and three of the Northern Grampians Farm Gate program involving teams of social and financial counsellors visiting farm households to provide drought information and support.

The Drought Officer also undertook to chair and coordinate the Farming in The 21<sup>st</sup> Century Series Steering Group, organise a number of community events and workshops across the region such as Succession Planning workshops, the 2009 St Arnaud Girls Night Out, the Wimmera region Farming for the Future forum and a series of small community workshops designed to empower and inspire rural women, ensured the distribution of clear, concise information on drought support services through brochures, information kits, displays, newspaper and radio as well as acting as the central contact point for all drought support enquiries. Importantly, this position represented the shire at key regional drought meetings and liaised closely with individual community members and leaders and intum regional agencies and government officers and prepared submissions to federal government drought reviews.

The Drought Officer established strong relationships with various agencies also working on minimising the impact of the drought on services, Rural Financial Counsellors and many more.

The recovery process has included several significant events including the Farming in the 21<sup>st</sup> Century series, rural women's workshops and supporting the Raising Dust rural networking group.

#### Recreation Reserve improvements

The following is a list of projects at varying stages of implementation throughout the 2008/09 year:

- Banyena Tennis Courts – completed
- North Park Netball Lighting – completed
- Lord Nelson Park Oval Lighting – completed
- Great Western recreation reserve clubroom development – completed
- Navarre Grandstand project – completed
- St Arnaud tennis court – in progress
- Water Saving Grasses for North Park – In planning phase
- St Arnaud Basketball Stadium (floor) – commenced
- Goldfields Reservoir Pipeline – completed
- Stawell Pipeline (Curtis St dams to Chook farm/ Moonee dams) – completed

#### Leisure Services

##### Stawell Leisure Complex and St Arnaud Swimming Pool

- Over 42,000 participation visitations occurred during 2008/09. Stawell Leisure Centre also had over 8500 swims from schools.
- In its eighth year, the 'PLAY IT SAFE' Campaign was again successful with a number of primary and secondary schools being involved in open water activities and lifesaver visits.
- A seasonal pools grant application was successful for \$200,000 for a major refurbishment of the St Arnaud Swimming Pool
- Major refurbishments have commenced at the Stawell Leisure Centre including an improved reception/office area and a new chemical/work shed.

#### Environmental Health Services

##### Registered Premises

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

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

There were 91 food premises inspected and food safety program compliance checks undertaken. 20 food samples were obtained and tested for compliance with Council's food safety program

##### Complaints

A total of 18 complaints were recorded by Environmental Health, down an impressive 60% from last year.

## COMMUNITY PLANNING

This is evidence of the community taking greater care for the public health:

Food	6
Accommodation	2
Environmental	7
Septic/sewerage	1
Water	1
Other	1

### *Public Health Planning*

Council adopted the 'Public Health Emergency Management Sub Plan' in September 2008 and has been consulting on the development of a Pandemic Influenza Plan and a Heatwave Strategy for the Northern Grampians Shire. These three documents provide Council with structured actions for managing public health in emergency circumstances and will link in with the broader Northern Grampians Municipal Health Action Plan 2009-2013 which is currently in draft.

### *Emergency Management*

Northern Grampians Shire Council was able to offer support to communities affected by the devastating fires that occurred on 'Black Saturday' in February 2009.

Council's Environmental Health Officer spent a week in the Murrindindi Shire immediately post the fires to help progress the return for people back to their communities.

### *Tobacco Education and Enforcement*

Council Environmental Health Officers have continued to be active in supporting initiatives to reduce the impact of smoking cigarettes in our community. This is a funded program whereby educational visits and compliance checks are carried out at premises. As well, retailers are tested whether they sell to minors. Due to the high rate of sales, this program will be continued in 2009/2010. Officers inspected 16 tobacco retailers, 15 licensed premises and 20 eating establishments and found eight breaches of sales to minors. Fines and warning notices were issued to the retailers when an offence was detected.

There were no complaints received regarding smoking in the workplace.

### *Waste Water Program*

A total of 32 applications to install/alter a septic tank were received and processed during this period and 18 'Approval to Use' permits were issued.

### *Immunisation*

There were 1287 vaccination encounters in total for 2008-2009, comprising 912 in Stawell and 375 in St Arnaud. Council maintains high immunisation rates



equivalent to Victorian averages.

### *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 'Early Intervention into Chronic Disease' project 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 to ensuring people's properties are not a fire risk to themselves and their neighbours.

Council adopted its Domestic Animal Management Plan in 2009, and its implementation is heading in the right direction with higher animal registrations, less animals wandering and more animals returned to their homes.

When it came to responsible pet ownership in the Shire this year, there were a total of 5,181 animals registered with Council - up 35% on the previous year. This comprised of 3,849 dogs and 1,332 cats. Registration is an important activity for both the pet owners and the Local Laws officers as it helps understand who is caring for each animal and supports the returning of lost or wandering animals to their homes by Council. During 2008/09, Council local laws officers impounded 446 animals (247 dogs, 144 cats and 55 stock- 9% less than previous years). Of these, 147 animals (131 dogs, 16 cats) were returned to their owners, and 65 animals were purchased (42 dogs, 23 cats).

Care for animals while they are in our pounds is a paramount consideration and this year Council has



## COMMUNITY PLANNING



undertaken to install shade sails over each exercise yard to improve the animals' safety and welfare.

### Children's Services

#### *Taylor's Gully Children's Centre (Stawell)*

Continuing on its success 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 2008/09 Taylor's Gully Children's Centre received visits from the Governor of Victoria Prof David De Krester and his wife Mrs De Krester, local members of parliament and government representatives and officials to view our "one stop shop" for Family & Children's Services. The Service utilisation has also continued to grow with over 90% of childcare places being utilised.

All Long Day Care play yards were revitalised in 2008 with contributions from Council and a State Government Grant to replace shade sails with higher density and brightly coloured sails. 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 storage facilities at Taylor's Gully Children's Centre for play equipment have also been improved with the addition of a new lockable shed on the perimeter fencing. The multi-purpose room continues to be well utilised by the Stawell Playgroup, parenting groups, maternal and 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, Taylor's Gully Children's Centre continues to support staff to complete certificate level qualifications in childcare and/or a Diploma of Children's Services. 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 several Certificate and Diploma students being on placements within our services, and a number of work experience student placements throughout the year. Taylor's Gully Children's Centre will be well placed with the gradual introduction of changes to child staff ratios in the new Children's Services legislation.

#### *St Arnaud Children's Precinct*

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

The St Arnaud Long Day Care program successfully completed the gruelling National Accreditation process in 2008, achieving a high quality standard, which mirrors the results throughout the Shire for Council's children's services.

The Kindergarten operates in a partnership between the Council and the St Arnaud Parents Advisory (PAC). The PAC has invested in the kindergarten facilities by upgrading external play equipment that had become outdated. Council and State Government Kindergarten funding has ensured that concession card holders have free access to 4 year old 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 grant contributed to laying artificial lawn in the Long Day Care playground, reducing our reliance on water and providing a safe play area for the children. Federal Government Stimulus funding has also enabled remodelling of the Maternal Child Health rooms and reception area to provide a better facility for families accessing the service.

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). Other staff are undertaking a Diploma of Children's Services.

#### *2008/09 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 133,472.5 hours of childcare in 2008/09, an increase of 12.8% on last year.



## COMMUNITY PLANNING

- The Family Day Care Program, administered from Taylor's Gully Children's Centre, provided 29,630.25 hours of care for the 08/09 year.
- Take a Break' Occasional Care service has provided 6,450 hours of childcare for the 08/09 year.
- Out of School Hours Care (St Arnaud) provided 3,675 hours of after school care and 4,428 hours of School Vacation care.
- The St Arnaud Kindergarten provided 10 hours of 4 year-old Kinder to 25 children each week, and one 2 hour 3 year-old Kinder session for 20 children per week.

### Maternal & Child Health

The Universal Maternal and Child Health program is co-located with Council's family and children's services at the Taylor's Gully Children's Centre and St Arnaud Children's Precinct ensuring availability at times when families are present in the facility for kinder and childcare. This has proven to provide convenience of location for family and maximises opportunistic contact with families as much as possible. Taylor's Gully and St Arnaud Children's Precinct reception has also provided an 8am-6pm "personal face" to the MCH service when nurses are undertaking increasing amounts of home visiting and outreach work. An Enhanced Maternal Child Health Nurse program continues to provide direct individualised support to children and families where required, and satellite centres at Great Western, Halls Gap and Marnoo continue to provide MCH services to our rural communities.

The MCH nurses continue to build upon existing community links and establish new partnerships with other local providers of Early Years services. MCH Nurses attended VCE students Health and Human Development classes at Stawell Secondary College. MCH staff continue to work with many external and internal community groups. In particular the service in conjunction with Lenzone Stawell has continued to operate a weekly Young Mums group throughout the year, and also held a successful 'first aid for parents' course in conjunction with St John's Ambulance at the Stawell MCH Centre. The Key Ages and Stages (KAS) Revised Activities Framework is now being implemented by Council's MCH Nurses and is being well received by families accessing services.

A detailed satisfaction survey was conducted in 2008 of families accessing Northern Grampians Shire Council Maternal and Child Health Services. Overall, clients indicated a very high level of satisfaction with the quality of information and advice from the MCH Nurses and indicate a highly effective child and family health service. Other outcomes include: excellent results with

100% overall satisfaction with the current MCH service in meeting the needs of parents with young children and babies, the flexibility of the Enhanced MCH home-visiting program was appreciated and necessary for these families. Many parents and comments indicated that co-location of services into the modern facilities has been effective and convenient for them and is child-friendly.

In order to continue to improve the experience for families accessing the St Arnaud service, Council funds and Federal government stimulus funding has been utilised to redevelop the MCH facilities at the St Arnaud Children's Precinct.

### *2008/09 Maternal and Child Health Statistics at a glance:*

- 125 new enrolments of 0-1 year old children
- 114 birth notices received, up 36.7% on 2006/07
- 41 first time mothers
- 34 parenting group sessions held and 143 community strengthening activities provided
- 45 families participating in Enhanced MCH program

### Aged and Disability Services

The Northern Grampians Shire continues to provide high quality services, coordination and information to the community, as well as partnering with local, regional and state community organisations and government to ensure that opportunities for older members of the community are planned and catered for.

The Seniors Participation and Care Plan 2008-2012 has had its first full year of implementation. First year goals were achieved by surveying all Council aged care service recipients as part of a review of current services, working to streamline assessment process under the HACC Assessment Framework guidelines, developing gender specific social support programs such as the establishment of the Stawell and St Arnaud "Men's Shed" and enabling opportunities such as the Seniors Festival, Seniors Expos and celebrations of Senior Citizens club milestones to encourage positive community attitudes to older people.

### Home and Community Care

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

## COMMUNITY PLANNING

In 2008 Council was designated as the Assessment agency for the whole of the shire by the Department of Human Services to enable a 'one stop' coordination and access to the continuum of aged care services.

*2008/09 Aged and Disability Services Statistics at a glance:*

- Aged and Disability programs had 954 'active' clients
- 25,004.1 hours of direct care support (home care, personal care and respite care) were provided

Over 230,000 kilometres travelled by Northern Grampians Shire Council direct care workers to deliver services to people in their own homes

- 211 hours of essential home maintenance was delivered to 168 clients to enable them to remain independent in their own homes
- 196 people had their service needs assessed, and,
- 29,182 meals were distributed by the Meals on Wheels program. On average 561 meals were delivered to 124 people a week

A special thanks to the volunteers who make this possible.

### *Senior Citizens*

Northern Grampians Shire Council was again a key contributor to the 2008 Seniors Festival. During the Seniors Festival, seniors in the Northern Grampians Shire had the opportunity to participate in an exhibition solely based on activities, opportunities and information for seniors in both Stawell and St Arnaud. Four people from Stawell were also supported to attend the Victorian Governor's Garden Party, where the announcement for the Senior of the Year was made.

### *Supporting people with a disability*

The Community Access Advisory Group continues to play an important role in supporting Council with advice on access issues, the implementation of the Community Access Plan and contributing to development of Council's policies that impact on community accessibility. Volunteer members of the Community Access Advisory Group were reappointed by the Council in June 2009 and continue to be a strong and active group providing advice to Council on the accessibility of our streets, buildings and attractions which has benefit to all members and visitors to our community.

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



## BUSINESS & TOURISM DEVELOPMENT

### Tourism Services

This year also marked a key milestone in the development of quality tourism and visitor services in the Shire with the completion and opening of the purpose built Halls Gap and Grampians Visitor Information Centre in December 2008.

Since the opening, numbers of visitors to the Centre have steadily increased, reaching and in some instances exceeding pre-2006 bushfire visitation levels.

In addition, Council contributed to the formation of Grampians Tourism Incorporated, a new regional board directed at marketing and developing the Tourism industry across the Grampians and Pyrenees region. Grampians Tourism is still in the early months of formation but is working hard at positioning the Grampians as the nature-based destination of choice.

With the assistance of State Government funding, the Shire appointed a full time Grants officer in May 2009. Together with the introduction of an Events and Projects Officer these roles provide a concerted focus on obtaining external funding to support industries and businesses within Northern Grampians and to expand the quality and range of events available for residents, businesses and visitors.

Council has taken this into account in working through what is required now and into the future to ensure that we build on our strengths and minimise risks.

Accordingly, Council's business services department was this year boosted by a change in structure to better align with the economic development and tourism needs of the Shire given current circumstances and future needs.

### Business Services

There is little doubt that the current economic crisis, following on from 13 years of drought, and the 2006 bushfire impact, has led to a certain level of economic and social instability. To what extent and how the business and general communities of Northern Grampians Shire have been or will be affected is largely determined by the resilience of our businesses and the diversity of industry composition in the Shire.

### Economic Report Card

This year, we also produced Council's first *Economic Report Card and Dashboard* which looks at where the potential stimulators of economic activity are, why we 'do' economic development in local government, who benefits, what makes a successful economic development policy and strategy, the role of innovation in economic development, and measuring success with appropriate indicators.

Council currently operates a hybrid version of traditional and innovative economic development policies as part of its overall economic development and tourism strategies. Accordingly, indicators are selected that reflect this unique mix outlining a set of measures benchmarked to best practice examples within Victoria and nationally.

This year, in taking a snapshot of our economic health Council was mindful of the nexus between perception and the facts. How a community perceives itself and how it "thinks" it is travelling is just as important as the actual statistics. This concept of measuring perception is reflected in indexes such as Business Confidence Surveys and Community Satisfaction Surveys. The hard numbers often bear little relationship to the "perception" indexes.

The challenge for Council in 2008/2009 was how to effectively communicate to the community and businesses the hard data and statistics in an accessible and understandable way. On the hard statistics we examined and reported on the following:

#### *Generic*

Employment numbers, by sector, income and business type (including labour market participation), Industry composition and diversity, Number and income levels of sole operators (businesses that are not Companies) Property prices, Planning and Building approvals and value of approval, by construction and investment type

#### *Specific to Northern Grampians*

Retail sector composition, diversity and future investment  
Tourism sector composition, diversity and future investment  
Primary production, diversity and future investment  
Mining, diversity and future investment  
"Green collar" industries, growth and future investment

Consequently the Northern Grampians *Economic Report Card and Dashboard* provides the community with a snapshot of economic health in the Shire. The first edition of the Report Card examined new business registrations, property prices, employment, revenue/production and wages and salaries. These figures help Council to determine appropriate actions to improve the economic health of the Shire by seeking new opportunities and expanding upon existing ones. Suggested actions for the community were also included to ensure there is a partnership approach towards creating a better lifestyle and environment for all.



## INFRASTRUCTURE DEVELOPMENT



### Infrastructure Services

The Northern Grampians Shire Council Infrastructure department has delivered a large capital works program across the municipality.

Below are many of the achievements for the 2008/2009 financial year.

### Safer Roads Program

Maintenance of the 3,400km of local roads under Council's management presented a number of challenges during the year and in particular the limited access to water over the long dry summer restricted our ability to grade our gravel roads to keep them at a standard that we would like.

However, we have met our commitment to routinely inspect the entire network which has enabled programmed maintenance works to be carried out effectively to ensure the network is kept in a safe condition for motorists. Maintenance expenditure on the road network during the year was \$1.5m.

Significant works on the road network include:

Resheeting of gravel roads	\$605,000
Resealing of sealed roads	\$122,000
Town Street Sealing Program	\$155,000

Reconstruction of bridges:

Ashen Bridge	\$ 33,000
Maffescionis Bridge	\$135,000
John Bull Bridge	\$ 75,000
Sycamores Bridge	\$ 46,000
Bridge repair works	\$252,000
Road safety treatments	\$486,000

Major rural road improvements:

- Mount View Road	
- Panrock Reservoir Road	
- Bunjils Cave Road	
- Kooreh Road	\$895,000

Grampians Road realignment in Halls Gap	\$272,000
St Arnaud Streetscape	\$20,000

### Building Program

Significant improvements to Council building assets undertaken include those completed under the Federal Government Regional Local Community Infrastructure Programs (RLCIP) such as:

Repairs to Hank Neil Grandstand	\$ 75,000
Halls of Fame access ramp	\$ 18,000
St Arnaud Childcare Centre	\$ 32,000 C

St Arnaud Swimming Pool upgrade	\$100,000 C
St Arnaud Town Hall renewal works	\$125,000 C
Stawell Leisure Centre	\$125,000 C
Stawell Library storage	\$ 30,000 C

C = commenced

The Halls Gap Visitor Information Centre was relocated to the newly constructed iconic building which was partly funded with the assistance from RDV and opened in December, 2008. The building was constructed by builders GR & WJ Altmann and designed by Morton Dunn Architects. The cost of the new building was \$468,000. Stage 2 of the project is anticipated to commence in 2010 subject to government funding.

The Stawell Gift Hall of Fame building underwent reconstruction and extension works including a striking new facade. The works valued at \$375,000 were funded in part by Regional Development Victoria and opened by Premier John Brumby in March, 2009.

### Water Management

A succession of drought years has necessitated a number of water projects to be instigated. Significant projects completed during the year include:

- Halls Gap water harvesting and reuse project involving the construction of two dams/wetlands and installation of stormwater pipes. The project valued at \$375,000 is expected to be completed later in 2009.
- The SWANS project involves the construction of a series of water retention and storage facilities in Stawell at Grant Street, Darcy Street, Albion Street as well as at Curtis Street. This work will provide better capacity to manage downstream flooding due to stormwater retention, and provide harvested water for our parks and reserves.
- The St Arnaud Goldfields water project saw improvements to the Queen Mary Gardens storage pond, pumping and reticulation pipes. This system will be able to be used as soon as sufficient water is available from the Goldfields reservoir for use on our parks and reserves.



## INFRASTRUCTURE DEVELOPMENT

### *Parks and Reserves*

One of the major challenges to council during the year was keeping our valuable street trees alive and healthy during another drought year. Council's recent water initiative projects are targeted to overcome the effect of drought on the street trees, parks and reserves.

A series of catchment dams and irrigation systems were constructed to connect more valuable parks and reserves. Curtis Street dam was constructed purely as a catchment dam and a supply dam for the Central Park reserve. Williams dam and Moonlight dams were rehabilitated to increase the capacity. Williams dam and Curtis Street dams were connected with a link line between them.

### *Emergency Management*

The events of February 7, 2009 were a reminder to us all about the risks of living in rural Victoria. Planning for and managing emergency events continues to be a high priority for Council. In Halls Gap Council again supported a terrific community clean up effort prior to the fire season.

### *Waste Management*

Council is continuing to plan for a new Transfer Station at Halls Gap. Part funding of the project has been committed by Sustainability Victoria, and the project is subject to a planning scheme amendment and land transfer following the relocation of the CFA Fire Station to its new location.

### *Strategic Planning*

A number of planning scheme amendments were undertaken and approved during 2008/2009. These include:

- C25 - Rezoning land in Sloane Street and Patrick Street, Stawell.
- C24 - Rezoning land in Holloway Road, Stawell.
- C26 - Rezoning land in North Western Road, St Arnaud.
- C10 - Rezoning land adjoining Western Highway, Stawell.
- C2 - Applies an Environmental Audit Overlay on land in Stawell.
- C14 - Rezoning of several parcels of land in St Arnaud.

Other strategic projects progressed during the year include:

- Review of the Northern Grampians Planning Scheme which will continue into the second half of 2009.
- C17 - Introduction of protection for heritage buildings through a Planning Scheme amendment to be

progressed in 2009/2010.

- Planning Scheme amendment to provide for a Transfer Station at Halls Gap.

### *Statutory Planning*

Council, as the Responsible Authority under the Planning and Environment Act 1987 issued a total of 122 planning permits for use and development valued at \$21.8m.

Significant permits issued during the year included:

- New McDonald's Convenience Restaurant in Stawell valued at \$3m.
- New Centrelink Building in Stawell valued at \$800,000.
- New Rainbow Valley Turkeys parent breeding facility in St Arnaud valued at \$4.2m.
- Extensions to refurbishment of Safeway Stawell valued at \$4m.

### *Building Control*

Building Permits issued totalled 229 during 2008/09 and were valued at \$17.8m.

Significant building projects during the year included:

- Rainbow Valley Turkeys \$2.8m.
- Skene Street School \$3.8m.
- McDonald's \$1.5m.



## DONATIONS AND GRANTS

The following contributions, donations or grants (amounts GST exclusive) were made during 2008-2009

<b>Contributions</b>	<b>Amount</b>
St Arnaud Arts Council	12,000.00
St Arnaud State Emergency Service	10,780.00
Stawell State Emergency Service	10,780.00
Stawell Regional Arts	5,000.00
St Arnaud Secondary College	2,000.00
GPRD Business Awards	2,000.00

### **Community Grants**

Municipal Association Of Victoria	5,000.00
Rotary Club Of Stawell	5,000.00
Great Western Progress Association	5,000.00
St Arnaud RSL Sub Branch	5,000.00
Emu Memorial Hall Committee of Management	4,750.00
St Arnaud Country Club Inc	4,301.00
Stawell Pistol Club	4,233.00
Rotary Club of St Arnaud	3,636.36
St Arnaud Angling Club	3,450.00
St Arnaud & District Swimming Club	3,337.00
Stuart Mill Progress Association	3,090.91
Stawell Railway Station Gallery Inc	2,340.00
St Arnaud Senior Citizens Club	2,150.00
Stawell Neighbourhood Watch	1,600.00
Coonooer Bridge Community Centre	1,500.00
St Arnaud Neighbourhood House	1,500.00
St Arnaud Young Farmers	1,500.00
Joel Joel Public Hall	1,430.00
Emu Memorial Hall Committee of Management	1,420.00
Harbergers Farm Supplies Pty Ltd (drought support)	1,363.64
Gooroc Rural Fire Brigade	1,258.00
St Arnaud Girl Guides	1,200.00
Stawell Biarri Group For Genealogy	1,000.00

### **Youth Grants**

St Arnaud Secondary College	1,500.00
Stawell Performing Arts Co	1,500.00
St Arnaud Primary School 2008	1,500.00
St Arnaud Primary School 2009	1,500.00
Stawell Swimming Club Incorporated	1,500.00
Landsborough West Tennis Club	1,500.00
Marnoo Primary School	1,500.00
Stawell West Primary School 2008	1,500.00
Stawell West Primary School 2009	1,500.00
Grampians Calisthenic College Inc	1,105.00

## DONATIONS AND GRANTS

### Tourism & Events Grants/Contributions

Stawell Athletic Club Inc	15,000.00
Grampians Tourism Board Inc	10,000.00
Bicycle Victoria	8,000.00
Stawell Chamber Of Commerce	5,000.00
Grampians Grape Escape	5,000.00
St Arnaud Agricultural Society Inc	1,500.00
St Arnaud Lions Club 2008	1,500.00
St Arnaud Lions Club 2009	1,500.00
Community Association of Halls Gap	1,200.00
Stuart Mill Comm Reserves & Hall Committee	1,000.00
Stawell Stingrays Swimming Club	1,000.00
Stawell & District U3A	1,000.00
Banyena Community Hall	1,000.00
Community Association of Halls Gap	1,000.00
Stawell Orchid Society	1,000.00
St Arnaud & District Orchid Society Inc	1,000.00
Great Western Football Netball Club	1,000.00

### Business Incentive Scheme Grants

Grants provided to 7 organisations totalling	31,528.55
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<b>Grants less than \$1,000 - 24 organisations</b>	<b>9,777.15</b>
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<b>Total</b>	<b>\$220,230.61</b>
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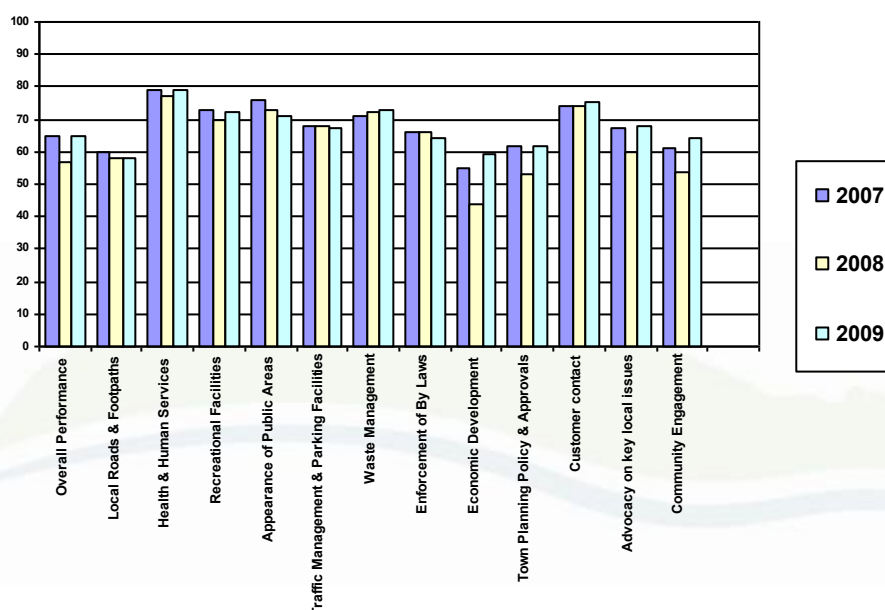


## LOCAL GOVERNMENT INDICATORS

INDICATOR	2008/09
<b>Affordability/Cost of Governance</b>	
Average rates and charges per assessment	\$1,089
Average rates and charges per residential assessment	\$1,036
<b>Sustainability</b>	
Average liabilities per assessment	\$651
Operating expenditure per assessment	\$2,449
Operating result per assessment	227
Working capital ratio (ie current assets as a ratio to current liabilities)	167%
Community satisfaction rating for overall Council performance	65
<b>Infrastructure</b>	
Average capital expenditure per assessment	\$810
Renewal gap	75%
Renewal and maintenance gap	84%
<b>Governance</b>	
Community satisfaction rating for Council's customer contact	68
Community satisfaction rating for Council's engagement in decision making	64

## COMMUNITY SATISFACTION SURVEY

ANNUAL COMMUNITY SATISFACTION SURVEY RESULTS





## STAFFING LEVELS

Number of staff employed at 30 June 2009

	Male	Female	No. of Staff
Full Time	56	46	102
Part Time/Casual	20	119	139
<b>Total</b>	<b>76</b>	<b>165</b>	<b>241</b>

Work Group Area	No of Staff	EFT
Executive Services	6	5.8
Corporate Services	26	23.0
Infrastructure Services	53	47.8
Building and Planning	5	3.8
Community Services	98	52.9
Recreation	24	4.2
Economic Development & Tourism	13	10.8
Local Laws	16	4.3
<b>TOTAL</b>	<b>241</b>	<b>154.8</b>

## MEMBERSHIPS

Council was a member of the following organisations during the 2008-2009 year:

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

## COMMITTEES

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

- Audit Committee
- Batyo Catyo Committee of Management
- European Wasp Control Committee
- Finance Committee
- Northern Grampians Pyrenees Regional Development Board 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, Team Leader Administration & Governance. 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 2008 to 30 June 2009. Council decided that one request was not entitled to full access to a variety of documents because they affected personal privacy as defined in s.33 of the Freedom of Information Act. No documents were found for the second request and the applicant was advised in accordance with s.27 of the 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 \$99.00 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
- 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 such higher amount as is fixed from time to time under section 186(1) of the Act) or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in Section 186(5) of the Act.

## POLICIES AND LAWS

### Equal Opportunity

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

Occupational Health & Safety has continued to be extremely important throughout the organisation. In October 2008 the Occupational Health & Safety committee introduced an annual safety award which was presented during safety week activities organised by the committee. The following months have seen numerous staff being nominated for encouragement awards recognising them for their innovative ideas put forward to assist and improve safety aspects within Council.

### 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 2008/09

### 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, 2008 to 30 June, 2009, in accordance with the requirements outlined in *National Competition Policy and Local Government—A revised Statement of Victorian government Policy, December 2008 (2008 Statement)* as set out below:

<b>A. Trade Practices Compliance</b>	Compliant
<b>B. Local Laws Compliance</b>	Compliant
<b>C. Competitive Neutrality Compliance</b>	Compliant

I certify that:

- A) this statement has been prepared in accordance with the 2008-09 National Competition Policy reporting guidelines, which is pursuant to the *2008 Statement*; and
- B) this statement presents fairly the Council's implementation of the National Competition Policy.

Signed:



Glen Davis  
(Chief Executive Officer)

Date: 10 September, 2009

## 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

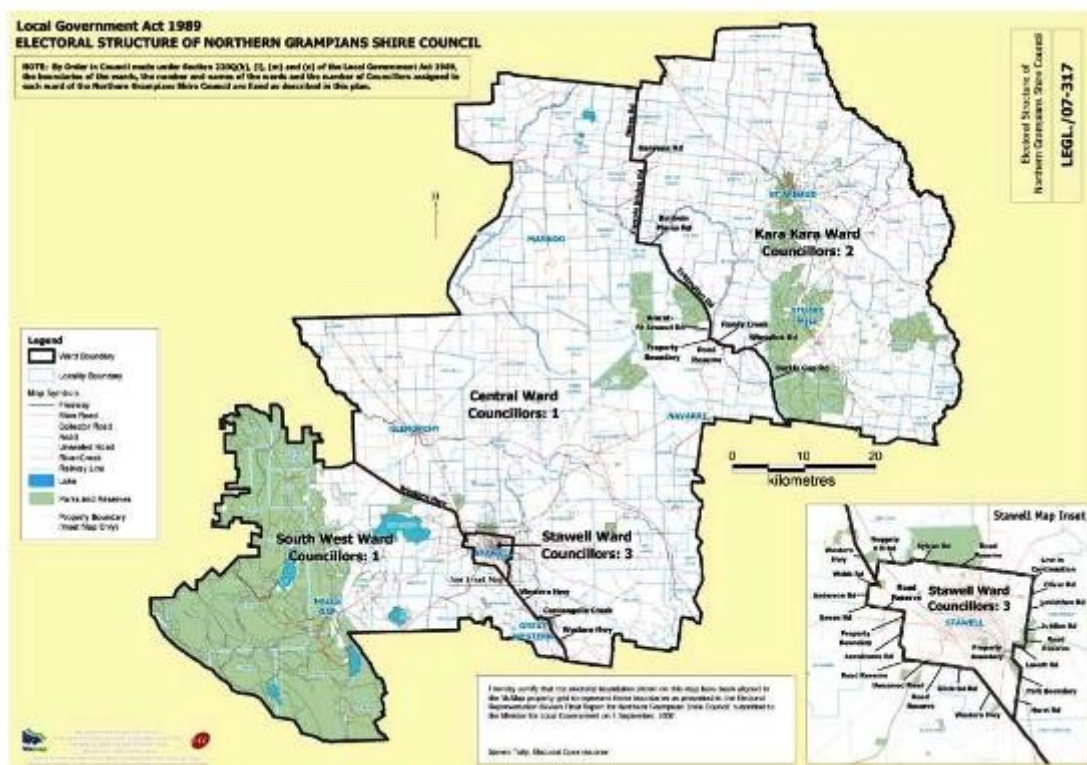
### Halls Gap

Freecall 1800 065 599

### Emergency after hours (All areas)

Phone: (03) 5358 8700

## NORTHERN GRAMPIANS SHIRE COUNCIL BOUNDARIES



# Annual Financial Report

For the Year Ended 2008-2009

*Creating a better lifestyle and environment*



**Northern Grampians Shire Council**  
**Financial Report**  
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## Income Statement For the Year Ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
<b>Revenue</b>			
Rates and Charges	2	9,933	9,221
User Fees	3	2,446	2,515
Contributions - Cash	5	858	598
Contribution - Non-monetary assets	6	86	0
Grants - Recurrent	4	7,973	6,200
Grants - Non Recurrent	4	2,731	1,799
Other Revenue	7	317	414
<b>Total Revenue</b>		<b>24,344</b>	<b>20,747</b>
<b>Expenses</b>			
Employee Benefits	8	(9,237)	(9,219)
Materials and Services	9	(7,192)	(7,090)
Bad & Doubtful Debts	10	(5)	(12)
Depreciation and Amortisation	11	(5,767)	(4,543)
Finance Costs	12	(109)	(146)
<b>Total Expenses</b>		<b>(22,310)</b>	<b>(21,010)</b>
Net gain(loss) on disposal of property, infrastructure, plant and equipment		2	108
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	13	32	(43)
<b>Surplus(deficit) for the year</b>		<b>2,068</b>	<b>(198)</b>

The accompanying notes form part of this financial report

## Balance Sheet As at 30 June 2009

	Note	2009 \$'000	2008 \$'000
<b>Assets</b>			
<b>Current Assets</b>			
Cash and Cash Equivalents	14	4,379	3,786
Trade and Other Receivables	15	1,239	1,338
Prepayments		147	206
Inventories	16	47	32
<b>Total Current Assets</b>		<b>5,812</b>	<b>5,362</b>
<b>Non-current Assets</b>			
Trade and Other Receivables	15	75	101
Financial assets	17	914	0
Investments in Associates accounted for using the equity method	13	516	465
Property, Plant and Equipment, Infrastructure	18	223,436	221,858
<b>Total Non-current Assets</b>		<b>224,941</b>	<b>222,424</b>
<b>Total Assets</b>		<b>230,753</b>	<b>227,786</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Trade and Other Payables	19	1,049	1,099
Trust Funds and Deposits	20	70	55
Provisions	21	1,957	1,901
Interest-bearing Loans and Borrowings	22	402	493
<b>Total Current Liabilities</b>		<b>3,478</b>	<b>3,548</b>
<b>Non-current Liabilities</b>			
Provisions	21	461	123
Interest-bearing Loans and Borrowings	22	2,058	1,460
<b>Total Non-current Liabilities</b>		<b>2,519</b>	<b>1,583</b>
<b>Total Liabilities</b>		<b>5,997</b>	<b>5,131</b>
<b>Net Assets</b>		<b>224,756</b>	<b>222,655</b>
<b>Equity</b>			
Accumulated Surplus		109,829	106,941
Reserves	23	114,927	115,714
<b>Total Equity</b>		<b>224,756</b>	<b>222,655</b>

The accompanying notes form part of this financial report

## Statement of Changes in Equity For the Year Ended 30 June 2009

	Note	Total 2009 \$'000	Accumulated Surplus 2009 \$'000	Asset Revaluation Reserve 2009 \$'000	Other Reserves 2009 \$'000
<b>2009</b>					
Balance at beginning of the financial year		222,655	106,941	112,952	2,762
Surplus(deficit) for the year		2,068	2,068	0	0
Change in equity share of invest in associates		19	0	19	0
Net fair value increment on financial assets	23(a)	14	0	14	0
Transfers to other reserves	23(b)	0	(253)	0	253
Transfers from other reserves	23(b)	0	1,073	0	(1,073)
<b>Balance at end of the financial year</b>		<b>224,756</b>	<b>109,829</b>	<b>112,985</b>	<b>1,942</b>

		Total 2008 \$'000	Accumulated Surplus 2008 \$'000	Asset Revaluation Reserve 2008 \$'000	Other Reserves 2008 \$'000
<b>2008</b>					
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)	23(a)	39,069	0	39,069	0
Transfers to other reserves	23(b)	0	(594)	0	594
Transfers from other reserves	23(b)	0	387	0	(387)
<b>Balance at end of the financial year</b>		<b>222,655</b>	<b>106,941</b>	<b>112,952</b>	<b>2,762</b>

The accompanying notes form part of this financial report

## Cash Flow Statement For the Year Ended 30 June 2009

	Note	2009 Inflows/ (Outflows) \$'000	2008 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and Charges		9,888	9,229
User Fees		2,311	2,875
Grants		10,730	8,367
Contributions		858	396
Other Revenue		424	236
Net GST (Refund)/Payment		167	852
Employee Benefits		(9,118)	(8,593)
Materials and Services		(7,198)	(8,923)
Finance Costs		(109)	(146)
<b>Net cash provided by (used in) operating activities</b>	24	<b>7,953</b>	<b>4,293</b>
<b>Cash flows from investing activities</b>			
Payments for Property, Infrastructure, Plant and Equipment		(7,380)	(5,482)
Payments for Financial Assets		(900)	0
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		398	682
<b>Net cash provided by (used in) investing activities</b>		<b>(7,882)</b>	<b>(4,800)</b>
<b>Cash flows from financing activities</b>			
Trust Funds and Deposits		15	(57)
Proceeds from Interest Bearing Loans and Borrowings		1,000	0
Repayment of Interest Bearing Loans and Borrowings		(493)	(643)
<b>Net cash provided by (used in) financing activities</b>		<b>522</b>	<b>(700)</b>
Net increase (decrease) in Cash and Cash Equivalents		593	(1,207)
Cash and Cash Equivalents at the Beginning of the Financial Year		3,786	4,993
<b>Cash and Cash Equivalents at the End of the Financial Year</b>	25	<b>4,379</b>	<b>3,786</b>
Financing Arrangements	26	200	200
Restrictions on Cash Assets	27	2,972	3,789

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](http://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 (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 4. The note also discloses the amount of unused grants or contributions from prior years that were expended on Council's operations during the current year.

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

*User Fees*

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

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

*Sale of Property, Infrastructure, Plant and Equipment*

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

*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.

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:

	2009
<b>Land and Buildings</b>	
Buildings	60 Years
Land improvements	10 years
<b>Heritage Assets</b>	
Heritage Assets	100 years
<b>Plant and Equipment</b>	
Plant and Machinery	2-66 years
Furniture, Equipment and Computers	2-8 years
<b>Infrastructure</b>	
Roads	
- Formations (Sealed & Unsealed)	30-200 years
- Sealed Pavement	90 years
- Unsealed Pavement	40 years
- Seal	14 years
Footpaths	74 years
Kerb and Channel	85 years
Drains	142 years
Bridges	100 years
<b>Other</b>	
Street Furniture	28 years
Parks & Gardens	25 years

(d) Repairs and Maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. 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 18. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

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



Note 1 Significant Accounting Policies (cont.)

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

*Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, motor vehicles, heritage assets, computer equipment, furniture and fittings, street furniture, parks and gardens and land improvements 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*

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

(g) Cash and Cash Equivalents

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

(h) Inventories

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

(i) Financial Assets

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

(j) 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 20).

(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.

(t) Changes in accounting policy

In accordance with AASB 1045 "Land under Roads", the Council has elected to recognise land under roads acquired after 30 June 2008 using the deemed cost basis. The impact of this policy was to recognize \$2k in the current year.

Notes to the Financial Report  
For the Year Ended 30 June 2009

Note 1 (u) Pending Accounting Standards

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

AASB amendment	Standards Affected	Outline of amendment	App. date of Std	App. date for Council
AASB 2008 - 11	AASB 3 Business Combinations	Amends an earlier version of AASB 3 issued in July 2004. However, before the mandatory application of this Standard the Australian Accounting Standards Board will consider the suitability of this Standard for combinations in the not for profit sector. This may result in further amendments to this Standard or an additional scope exclusion. Consequently, it is not possible to assess the likely impact of this Standard on Council.	1-Jul-09	1-Jul-09
AASB 2007 - 06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB 101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1-Jan-09	1-Jan-09
AASB 2007 - 08	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1-Jan-09	1-Jan-09
AASB 2008 - 5	AASB 127 Consolidated and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1-Jul-09	1-Jul-09
AASB 2008-1, AASB 2008-2, AASB 2008-3, AASB 2008-5, AASB 2008-6 AASB 2008-7,	Various	These standards make revisions, which are generally minor, to a range of other accounting standards. It is not expected that these Standards will have any significant impact on Council.	1-Jan-09	1-Jan-09

**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 2008-09 was \$1,814 million (2007-08 \$1,749 million). The 2008-09 rate in the capital improved value dollar was 0.5487 cents (2007-08, 0.5291 cents).

	2009 \$'000	2008 \$'000
Residential	4,615	4,369
Commercial	702	612
Industrial	38	32
Farm/Rural	2,538	2,348
Cultural & Recreational	9	7
Garbage Charge	1,255	1,120
Municipal Charge	776	733
	<b>9,933</b>	<b>9,221</b>

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**

Aged and Disability Service Fees	683	654
Child Care	450	366
Leisure Centre	288	296
Private Works - Infrastructure	197	356
Other	151	187
Building	107	107
Local Laws Fines & Permits	105	84
Economic Development Fees	105	77
Family Day Care Fees	87	89
Waste Management Fees	78	81
Environmental Health Fees	73	86
Property Rentals	71	77
Town Planning Fees	51	55
	<b>2,446</b>	<b>2,515</b>



Note 4 Grants

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

**Recurrent**

General Revenue Grant	6,543	4,807
Aged and Disability Services	552	543
Child Care	325	241
Economic Development Grants	162	33
Other Grants	141	140
Environmental Grants	92	94
Drought	75	84
Public Safety	60	13
Family Day Care	23	129
Information Services	0	116
<b>Total</b>	<b>7,973</b>	<b>6,200</b>

**Non-recurrent**

Roads to Recovery	1,438	891
RLCIP Funding	556	0
Water Manangement Grants	335	234
Building grants	273	0
Sporting Recreation Grants	125	146
Other Grants	4	36
Stawell Airport Upgrade Grant	0	350
Economic Development Grants	0	93
Streetscape Grants	0	40
Emergency Management	0	9
<b>Total</b>	<b>2,731</b>	<b>1,799</b>

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:

	2009 \$'000	2008 \$'000
RLCIP - Grand Funding Grant	456	0
St Arnaud Pool - Grant	80	0
Maternal Child Health Grant	33	0
St Arnaud Tennis Resurfacing Grant	32	0
Heatwave Kit Grant	25	0
Curtis St Dam Link Line Grant	17	0
Grants Officer Grant	15	0
Halls Gap Transfer Station Grant	7	0
Stawell Easter Gift Event Grant	5	0
Halls Gap Signage Grant	5	0
TAC Road Safety Grant	5	0
Manufacturing Industry Group Grant	2	0
Stawell Airport Upgrade Grant	0	227
Central Park Water Grant	0	72
Community Water Grant	0	43
Drought Recovery Grant	0	42
Shire Rains on Drought Grant	0	32
Banyena Tennis Court Minors Grant	0	16
Heritage Grants	0	10
Great Western Clubrooms Refurbishment Grant	0	2
	<u>682</u>	<u>445</u>

**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:

	2009 \$'000	2008 \$'000
Additional R2R Funding	703	0
Stawell Airport Upgrade Grant	135	0
Central Park Water Grant	72	0
Community Water Grant	43	0
Drought Recovery Grant	42	0
Banyena Tennis Court Minors Grant	16	0
Shire Rains on Drought Grant (DPCD)	10	0
Interim Roadside Control Grant	6	0
Heritage Grants (Housing Affordability Study)	5	0
G/Western Clubrooms Refurb Grant	2	0
Youth Grant - FReeZA	2	0
Drought Funding LWIP	0	286
Additional Roads to Recovery Funding	0	198
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 Grnt	0	46
Community Cohesion Project Grant	0	38
Navarre Football & Netball Club Grant	0	38
Bushfire Comm Dev Grant	0	35
Drought Relief Water Tank Grant	0	18
Drought Recovery Grant	0	11
Interim Roadside Control Grant	0	10
Youth Grant - FReeZA	0	3
Central Park Netball Crt Grant	0	3
Landcare Festival Grant	0	3
Bore Contruction Grant	0	2
ICLEI Grant	0	2
Street Party Kit Grant	0	2
	1,036	982

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

(354) (538)

**Note 5 Contributions - Cash**

Child Care Benefits	485	367
Capital	246	31
Other	78	85
Legal Expenses	28	31
Revaluation Process	21	84
	858	598

	2009 \$'000	2008 \$'000
<b>Note 6 Contributions - Non-monetary assets</b>		
Drains	35	0
Sealed Pavement	29	0
Kerb & Channel	16	0
Sealed Surface	4	0
Land Under Roads	2	0
	<u>86</u>	<u>0</u>
<b>Note 7 Other Revenue</b>		
Interest	191	316
Interest on Rates	42	32
Other Revenue	84	66
	<u>317</u>	<u>414</u>
<b>Note 8 Employee Benefits</b>		
Wages & Salaries	8,567	8,424
Less Capitalised Salary & Wages	(375)	(272)
	<u>8,192</u>	<u>8,152</u>
Increase/(decrease) in Long Service Leave	99	163
Increase/(decrease) in Annual Leave	20	2
Superannuation	715	683
Fringe Benefits Tax	43	49
Work Cover	168	170
	<u>1,045</u>	<u>1,067</u>
	<u>9,237</u>	<u>9,219</u>
<b>Note 9 Materials &amp; Services</b>		
Other Materials & Services	3,535	4,014
Contract Employees	741	431
Fuel	548	451
Equipment Maintenance & Repair	470	396
Utilities	363	266
Software Costs	303	254
Goods for resale	260	241
Insurance	203	264
Communications	159	155
Councillors Allowances	151	136
Training	110	140
Advertising/Marketing	94	117
Audit Fees	55	65
Memberships and Subscriptions	55	30
Postage and Freight	41	40
Bank Fees	41	38
Catering	40	35
Legal Expenses	23	17
	<u>7,192</u>	<u>7,090</u>
<b>Note 10 Bad &amp; Doubtful Debts</b>		
Childcare and Local Law Debtors	5	12
	<u>5</u>	<u>12</u>

**Note 11 Depreciation & Amortisation**

	2009 \$'000	2008 \$'000
Sealed Pavements	1,204	834
Sealed Surfaces	1,039	785
Buildings	877	719
Unsealed Pavement	674	665
Plant & Equipment	527	511
Major Bridges & Culverts	430	323
Computer Equipment	308	146
Motor Vehicles	165	163
Kerb & Channel	159	128
Drainage	133	118
Footpaths	114	54
Parks & Gardens	62	46
Land Improvements	28	0
Furniture & Fittings	22	26
Street Furniture	15	15
Formations Sealed	4	4
Formations Unsealed	4	4
Heritage Assets	2	2
	<b>5,767</b>	<b>4,543</b>

**Note 12 Finance Costs**

Interest - Borrowings	109	146
	<b>109</b>	<b>146</b>



**Note 13 Investment in Associates**

*Background*

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

Council's interest in equity	26.13%	27.36%
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Wimmera Regional Library Corporation	516	465
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*Council's share of accumulated surplus(deficit)*

Council's share of accumulated surplus(deficit) at start of year	130	213
Change in equity share appointment	(6)	14
Reported surplus(deficit) for year	32	(84)
Transfers (to) from reserves	2	(12)
Council's share of accumulated surplus(deficit) at end of year	158	130

*Council's share of reserves*

Council's share of reserves at start of year	335	295
Change in equity share appointment	(15)	19
Transfers (to) from reserves	(2)	12
Share of asset revaluation	40	9
Council's share of reserves at end of year	359	335

*Movement in carrying value of specific investment*

Carrying value of investment at start of year	465	508
Change in equity share appointment	(21)	32
Share of surplus(deficit) for year	32	(84)
Share of asset revaluation	40	9
Carrying value of investment at end of year	516	465

**Note 14 Cash & Cash Equivalents**

Cash on Hand	4	4
Cash at Bank	294	351
Short Term Deposits	4,081	3,431
	4,379	3,786

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

	2009 \$'000	2008 \$'000
<b>Note 15 Trade &amp; Other Receivables</b>		
<i>Current</i>		
Rates Debtors	388	343
Loans & Advances to Community Organisations	75	45
Other Debtors	530	771
Provision for Doubtful Debts	(5)	(12)
GST Receivable	167	0
Accrued Income	84	191
	<u>1,239</u>	<u>1,338</u>
<i>Non-current</i>		
Loans & Advances to Community Organisations	75	101
	<u>75</u>	<u>101</u>
<b>Total</b>	<u>1,314</u>	<u>1,439</u>
<b>Note 16 Inventories</b>		
Inventories for distribution	37	23
Inventories held for sale	10	9
	<u>47</u>	<u>32</u>
<b>Note 17 Financial Assets</b>		
Floating rate note at fair value	914	0
	<u>914</u>	<u>0</u>

Note 18 Property, Plant and Equipment, Infrastructure

		2009 \$'000	2008 \$'000
<b>Summary</b>			
	at cost	18,348	11,251
	at fair value as at 30 June 2008	330,917	330,970
	Work In Progress	0	86
		349,265	342,307
	Less accumulated depreciation	(125,829)	(120,449)
	Total	223,436	221,858
<b>Property</b>			
<b>Land</b>			
	at fair value as at 30 June 2008	6,915	6,967
		6,915	6,967
<b>Land Under Roads</b>			
	at cost	2	0
		2	0
<b>Land Improvements</b>			
	at cost	275	0
	Less accumulated depreciation	(28)	0
		247	0
	<b>Total Land</b>	7,164	6,967
<b>Buildings</b>			
	at cost	1,010	0
	at fair value as at 30 June 2008	60,202	60,203
	Work In Progress	0	0
	Less accumulated depreciation	(22,845)	(21,968)
	<b>Total Buildings</b>	38,367	38,235
<p>The valuation of land (excluding land under roads) 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.</p> <p>Land under roads is valued at deemed cost. Deemed cost is based on site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services at the date acquired.</p>			
	<b>Total Property</b>	45,531	45,202
<b>Plant, Machinery &amp; Motor Vehicles</b>			
<b>Plant &amp; Machinery</b>			
	at cost	7,103	6,779
	Less accumulated depreciation	(2,923)	(2,634)
		4,180	4,145
<b>Motor Vehicles</b>			
	at cost	924	934
	Less accumulated depreciation	(224)	(195)
		700	739
	<b>Total Plant, Machinery &amp; Motor Vehicles</b>	4,880	4,884
<b>Equipment</b>			
<b>Furniture &amp; Fittings</b>			
	at cost	361	344
	Less accumulated depreciation	(311)	(289)
		50	55
<b>Computer Equipment</b>			
	at cost	1,532	1,131
	Less accumulated depreciation	(967)	(673)
		565	458
	<b>Total Equipment</b>	615	513

		2009 \$'000	2008 \$'000
Note 18	Property, Plant and Equipment, Infrastructure (cont.)		
<i>Infrastructure</i>			
Footpaths			
at cost		100	0
at fair value as at 30 June 2008		8,065	8,065
Less accumulated depreciation		(3,790)	(3,676)
	<i>Total Footpaths</i>	<u>4,375</u>	<u>4,389</u>
Kerb & Channel			
at cost		312	0
at fair value as at 30 June 2008		13,369	13,369
Less accumulated depreciation		(6,116)	(5,957)
	<i>Total Kerb &amp; Channel</i>	<u>7,565</u>	<u>7,412</u>
Sealed Pavements			
at cost		1,125	0
at fair value as at 30 June 2008		130,020	130,020
Less accumulated depreciation		(47,106)	(45,902)
	<i>Total Sealed Pavement</i>	<u>84,039</u>	<u>84,118</u>
Sealed Surfaces			
at cost		727	0
at fair value as at 30 June 2008		14,637	14,637
Less accumulated depreciation		(7,988)	(6,949)
	<i>Total Sealed Surfaces</i>	<u>7,376</u>	<u>7,688</u>
Unsealed Pavements			
at cost		645	0
at fair value as at 30 June 2008		20,344	20,344
Less accumulated depreciation		(8,556)	(7,882)
	<i>Total Unsealed Pavement</i>	<u>12,433</u>	<u>12,462</u>
Formations Sealed			
at cost		146	0
at fair value as at 30 June 2008		7,227	7,227
Less accumulated depreciation		(40)	(36)
	<i>Total Formations Sealed</i>	<u>7,333</u>	<u>7,191</u>
Formations Unsealed			
at fair value as at 30 June 2008		8,225	8,225
Less accumulated depreciation		(45)	(41)
	<i>Total Formations Unsealed</i>	<u>8,180</u>	<u>8,184</u>
Bridges & Major Culverts			
at cost		586	0
at fair value as at 30 June 2008		43,190	43,190
Less accumulated depreciation		(16,542)	(16,112)
	<i>Total Bridges &amp; Major Culverts</i>	<u>27,234</u>	<u>27,078</u>
Drainage			
at cost		1,093	0
at fair value as at 30 June 2008		18,723	18,723
Work In Progress		0	86
Less accumulated depreciation		(8,084)	(7,951)
	<i>Total Drainage</i>	<u>11,732</u>	<u>10,858</u>
	<i>Total Infrastructure</i>	<u>170,267</u>	<u>169,380</u>

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

		2009 \$'000	2008 \$'000
Street Furniture			
at cost		456	418
Less accumulated depreciation		(85)	(69)
<i>Total Street Furniture</i>		<u>371</u>	<u>349</u>
Parks & Gardens			
at cost		1,741	1,435
Less accumulated depreciation		(159)	(97)
<i>Total Parks &amp; Gardens</i>		<u>1,582</u>	<u>1,338</u>
Heritage Assets			
at cost		210	210
Less accumulated depreciation		(20)	(18)
<i>Total Heritage Assets</i>		<u>190</u>	<u>192</u>
<p>The valuation of Footpath, Kerb &amp; 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.</p> <p>Valuations for Drainage, Bridges, Unsealed Pavement and Unsealed Formations were determined by Mr Sanjay Maniasagasivam B. Engineering(Civil) MIE Aust. as at 30 June 2008 and was based on current written down replacement value of the assets.</p>			
<i>Total Property, Plant and Equipment, Infrastructure</i>		<u>223,436</u>	<u>221,858</u>



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

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

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

2008	Balance at Beginning of Financial Year	Acquisition of Assets	Revaluation Increments (Decrements) (note 23)	Depreciation (note 11)	WDV of Disposals	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Property</b>							
Land	6,060	27	893	0	(51)	38	6,967
Buildings	23,942	517	14,551	(719)	(98)	42	38,235
<b>Total Property</b>	<b>30,002</b>	<b>544</b>	<b>15,444</b>	<b>(719)</b>	<b>(149)</b>	<b>80</b>	<b>45,202</b>
<b>Other Assets</b>							
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
<b>Total Assets</b>	<b>5,387</b>	<b>1,839</b>	<b>0</b>	<b>(863)</b>	<b>(425)</b>	<b>0</b>	<b>5,938</b>
<b>Infrastructure</b>							
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
<b>Total Roads</b>	<b>91,665</b>	<b>1,813</b>	<b>28,457</b>	<b>(2,292)</b>	<b>0</b>	<b>0</b>	<b>119,643</b>
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
<b>Total Other Infrastructure</b>	<b>54,555</b>	<b>1,200</b>	<b>(4,832)</b>	<b>(669)</b>	<b>0</b>	<b>735</b>	<b>50,989</b>
<b>Total Infrastructure</b>	<b>146,220</b>	<b>3,013</b>	<b>23,625</b>	<b>(2,961)</b>	<b>0</b>	<b>735</b>	<b>170,632</b>
<b>Works in Progress</b>							
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
<b>Total Works in Progress</b>	<b>815</b>	<b>86</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(815)</b>	<b>86</b>
<b>Total Property, Plant and Equipment and Infrastructure</b>	<b>182,424</b>	<b>5,482</b>	<b>39,069</b>	<b>(4,543)</b>	<b>(574)</b>	<b>0</b>	<b>221,858</b>

	2009 \$'000	2008 \$'000
<b>Note 19 Trade &amp; Other Payables</b>		
Trade Payables	669	742
Accrued Salary & Wages	295	337
Accrued Expenses	85	20
	<u>1,049</u>	<u>1,099</u>
<b>Note 20 Trust Funds &amp; Deposits</b>		
Refundable Building Deposits	1	15
Refundable Security Deposits	25	21
Refundable Civic Facilities Deposits	4	1
Other Refundable Deposits	40	18
	<u>70</u>	<u>55</u>

	Landfill Restoration	Annual Leave	Rostered Days Off	Long Service Leave	Total
2009	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	0	811	44	1,169	2,024
Additional Provisions	275	57	136	399	867
Reduction of Provisions	0	(35)	(138)	(300)	(473)
Balance at the end of the financial year	<u>275</u>	<u>833</u>	<u>42</u>	<u>1,268</u>	<u>2,418</u>
<b>2008</b>					
Balance at beginning of the financial year	0	814	38	1,007	1,859
Additional Provisions	0	583	285	274	1,142
Reduction of Provisions	0	(586)	(279)	(112)	(977)
Balance at the end of the financial year	<u>0</u>	<u>811</u>	<u>44</u>	<u>1,169</u>	<u>2,024</u>

	2009 \$'000	2008 \$'000
<b>(a) Employee Benefits</b>		
<b>(i) Current</b>		
Annual Leave	833	811
Long Service Leave	1,082	1,046
Rostered Days Off	42	44
	<u>1,957</u>	<u>1,901</u>
<b>(ii) Non-current</b>		
Long Service Leave	186	123
	<u>186</u>	<u>123</u>
Aggregate carrying amount of Employee Benefits:		
Current	1,957	1,901
Non-current	186	123
	<u>2,143</u>	<u>2,024</u>

	2009 \$'000	2008 \$'000
<b>Note 21 Provisions (cont.)</b>		
<b>(a) Employee Benefits (cont.)</b>		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	4%	4%
Weighted average discount rates	2.3%	3.3%
Weighted average settlement period	14	13
<b>(i) Current</b>		
All annual leave and the long service leave entitlements representing 7 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	986	910
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	971	991
	<u>1,957</u>	<u>1,901</u>
<b>(ii) Non-current</b>		
Long service leave representing less than 7 years of continuous service measured at present value	186	123
<b>Total</b>	<u>2,143</u>	<u>2,024</u>
<b>(b) Landfill Restoration</b>		
Council is obligated to restore a landfill site to a particular standard. Current predictions indicate that the landfill site will cease operations in 2019 and restoration work is expected to commence shortly thereafter. The forecast of the life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly the estimation of the provision required is dependant on the accuracy of the forecast timing of the work and the related work.		
<b>Non-current</b>		
Landfill Restoration	275	0
	<u>275</u>	<u>0</u>

	2009 \$'000	2008 \$'000
<b>Note 22 Interest-bearing Loans and Borrowings</b>		
<i>Current</i>		
Borrowings - secured	402	493
<i>Non-current</i>		
Borrowings - secured	2,058	1,460
Total	2,460	1,953
The maturity profile for Council's borrowings is:		
Not later than one year	402	493
Later than one year and not later than five years	1,417	1,254
Later than five years	641	206
	2,460	1,953
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	402	493
Non-current	2,058	1,460
	2,460	1,953



**Note 23 Reserves**

(a) Asset Revaluation Reserve

	Land \$'000	Buildings \$'000	Footpaths \$'000	Kerb & Channel \$'000
Balance at beginning of reporting period	4,618	26,469	1,646	1,906
Increment (decrement)	0	0	0	0
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	9,149	2,335	20	48,171
Increment (decrement)	0	0	0	0
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	5,022	9,151	1,815	2,650
Increment (decrement)	0	0	0	0
Balance at end of reporting period	<u>5,022</u>	<u>9,151</u>	<u>1,815</u>	<u>2,650</u>

	Financial Assets \$'000	Investment in Associates \$'000
Balance at beginning of reporting period	0	0
Increment (decrement)	14	19
Balance at end of reporting period	<u>14</u>	<u>19</u>

	Total 2009 \$'000	Total 2008 \$'000
Balance at beginning of reporting period	112,952	73,883
Increment (decrement)	33	39,069
Balance at end of reporting period	<u>112,985</u>	<u>112,952</u>

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

Note 23 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	1,008	89	328	54
Transfer to/(from) reserves	250	4	(328)	(5)
Balance at end of the reporting period	1,258	93	0	49

	Stawell Cemetery	Gravel Pits Restoration	Roads to Recovery	St Arnaud Cinema
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	69	122	704	2
Transfer to/(from) reserves	(21)	0	(704)	(2)
Balance at end of the reporting period	48	122	0	0

	Western Highway Action Reserve	Community Loan Reserve	Heritage Verandah Restoration Reserve
	\$'000	\$'000	\$'000
Balance at beginning of the reporting period	13	363	10
Transfer to/(from) reserves	0	(14)	0
Balance at end of the reporting period	13	349	10

	Total 2009	Total 2008
	\$'000	\$'000
Balance at beginning of the reporting period	2,762	2,555
Transfer to/(from) reserves	(820)	207
Balance at end of the reporting period	1,942	2,762
<b>Total Reserves</b>	<b>114,927</b>	<b>115,714</b>

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 to fund improvements.

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

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

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

	2009 \$'000	2008 \$'000
<b>Note 24 Reconciliation of Cash Flows from Operating Activities to surplus (deficit)</b>		
Surplus(deficit) for the year	2,068	(198)
Depreciation	5,767	4,543
(Profit)/loss on Disposal of Property, Plant and Equipment and Infrastructure	(2)	(108)
Share of net result of associates	(32)	43
Contributions - non monetary assets	(86)	0
<i>Change in Assets and Liabilities:</i>		
(Increase)/decrease in Trade and Other Receivables	18	191
Increase/(decrease) in Prepayments	107	(146)
Increase/(decrease) in Trade and Other Payables	9	(248)
(Increase)/decrease in Inventories	(15)	51
Increase/(decrease) in Provisions	119	165
Net Cash provided by/(used in) Operating Activities	7,953	4,293
<b>Note 25 Reconciliation of Cash and Cash Equivalents</b>		
Cash and Cash Equivalents (see note 14)	4,379	3,786
	4,379	3,786
<b>Note 26 Financing Arrangements</b>		
Bank Overdraft	200	200
Used Facilities	0	0
Unused Facilities	200	200
<b>Note 27 Restricted Assets</b>		
Council has cash and cash equivalents (note 14) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).		
Long Service Leave *	1,030	1,027
Reserve Funds (note 23)	1,942	2,762
	2,972	3,789

\* Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 21 due to a different basis of calculation prescribed by the regulation.

**Note 28 Superannuation**

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

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

**Defined Benefit Plan**

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

Council makes employer contributions to the defined benefits category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2008, Council make the following contribution:-

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

Fund surplus or deficit (i.e. the difference between fund assets and liabilities) are calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in a council's financial statements. AAS 25 requires that the present value of the benefit liability which is calculated in respect of membership completed at the calculation date makes no allowance for future benefits that may accrue. The actuarial investigation concluded that although the Net Market Value of Assets was in excess of Accrued Benefits at 31 December 2008, based on the assumptions adopted, there was a shortfall of \$71 million when the funding of future benefits was also considered. However, the council has been advised that no additional contributions will be required as at 30 June 2009. The Actuary will undertake the next actuarial investigation as at 30 June 2010 to ascertain if additional contributions are required.

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

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

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

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

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

Fund	2009 \$'000	2008 \$'000
<b>Defined benefit plans</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	118	126
	118	126
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	478	459
Employer Contributions to Employee Choice Super	119	98
	597	557

Note 29 Commitments

The Council has entered into the following commitments

2009	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Tree Maintenance	100	0	0	0	100
Waste Management	681	697	251	0	1,629
Cleaning Services	71	0	0	0	71
Valuations	172	0	0	0	172
	<b>1,024</b>	<b>697</b>	<b>251</b>	<b>0</b>	<b>1,972</b>
Capital					
Roads	1,494	0	0	0	1,494
Bridges	100	0	0	0	100
	<b>1,594</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,594</b>
<b>Total</b>	<b>2,618</b>	<b>697</b>	<b>251</b>	<b>0</b>	<b>3,566</b>

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
	<b>867</b>	<b>924</b>	<b>949</b>	<b>0</b>	<b>2,740</b>
Capital					
Computer Equipment	168	0	0	0	168
Buildings	357	0	0	0	357
Roads	394	0	0	0	394
	<b>919</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>919</b>
<b>Total</b>	<b>1,786</b>	<b>924</b>	<b>949</b>	<b>0</b>	<b>3,659</b>



	2009 \$'000	2008 \$'000
<b>Note 30 Operating Lease Commitments</b>		
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	41	45
Later than one year and not later than five years	125	93
Later than five years	0	0
	<b>166</b>	<b>138</b>
<b>Note 31 Contingent Liabilities</b>		
<b>Contingent Liabilities</b>		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
(i) Insurances		
As at 30 June 2009 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
A number of minor public liability claims are outstanding. Whilst Council will be required to meet the insurance excess deductible on any claims that are successful, its potential liability under those claims is otherwise adequately insured.		
(ii) There is the potential for Council to have to pay for restoration costs on gravel pits for land controlled by the D.S.E, these risks are covered by way of bank guarantee.		
(iii) Bank Guarantees		
The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.		
Department of Sustainability and Environment	50	50
Minister for Agriculture & Resources	6	6
Victorian Rail Track	0	6
	<b>56</b>	<b>62</b>

Note 32 Financial Instruments  
(a) Accounting Policy, Terms & Conditions

Recognised Financial Instruments		Note	Accounting Policy	Terms and Conditions
Financial				
Cash and Cash Equivalents	14		Cash on hand and at bank and money market call account are valued at face value.	Deposits returned a floating interest rate of between 2.5% and 7.70% ( 5.75% and 7.70% in 2007-08). The average rate at balance date was 3.37% (7.24% in 2007-08).
<b>Trade and Other Receivables</b>				
Other Debtors	15		Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
<b>Financial Liabilities</b>				
Trade and Other Payables	19		Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing Loans and Borrowings	22		Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.95% at balance date (6.48% in 2007-08).
Bank Overdraft	26		Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. Current overdraft facility is \$200,000. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate as at balance date was 8.99% (11.77% in 2007-08).

Note 32 Financial Instruments (cont.)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

2009						
	Floating interest rate \$'000	Fixed Interest Maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>						
Cash and Cash Equivalents	2,684	1,691	0	0	4	4,379
Available-for-Sale Assets	914	0	0	0	0	914
Trade and Other Receivables	0	75	75	0	776	926
<b>Total Financial Assets</b>	<b>3,598</b>	<b>1,766</b>	<b>75</b>	<b>0</b>	<b>780</b>	<b>6,219</b>
Weighted Average Interest Rate	3.31%	3.60%	5.81%			
<b>Financial Liabilities</b>						
Trade and Other Payables	0	0	0	0	1,049	1,049
Trust Funds and Deposits	0	0	0	0	70	70
Interest-bearing Loans and Borrowings	0	402	1,417	641	0	2,460
<b>Total Financial Liabilities</b>	<b>0</b>	<b>402</b>	<b>1,417</b>	<b>641</b>	<b>1,119</b>	<b>3,579</b>
Weighted Average Interest Rate		6.82%	6.78%	7.41%		
Net Financial Assets (Liabilities)	3,598	1,364	(1,342)	(641)	(339)	2,640

2008

	Floating interest rate \$'000	Fixed Interest Maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
<b>Financial Assets</b>						
Cash and Cash Equivalents	351	3,431	0	0	4	3,786
Trade and Other Receivables	0	45	101	0	962	1,096
<b>Total Financial Assets</b>	<b>351</b>	<b>3,476</b>	<b>101</b>	<b>0</b>	<b>966</b>	<b>4,882</b>
Weighted Average Interest Rate	6.75%	7.32%	8.16%			
<b>Financial Liabilities</b>						
Trade and Other Payables	0	0	0	0	1,099	1,099
Trust Funds	0	0	0	0	55	55
Interest-bearing Liabilities	0	493	1,254	206	0	1,953
<b>Total Financial Liabilities</b>	<b>0</b>	<b>493</b>	<b>1,254</b>	<b>206</b>	<b>1,154</b>	<b>3,107</b>
Weighted Average Interest Rate		6.10%	6.07%	6.21%		
Net Financial Assets (Liabilities)	351	2,983	(1,153)	(206)	(188)	1,775

Note 32 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total Carrying Amount as per Balance Sheet	
	2009 \$'000	2008 \$'000
<i>(1) Financial Assets</i>		
Cash and Cash Equivalents	4,379	3,786
Available-for-Sale	914	0
Trade and Other Receivables	926	1,096
<i>Total Financial Assets</i>	<i>6,219</i>	<i>4,882</i>
<i>(2) Financial Liabilities</i>		
Trade and Other Payables	1,049	1,099
Trust Funds and Deposits	70	55
Interest Bearing Loans & Borrowings	2,460	1,953
<i>Total Financial Liabilities</i>	<i>3,579</i>	<i>3,107</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 32 Financial Instruments (cont.)**

**Credit risk**

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

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

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

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

**Movement in Provisions for Doubtful Debts**

	2009 \$'000	2008 \$'000
Balance at the beginning of the year	12	0
New Provisions recognised during the year	5	12
Amounts already provided for and written off as uncollectible	(11)	0
Amounts provided for but recovered during the year	(1)	0
Balance at end of year	5	12

**Ageing of Trade and Other Receivables**

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

	2009 \$'000	2008 \$'000
Current (not yet due)	583	846
Past due by up to 30 days	324	98
Past due between 31 and 90 days	99	195
Past due between 91 and 365 days	238	227
Past due by more than 1 year	75	85
Total Trade & Other Receivables	1,319	1,451

**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 Council's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

**(f) Sensitivity disclosure analysis**

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

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

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

Note 32 Financial Instruments (cont.)

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

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

Note 33 Auditors' Remuneration

	<b>2009</b>	<b>2008</b>
	<b>\$'000</b>	<b>\$'000</b>
Audit Fee to conduct external audit - Victorian Auditor-General	25	21
Internal Audit Fees	21	22
	<b>46</b>	<b>43</b>

Note 34 Related Party Transactions

(i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

Councillors

Mayor Bryan Small - to November 2008  
Mayor Kevin Erwin - from December 2008  
Councillor Kevin Erwin - to November 2008  
Councillor Robyn Smith - to November 2008  
Councillor Ian Nicholson - to November 2008  
Councillor Greg Earle - to November 2008  
Councillor Ross Clementson  
Councillor Wayne Rice  
Councillor Dorothy Patton  
Councillor Ray Hewitt  
Councillor Barry Marrow (Elected 29 November 2008)  
Councillor Andrea Cooper (Elected 29 November 2008)

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:

	2009 No.	2008 No.
\$10,000 - \$19,999	10	7
\$20,000 - \$29,999	0	2
\$30,000 - \$39,999	1	0
\$180,000 - \$189,999	0	1
\$200,000 - \$209,999	1	0
	<b>12</b>	<b>10</b>

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

355 324

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2007-08, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2007-08, \$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.	191	157
Manager Carole Ford	B & D Plumbing - provision of plumbing services. Owned by husband of Carole Ford.	76	66
Senior Officer - Justine Linley	Grampians Print & Design - provision of printing services. Owned by husband of Justine Linley.	4	0



**Note 34 Related Party Transactions (cont.)**

**(vi) Senior Officers Remuneration**

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

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

Income Range:	2009 No.	2008 No.
< \$100,000	2	1
\$100,000 - \$109,999	3	4
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	0	1
\$140,000 - \$149,999	2	0
	<u>8</u>	<u>7</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	842	764

**Note 35 Events occurring after balance date**

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

Note 36 Income, Expenses and Assets by Function/Activities

	Governance		Corporate Services		Customer Services		Business Services		Total	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>INCOME</b>										
Grants	27	0	6,543	4,932	4,017	3,079	117	80	10,704	8,091
Other	68	53	10,089	9,872	3,378	2,641	105	90	13,640	12,656
<b>TOTAL</b>	<b>95</b>	<b>53</b>	<b>16,632</b>	<b>14,804</b>	<b>7,395</b>	<b>5,720</b>	<b>222</b>	<b>170</b>	<b>24,344</b>	<b>20,747</b>
<b>EXPENSES</b>	<b>(994)</b>	<b>(889)</b>	<b>(9,451)</b>	<b>(8,541)</b>	<b>(10,702)</b>	<b>(10,515)</b>	<b>(1,043)</b>	<b>(1,000)</b>	<b>(22,190)</b>	<b>(20,945)</b>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<b>(899)</b>	<b>(836)</b>	<b>7,181</b>	<b>6,263</b>	<b>(3,307)</b>	<b>(4,795)</b>	<b>(821)</b>	<b>(830)</b>	<b>2,154</b>	<b>(198)</b>
<b>ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*</b>	<b>190</b>	<b>190</b>	<b>53,916</b>	<b>66,250</b>	<b>176,647</b>	<b>161,346</b>	<b>0</b>	<b>0</b>	<b>230,753</b>	<b>227,786</b>

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

**Governance**

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

**Corporate Services**

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

The Division includes the following Branches :

Corporate Services	Customer Support
Financial Services	Information Services

**Customer Services**

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

The Division includes the following Branches :

Infrastructure Operations	Community Planning
Infrastructure Development	Planning & Building

**Business Services**

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

The Division includes the following Branches :

Economic Development	Tourism
Marketing	

Note 37 Financial Ratios (Performance Indicators)

	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u> Total Revenue	$\frac{109}{24,344}$	= 0.45%	$\frac{146}{20,747}$	= 0.70%	$\frac{132}{21,402}$	= 0.62%
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 &amp; Redemption Costs</u> Rate Revenue	$\frac{602}{9,933}$	= 6.06%	$\frac{789}{9,221}$	= 8.56%	$\frac{846}{8,630}$	= 9.80%
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	$\frac{9,933}{24,344}$	= 40.80%	$\frac{9,221}{20,747}$	= 44.44%	$\frac{8,630}{21,402}$	= 40.32%
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	$\frac{4,967}{41,459}$	= 11.98%	$\frac{4,104}{40,857}$	= 10.04%	$\frac{4,921}{26,149}$	= 18.82%

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 27) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land - other controlled; buildings on other controlled land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.

Note 37 Financial Ratios (Performance Indicators) (cont.)

	2009 \$'000	2009 (%)	2008 \$'000	2008 (%)	2007 \$'000	2007 (%)
(e) <b>Working Capital Ratio</b> (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	5,812		5,362		6,592	
<u>Current Liabilities</u>	3,478	= 167.11%	3,548	= 151.13%	3,624	= 181.90%

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>	5,812		5,362		6,592	
<u>Current liabilities</u>	2,507	= 231.83%	2,557	= 209.70%	2,995	= 220.10%

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 10/9/09

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampian Shire Council for the year ended 30 June 2009 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 10 September 2009 to certify the financial statements in their final form.



Kevin Erwin  
Councillor

Date 10/9/09

  
Barry Marrow  
Councillor

Date 10/9/09



Glen Davis  
Chief Executive Officer

Date 10/9/09



# Standard Statements

2008-2009

*Creating a better lifestyle and environment*





# 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 2009

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### 1 BASIS OF PREPARATION OF STANDARD STATEMENTS

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

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

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

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

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

The budget figures included in the Statements are those adopted by Council on 26 June 2008. 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 2009

	Budgeted 2008/2009 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2008/2009 (\$'000)
<b>Revenues</b>						
Rates and Garbage Charges	9,916	17	0%			9,933
User Fees and Charges	2,378	68	3%			2,446
Contributions	0	858	100%	1		858
Contribution - Non-monetary assets	529	(443)	(84%)	2		86
Grants - Operating	6,032	1,941	32%	3		7,973
Grants - Capital	2,513	218	9%			2,731
Other Revenue	327	(10)	(3%)	4		317
<b>Total Revenues</b>	<b>21,695</b>	<b>2,649</b>	<b>12%</b>			<b>24,344</b>
<b>Expenses</b>						
Employee Benefits	(9,602)	365	(4%)			(9,237)
Materials and Services	(7,292)	100	(1%)			(7,192)
Bad and Doubtful Debts	0	(5)	(100%)	5		(5)
Depreciation	(4,305)	(1,462)	34%	6		(5,767)
Borrowing Costs	(116)	7	(6%)			(109)
<b>Total Expenses</b>	<b>(21,315)</b>	<b>(995)</b>	<b>5%</b>			<b>(22,310)</b>
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	2	100%	7		2
Share of net profit(loss) of Associates accounted for by the equity method	0	32	100%	8		32
<b>Surplus(deficit) for the year</b>	<b>380</b>	<b>2,546</b>	<b>670%</b>			<b>2,068</b>

# Northern Grampians Shire Council

## Standard Income Statement Comparison Report for the Year Ending 30 June 2009

### Variance Explanation Report

Ref.	Item	Commentary
1	Contributions	Additional capital contributions for projects not included in the original budget including The Stawell Bowling Club synthetic bowling green and the Maffescioni bridge works. Furthermore there were increased childcare benefit contributions due to increase patronage.
2	Contribution - Non-monetary assets	No provision was made in the budget for developer contributions for road infrastructure.
3	Grants - Operating	A significant component of the increase is due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant. A number of additional economic development grants were also received, including Stawell Gift Event funding and the completion of the Gas Pipeline Project.
4	Other Revenue	Lower interest rates available on investments due to market conditions.
5	Bad and Doubtful Debts	No provision was made in the budget for doubtful debts however a small provision has been made for childcare debts outstanding at year end.
6	Depreciation	A significant increase in depreciation expense compared to the budget is due to the increased value of assets as the result of the 2007/08 revaluation, which was not completed until after the budget was adopted.
7	Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	A small gain from the sale of assets was not budget for.
8	Share of net profit(loss) of Associates accounted for by the equity method	No allowance was made at the time of the budget for an increase in Council's investment in the Wimmera Regional Library.

### 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 2009

	Budgeted 2008/2009 (\$'000)	Variances			Actual 2008/2009 (\$'000)
		(\$'000)	%	Ref	
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents	2,900	1,479	51%	9	4,379
Receivables	1,351	(112)	(8%)		1,239
Prepayments	165	(18)	(11%)	10	147
Inventories	83	(36)	(43%)	11	47
<b>Total Current Assets</b>	<b>4,499</b>	<b>1,313</b>	<b>29%</b>		<b>5,812</b>
<b>NON-CURRENT ASSETS</b>					
Non-current Receivables	133	(58)	(44%)	12	75
Financial Assets	0	914	100%	13	914
Investments in Associates	508	8	2%		516
Fixed Assets	184,978	38,458	21%	14	223,436
<b>Total Non-Current Assets</b>	<b>185,619</b>	<b>39,322</b>	<b>21%</b>		<b>224,941</b>
<b>TOTAL ASSETS</b>	<b>190,118</b>	<b>40,635</b>	<b>21%</b>		<b>230,753</b>
<b>CURRENT LIABILITIES</b>					
Payables	1,199	(150)	(13%)	15	1,049
Trust Funds	112	(42)	(38%)	16	70
Current Provisions	1,662	295	18%	17	1,957
Interest Bearing Liabilities	438	(36)	(8%)		402
<b>Total Current Liabilities</b>	<b>3,411</b>	<b>67</b>	<b>2%</b>		<b>3,478</b>
<b>NON-CURRENT LIABILITIES</b>					
Non Current Provisions	297	164	55%	18	461
Interest Bearing Liabilities	2,022	36	2%		2,058
<b>Total Non-Current Liabilities</b>	<b>2,319</b>	<b>200</b>	<b>9%</b>		<b>2,519</b>
<b>TOTAL LIABILITIES</b>	<b>5,730</b>	<b>267</b>	<b>5%</b>		<b>5,997</b>
<b>NET ASSETS</b>	<b>184,388</b>	<b>40,368</b>	<b>22%</b>		<b>224,756</b>
<b>EQUITY</b>					
Accumulated Funds	107,962	1,867	2%		109,829
Asset Revaluation Reserve	73,884	39,101	53%	19	112,985
General Reserves	2,542	(600)	(24%)	20	1,942
<b>TOTAL EQUITY</b>	<b>184,388</b>	<b>40,368</b>	<b>22%</b>		<b>224,756</b>

# Northern Grampians Shire Council

## Standard Balance Sheet Comparison Report for the Year Ending 30 June 2009

### Variance Explanation Report

Ref.	Item	Commentary
9	Cash and Cash Equivalents	The higher cash balances than budgeted were due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant.
10	Prepayments	The budget assumed higher levels of prepayments than actually occurred for 2009-10.
11	Inventories	Inventories held for distribution have been rationalised resulting in lower stock levels.
12	Non-current Receivables	The new loan for a community project was taken up for a lower amount than the original application
13	Financial Assets	There was no provision made in the adopted budget for investing long service leave funds in a longer term higher interest product.
14	Fixed Assets	There was no provision in the budget for the movement in valuation as a result of the 2007-08 revaluation. In addition, two items of plant were purchased during the year that were carried forward from the previous year.
15	Payables	The budget assumed higher levels of payables than actually occurred.
16	Trust Funds	All outstanding contractor retained payments were refunded at the end of the prior year, but this was not provided for in the adopted budget.
17	Current Provisions	The net movement in provision for long service leave benefits has risen more than the budget due to decreased discounting rates used to calculate the provision as a result of market conditions.
18	Non Current Provisions	No provision was made for recognition of the land improvements relating to the rehabilitation of the Kara Kara pit.
19	Asset Revaluation Reserve	There was no provision in the budget for the movement in valuation as a result of the 2007-08 revaluation.
20	General Reserves	The plant replacement reserve did not increase as much as budgeted due to the additional items of plant purchased during the year that were carried forward from the previous year.

### 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 2009

	Budgeted 2008/2009 (\$'000)		Variances (\$'000)	%	Ref	Actuals 2008/2009 (\$'000)
	Inflows (Outflows)					Inflows (Outflows)
<b>Cash Flows from Operating Activities</b>						
Rates and Charges	9,916	(28)	(0%)			9,888
User Fees	2,378	(67)	(3%)			2,311
Grants	8,546	2,184	26%	21		10,730
Contributions	529	329	62%	22		858
Other Revenue	327	97	30%	23		424
Net GST Refund/(Payment)	0	167	100%	24		167
Employee Benefits	(9,602)	484	(5%)			(9,118)
Materials and Services	(7,292)	94	(1%)			(7,198)
Finance Costs	(116)	7	(6%)			(109)
<i>Net Cash provided by Operating Activities</i>	<b>4,686</b>	<b>3,267</b>	<b>70%</b>			<b>7,953</b>
<b>Cash Flows from Investing Activities</b>						
Payments for Property, Plant and Equipment	(6,882)	(498)	7%			(7,380)
Payments for Financial Assets	0	(900)	100%	25		(900)
Proceeds from Sale of Fixed Assets	936	(538)	(57%)	26		398
<i>Net Cash used in Investing Activities</i>	<b>(5,946)</b>	<b>(1,936)</b>	<b>33%</b>			<b>(7,882)</b>
<b>Cash Flows from Financing Activities</b>						
Trust Deposit Movements (Net)	0	15	(100%)	27		15
Proceeds from Borrowings	1,000	0	0%			1,000
Repayment of Borrowings	(493)	0	0%			(493)
<i>Net Cash provided by/(used in) Financing Activities</i>	<b>507</b>	<b>15</b>	<b>3%</b>			<b>522</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(753)</b>	<b>1,346</b>	<b>(179%)</b>			<b>593</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<b>3,653</b>	<b>133</b>	<b>4%</b>			<b>3,786</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<b>2,900</b>	<b>1,479</b>	<b>51%</b>			<b>4,379</b>



# Northern Grampians Shire Council

## Standard Cash Flow Statement Comparison Report for the Year Ending 30 June 2009

### Variance Explanation Report

Ref.	Item	Commentary
21	Grants	A significant component of the increase is due to the prepayment of the 1st quarter instalment of the Grants Commission Financial Assistance Grant for 2009-10. A number of additional economic development grants were also received, including Stawell Gift Event funding and the completion of the Gas Pipeline Project. Several capital projects were funded but not included in the adopted budget.
22	Contributions	Additional capital contributions for projects not included in the original budget include the Stawell Bowling Club synthetic bowling green and the Maffasconi bridge works. Further more there were increased childcare benefit contributions due to increase patronage.
23	Other Revenue	The movement in the cash flow statement is due to lower interest rates available on investments due to market conditions offset against no provision being made in the budget for the reduction in accrued income of \$107,000.
24	Net GST Refund/(Payment)	No provision was estimated for a net movement of GST refunded or paid.
25	Payments for Financial Assets	There was no provision made in the adopted budget for investing long service leave funds in a longer term higher interest product.
26	Proceeds from Sale of Fixed Assets	Budgeted sale of land did not occur.
27	Trust Deposit Movements (Net)	The increased movement in Trust Deposits is due to an infrastructure performance deposit that was not budgeted for.

### 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 2009

	Budgeted 2008/2009 (\$'000)	Variances			Actuals 2008/2009 (\$'000)
		(\$'000)	%	Ref	
Capital Works Areas					
Bridges & Culverts	452	134	30%	28	586
Buildings	1,112	(68)	(6%)		1,044
Computer Equipment	376	38	10%	29	414
Plant & Motor Vehicles	813	194	24%	30	1,007
Parks & Gardens	46	172	374%	31	218
Projects	1,014	(888)	(88%)	32	126
Roads/ Footpaths	2,030	882	43%	33	2,912
Streetscapes	355	(124)	(35%)	34	231
Water Manangement	684	158	23%	35	842
Total Capital Works	6,882	498	7%		7,380
Represented by:					
Renewal	4,358	(347)	(8%)		4,011
New Assets	1,352	80	6%		1,432
Expansion	1,172	765	65%	36	1,937
Total Capital Works	6,882	498	7%		7,380
	Budgeted 2008/2009 (\$'000)	Variances			Actuals 2008/2009 (\$'000)
		(\$'000)	%		
Property, Plant & Equipment Movement Reconciliation Worksheet					
Total Capital Works	6,882	498	7%		7,380
Depreciation	(4,305)	(1,462)	34%	37	(5,767)
Revaluation	0	0	0%		0
Written Down Value of Assets Sold	(936)	540	(58%)	38	(396)
Net Movement in Property, Plant and Equipment	1,641	(424)	(26%)		1,217

# Northern Grampians Shire Council

## Standard Statement of Capital Works Comparison Report for the Year Ending 30 June 2009

### Variance Explanation Report

Ref.	Item	Commentary
28	Bridges & Culverts	Higher than budgeted expenditure on the Bridge Program is the result of increased scope in the Maffescionis Bridge Replacement Project.
29	Computer Equipment	Higher than budgeted expenditure on Computer Equipment is due to the increased scope of the Aerial Photography Project.
30	Plant & Motor Vehicles	Higher than budgeted expenditure on Plant replacement is due to additional items of plant purchased during the year, carried forward from the previous year.
31	Parks & Gardens	Higher than budgeted expenditure in Parks & Gardens is due to the unbudgeted Stawell Bowling Club synthetic green project, and the Banyena Tennis Court project carried forward from the previous year.
32	Projects	Significantly lower than budgeted expenditure on Projects is due to the reduced scope of the Stawell Airport Upgrade Project.
33	Roads/ Footpaths	Significantly higher than budgeted expenditure on Roads/Footpaths is due to the Major Rural Roads Sealing Program, not included in the original budget, and undertaken with funding transferred from the operating budget.
34	Streetscapes	Lower than budgeted expenditure on Streetscape works is due to several projects not being undertaken, and some works being expensed.
35	Water Manangement	Higher than budgeted expenditure is due to new funding received during the year to undertake the Curtis Street Dam Link, additional unbudgeted funding received to extend the Emergency Management Water Supply Point Project that commenced in 2007/08, and the Halls Gap Community Water Project carried forward from the previous year.
36	Expansion	Significantly higher than budgeted expenditure on capital expansion works is due to the Major Rural Roads Sealing Program, not included in the original budget, and undertaken with funding transferred from the operating budget.
37	Depreciation	A significant increase in depreciation expense compared to the budget is due to the increased value of assets as the result of the 2007/08 revaluation, which was not completed until after the budget.
38	Written Down Value of Assets Sold	Lower than budgeted written down value of assets sold is the result of several budgeted land sales not yet proceeding.

### 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 2009

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### Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June 2009 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: 10/9/09

### 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 10 September 2009 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



Kevin Erwin  
Councillor

Date: 10/9/09



Barry Marrow  
Councillor

Date: 10/9/09



Glen Davis  
Chief Executive Officer

Date: 10/9/09



Victorian Auditor-General's Office

## 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 2009 of Northern Grampians Shire Council which comprises of 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 2009 of the Council which comprises of standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements have been audited.

#### *The 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 the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used, and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.



## Independent Auditor's Report (continued)

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

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

This auditor's report relates to the financial report and standard statements published in both the annual report and on the website of the Northern Grampians Shire Council for the year ended 30 June 2009. The Councillors of the Northern Grampians Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on the Council's website.

### *Independence*


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

### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Northern Grampians Shire Council as at 30 June 2009 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  
11 September 2009

  
D D R Pearson  
Auditor-General

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Northern Grampians Shire Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2009 of the Northern Grampians Shire Council which comprises the statement, the related notes and the council approval of the performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

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

#### *Auditor's Responsibility*

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

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

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

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

This auditor's report relates to the performance statement published in both the annual report and on the website of the Northern Grampians Shire Council for the year ended 30 June 2009. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on the Council's website.



## Independent Auditor's Report (continued)

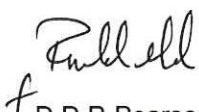
### *Independence*

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

### *Auditor's Opinion*

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2009 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
11 September 2009

  
D D R Pearson  
Auditor-General

# Performance Statement

2008-2009

*Creating a better lifestyle and environment*



## KEY STRATEGIC ACTIVITIES 2008/2009

### 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.

	Target 2008/09	Actual 2008/2009	Achieved
Working Capital Ratio	131.90%	167.11%	Yes
Total Debt Servicing costs % of Rates & Charges	1.20%	1.09%	No
% of Rates & Charges outstanding at 30 June	2.80%	1.60%	Yes

### 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.

	Target 2008/09	Actual 2008/2009	Achieved
% Movement in Rates & Charges Revenue	7.00%	7.72%	Yes
Rates & Charges per assessment	\$1,088	\$1,089	Yes
Rates & Charges per Capita	\$778	\$793	Yes
Rates & Charges as a % of CIV	0.55%	0.59%	Yes
Average Rates & Charges per assessment – Residential	\$748	\$851	Yes
Average Rates & Charges per assessment – Farm	\$1,043	\$1,091	Yes
Average Rates & Charges per assessment – Comm./Indus	\$1,389	\$1,488	Yes
Rates & Charges as a % of Total Recurrent Revenue	46.0%	40.9%	Yes



## Capital Expenditure

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

	Target 2008/09	Actual 2008/2009	Achieved
Capital per assessment	\$755	\$810	Yes
Ratio of Capital Expenditure to Depreciation	1.60	1.28	No

## 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.

	Target 2008/09	Actual 2008/2009	Achieved
Net Operating Expenditure per assessment	\$2,381	\$2,449	No
Net Operating Expenditure per Capita	\$1,702	\$1,781	No

## Community Satisfaction

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

	Target 2008/09	Actual 2008/2009	Achieved
Overall Performance of Council	67	65	No
Overall Performance in Key Service Areas and Responsibilities	69	67	No
Rating of Council's interaction and responsiveness in dealing with the Public	75	75	Yes
Rating for Council's Advocacy and Community Representation	69	68	No
Rating for Council's engagement in Decision making on Key Issues	63	64	Yes

### A transport network that supports community and business needs

Key Strategic Activity	Performance Targets and Measures	Achieved
Implement and monitor the Road Management Plan.	Internal Audit of RMP completed twice per year and reported to the Roads Committee	Yes achieved
Ongoing use of Roads Committee to oversee implementation of roads management activities.	Roads Committee to meet a minimum of 4 times a year.	Yes achieved
Finalise the Stawell Transport Plan	Plan completed and reported to Council by March 2009	Yes achieved
Maintain the Community Satisfaction Survey rating for overall performance in the provision of roads and footpaths.	Index score greater than 60.	Not achieved Index score unchanged from last year and higher than "Councils in Group"

### Enhanced beauty and liveability of our Communities

Key Strategic Activity	Performance Targets and Measures	Achieved
Community Access Advisory Group (CAAG) to inform and guide Council on opportunities to improve access for all community members.	Attendance at CAAG meetings at least four times per year.	Yes achieved
Maintain the community satisfaction rating for overall performance in the appearance of public areas.	Index score greater than 76.	Not achieved Index score unchanged from last year and higher than "All Councils"
Maintain the community satisfaction rating for overall performance in the provision of recreation facilities.	Index score greater than 73.	Not achieved Index score unchanged from last year and higher than "All Councils"
Implement and monitor the Arts & Culture Strategy.	Report on implementation of strategy to Council by June 2009.	Yes achieved

### Improved safety and security of our communities

Key Strategic Activity	Performance Targets and Measures	Achieved
Actively participate in and support Police and Community Safety Committees	Officer attendance at four meetings / events per year.	Yes achieved
Facilitate the Municipal Emergency Management Planning committee meetings.	Meetings held at least twice per year.	Yes achieved
Actively Participate in and support Liquor Accord groups.	Attendance at Liquor Accord group meetings at least three times per year.	Yes achieved

### Support for the needs of an aging population

Key Strategic Activity	Performance Targets and Measures	Achieved
Implementation of the Aged Care Plan.	Report on the implementation of the Plan to council by April 2009.	Yes achieved
Identify the degree of satisfaction with Council's HACC services.	Survey undertaken by Aged and Disability Services by April 2009 on client satisfaction and improvement opportunities.	Yes achieved

### Improved health and wellbeing of our community

Key Strategic Activity	Performance Targets and Measures	Achieved
Implementation of the Municipal Early Years Plan.	Report on the implementation of the Plan to Council by April 2009.	Yes achieved
Support and maintain contact with relevant agencies to monitor and improve the health and wellbeing of the community.	Report on health and wellbeing of the community through the Community Indicators Wellbeing and Indicators of Community Strength to Council by 2/09.	Yes achieved

### Young people are engaged in the life of our communities

Key Strategic Activity	Performance Targets and Measures	Achieved
Youth Grants Program delivered twice during the year.	September 2008 and March 2009.	Yes achieved
Council to maintain active participation within the Youth Options Guarantee program.	Membership of Youth Options Guarantee committee and North Central and Central Grampians LLEN Boards.	Yes achieved

### Effective planning which supports the future of our communities

Key Strategic Activity	Performance Targets and Measures	Achieved
Facilitate the implementation of Community Planning for identified communities.	Report to Council on progress of priorities by June 2009.	Yes achieved
Support feasibility studies that assist to achieve the priorities identified by the Stawell Focus Group for the future of Stawell after gold mining.	Grant applications sought to implement group priorities by May 2009.	Yes achieved
Undertake review of Northern Grampians Planning Scheme including the Municipal Strategic Statement.	Report to Council on the review findings by June 2009.	Yes achieved
Maintain or improve the community satisfaction rating for overall performance in the provision of town planning policies and approvals.	Index score greater than 62.	Yes achieved
Prepare and undertake a Planning Scheme amendment to implement the Northern Grampians Heritage Study.	Amendment adopted by council by May 2009.	Not achieved amendment prepared but yet to be adopted.

### **Increase sustainability of our communities**

Key Strategic Activity	Performance Targets and Measures	Achieved
Maintain or improve the community satisfaction rating for overall performance in the provision of waste management services.	Index score greater than 71.	Yes achieved
Complete and implement new resident attraction plan in line with the Northern Grampians Shire Marketing Plan.	Plan complete and report on implementation to Council by June 2009.	Yes achieved

### **Continue to develop a vibrant business environment to support business retention and growth and to attract new investment**

Key Strategic Activity	Performance Targets and Measures	Achieved
Implement and monitor the Economic Development and Tourism Strategy.	Report on implementation of Strategy to Council by June 2009.	Yes achieved
Undertake capital projects to support business growth.	Completion of Stage 1 of the Halls Gap Community Hub and Stawell Gift Hall of Fame and commencement of Stawell Airport Redevelopment.	Yes achieved
Improve the community satisfaction rating for overall performance in the provision of economic development services.	Index score greater than 55.	Yes achieved
Develop and implement a Marketing Plan for the Shire.	Marketing Plan complete and marketing material produced and distributed.	Yes achieved
Review and implement the Stawell, Halls Gap and St Arnaud business and marketing Plans (Village Well Plans).	Stawell, Halls Gap and St Arnaud Business and Marketing Plans (Village Well Plans) reviewed and progress report to Council by December 2008.	Yes achieved

### **Increase tourism activity and repeat visits to the region**

Key Strategic Activity	Performance Targets and Measures	Achieved
Support establishment of the Grampians Regional Tourism Partnership.	Regional Tourism partnership established and supported by Council.	Yes achieved

### **Strengthen community networks and services**

Key Strategic Activity	Performance Targets and Measures	Achieved
Provide two information sessions to the community on all grant and support opportunities available within the Shire.	Complete by May 2009.	Yes achieved



### Strong resource management and governance systems are utilised

Key Strategic Activity	Performance Targets and Measures	Achieved
Develop and implement purchasing guidelines.	Purchasing guidelines developed and adopted by Finance Committee by February 2009.	Yes achieved
Review and update the information Services Strategy.	Plan reviewed following implementation of core system by 30 December 2008.	Yes achieved
Review of the Governance Principles.	Updated Code of Conduct signed off by Council by March 2009.	Not achieved, to be completed by November 2009
Development of a Staff Training and Development Plan.	Corporate training plan developed by September 2008.	Yes achieved
Continued development of an internal website to replace existing information storage systems..	Internal website updates undertaken.	Not achieved due to conflicting priorities and decision not to continue investment in current system

### Our community is aware of available services and outcomes

Key Strategic Activity	Performance Targets and Measures	Achieved
Monitor the effectiveness of an integrated customer service management system.	Report to council on first year of system implementation by November 2008.	Yes achieved



## COUNCIL APPROVAL OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2008-09 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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



Cr Kevin Erwin

Date: 10/9/09



Cr Barry Marrow

Date: 10/9/09



Chief Executive Officer  
Glen Davis

Date: 10/9/09