

2012-2013



ANNUAL REPORT

NORTHERN GRAMPIANS SHIRE COUNCIL

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OUR VISION



Our Affirmation

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

Our Vision

Creating a better lifestyle and environment.

Our Mission

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

Our Core Values

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

Responsive:

through community engagement, listening to and responding appropriately to community needs.

Accountable:

being transparent and honest in dealings and responsible in decision making.

Fair:

being informed and impartial in decision making.

Innovative:

being positive and able to find solutions.

Sustainable:

stewardship of the community, environment, economy and Council.

Respectful:

of other people's views and diversity.

Our Commitments

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

OUR SHIRE AT A GLANCE

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

Location

Located in the picturesque Grampians region of provincial Victoria, the shire covers almost 6,000 square kilometres and services the major towns and villages of Stawell, St Arnaud, Great Western, Halls Gap, Navarre, Glenorchy, Marnoo and Stuart Mill.

National Parks

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

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



Quick stats:

Area: Approximately 5,918 square kilometres

Population: Approximately 11,942

Road Length: 3,408km of local roads

Rateable Properties: 9,222

Rate and Charge Revenue: \$14.3 million

Total Revenue (inc grants): \$31.5 million

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

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

FROM THE MAYOR



The world of local government is always fast paced and 2012-13 was no exception for the Northern Grampians Shire Council. The past 12 months have brought change, success and opportunities which were embraced by councillors and staff.

Five new Councillors were welcomed in October, joining myself and Cr Kevin Erwin as the shire's elected representatives. We hit the ground running, developing the annual budget, and a new council plan to guide our operations over the next four years. As a new Council, we welcomed the opportunity to approach these tasks with fresh eyes and are looking forward to reviewing Council services, gathering hard evidence and questioning the way we currently operate, to provide the best outcomes for our communities.

The impending closure of the Stawell Gold Mine has been a major talking point over the past six months and Council has been undertaking a significant amount of work to lessen the impacts on employment and the local economy. Our newly established major projects team has developed a number of strategies under the Golden Legacy Project which is focusing on direct mine-related activities such as supporting the fly-in-fly-out workforce and lobbying for assistance to explore future options for the mine site. While the closure of one of our biggest industries will present some tough challenges, it also provides Council with exciting opportunities to strengthen the long term economic future of the shire.

Assisting our communities to recover from the 2010 and 2011 floods has been an ongoing challenge that has continued into 2012-13. Council's Flood Recovery Team has been coordinating the recovery effort over the past two and a half years and will continue with its important work on delivering commonwealth and state Natural Disaster Relief and Recovery (NDRRA) funded projects. They have made great progress and have provided assistance to hundreds of flood-affected families. A major focus of 2012-13 flood recovery efforts has been to lift damaged community spirits. Essential community infrastructure repairs such as community halls, sports grounds, recreation reserves, playgrounds, gardens and historical collections were completed and several community events and celebrations were held to mark special occasions and milestones.

Being recognised among Australia's best councils was another cause to celebrate. In June, former Prime Minister Julia Gillard presented Northern Grampians Shire Council with the top accolade for small councils at the 2013 National Award for Local Government. The awards aim to acknowledge, reward and promote the innovative work of local governments across the country. Council was extremely proud to accept the prize for our Stawell Steps project, a piece of flood mitigation infrastructure at Cato Lake, which has become a functional and architectural community asset constructed from locally made bricks. Council was the only local government in Australia to win two category awards after Council's flood recovery activities with women in the Joel Joel community were also recognised.

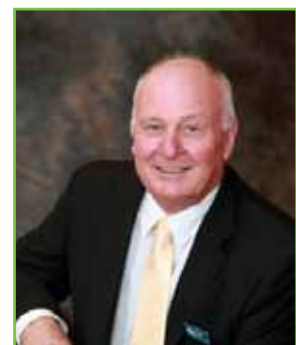
In St Arnaud, the future of the much loved community cinema was secured for at least another 10 years after Council applied for funding to digitalise the equipment. The funding has allowed the St Arnaud Community Cinema Committee to upgrade its projection gear and provide relevant training for the community projectionists. The cinema is a great asset in St Arnaud and it is wonderful to see the community continuing to support it. On a sadder note, Council was informed of the impending closure of Goldfields Turkeys. While it has been a difficult time for everyone involved, the company is providing support for its employees and making sure they are being looked after as much as possible. Our economic development team has been working with Goldfields Turkeys management to identify possible opportunities for the existing factory, identify buyers and attract new industries in a bid to save jobs. We remain hopeful of a positive outcome for the site and will continue to work with Goldfields Turkeys in the months ahead.

Finally, persistence paid off this year when Council received much needed funding from the Australian and Victorian governments to complete the long-awaited Stage 2 of the Halls Gap Community and Tourism Hub. This important piece of community infrastructure has been listed in the town's community plan for over 30 years and will provide a first stop for the one million tourists who visit the Grampians each year. Plans for the Hub include public toilet facilities and space for conducting exhibitions, performances and community activities, as well as multi-purpose rooms for office or commercial use. When the project is completed at the end of 2014, it will link the existing Visitor Information Centre with the community hall to create a vibrant village square in the heart of Halls Gap.

In closing, I would like to acknowledge the hard work and dedication of our staff at all levels. These are the people that deliver Council's services and they do a marvellous job. I feel it is also important to recognise the important working relationship between Council and our business community. This relationship is a positive one and it is pleasing to have more and more business owners coming to Council and putting their ideas forward. Likewise, we have established a strong association with our neighbouring councils in Horsham Rural City, Ararat Rural City and Pyrenees Shire. With the Mayor's and CEOs of these municipalities working together to look at sharing services and improving buying power, the future looks very bright.

A handwritten signature in black ink that reads 'Cr Wayne Rice'.

Cr Wayne Rice
Mayor



FROM THE CEO

2012-13 has been an award-winning year in Northern Grampians Shire.

This year we have celebrated the fruits of hard work and achievement due largely to the support and encouragement of our communities and the dedication of our staff.

Long-term projects completed during the year included the new public amenities and community space at 108 Main Street and the installation of an architecturally designed covered walkway at 109 Main Street Stawell as part of the broader Linking Stawell project. In addition, stage three works at the Stawell Airport commenced with significant progress on a new terminal building and associated services bringing our community one step closer to having one of the best regional airports in the state. Council was also able to extend the much used Halls Gap bike and pedestrian path network from Brambuk to Lake Bellfield providing a key boost to active, healthy recreation options for residents and tourists alike. This, combined with works to the St Arnaud Pool and the TOTE building at Lord Nelson Park in St Arnaud, has seen an increased focus on improving recreational facilities in the shire.

In addition to the larger projects, replacement work and improvements have also occurred, or are underway, in many of the smaller communities in the shire. Much of this work has been brought forward as a result of the impact of the 2010 and 2011 floods. One noteworthy project was the completion of the Stawell Steps/Monash Steps project at Cato Park in Stawell. This genuinely collaborative, inventive project involved some 20 architecture students from Monash University, local tradespeople, Council engineers, local brick company Krause Bricks and many many others to create an artistic spillway structure and boardwalk for community use and enjoyment. This project saw Northern Grampians Shire Council pick up the prestigious 2013 National Award for Excellence in Local Government at an award ceremony in Canberra in June.

Over 60 events throughout the shire were supported, bringing activity, people and of course money into the local economy. These events, included the iconic Australia Post

Stawell Easter Gift, Grampians Jazz Festival, Grampians Arts Trail, Festival of St Arnaud, Grampians Grape Escape, Great Western Rodeo, Stawell, St Arnaud and Great Western Races and the St Arnaud and Stawell Agricultural Shows to name a few. There were also a few exciting new events including Run for Russ and the award winning St Arnaud Women on Farms Gathering and the award winning Joel Joel Women take Charge 'Adam Brand' evening.

Over the past two years we have worked consistently on developing the culture of the organisation to move it from one dominated by conventional thinking to one that is achievement focused and constructive. This work has borne fruit, with Council winning a number of major state and national awards for excellence.

Many thanks to the staff of Northern Grampians Shire Council and in particular to Mr Vaughan Williams, Mr Jim Nolan and Mr Sanjay Manivasagasivam for their commitment to the organisation and for their wise counsel, innovative thinking and can-do approach.

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



Justine Linley
CEO



OUR COUNCILLORS



Mayor Cr Wayne Rice

First elected: 26 November, 2005

Term expires: October 2016



Cr Tony Driscoll

First elected: 27 October, 2012

Term expires: October 2016



Cr Murray Emerson

First elected: 27 October, 2012

Term expires: October 2016



Cr Karen Hyslop

First elected: 27 October, 2012

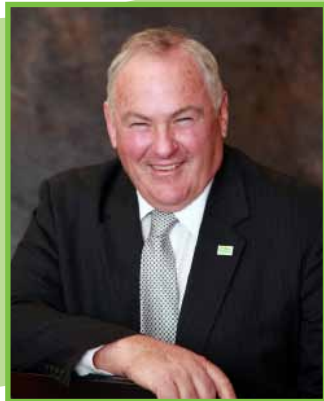
Term expires: October 2016



Cr Jim Anderson

First elected: 27 October, 2012

Resigned: 30 August 2013



Cr Kevin Erwin

First elected: 14 March, 2003

Term expires: October 2016



Cr Paul Russell

First elected: 27 October, 2012

Term expires: October 2016



Cr Dorothy Patton

First elected: 26 November 2005

Term expired: 27 October 2012



Cr Ray Hewitt

First elected: 26 November 2005

Term expired: 27 October 2012



Cr Barry Marrow

First elected: 1 December 2008

Term expired: 27 October 2012



Cr Ross Clementson

First elected: 27 January 2006

Term expired: 27 October 2012

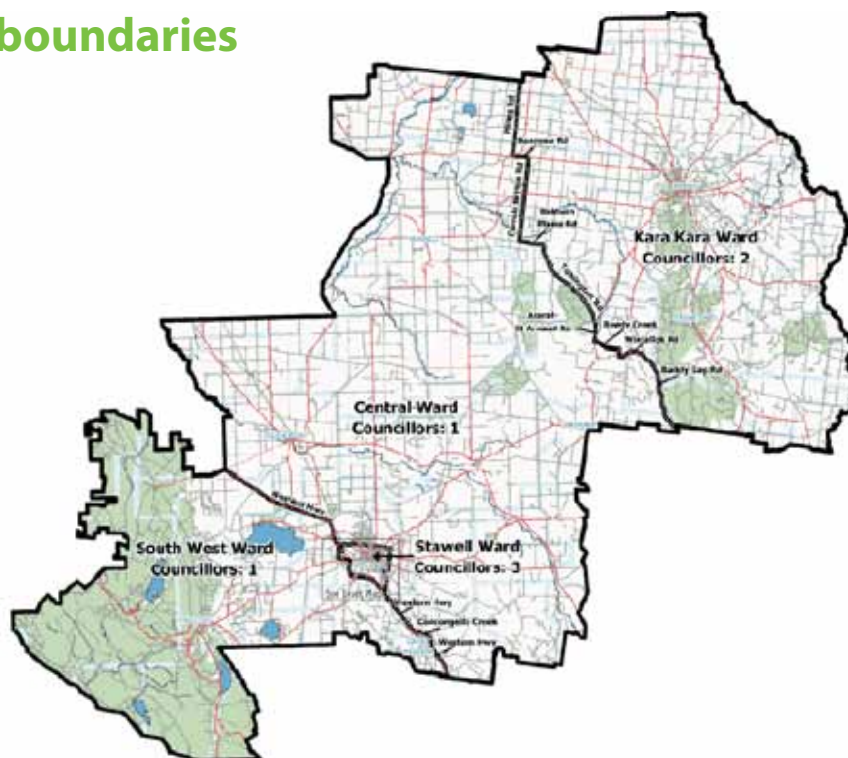


Cr Andrea Cooper

First elected: 1 December 2008

Term expired: 27 October 2012

Ward boundaries



Council meeting attendance register

During 2012-13 there were 13 ordinary council meetings and six special council meetings. Generally meetings are held on the first Monday of each month at 6pm. Venues for council meetings alternate between Stawell and St Arnaud. Any additional special meetings or changes to the timetable are publicised through the media.

Meetings are open to members of the community. Public question time is a regular feature at ordinary meetings, giving residents the opportunity to ask questions on any council related matter.

June 2012-October 2012 (Pre- Council Election)

	Ordinary Council Meetings Attended	Special Council Meetings Attended
No. of Meetings	4	2
Cr Ross Clementson	4	2
Cr Andrea Cooper	4	1
Cr Kevin Erwin	3	2
Cr Ray Hewitt	4	1
Cr Barry Marrow	4	1
Cr Dorothy Patton	4	2
Cr Wayne Rice	3	2

Council meeting attendance register cont...

Audit Committee	
No. of Meetings	1
Cr Kevin Erwin	1
Cr Barry Marrow	0

Northern Grampians Planning Committee	
No. of Meetings	1
Cr Ross Clementson	0
Cr Andrea Cooper	1
Cr Kevin Erwin	1
Cr Ray Hewitt	0
Cr Barry Marrow	1
Cr Dorothy Patton	1
Cr Wayne Rice	1

Joint Committee# Meetings	
No. of Meetings	8
Cr Ross Clementson	7
Cr Andrea Cooper	7
Cr Kevin Erwin	7
Cr Ray Hewitt	6
Cr Barry Marrow	7
Cr Dorothy Patton	8
Cr Wayne Rice	6

#Joint meetings of the four strategic council committees established in 2012 - Natural & Built Environment, Community, Recreation & Emergency, Economic Development & Marketing and Corporate & Governance. These committees were replaced by Councillor Briefings post-election.

June 2012-October 2012 (Post Council Election)

	Ordinary Council Meetings Attended	Special Council Meetings Attended
No. of Meetings	9	4
Cr Wayne Rice	9	4
Cr Jim Anderson	9	4
Cr Tony Driscoll	9	4
Cr Murray Emerson	8	4
Cr Kevin Erwin	9	4
Cr Karen Hyslop	8	4
Cr Paul Russell	8	4

Audit Committee	
No. of Meetings	3
Cr Kevin Erwin	0
Cr Paul Russell	3

Northern Grampians Planning Committee	
No. of Meetings	2
Cr Wayne Rice	2
Cr Jim Anderson	2
Cr Tony Driscoll	2
Cr Murray Emerson	1
Cr Kevin Erwin	2
Cr Karen Hyslop	2
Cr Paul Russell	2

Councillor Briefings	
No. of Meetings	20
Cr Wayne Rice	18
Cr Jim Anderson	20
Cr Tony Driscoll	20
Cr Murray Emerson	18
Cr Kevin Erwin	19
Cr Karen Hyslop	20
Cr Paul Russell	17

OUR ORGANISATION

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



Justine Linley
Chief Executive
Officer



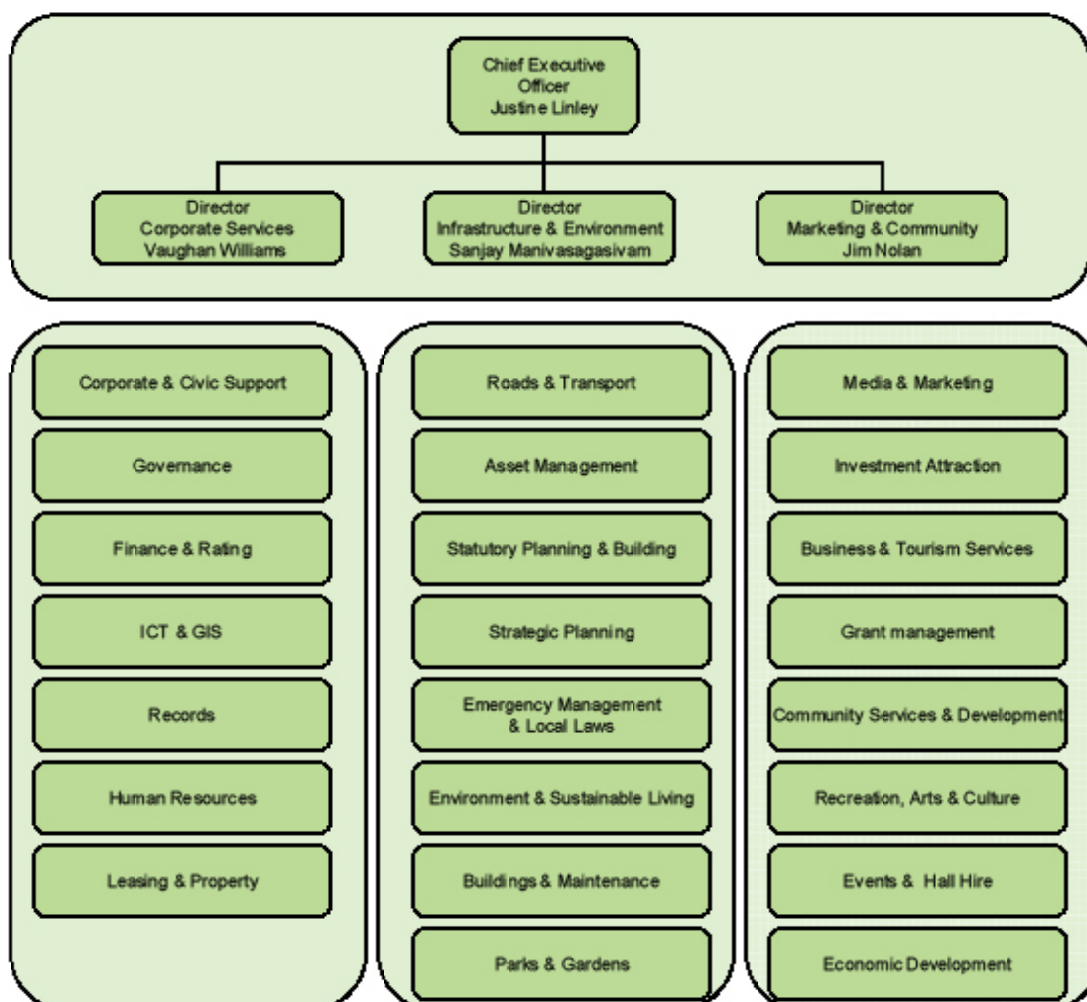
Vaughan Williams
Director
Corporate Services



Sanjay Manivasagasivam
Director
Infrastructure & Environment



Jim Nolan
Director
Marketing & Community





OUR ACHIEVEMENTS 2012/13



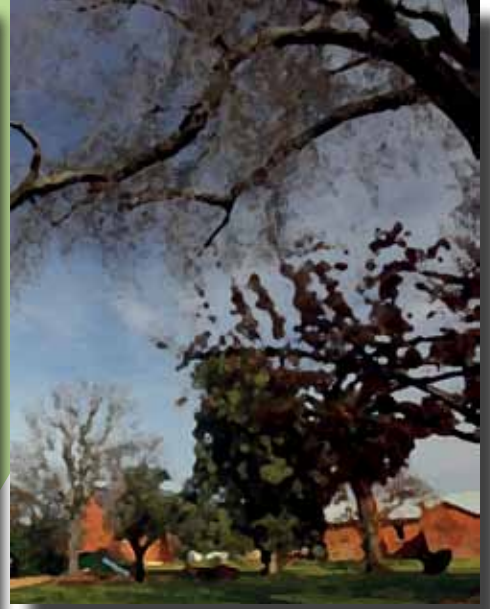
A Healthy, Supportive & Sustainable Community

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Attracting & Encouraging New & Existing Business

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A Sustainable & Natural Built Environment

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Supporting Our Communities to Recover From Flood

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The Implementation of Major Projects

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Progressive Leadership & Good Governance

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Painting at St Arnaud Children's Precinct

Working towards...

A HEALTHY, SUPPORTIVE & SUSTAINABLE COMMUNITY

Providing quality care

Northern Grampians Shire Council offers a range of family and children's services to meet the needs of families requiring childcare. Our long day care centres and vacation care program provide flexible arrangements for the convenience of the community. Our main centres, St Arnaud Children's Precinct and Taylors Gully Children's Centre in Stawell, host visiting health practitioners and conduct information sessions for families. Council also offers maternal and child health services across the shire. All of our children's services provide a happy, safe, secure and fun environment, filled with a variety of learning opportunities.

Childcare meeting needs of families

Our quality children's services allow all children to experience play-based learning that is engaging and builds success in life. The centres provide safe and healthy educational and developmentally appropriate learning environments that include natural elements, first class educational programs and a range of play-rooms and outdoor areas. Long Day Care

programs at Taylors Gully Children's Centre and St Arnaud Children's Precinct provided 204 families with a total of 117,808 hours of childcare during the 2012/13 year. The number of families utilising Council's Vacation Care total 48 for the 2012/13 year, with 3890 hours of care provided for the children. The St Arnaud Kindergarten currently has 45 families with children enrolled for four-year-old kinder in 2013, and 13 families with children enrolled in the three-year-old kindergarten session. This year Council is offering 15 hours of session times to each four-year-old kindergarten child.

HACC workers go the extra mile

The provision of quality care is facilitated by quality staff. The Home and Community Care (HACC) direct care team has more than 340 years of combined experience, with annual staff training ensuring standards are maintained and the best care is provided. Thirty direct care staff have been trained in understanding footcare and learning how to refer patients. Assessment officers who provide living at home assessments for all new clients have completed a Graduate Certificate in Human Services.



Department of Education & Early Childhood Development

Council acknowledges the funding support provided by the Victorian Government to allow it to provide quality and efficient children's services throughout the municipality.

Saluting our seniors

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

Care comes to you

In 2012/13, 516 'active' clients were registered in Council's Aged and Disability programs. A total of 19,854 hours of direct care support, including home care, personal care and respite care, was provided to meet the needs of the community. Direct care workers travelled more than 120,000 kilometres to deliver these services to people in their own homes.

Meals on Wheels making a difference

Meals on Wheels volunteers also covered a significant number of kilometres, distributing a total of 17,837 meals

in 2012/13. This is an average of 49 meals a day, every day of the week to 234 people. A special thank you to the volunteers who make this possible!

Keeping communities active

HACC continues to enable frail, aged and disabled community members to remain involved in home and community life. Strong networks with East Wimmera Health Service, Stawell Regional Health and the Department of Veteran Affairs allow Council to provide quality direct home care services and activities. The Footcare Project commenced in partnership with Stawell Regional Health and East Wimmera Health podiatrists, with support from Grampians Pyrenees Primary Care Partnership.

Fostering independence

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

Musical comedy a hit during Seniors Festival

Northern Grampians Shire Council was a key contributor to the 2012 Seniors Festival. A total of 53 people attended Star Quest, while seniors were also treated to musical comedy. 'Me and Me Mate' performed to 80 people in St Arnaud, while 150 people attended the 'Don and Dave' performance in Stawell. Seniors Week kicked off with selected residents from Stawell and St Arnaud attending the Victorian Senior of the Year Awards at Government House.

'Me and Me Mate' performance in St Arnaud



Strengthening diversity

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

Community plans initiated and implemented

Community planning is an important process that allows Council to engage with communities to gain a greater understanding of the issues that are important to each individual town. Council's original Community Plans were developed in 2009 after extensive consultation with local communities. In 2012/13, Council continued to assist communities in implementing the goals identified within their plans and to review the priorities within each document.

A new community plan was developed for Glenorchy, continuing the path to recovery after the flood events of recent years.

CAAG progresses

The Community Access Advisory Group was established in 2002 to advise Council in relation to disability issues in the community and compliance with the Disability Discrimination Act 1992 (now the Disability Act 2006). The Community Access Advisory Group oversees the implementation of Council's Community Access Plan and recommends changes to be implemented by Council. Changes were made to the plan and accepted by Council in June 2011. The CAAG has continued to meet bi monthly for the past 12 months, reviewing the access plan at each meeting and making recommendations to the infrastructure department regarding the priorities of the DDA budget. Members of the group were involved in the review of the State Disability Plan 2013/2016.





2012 Keep Australia Beautiful Tidy Towns award

Musical comedy a hit during Seniors Festival

Northern Grampians Shire Council was a key contributor to the 2012 Seniors Festival. A total of 53 people attended Star Quest, while seniors were also treated to musical comedy. 'Me and Me Mate' performed to 80 people in St Arnaud, while 150 people attended the 'Don and Dave' performance in Stawell. Seniors Week kicked off with selected residents from Stawell and St Arnaud attending the Victorian Senior of the Year Awards at Government House.

Hats off to our volunteers

Council once again recognised the hard work of its many volunteers through morning tea events in both Stawell and St Arnaud. The events were open to all residents who volunteer anywhere in the shire, not just through Council services such as the Visitor Information Centres and Meals on Wheels program. The Mayor attended both events to personally thank these hardworking individuals for the important roles they play in their communities.

Tidy Towns recognised

Council claimed a top accolade for its Stawell Stormwater Alternative Natural Solutions (SWANS) project, taking out the Water Efficiency Category in the 2012 Keep Australia Beautiful Tidy Towns – Sustainable Communities Awards. Partially funded through Council and the Australian Government's Water for the Future initiative through the Strengthening Basin Communities program, the SWANS project involved the construction of a series of water quality treatment ponds, storage dams and transfer infrastructure across the Stawell township.

Grants assisting the community

A total of 20 community organisations were assisted under Council's Youth and Community Grants program during 2012/13, receiving in excess of \$56,000 in funding. The program is helping to enhance community participation and facilitate social connectedness within the shire.

Strengthening Leisure Services

Council reviewed its pools to improve operational costs, which saw changes to the opening times over the summer period. Council received community feedback that provided further insight into community needs, and after due consideration and community consultation, the hours of operation were reassessed with subsequent changes made. To ensure plant, equipment and assets are maintained for improved service delivery, an upgrade to the Stawell Outdoor Pool was completed in 2011/2012 and this year the St Arnaud Pool was re-painted which will assist the cleaning and general appearance of the facility for the 2013/14 season.

The Stawell Leisure Complex had approximately 51,566 visitations during 2012/13 which is a marginal increase on the previous year. These figures do not include the many spectators who visit the pool throughout the year. Council continued a 'no fees' policy for St Arnaud Pool which saw numbers for the season reach 11,390 visits from the community. This figure was an increase of 1518 visits or 15 per cent on the 2011/12 season.





Northern Grampians Shire Youth Action Council

Youth Action Council on board

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

FREEZA fun

The Community Development team successfully applied for FReeZA funding in conjunction with the Central Grampians Local Learning and Employment Network (LLEN). This will see at least 12 youth focused events held right across the shire over the next three years. The YAC will take the lead on organising their share of events and already have exciting plans, including an outdoor cinema and live music.

Youth Week celebrated

Funding was obtained from the Victorian Government and beyondblue to host an event in Youth Week to promote mental health in young people. Around 50 year ten students from Stawell Secondary College attended the event at Cato Park where the key youth beyondblue messages of 'Be Active, Be Happy, Be You' were promoted through a barbecue lunch provided by the Rotary Club of Stawell, an address from Youth beyondblue ambassador Bronwyn Collins, and an afternoon of barefoot bowling with the Stawell Bowls Club.

Recreation and Leisure-Project Update

St Arnaud TOTE Building Redevelopment Project
– COMPLETED ✓

Security Lighting (Queen Mary Gardens, Cato Lake and Eventide Homes)
– IN PROGRESS

Navarre Football and Netball Club Lights Project
– COMPLETED ✓

Open Space, Sport and Recreation Strategy
– IN PROGRESS

Great Western Public Park Reserve
– COMPLETED ✓

Lake Lonsdale Breakwater Project
– IN PROGRESS

Stawell Golf Bowls Club Synthetic Green
– COMPLETED ✓

Swifts Football and Netball Club Lighting Project
– IN PROGRESS



Working towards...

ATTRACTING & ENCOURAGING NEW & EXISTING BUSINESS

The place to be at Easter

Stawell played host to another action-packed Easter with thousands of visitors coming from all over Australia to participate in the weekend's events. In 2013, the Stawell Easter Festival ran between Thursday March 28 and Monday April 1. As in previous years, a brochure was developed to outline the events and activities that occurred in and around Stawell over the Easter period. This brochure was distributed widely across the region and to all Visitor Information Centres. Major events held during the Stawell Easter Festival included:

• *The Stawell Athletic Club Easter Gift*, incorporating:

- Calcutta and Call of the Card (Friday night)
- Ladies' Day (Saturday)
- Family Day (Sunday)
- Finals' Day (Monday)

- Great Western Good Friday Rodeo
- StawellBiz Main Street Sensation
- 2013 Stawell Gold Cup
- Grampians Arts Trail
- Stawell Easter Carnival

During this period, there were many other small events and activities, which included:

- Stawell Golf Club Open Day
- Stawell Biz and Raising Dust Gala Ball
- Big Bucks Bingo
- Stawell Golf Club stroke competition
- Wander Inn Easter Market
- Halls Gap Primary School Market
- Lindsay Kent Memorial Fun Run
- Deep Lead Easter Art & Craft Exhibition
- Grampians Easter Art Show
- Shakespeare in the Grampians
- Stawell SES Market
- Stawell Regional Arts 'Talent on Tap'

*2013 Australia Post
Stawell Gift winner Andrew Robinson*





Events for everyone

Council continues its support of events across the shire. A total of 62 events were registered through Council in the past 12 months. Of these events, 29 were financially supported by Council to the tune of approximately \$71,715. In addition to this, the Stawell Athletic Club received \$25,000 from Council to support the running of the Stawell Easter Gift. Council also continues to provide significant in-kind support to this event which attracted upward of 12,000 people over the three days.

Women in Country Racing	\$2,000
Grampians Golf Tour	\$2,000
Stuart Mill Picnic	\$715
Stawell Main Street Sensation	\$5,000
Australia Post Stawell Gift	\$25,000
Great Western Rodeo	\$2,500
Women on Farms	\$5,000
Grampians Grape Escape	\$5,000
Run The Gap	\$2,000
Grampians Wildlife Arts Festival	\$1,500
Grampians Brushes	\$300
Grampians Wildflower Show	\$3,000
St Arnaud Agricultural Show	\$1,500
Stawell Agricultural Show	\$1,000
Halls Gap Film Festival	\$1,000
Festival of St Arnaud	\$5,000
Grampians Wildflower Ride	\$1,500
St Arnaud Country Music Festival	\$2,000
Stawell Chinese Festival	\$1,000
St A Lions Christmas Procession	\$1,200
Joel Joel Carols by Candlelight	\$800
StopFest, Halls Gap	\$1,000

Cultural Heritage Trail updated

The Stawell and St Arnaud Heritage Trail was upgraded after Council secured a \$12,700 Community Heritage Grant from the Federal Government. The project saw 63 places of historical significance updated with informational signage corresponding to a revamped self-guided tour brochure. Weather damaged signage along the trail was also repaired as part of the project.

Funding for major projects

Council secured funding for two major projects in 2012/13 – \$75,000 for the digitalisation of the St Arnaud Cinema and \$500,000 for stage two of the Halls Gap Community and Tourism Hub. The St Arnaud Cinema will have its current equipment upgraded to meet new digital requirements, allowing the cinema to continue operations. Stage two of the Halls Gap Hub project will link the existing Visitor Information Centre with the Community Hall to create a vibrant village square in the heart of Halls Gap. Plans for the project include public toilet facilities and space for conducting exhibitions, performances and community activities, as well as multi-purpose rooms for office or commercial use.

108 and 109 Main Street revamped

Parts of Stawell's main street received a facelift with the completion of the CBD Linkages project in June 2013. The project focused on 108 and 109 Main Street, replacing the old public toilets with new accessible facilities, creating a family-friendly baby change and breast feeding area and installing an accessible ramp and architecturally designed sheltered walkways on both sides of the road. The project was funded through the Regional Growth Fund's Putting Locals First program and Council.

Shop 108 Main Street upgrade







2013 Regional Victoria Living Expo

Microsites a wealth of knowledge

Council's corporate website was significantly improved by the addition of two microsites. Titled 'Live' and 'Invest', the microsites target potential new residents and investors by providing information on services and facilities available across the shire.

A great place to live and invest

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

All things V.I.C

Stawell played host to the regional Visitor Information Centres summit at the Entertainment Centre in November. The event saw 70 Visitor Information Centre volunteers flock to the town from neighbouring shires to participate in a customer service workshop and presentations from Parks Victoria, the Country Fire Authority and Grampians Tourism.

Workshops for local business

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

“A pleasing number of enquiries were made about moving to, and investing in, the Northern Grampians. ”



Working towards...

A SUSTAINABLE AND NATURAL BUILT ENVIRONMENT

Bike path extended

The existing off-road bicycle/walking path in Halls Gap was extended from Brambuk to Sundial Avenue, improving safety for walkers and bicycle riders who no longer need to use the busy Grampians Road. The path links some of Halls Gap's best attractions with the main shopping area and takes in the area's magnificent scenery. Use of the path by family groups, children and holiday makers is expected to significantly increase as a result of the extension.

Fixing roads and culverts

Over the past year, Council's infrastructure works team completed some major culvert and road upgrade works across the shire. Some of the major culvert upgrade works were completed on Bulgana Road at the Congongella Creek and Salt Creek Roads. These works involved upgrading the existing floodway with large concrete box culverts and pipes which will now allow access for residents when high rainfall

events are experienced. Works were also undertaken on three bridges to upgrade the guardrail which was previously unsatisfactory. Council commenced a major road upgrade project on Roses Gap Road. This project stretches over two financial years and the first year involved sealing a two kilometre stretch and undertaking necessary drainage works. This project involved a 50 per cent contribution from Horsham Rural City Council as the road is a boundary road.

Drainage improvements

Council undertook some vital drainage improvements within the 2012/13 year. Many of the drainage projects were identified as a result of the 2010-11 flood events. The aim of these works was to upgrade stormwater drainage in known problem areas across the shire so flood damage to both private property and Council assets could be reduced. This included drainage works on Ballarat Road and Sawbench Lane in St Arnaud, the construction of two retention basins in Stawell and drainage pit/pipe works in Cypress, Clemes and Fisher streets in Stawell.

Halls Gap Bike Path extension







North Park stormwater project

Slowing the flow

The Northern Grampians Shire Council completed a major stormwater project within Stawell's North Park reserve which involved the construction of a lined storage dam and two retention dams. The stormwater project was partially funded by the Northern Grampians Shire Council and the Australian Government's Water for the Future through the Strengthening Basin Communities Program. The storage dam and two retention basins will all help to minimise future downstream flood damage. These basins were also designed to deliver good environmental outcomes by cleaning the stormwater flowing into river systems.

Planting program continues

Council's parks and gardens team was once again busy beautifying streets in Stawell and St Arnaud as a part of the extensive tree planting and replacement program. These trees were selected from a carefully prepared preferred species list to limit any damage to drainage, footpaths, underground assets and overhead power lines. Around 400 trees were planted on roadsides throughout the urban townships within the shire which will improve the amenity and appearance of streetscapes.

Airport terminal extended

Council is completing the development of a new terminal building at the Stawell Airport. A building was relocated to the airport and is undergoing renovations to establish a modern functional terminal building for future use. The works are expected to be completed by September 2013.

Residential growth

The capacity for residential growth in Stawell is a step closer, with Council adopting and seeking approval from the Minister of Planning for amendment C15 to the Northern Grampians Planning Scheme. Amendment C15 will facilitate the rezoning of the subject Rural Living Zone – Schedule 2 land to the Residential 1 Zone, and the rezoning of both the subject Crown Land from the Residential 1 Zone and Rural Living Zone – Schedule 2, to the Public Park and Recreation Zone. Whilst significant steps have been made during 12/13 to progress the rezoning, future development of the site will require planning approval for subdivision and development of the land.

Planning reforms reducing red tape

The state government has continued to review and reform planning zones and particular provisions to facilitate and simplify the planning processes. In implementing the state reforms, Council has applied the necessary changes to the Commercial Zones, the native vegetation provisions and commenced work for the roll out of the VicSmart planning system. Council has continued to use the statewide electronic planning tool known as 'SPEAR' to efficiently and effectively process planning permit applications and subdivisions.





Building approvals indicate a consistent flow of new building construction work across the shire.

Collaboration creates flood overlays

Council has worked in partnership with the Wimmera Catchment Management Authority to prepare the strategic documentation required to incorporate Land Subject to Inundation and Flood Overlays for Halls Gap and Glenorchy into the Northern Grampians Planning Scheme. Strategic work has also been undertaken in the Upper Wimmera and Mt William Creek Catchment to prepare flood studies which will ultimately inform Council's Planning Scheme.

Public park anomalies corrected

Significant work has been undertaken to address zoning anomalies in the Northern Grampians Planning Scheme. The work will resolve incorrect zoning of land associated with the Public Park zoning. The project involves the rezoning of over 15 parcels of land across the municipality and, when finalised, will facilitate the appropriate future use of the land. Further work will be undertaken on Amendment C39 in 2013/14 to complete the project.

Bushfire protection

Council participated in the Defendable Spaces Project with adjoining municipalities. The project is a state initiative as a result of the recommendations in the Victorian Bushfire Royal Commission Report. The project is reviewing the planning controls and their capacity to

provide for the necessary defensible spaces for the bushfire protection of towns. Council is one of a consortium of members involving local government and other state government bodies, enabling different bushfire threats to be considered for the project. The results of the project will be finalised during 2013/14 and may result in the need for further planning reforms around bushfire protection and mitigation.

Permits facilitate major development

Council issued in excess of 100 planning permits during 2012-13. A number of these were for major developments including the extension to a free range piggery business, the expansion of the Stawell aerodrome and the trialling of composting a by-product from a commercial business to reduce waste to landfill. Five applications were withdrawn during the twelve month period and no applications were refused.

Supporting students

During 2012-13, Council entered into a two year student cadet program to provide career development and on-the-job training for a planning student. The student is completing a planning degree through Latrobe University and is working part time for Council in its planning department. The program has already seen benefits for both the student and Council and provides the perfect stepping stone for a student pursuing a career in local government planning.





Council's Community Recycling Trailer

New waste and recycling contracts awarded

Council's waste management program costs in excess of \$1.8 million dollars per annum. The contracts to collect kerbside, public litter and transfer station waste and recycling expired in June 2013. New contracts were prepared and awarded to align the service delivery with Council's Waste Management Strategy which was adopted in June 2012. Audits were conducted on kerbside waste and recycling bins and public litter bins. The results of these audits were used to develop the contract documentation, identify service level changes and to improve equity in service delivery.

Council continued to participate in the Grampians Regional Waste Management Group throughout the year and provided feedback on state policy in relation to waste management. Joint projects delivered during the year included the purchasing of a trailer to assist community groups and event organisers with waste and recycling management at events, the Second Hand Saturday Project, as well as battery and light globe recycling initiatives.

During 2012-13, over 3034 tonnes of waste was deposited to landfill from the kerbside waste services and 1079 tonnes of recyclables was recovered through the kerbside recycling service. On average 65 per cent of material produced each year ends up as waste sent to landfill and 35 per cent of material is recycled. Waste management is everyone's responsibility. Council's waste services are designed to assist the community to reduce waste to landfill, increase resource recovery and improve access to waste management infrastructure.

Local Law improving liveability

Council adopted the General Local Law 2012 in September 2012 after community consultation and a lengthy review of its existing Local Laws. The General Local Law 2012 includes provisions for dogs to be on a leash in municipal

places, controls around the consumption and possession of liquor in a municipal place, and controls around the use of public footpaths to ensure access is maintained for all users.

The General Local Law 2012 sets out the regulatory framework for Council in managing the use of municipal places within the shire for the next ten years. The regulations contribute towards the liveability of the municipality.

Pound gets a facelift

Major works were undertaken during the year to upgrade the pound facility. The upgrade works were necessary to ensure the pound is compliant with state requirements. Works included changes to the number and design of the animal holding pens and exercise areas, as well as improvements to the access.

The pound plays a critical role in not only holding animals that have been found wandering but provides a vital service in rehoming animals. During 2012-13, 517 animals were impounded. Of that number, 39 per cent were returned to their owners and 37 per cent of animals were rehomed. The number of animals rehomed during 2012-13 was up by 10 per cent from the previous year.

Kiosk keeping the community informed

Council received \$30,000 in funding from a Fire Ready Community Grant through DPCD to install an electronic information kiosk at the Halls Gap Hub. The kiosk provides instant information to the community during emergency events. Council worked in partnership with key emergency management agencies to ensure the information kiosk provides as much information as possible to keep the community informed of any emergency. The information kiosk enables the community to access information on weather events, fire, storms and any other localised information that may assist the community with emergency management planning, preparation and response.



Gauging risk

Council received \$20,000 in funding from DPCD to install three rain gauges in the Halls Gap area to help gather information to manage landslides. The rain gauges provide information, remotely sending SMS messaging to emergency management agencies responsible for responses to flooding and landslide events. The installation of the rain gauges is an important step in providing data to enable emergency management agencies and Council to manage flooding and landslide events in the Halls Gap area.

Raising floor levels

A grant of \$20,400 was received through the Natural Disaster and Resilience Funding program to undertake the Glenorchy Feasibility Study. This funding was used to identify whether it is feasible to raise floor levels in buildings that are impacted by flooding in the township of Glenorchy. The project was implemented in partnership with the Wimmera Catchment Management Authority. Consultants were engaged to undertake the technical work, gathering data on building construction, flood level and building floor heights. Consultation was also undertaken with the community during the project. The project has resulted in a valuable decision making tool that property owners can use if they are considering alteration to their buildings to mitigate flooding.

Tobacco education

Council received \$11,000 in funding from the MAV to implement the tobacco enforcement and education program across the municipality. The project has a focus on the selling of cigarettes to minors and enables Council to work with businesses to ensure that the necessary checks are being done before cigarettes are sold. This is the eleventh year the project has been conducted in the municipality and enables Council to work with the community and businesses to target cigarette smoking by minors. This year there were 24 targeted inspections and 21 attempts to purchase tobacco by a minor. There were four infractions reported and enforcement action has been taken.

Immunisation review

Council provides a range of immunisation services across the community. The majority of these services are targeted for preschool and school aged children. Opportunistic immunisation was also provided during the year. A report was compiled on the immunisation program during 2012-13. This report will be used to determine service level standards for the future. Key issues to be considered for the future service include costs to provide the service, accessibility of the service, whether the service is duplicating other services available to the community, percentage of community using the service as well as legislative requirements around service provision. Immunisation services contribute to public health outcomes and need to be managed as part of an overall package of providing for healthy communities.

Infectious disease

Officers investigated 10 infectious disease outbreaks, 2 of which involved a single person infected with a notifiable disease.

Sustainable living

During 2012-13, Council has continued to implement priority actions in its Sustainable Living Strategy 2011. Key achievements have been the development of an Environmental Management Systems for services delivered by the depot staff and a reduction in energy use in Council buildings. Council has continued to work in partnership with the Wimmera Mallee Sustainability Alliance and the Central Victorian Greenhouse Alliance to develop joint initiatives to tackle sustainable living across the region. Projects for the future include support for low income householders to reduce energy consumption around the home and the installation of low energy street lighting. Council has also received a grant of \$50,000 to address roadside weed and rabbit infestations. This is part one of a three part grant, but changes to state legislation means that all roadsides will now be Council's responsibility to control weeds and pest species and so the \$150,000 grant will be the last grant money attributed to this control.

A landslide in the Grampians National Park (2011)





Adam Brand performs for Joel Joel community

Working towards...

SUPPORTING OUR COMMUNITIES TO RECOVER FROM FLOOD

For many people the floods are now a part of history, however for Council and many flood impacted people, the recovery continued throughout 2012-13 and still has a way to go. The rain events and flooding that swept through the shire in 2010 and 2011 has shown to have a long-lasting effect on the Northern Grampians community- physically, economically and socially. The flood caused approximately \$22 million damage to Council road and bridge infrastructure, and disrupted farming and industry operations, damaged houses and property, and affected livelihoods.

As anticipated, recovery from the floods is taking time and will continue into 2013-14. Council's Flood Recovery Team has been coordinating the recovery effort over the past two and a half years and will continue with its important work on delivering commonwealth and state Natural Disaster Relief and Recovery (NDRRA) funded projects.

A snapshot of figures (right) paints a picture of the impact that the three floods have had on the Northern Grampians Shire community. Read on to find out how the Council is managing the flood recovery efforts.

Floods snapshot

819 –	roads damaged in the floods.
1131 –	owners of 1,653 rateable properties impacted by the floods.
720 –	properties that have been flooded on more than one occasion
2,889 –	people who have attended flood recovery community events.
75 –	community meetings and events since the first flood in September 2010.
24 –	community places, halls, reserves and sports fields that will be repaired by the time the work is finished.
\$29 million –	the cost currently estimated to complete the flood recovery program.

Never give up

The devastation in the upper Wimmera catchment areas in the south of the shire from the storm and floods of December 2011 were recognised by state and commonwealth governments as a natural disaster, however no direct financial assistance was being offered to support the community recover under the NDRRA as had been made available for the September 10 and January 11 floods. In representing the community it serves, Council never gave up on lobbying, providing evidence and meeting with flood-impacted individuals and our state and commonwealth members of parliament to try and have grants made available. Despite being refused by the commonwealth Attorney General on numerous occasions, it was with great satisfaction to the flood affected primary producers that at the end of June 2013, the state and commonwealth government announced that grants would be made available to flood impacted primary producers from the December flood.



MRAP guiding success

The Municipal Recovery Action Plan (MRAP) 2011-2013 continues to provide the framework for the work that was achieved in 2012-13. The plan is overseen by the municipal flood recovery committee chaired by the Mayor and attended by the CEO. The plan provides the structure necessary to ensure recovery is undertaken in a systematic, effective and timely manner, appropriate to the community's capacity.

We're not on our own

Oversight of the flood recovery program is undertaken by the Municipal Flood Recovery Committee. To ensure localised community and agency input is included in the delivery of the plan, localised working groups, which include community and agency representatives, meet to offer direct input, suggestions and take on some responsibility for the delivery of Council's flood recovery services which directly affect them.

Lifting community spirits

2012-13 was a time when many of the damaged community spirits were lifted. Essential community infrastructure repairs such as community halls, sports grounds, recreation reserves, playgrounds, gardens and historical collections were completed. The Kooreh Hall, Banyena Hall, Navarre Hall and Glenorchy Memorial Hall are at the heart of their communities, and have been restored by the flood program and handed back to the community. The Dadswells Bridge, Banyena, Campbells Bridge, Landsborough West and Glenorchy tennis courts have been repaired and the communities are again enjoying social and competitive tennis in these townships. For visitors and locals, new public toilets designed to cope with future flood events have been opened at Great Western and Glenorchy. The connecting bridge to the Halls Gap Botanic Gardens is completed and a major rebuild of the Navarre Historical Museum is almost finished. Completion of the Stawell Steps boardwalk and spillway at Cato Park was a joint project, which was partly funded by the flood recovery program and has quickly become a highly awarded and iconic part of the Stawell community. In addition to work directly carried out by the Flood Recovery program, Council has assisted 11 community groups to obtain over \$57,000 in grants through the Foundation for Rural & Regional Renewal to undertake upgrades and purchase new equipment for local community facilities. The December 2011 flood and storms created additional flood damage that is still in progress including erosion of the Cato Lake banks, the repair of the North Park athletics track and the Great Western Hall.

Doing the job right

Council has sourced financial commitments of more than \$29 million from the National Disaster Recovery Fund (NDRF), government grants and donations to meet the enormous cost of flood recovery. Every recovery action is fully justified and costed and must meet strict guidelines that are in place to ensure the funding is used to repair essential infrastructure and rebuild the capacity of the community after the floods. Council's Flood Recovery Team faces the challenge of using the funding prudently while making sure that at the end of the day, the job is done right. Northern Grampians Shire Council is grateful to the State and Australian Governments for making these funds available.

Staying informed

The flood recovery process takes time. The community has been extremely patient in allowing work to progress in a planned manner, utilising resources in the best way while prioritising needs. It has been incredibly important that the community is aware of where recovery is at, what is scheduled and what progress has been made. Since the floods hit, the Flood Recovery Team continues to make use of a variety of techniques to convey information including a Flood Recovery Update newsletter, articles in local newspapers and stories on radio and television. Flood recovery e-bulletins, Council's Facebook page and dedicated flood recovery web pages are also being used with great success.

Roads undergo repairs

Northern Grampians Shire Council is continuing to make steady progress on flood-damaged road infrastructure repairs, with work started on nearly three quarters of projects. As of the end of June 2013, work has started on 90 per cent of the repair projects created by the September 2010, January 2011 and December 2011 floods. The damage bill totalled more than \$22 million; three times the annual works budget. The three floods created 2,196 repair projects on infrastructure including roads, bridges, drains and major culverts.

Council is using local contractors wherever possible and is dependent to some extent on their availability. Council is on track to finish all road and bridge repairs by the end of 2013. There are clear guidelines around how infrastructure recovery work must be undertaken. Emergency recovery arrangements require that the restoration work must be completed by contractors and not by Council's direct labour force. Under government funding guidelines, damaged infrastructure can only be restored to its original condition and cannot be upgraded.



Best of the best

Being recognised by your peers, government and industry peak bodies for the work Council is doing has given us the confidence that we are delivering best practice. In the 2013 National Awards for Local Government, an Australian Government program recognising excellence for innovative projects from councils around Australia, former Prime Minister Julia Gillard presented Northern Grampians Shire Council with the top accolade for small councils. The award was for the Stawell Steps project, a piece of flood mitigation infrastructure at Cato Lake, which has become a functional and architectural community asset constructed from locally made bricks. At the same time, Northern Grampians Shire Council was named as the 'small council' winner of the Women in Community Award. This award recognised Council's work after the December 2011 floods with the women of the Joel Joel community, which empowered them to lead the recovery for their district and has now developed greater capacity to cope with future events.

In the past 12 months, the Stawell Steps spillway project was also a finalist in a state-wide award presented by the Institute of Public Administration Australia (Victoria), which recognises leadership in the public sector.

Two Northern Grampians Shire Council flood recovery projects topped the Local Government Professionals Association 2013 awards, being awarded for the Innovative Management initiative of the flood recovery program, and also for the special projects initiative for Council's flood farm fencing restoration project. It was also recognition of how Council's flood recovery team is regarded when we were invited to present at a national forum on building post disaster resilience held by the Attorney Generals Department at the Australian Emergency Management Institute in May 2013 on how Council has engaged with flood affected communities and also the establishment of a dedicated flood recovery program.

Adam, Buddy and a whole lot more

Recognising that people and community need a time to come together and someone to share their stories with, a highlight of the year was the support provided to our communities by the entertainment industry. Australian music icon Adam Brand and ARIA award winner Buddy Goode put on an invitation only concert at Joel Joel for the local community in November 2012, spending the day seeing for themselves the devastation the December floods caused before putting on a truly memorable show that lifted everyone's spirits. A highlight of the Glenorchy Hall opening was an evening of music and dancing provided by entertainers from the region, starting with a big band, and moving through the gambit of music to end with a rock band. Big recording artist or local entertainers, they all contributed to restoring the community spirit and getting people back together.

PHOTO: Geoff Cowfort Photography

Receiving the 2013 National Award for Local Government





Working towards...

THE IMPLEMENTATION OF MAJOR PROJECTS

Why major projects?

During its flood recovery work, Council discovered that you can't do business in a normal way, in abnormal circumstances and still achieve high end results - something has to give way. Rather than developing a reactive program, as in the case of natural disaster recovery, in 2012-13 Council undertook to dedicate resources to a major project team who had the capacity and expertise to respond to emerging issues and opportunities. This meant that Council was prepared to be able to move quickly in the interest of our

communities when an issue such as the closure of the Stawell Gold Mine was announced.

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

Members of the major projects team tour Stawell Gold Mine



Not shy of big challenges

The closure of the Stawell Gold Mine has the potential to have a significant impact on the employment and economy in our shire, and therefore has implications for everyone, not just the mine employees. When the announcement came, the major projects team were tasked to take action on strategies under the 'Golden Legacy' project. The

golden legacy project focused on direct mine related activities such as supporting the Fly In and Fly Out (FIFO) workforce, and lobbying for assistance to explore future options for the mine site. It also recognises that there will be a flow on impact on the local economy and employment; therefore strengthening opportunities for our long term economic future became a vital part of the legacy project.





Western Stawell Business Park
Project site

Time to fly and time to grow

For workers who were no longer able to continue mining locally, but wanted to stay in the area and enjoy the lifestyle Northern Grampians Shire has to offer, FIFO (and also drive in drive out) became a very real option. Council is keen to support this type of workforce, as retaining and supporting the families in our community is paramount. However, this needs to be done in the best interest for the employees and their family. The major projects team has worked closely with the mine workers, the Stawell Gold Mine and the broader mining industry, host mine municipalities, aviation operators, recruitment agencies, and support agencies to make it easier for our local mine workers to take on FIFO work as a long term employment option. Council has been able to establish support networks and community health services to help the workers and their families cope with working away from home. Council has supported the Victorian Government in a research project on the impact of FIFO, and has made a submission to the House of Representatives Committee report on the FIFO mining workforce.

The growth of business investment and employment within our shire is at the heart of major projects' initiatives. Being able to focus on projects that will have a long term benefit to jobs and the economy will mean that results can be achieved in a short time frame. Among a myriad of concepts that have been identified by Council, ten key strategic projects have been identified that can provide the best return for investment in terms of employment of growth of the shire in the shortest timeframe. Work on these projects by the major projects

team is well advanced, with the Victorian and Australian governments, along with the private sector, Council and community organisations, contributing funds to explore options such as the Halls Gap Community and Tourism Hub, tertiary education facilities, tourism expansion, and business opportunities within Stawell. Also on the radar is the development of a business precinct on the western side of Stawell which will support the expansion of existing industry and provide for new industry, and St Arnaud and Stawell CBD revitalisation projects.

Best use of resources

Funding projects that will support our community also has a broader benefit to the region, state and nation; therefore it is critical that Council is not the only one paying for this work. The major projects team has the function of working with government departments to identify grant funds that may be available to support Council's work for the community priority and projects. Researching grant options, networking with funding bodies, creating a business case and making application for external grant funds has become a significant body of work, and vital if Council wants to have projects delivered in a short time and without undue impost on the community. As well as many small grants obtained by the major projects team, \$160,000 was obtained for the Golden Legacy 'future possibilities feasibility study', the Halls Gap Community and Tourism Hub stage two was fully funded, and Council has been invited to apply for funds to undertake planning for the Western Stawell Business Park Project.





*Northern Grampians Shire
Councillors October 2012*

Working towards...

PROGRESSIVE LEADERSHIP & GOOD GOVERNANCE

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

New Council

During the year an election was held and five new Councillors joined with the two existing Councillors who were re-elected to form the Northern Grampians Shire Council. To assist the new Council with the transition a Councillor development program was implemented. A combination of external and internal resources were used to inform the Council of the many responsibilities of their new role including governance, finance, asset management and planning.

In the first eight months of its term to 30 June, the new Council developed its Council Plan, Strategic Resource

Plan and annual budget, all requirements of the Local Government Act 1989. The Council Plan is a four year plan which sets the vision and goals of the Council and states where Council is going and what is happening to get it there. The supporting Strategic Resource Plan follows in the planning process to ensure that the goals outlined in the Council Plan are financially possible and the annual budget details how the Council Plan for the corresponding year is going to be resourced.

Audit committee

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

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

The Committee focuses on the risks that are identified by the Risk Management Committee and reviews procedure and process to ensure that good governance is maintained within the organisation.



Memberships

Council was a member of the following organisations during the 2012/13 year:

- Australian Airports Association
- Australian Institute of Building Surveyors
- Central Victorian Greenhouse Alliance
- Civil Contractors Federation
- FKA Children's Services Inc.
- Grampians Produce
- IPWEA Victorian Division
- LGPRO Incorporated
- Life Saving Victoria Ltd
- Municipal Association of Victoria
- North West Municipalities Association
- Rail Freight Development Alliance
- SAI Global
- Sunraysia Highway Improvement Committee
- Vicsport
- Waste Management Association of Australia
- Western Highway Action Committee
- Wimmera Development Association
- Wimmera Regional Library Corporation
- Wimmera Regional Transport Group
- Victorian Municipal Building
- Wimmera Information Network Inc.
- Ibis World Pty Ltd
- StawellBiz
- Halls Gap Tourism
- St Arnaud Community Action Network
- Grampians Winemakers
- East Grants
- Small Business Festivals
- AIGM (grants management)
- Planet Footprint Pty Ltd
- Economic development Australia
- Wimmera Mallee Sustainability Alliance
- Victorian Local Governance Association
- VECCI

Committees

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

- Queen Mary Gardens Committee of Management
- Stawell Recreation Board of Management
- St Arnaud Recreation Board of Management
- Navarre Recreation Reserve Committee of Management
- Great Western Public Park Reserve Committee of Management
- Halls Gap Public Hall Reserve Committee of Management
- Deep Lead Public Hall Reserve Committee of Management

- Rich Avon (Guthrie Park) Recreation Reserve Committee of Management

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

- Northern Grampians Shire Council Planning Committee

Australia Day Awards 2013

In 2013, Northern Grampians Shire marked Australia Day with celebrations in Stawell, St Arnaud, Marnoo, Stuart Mill, Navarre and Great Western.

All events were well attended and Stawell and St Arnaud had the pleasure of hosting Australia Day ambassadors Dr Alessandro Demaio (Stawell) and David Jenkin (St Arnaud).

Citizen of the Year

Ted Gaffney (Stawell)

Ray Hewitt (St Arnaud)

Local Hero Award

Chips Fearon (Stawell)

Senior of the Year

Brian McCahon (St Arnaud)

Young Citizen of the Year

Cody Sanderson (Stawell)

Amanda Elliott (St Arnaud)

Community Event of the Year

Grampians Wildflower Ride (Stawell)

St Arnaud Turf Club Community Meeting (St Arnaud)

Whistleblowers Protection Act 2001

No applications or submissions were received during the year in relation to the Whistleblowers Protection Act 2001 (the Act). The Act was replaced by the Protected Disclosures Act 2012 in February 2013 and no applications were received in relation to the new Act. Council has adopted guidelines and procedures in accordance with the requirements of the Protected Disclosures Act 2012 (Act).



Risk management

As part of our ongoing commitment to good governance practices, Council continually seeks to improve risk management processes. The Committee continues to focus on integrating these processes to ensure that identified risks are treated appropriately. The committee communicates its highest priority concerns to the Audit Committee for review.

Privacy

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

National Competition Policy

Council is obliged to apply competitive neutrality policy and principles to all significant business activities undertaken by it where the benefits of applying competitive neutrality exceed the costs.

Competitive neutrality is about transparent cost identification and pricing in a way which removes net cost advantages arising from public ownership. It means that public interest considerations are to be taken into account.

Contracts

Council did not enter into any contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186 (1) of the Local Government Act 1989 (Act)) during the year without first engaging in a competitive

process and which are not contracts referred to in section 186 (5) of the Act. Note: The Act provides that an amount higher than \$150,000 may be fixed by Order in Council made under section 186 (1) of the Act. By Order in Council the value for which a public tender must be carried out under s.186 (1) has been increased to the following amounts: \$150,000 for contracts for the purpose of goods and services and \$200,000 for contracts for the carrying out of works.

Staffing levels

Number of staff employed as at 30 June, 2013

	Male	Female	No. of Staff
Full Time	71	46	117
Part Time/Casual	15	126	141
Total	86	172	258

Work Group Area	No. of Staff	EFT
Corporate Services	37	29.1
Infrastructure & Environment	81	66.2
Marketing & Community	140	77.9
Total	258	173.3

Worksafe Week 2012





Freedom of Information

The Freedom of Information Act 1982 (Act) provides the opportunity for public access to Council documents. The Act establishes a legally enforceable right for the community to access information in document form held by Council. The Officer with authority to make a decision in relation to a request for access to documents under the Act is Mary Scully, Manager Governance & Civic Support. All requests for information must be in writing and require the payment of an application fee.

Council received two requests under Freedom of Information for the period 1 July 2012 to 30 June 2013 and one request was not proceeded with. Full access to documents was given for the one request.

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 \$25.10 in fees was collected by Council.

A report of the operation of the Act is prepared each year and a copy of each report is available for public inspection during ordinary business hours at Council's Stawell Customer Service Centre at the Stawell Town Hall.

Publications under Section 7 and 8 of the Freedom of Information Act 1982 are available to the public and can be obtained by contacting the Freedom of Information Officer.

Carers Recognition Act 2012

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

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

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

- Council induction and training programs for Home and Community Care and disability staff,
- Carers Recognition Act 2012 link on the Northern Grampians Shire Council Intranet for

- all staff to access and Council induction and training programs for staff working in front-line positions with the general community.

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

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

Equal opportunity

The Northern Grampians Shire Council continues to be committed to the principles of Equal Employment Opportunity. Staff have been trained in the requirements under this Act as 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 Equal Opportunity, Harassment & Bullying policy and procedure.

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

- The Northern Grampians Shire Council is wholly committed to the principles of providing a workplace free from all forms of discrimination and harassment including bullying, racial and religious vilification.
- All employees, independent contractors, volunteers and Councillors of the Northern Grampians Shire Council have the right to be treated fairly and with respect.

Northern Grampians Shire Council, as an employer, seeks to promote a work environment which supports the productivity, self-esteem and personal work goals of all staff members. Council is committed to combating discrimination, harassment, bullying and vilification by:

- encouraging employee awareness through induction and training
- providing appropriate counselling services for employees involved in such behaviour
- possible dismissal for behaviour considered inappropriate

Occupational health and safety

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

In 2012-13 Occupational Health and Safety was a major focus across the organisation with a significant commitment by Council of time and resources to improve compliance with the Occupational Health & Safety Act (Vic) 2004. Recommendations from the 2012 external audit were included in the 2012-13 OHS Plan with the objective of completing all of the Priority 1 recommendations. This objective was predominantly met with only policy reviews outstanding. An external compliance audit will be undertaken in 2013 to assess Council progress.

Northern Grampians Shire Council also participated in a WorkSafe Initiated Project in relation to manual handling and plant compliance. The objective of the manual handling inspections (including an emphasis on tasks where lifting and lowering occurs) was to increase employer awareness of their obligations under the OHS Act and Regulations regarding manual handling and where applicable, the associated risk of a musculoskeletal disorder and compliance with the requirements of the manual handling regulations. The objective of the plant guarding compliance inspections was to increase compliance with the duty to provide and maintain a safe workplace. A series of workplace inspections were undertaken by the WorkSafe Inspector with staff undertaking the necessary improvements highlighted from those inspections.

Further improvement will be undertaken in 2013-14 with the implementation of an OHS Management System that will provide efficiencies in reporting and monitoring OHS issues.

Organisational development

In mid-2011, Council commenced a process of looking at organisational culture and leadership and how this impacts on the ability of the organisation to effectively deliver the projects and services contained in the Council Plan.

The following diagrams show the Northern Grampians Shire Council's actual organisational culture as at June 2011 and the preferred organisational culture.

Actual Culture – June 2011



Preferred Culture



The development of a constructive organisational culture within Northern Grampians Shire Council is a continuous improvement and change management process. The leadership and management group within the organisation are committed to undertake necessary improvements and plan to undertake a remeasure in 2014-15.

Local Government Indicators

INDICATOR	2012-13
Affordability/Cost of Governance	
Average rates and charges per assessment	1,478
Average rates and charges per residential assessment	1,400
Sustainability	
Average liabilities per assessment	963
Operating expenditure per assessment	3,777
Operating result per assessment (This result is affected by high levels of grants for flood restoration works)	1,187
Working Capital Ratio (This figure is affected by high levels of capital grants for flood restoration works)	190%
Infrastructure	
Average Capital Expenditure per Assessment	1,724
Renewal Gap	367%
Renewal and Maintenance Gap (These figures are affected by high levels of funded capital restoration works following the floods)	265%

2012-2013



ANNUAL FINANCIAL STATEMENTS

NORTHERN GRAMPIANS SHIRE COUNCIL



Standard Statements

FOR THE YEAR ENDED 30 JUNE 2013



Northern Grampians Shire Council
Standard Statements
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Note to and forming part of the Standard Statements for the Financial Year Ending 30 June 2013

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 Standard Statement of Capital Works, together with explanatory notes.

These statements and supporting notes form a Special Purpose Financial Report prepared to meet the requirements of the Local Government Act 1989 and Local Government (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 with a positive or negative dollar variance of \$170,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 28 June, 2012. 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 2013

	Budgeted 2012/2013 (\$'000)	Variances		Ref	Actuals 2012/2013 (\$'000)
		(\$'000)	%		
Operating Activities					
Operating Revenue					
Rates and Charges	13,604	62	0%		13,666
Government Grants - Capital	14,957	(1,887)	(13%)	1	13,070
Government Grants - Operational	7,472	569	8%		8,041
User Fees and Charges	2,330	(111)	(5%)		2,219
Contributions - Capital	105	155	148%		260
Contributions - Operating	761	(56)	(7%)		705
Interest Revenue	271	135	50%		406
Other Revenue	152	(7)	(5%)		145
Net gain(loss) on Disposal of Property, Infrastructure, Plant and Equipment	0	128	100%		128
Share of net profit(loss) of Associates accounted for by the equity method	0	11	100%		11
Recognition of Previously Unrecognised Assets	0	3,165	100%	2	3,165
Operating Revenue	39,652	2,164	5%		41,816
Operating Expenses					
Employee Costs	(12,523)	369	(3%)		(12,154)
Materials and Services	(10,512)	684	(7%)		(9,828)
Depreciation	(6,394)	(664)	10%	3	(7,058)
Borrowing Costs	(148)	0	0%		(148)
Other Expenses	(810)	55	(7%)		(755)
Bad and Doubtful Debts	0	(17)	100%		(17)
Derecognition of Previously Recognised Assets	0	(963)	100%	2	(963)
Operating Expenses	(30,387)	(536)	2%		(30,923)
Flood Operating Activities					
Operating Grants	748	3,052	408%	4	3,800
Other Revenue	0	67	100%		67
Flood Operating Revenue	748	3,119	417%		3,867
Employee Benefits	(335)	24	(7%)		(311)
Materials and Services	(413)	(3,110)	753%	5	(3,523)
Flood Operating Expenses	(748)	(3,086)	413%		(3,834)
Net Surplus (deficit) from operations	9,265	1,661	7%		10,926

**Standard Income Statement
Comparison Report for the Year Ending 30 June 2013**

Variance Explanation Report

Ref. Item	Commentary
1 Government Grants - Capital	<p>Lower than anticipated disaster recovery grants were received for infrastructure restoration works, however this was offset by higher levels of grants received for public assets and community recovery.</p> <p>In addition, the Stawell Aerodrome Redevelopment grant funding (\$565,000) will not be received until 2013-14.</p>
2 Derecognition of Previously Recognised Assets and Recognition of Previously Unrecognised Assets	The budget did not include any provision for lost and found assets as these could not be predicted, however during the condition assessments undertaken for the 2012-13 infrastructure revaluation process, some assets that were not previously recognised were recognised, and some previously recognised assets were derecognised.
3 Depreciation	The impact of the 2012-13 infrastructure revaluation process on depreciation was not included in the budget as the impact could not be predicted.
4 Operating Grants - Flood	Higher than anticipated levels of grant funding were received for the restoration of public assets and community recovery.
5 Materials and Services - Flood	There were higher levels of public asset restoration and operational recovery undertaken than originally budgeted.

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 2013

	Budgeted 2012/2013 (\$'000)	Variances			Actual 2012/2013 (\$'000)
		(\$'000)	%	Ref	
Curent Assets					
Cash Assets	1,511	7,380	488%	6	8,891
Receivables	842	1,811	215%	7	2,653
Inventories	49	(4)	(8%)		45
Other	121	(27)	(22%)		94
Total Current Assets	2,523	9,160	363%		11,683
Non Current Assets					
Receivables	124	(49)	(40%)		75
Property, Plant & Equipment	267,491	16,576	6%		284,067
Financial Assets	1,000	19	2%		1,019
Other	703	(16)	(2%)		687
Total Non-Current Assets	269,318	16,530	6%		285,848
Total Assets	271,841	25,690	9%		297,531
Current Liabilities					
Payables	1,355	1,615	119%	8	2,970
Interest Bearing Liabilities	391	(11)	(3%)		380
Employee Provisions	2,406	367	15%	9	2,773
Other	99	(73)	(74%)		26
Total Current Liabilities	4,251	1,898	45%		6,149
Non Current Liabilities					
Interest Bearing Liabilities	2,401	(219)	(9%)		2,182
Employee Provisions	217	70	32%		287
Land Improvement Liability	275	0	0%		275
Total Non-Current Liabilities	2,893	(149)	(5%)		2,744
Total Liabilities	7,144	1,749	24%		8,893
Net Assets	264,697	23,941	9%		288,638
Equity					
Accumulated Funds	135,955	(596)	(0%)		135,359
Asset Revaluation Reserve	127,346	24,031	19%	10	151,377
General Reserves	1,396	506	36%	11	1,902
Total Equity	264,697	23,941	9%		288,638

**Standard Balance Sheet
Comparison Report for the Year Ending 30 June 2013**

Variance Explanation Report

Ref.	Item	Commentary
6	Cash Assets	Higher than budgeted cash balances are the result of higher than budgeted opening cash balances, grants not yet expended to be carried forward to 2013-14, and early payment of 50% of the Victorian Grants Commission financial assistance grant for 2013-14.
7	Receivables - current	No movement in receivables was budgeted for, however a large invoice was raised prior to the end of the year for Country Roads and Bridges Initiative funding (\$1 million).
8	Payables - current	The budget assumed lower levels of payables than actually occurred, resulting from flood restoration works payments outstanding at 30 June, 2013 and delay in payment for the new bin fleet.
9	Employee Provisions	Annual leave and long service leave provisions have risen more than anticipated.
10	Asset Revaluation Reserve	The budget did not include changes resulting from asset revaluations as the impact was not able to be predicted.
11	General Reserves	New Long Service Leave and Defined Benefits Reserves introduced in 2012-13 were not included in the budget.

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.

Standard Cash Flow Statement
for the Financial Year Ending 30 June 2013

	Budgeted 2012/2013 (\$'000)	Variances		Ref	Actuals 2012/2013 (\$'000)
	Inflows (Outflows)	(\$'000)	%		Inflows (Outflows)
Operating Activities					
Income					
Rates & Charges	13,604	(70)	(1%)		13,534
Operating Grants	7,472	544	7%		8,016
User Fees & Charges	2,330	(128)	(5%)		2,202
Contributions - Operating	761	54	7%		815
Interest Revenue	271	135	50%		406
Other	152	(15)	(10%)		137
Net GST Refund/(Payment)	0	359	100%	12	359
	24,590	879	4%		25,469
Expenditure					
Employee Costs	(12,523)	460	(4%)		(12,063)
Super call on defined benefits	0	(2,091)	100%	13	(2,091)
Materials and Services	(10,512)	1,087	(10%)	14	(9,425)
Other Expenses	(810)	55	(7%)		(755)
Borrowing Costs	(148)	0	0%		(148)
	(23,993)	(489)	2%		(24,482)
Flood Operating Activities					
Income					
Operating Grants	748	3,052	408%	15	3,800
Other Revenue	0	67	100%		67
	748	3,119	417%		3,867
Expenditure					
Employee Costs	(335)	24	(7%)		(311)
Materials and Services	(413)	(3,110)	753%	16	(3,523)
	(748)	(3,086)	413%		(3,834)
Net Operating	597	423	71%		1,020
Investing Activities					
Capital Expenditure	(8,053)	1,326	(16%)	17	(6,727)
Government Grants - Capital	4,824	(674)	(14%)	18	4,150
Capital Income	362	(18)	(5%)		344
Capital Contributions	105	155	148%		260
Net Investing Activities	(2,762)	789	(29%)		(1,973)
Flood Restoration Investing Activities					
Capital Expenditure	(10,133)	995	(10%)	19	(9,138)
Capital Grants	10,133	(1,213)	(12%)	20	8,920
Net Flood Investing Activities	0	(218)	100%		(218)
Financing Activities					
New Loans	1,000	0	0%		770
Principal Repayments	(392)	0	0%		(392)
Trust Deposit Movements (Net)	0	(3)	100%		(3)
Total Financing Activities	608	(233)	(38%)		375
Net Movements for Year	(1,557)	761	(49%)		(796)
Opening Cash	4,069	5,618	138%		9,687
Closing Cash	2,512	6,379	254%		8,891

**Standard Cash Flow Statement
Comparison Report for the Year Ending 30 June 2013**

Variance Explanation Report

Ref.	Item	Commentary
12	Net GST Refund/(Payment)	No provision is made in the budget for GST adjustments.
13	Super call on defined benefits	The additional superannuation call on defined benefits was not included in the budget as it was not known at that time.
14	Materials and Services	Costs were lower due to savings across operational services and the delay in the payment for the bin replacement program.
15	Operating Grants - Flood	Higher than anticipated levels of grant funding were received for the restoration of public assets and community recovery.
16	Materials and Services - Flood	There were higher levels of public asset restoration and operational recovery undertaken than originally budgeted.
17	Capital Expenditure	Several projects, including St Arnaud Children's Precinct, Halls Gap Community Hub and Stawell Aerodrome, not completed by 30 June, 2013 will be carried forward into 2013-14.
18	Government Grants - Capital	The Stawell Aerodrome grant funding (\$565,000) will not be received until 2013-14.
19	Capital Expenditure - Flood	Bridge restoration works still underway will be carried forward to 2013-14.
20	Capital Grants - Flood	Lower than anticipated disaster recovery grants were received for infrastructure restoration works, as some of the works undertaken were on public assets.

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

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

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

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

Standard Statement of Capital Works
for the Financial Year Ending 30 June 2013

	Budgeted 2012/2013 (\$'000)	Variances			Ref	Actuals 2012/2013 (\$'000)
		(\$'000)	%			
Capital Works						
Roads	11,650	(538)	(5%)			11,112
Plant & Equipment	1,706	(167)	(10%)			1,539
Bridges & Culverts	1,850	(1,262)	(68%)	21		588
Buildings	1,422	(605)	(43%)	22		817
Open Spaces	676	278	41%	23		954
Drainage	662	4	1%			666
Computer & Office Equipment	220	(31)	(14%)			189
Total Capital Works	18,186	(2,321)	(13%)			15,865
Represented by:						
Renewal	16,293	(2,444)	(15%)	24		13,849
New	348	415	119%	25		763
Expansion	1,545	(292)	(19%)	26		1,253
Total Capital Works	18,186	(2,321)	(13%)			15,865

Property, Plant & Equipment Movement Reconciliation Worksheet

	Budgeted 2012/2013 (\$'000)	Variances			Ref	Actuals 2012/2013 (\$'000)
		(\$'000)	%			
Total Capital Works	18,186					15,865
Depreciation	(6,394)	(664)	10%	27		(7,058)
Revaluation	0	21,743	100%	28		21,743
Impairment	0	30	100%			30
Written Down Value of Assets Sold	(362)	146	(40%)			(216)
Net Movement in Property, Plant and Equipment	11,430	18,934	166%			30,364

**Standard Statement of Capital Works
Comparison Report for the Year Ending 30 June 2013**

Variance Explanation Report

Ref.	Item	Commentary
21	Bridges & Culverts	The flood restoration works for bridges and major culverts is still underway, and will be carried forward to 2013-14.
22	Buildings	Several projects, including St Arnaud Children's Precinct and Halls Gap Community Hub, not completed by 30 June, 2013 will be carried forward into 2013-14.
23	Open Spaces	The additional open space expenditure is the result of several unbudgeted projects undertaken due to successful grant applications and parts of some projects, budgeted for as other infrastructure assets, being classified as open space assets.
24	Renewal	Lower than budgeted renewal expenditure is the result of bridge restoration works to be carried forward to 2013-14, and the impact of more disaster restoration works done on public assets rather than Council assets as originally budgeted.
25	New	Expenditure on new works is higher than budgeted as the result of grants received during the year for new projects, including the Cato Park Steps project, and the carry forward from 2011-12 of the completion of a new segment of Halls Gap bike path.
26	Expansion	Expenditure on expansion works is lower than budgeted as the result of the carry forward to 2013-14 of several incomplete projects, including Halls Gap Community Hub and St Arnaud Childrens Precinct.
27	Depreciation	The impact of the 2012-13 infrastructure revaluation process on depreciation was not included in the budget as the impact could not be predicted.
28	Revaluation	The budget did not include changes resulting from asset revaluations as the impact was not able to be predicted.

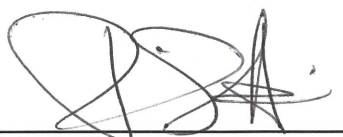
Commentary on the Standard Statement of Capital Works for the Annual Report:

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

**Certification of Standard Statements
for the Financial Year Ending 30 June 2013**

Statement by Principal Accounting Officer

In my opinion, the accompanying Standard Statements of Northern Grampians Shire Council for the year ended 30 June, 2013 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.



Julia Smith
Principal Accounting Officer

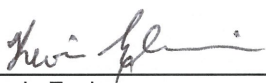
Date: 2 September, 2013

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 2 September, 2013 we were authorised by the Council to certify the Standard Statements in their final form on behalf of the Council.



Cr Kevin Erwin
Councillor

Date: 2 September, 2013



Cr Paul Russell
Councillor

Date: 2 September, 2013



Justine Linley
Chief Executive Officer

Date: 2 September, 2013



Annual Financial Report

FOR THE YEAR ENDED 30 JUNE 2013



Northern Grampians Shire Council

Annual Financial Report

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Comprehensive Income Statement For the Year Ended 30 June 2013

	Note	2013 \$'000	2012 \$'000
Revenue			
Rates and Charges	2	13,666	12,730
User Fees	3	2,219	2,395
Contributions - Cash	5	985	1,008
Grants - Operating (recurrent)	4	11,841	12,728
Grants - Capital (non-recurrent)	4	13,070	11,285
Other Revenue	7	598	934
Net Gain/(Loss) on Disposal of Property, Plant and Equipment	6	128	(2,406)
Share of Net Profit/(Loss) of Associates and Joint Ventures accounted for by the equity method	14	11	(63)
Recognition of Previously Unrecognised Assets	20	3,165	0
Total Revenue		45,683	38,611
Expenses			
Employee Costs	8	(12,473)	(12,507)
Superannuation Call on Defined Benefits	8	8	(2,099)
Materials and Services	9	(13,351)	(10,230)
Bad and Doubtful Debts	10	(17)	(36)
Depreciation and Amortisation	11	(7,058)	(6,300)
Finance Costs	12	(148)	(181)
Other Expenses	13	(755)	(765)
Derecognition of Previously Recognised Assets	20	(963)	0
Total Expenses		(34,757)	(32,118)
Surplus / (Deficit)		10,926	6,493
Other Comprehensive Income			
Items that may be reclassified to surplus or deficit			
Fair Value Adjustments for Financial Assets at fair value	25	12	(1)
Items that will not be reclassified to surplus or deficit			
Share of Other Comprehensive Income of Associates accounted for by the equity method	14	3	33
Net Asset Revaluation Increment (Decrement)	25	21,743	2,278
Comprehensive Result		32,684	8,803

The accompanying notes form part of this financial report

Balance Sheet
As at 30 June 2013

	Note	2013 \$'000	2012 \$'000
Assets			
Current Assets			
Cash and Cash Equivalents	15	8,891	9,687
Trade and Other Receivables	16	2,653	2,473
Inventories	17	45	50
Other Assets	19	94	223
Total Current Assets		11,683	12,433
Non-current Assets			
Trade and Other Receivables	16	75	98
Other Financial Assets	18	1,019	1,007
Investments in Associates accounted for using the equity method	14	687	674
Property, Plant and Equipment, Infrastructure	20	284,067	251,501
Total Non-current Assets		285,848	253,280
Total Assets		297,531	265,713
Liabilities			
Current Liabilities			
Trade and Other Payables	21	2,970	2,211
Trust Funds and Deposits	22	26	29
Provisions	23	2,773	2,645
Interest-bearing Loans and Borrowings	24	380	392
Total Current Liabilities		6,149	5,277
Non-current Liabilities			
Trade and Other Payables	21	0	2,099
Provisions	23	562	591
Interest-bearing Loans and Borrowings	24	2,182	1,792
Total Non-current Liabilities		2,744	4,482
Total Liabilities		8,893	9,759
Net Assets		288,638	255,954
Equity			
Accumulated Surplus		135,359	124,733
Reserves	25	153,279	131,221
Total Equity		288,638	255,954

The accompanying notes form part of this financial report

Statement of Changes in Equity For the Year Ended 30 June 2013

			Asset	
	Note	Total	Accumulated Surplus	Revaluation Reserve
		2013	2013	2013
		\$'000	\$'000	\$'000
2013				
Balance at beginning of the financial year		255,954	124,733	129,622
Comprehensive Result		32,684	10,929	21,755
Transfers to other reserves	25(b)	0	(658)	0
Transfers from other reserves	25(b)	0	355	0
Balance at end of the financial year		288,638	135,359	151,377

			Asset	
		Total	Accumulated Surplus	Revaluation Reserve
		2012	2012	2012
		\$'000	\$'000	\$'000
2012				
Balance at beginning of the financial year		247,151	117,640	127,345
Comprehensive Result		8,803	6,526	2,277
Transfers to other reserves	25(b)	0	(25)	0
Transfers from other reserves	25(b)	0	592	0
Balance at end of the financial year		255,954	124,733	129,622

The accompanying notes form part of this financial report

Statement of Cash Flows

For the Year Ended 30 June 2013

		2013	2012
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$'000	\$'000
Cash flows from operating activities			
Rates and Charges		13,534	12,740
User Fees		2,202	2,359
Grants		24,886	23,362
Contributions		1,095	908
Other Revenue		590	695
Net GST (Refund)/Payment		359	253
Employee Costs		(14,465)	(12,169)
Materials and Services		(12,948)	(10,563)
Finance Costs		(148)	(181)
Other Expenses		(755)	(765)
Net cash provided by (used in) operating activities	26	14,350	16,639
Cash flows from investing activities			
Payments for Property, Infrastructure, Plant and Equipment		(15,865)	(16,930)
Payments for Financial Assets		0	(100)
Proceeds from Sale of Property, Infrastructure, Plant and Equipment		344	322
Trust Funds and Deposits		(3)	(69)
Net cash provided by (used in) investing activities		(15,524)	(16,777)
Cash flows from financing activities			
Proceeds from Interest Bearing Loans and Borrowings		770	0
Repayment of Interest Bearing Loans and Borrowings		(392)	(543)
Net cash provided by (used in) financing activities		378	(543)
Net increase (decrease) in Cash and Cash Equivalents		(796)	(681)
Cash and Cash Equivalents at the Beginning of the Financial Year		9,687	10,368
Cash and Cash Equivalents at the End of the Financial Year	15	8,891	9,687

The accompanying notes form part of this financial report

Introduction

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

External Auditor - Auditor-General of Victoria

Bankers - Commonwealth Bank Australia

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

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

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

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

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

(b) Change in Accounting Policies

There have been no changes in accounting policies during the financial year.

(c) Revenue Recognition

Rates, Grants and Contributions

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

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

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

Note 1 Significant Accounting Policies (cont.)

(c) Revenue Recognition (cont.)

Rates, Grants and Contributions (cont.)

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 & Fines

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

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

Sale of Property, Infrastructure, Plant and Equipment

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

Rental

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

Interest

Interest is recognised progressively as it is earned.

Trade & Other Receivables

Receivables are carried at amortised cost using the effective interest rate method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred.

(d) Depreciation and Amortisation of Non-current Assets

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

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

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

For buildings, consumption based depreciation is charged on the remaining service potential of the asset as determined each year.

For all other assets with limited useful lives, straight line depreciation is charged based on the residual useful life as determined each year.

Note 1 Significant Accounting Policies (cont.)

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

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

	2013
Land and Buildings	
Buildings	60 Years
Land improvements	10 years
Heritage Assets	
Heritage Assets	100 years
Plant and Equipment	
Plant and Machinery (2012 2-66 years)	2-20 years
Furniture, Equipment and Computers (2012 - 2-8 years)	2-10 years
Infrastructure	
Roads	
- Sealed Pavement	90 years
- Unsealed Pavement (2012 - 40 years)	64 years
- Seal	14 years
Footpaths	74 years
Kerb and Channel (2012 - 85 years)	90 years
Drains	142 years
Bridges (2012- 100 years)	112 years
Other	
Street Furniture	28 years
Parks & Gardens	25 years

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

(e) Repairs and Maintenance

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

(f) Borrowing Costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include interest on bank overdrafts and interest on borrowings.

(g) Recognition and Measurement of Assets

Acquisition

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

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

Note 1 Significant Accounting Policies (cont.)

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

The following classes of assets have been recognised in note 20. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

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

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, motor vehicles, heritage assets, computer equipment, furniture and fittings, street furniture, open space, land improvements and land under roads are measured at their fair value, being the 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 5 years. The valuation is performed either by experienced Council officers or independent experts.

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

Note 1 Significant Accounting Policies (cont.)

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

Land Under Roads

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

(h) Cash and Cash Equivalents

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

(i) Inventories

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

(j) Financial Assets

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

(k) Investments

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

(l) Accounting for Investments in Associates

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

(m) Tender Deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust Funds until they are returned or forfeited (refer to note 22).

(n) Employee Costs

Wages and Salaries

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

Annual Leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date. Annual leave expected to be paid within 12 months is measured at nominal value based on the amount, including appropriate oncosts expected to be paid when settled. Annual leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlement. Commonwealth bond rates are used for discounting future cash flows.

Note 1 Significant Accounting Policies (cont.)

(n) Employee Costs

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

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

(o) Leases

Operating Leases

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

(p) Allocation between Current and Non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(q) Agreements Equally Proportionately Unperformed

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

(r) Web Site Costs

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

(s) Goods and Services Tax (GST)

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

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

Note 1 Significant Accounting Policies (cont.)

(t) Impairment of Assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the Comprehensive Income Statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation reserve for that same class of asset.

(u) Rounding

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

(v) Contingent Assets, Contingent Liabilities & Commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Commitments are not recognised in the Balance Sheet, but are disclosed by way of a note.

Note 1 Significant Accounting Policies (cont.)

Note (w) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective.

They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	What's new?	Impact/Action	Transition	Effective Date
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas. AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the 'available for sale' and 'held-to-maturity' categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets. The new categories of financial assets are:</p> <ul style="list-style-type: none"> - Amortised cost – those assets with 'basic' loan features'. - Fair value through other comprehensive income – this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). - Fair Value through profit and loss – everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> - Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. - There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. - Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity. 	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities. This will also create a requirement to measure some instruments annually that has not previously existed.</p>	<p>Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives</p>	<p>Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).</p>
AASB 10 Consolidated Financial Statements	<p>The standard introduces a single model of control, which is used to determine whether an investee must be consolidated. The existence of control is determined based on:</p> <ul style="list-style-type: none"> - Power to direct the activities of an investee (irrespective of whether such power is exercised). - Exposure, or rights, to variable returns from its involvement with the investee. - The ability to use its power over the investee to affect the amount of the investor's returns. 	<p>The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights. While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013</p>
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either <i>joint operations</i> or <i>joint ventures</i>:</p> <ul style="list-style-type: none"> - Joint operations exist where the parties have the right to their assets and the obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement. - Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below). 	<p>The use of proportionate consolidation to account for joint ventures is no longer permitted. This is not likely to impact many councils</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013</p>

Note 1 Significant Accounting Policies (cont.)

Note (w) Pending Accounting Standards (cont.)

Pronouncement	What's new?	Impact/Action	Transition	Effective Date
AASB 12 Disclosure of Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows. AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories:</p> <ul style="list-style-type: none"> - Significant judgments and assumptions, including how control, joint control, or significant influence has been determined. - Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks. - Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks. - Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks. 	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <ul style="list-style-type: none"> - Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date. - Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly. - Level 3 – unobservable inputs for the asset or liability. <p>There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standards may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted.	Periods beginning on or after 1 January 2013
AASB 127 Separate Financial Statements	AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 <i>Consolidated Financial Statements</i> (see above). It now deals only with the preparation of separate company financial statements.	Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 <i>Financial Instruments</i> . These changes are not expected to impact significantly on Councils	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 128 Investments in Associates and Joint Ventures	AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 <i>Consolidated Financial Statements</i> and AASB 11 <i>Joint Arrangements</i> . The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures.	Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates. These changes are not expected to impact significantly on Councils	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 119 Employee Benefits, AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 and AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements	The standards require the recognition of all re-measurements of defined benefit liabilities/assets immediately in other comprehensive income (removal of the so-called "corridor" method), the immediate recognition of all past service cost in profit or loss and the calculation of a net interest expense or income by applying the discount rate to the net defined benefit liability or asset.		As there is inadequate information available, the entity is unable to assess the full impact.	Periods beginning on or after 1 January 2013 / 1 July 2013

	2013	2012
	\$'000	\$'000
Note 2 Rates and Charges		
Council uses capital improved value as the basis of valuation of all properties within the municipal district. The capital improved value of a property is its estimated realisable value if offered for sale at the time of the valuation.		
The valuation base used to calculate general rates for 2012-13 was \$2,066 million (2011-12, \$1,958 million). The 2012-13 rate in the capital improved value dollar was 0.6417 cents (2011-12 0.6402 cents).		
Residential	6,132	5,811
Commercial	910	905
Industrial	62	62
Farm/Rural	3,414	3,151
Cultural & Recreational	11	11
Garbage Charge	2,148	1,858
Municipal Charge	989	932
	13,666	12,730
The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2012, & the valuation first applied to the rating period commencing 1 July 2012.		
The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2010, & the valuation first applied in the rating year commencing 1 July 2010.		
Note 3 User Fees		
Aged and Disability Service Fees	513	561
Child Care	489	493
Leisure Centre	293	305
Private Works - Infrastructure	177	225
Other	187	202
Local Laws Fines & Permits	146	141
Waste Management Fees	89	127
Building	106	108
Property Rentals	74	75
Environmental Health Fees	71	64
Planning Fees	38	52
Economic Development Fees	36	42
	2,219	2,395
Note 4 Grants		
Income from federal & state government grants & subsidies for the year consist of:-		
Recurrent		
General Revenue Grant	5,943	7,496
Disaster Recovery Grants	3,831	3,189
Aged and Disability Services	682	624
Child Care	359	324
Public Safety	349	159
Other Grants	240	89
Economic Development Grants	170	160
LGIP Infrastructure Grant	140	440
Sporting & Recreation Grants	105	115
Environmental Grants	22	132
Total	11,841	12,728

	2013	2012
	\$'000	\$'000
Note 4 Grants (cont.)		
Non-recurrent		
Disaster Recovery	8,974	6,192
Roads to Recovery	1,268	1,251
CRBI Roads & Bridges Grant	1,000	2,000
Building Grants	546	104
Roads & Bridges	345	48
LGIP Infrastructure Grant	297	540
Sporting Recreation Grants	177	90
Water Management Grants	170	50
Streetscape Grants	150	0
Other Grants	124	113
Halls Gap Bike Path Grant	19	535
Aerodrome Redevelopment	0	250
RLCIP Funding	0	112
Total	13,070	11,285
Conditions on Grants		
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:		
Country Roads & Bridges Initiative Grant	878	972
Disaster Recovery Grants	622	1,162
Building Grants	300	0
Municipal Emergency Resource Grant	120	0
Sporting Recreation Grants	108	0
Other Operational Grants	107	99
Other Capital & Projects Grants	94	103
Local Government Infrastructure Program Grant	87	565
Halls Gap Bike Path Grant	0	237
R2R Grant	0	73
	2,316	3,211
Grants which were recognised as revenue in prior years & were expended during the current year in the manner specified by the grantor were:		
Disaster Recovery Grants	1,112	4,389
Country Roads & Bridges Initiative Grant	972	0
Halls Gap Bike Path Grant	237	0
LGIP Infrastructure Grant	109	0
Other Capital & Projects Grants	103	48
Other Operational Grants	99	45
R2R Grant	73	101
St Arnaud Streetscape	0	112
	2,705	4,695
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	(389)	(1,484)

	2013	2012
	\$'000	\$'000
Note 5 Contributions - Cash		
Child Care Benefits	572	540
Capital	260	164
Other	141	161
Legal Expenses	10	27
Revaluation	2	116
	985	1,008
Note 6 Net Gain/(Loss) on Disposal of Property, Plant and Equipment		
Proceeds of Sale	344	322
Written Down Value of Assets Disposed	(216)	(2,728)
	128	(2,406)
Note 7 Other Revenue		
Interest	391	534
Interest on Rates	62	54
Reversals of Impairment Losses	30	208
Other Revenue	115	138
	598	934
Note 8 Employee Costs		
Wages and Salaries	11,390	11,085
Less Capitalised Wages and Salaries	(348)	(360)
	11,042	10,725
Increase/(decrease) in Long Service Leave	102	240
Increase/(decrease) in Annual Leave & RDO's	(3)	98
Superannuation	975	959
Superannuation - additional call*	(8)	2,099
Fringe Benefits Tax	61	50
Work Cover	296	435
	1,423	3,881
	12,465	14,606
*During the prior period Council was required to make an additional contribution to Vision Super to meet obligations in relation to members of the defined benefit plan. In the reporting period Council received a discount in relation to payment of the additional contribution.		

	2013	2012
	\$'000	\$'000
Note 9 Materials and Services**		
Other Materials and Services	8,622	6,282
Contract Employees	1,107	638
Fuel	656	689
Equipment Maintenance & Repair	622	619
Utilities	477	404
Insurance	334	296
Software Costs	287	272
Goods for Resale	220	213
Audit Fees	205	48
Communications	181	181
Training	161	127
Advertising/Marketing	86	121
Legal Expenses	88	80
Memberships and Subscriptions	164	106
Bank Fees	46	48
Catering	57	63
Postage and Freight	38	43
	13,351	10,230
***It should be noted that the total Materials & Services includes the following:		
Disaster Recovery Materials and Services	3,510	1,458
Note 10 Bad and Doubtful Debts		
Local Law Debtors	11	3
Childcare Debtors	5	10
Other Debtors	1	23
	17	36
Note 11 Depreciation and Amortisation		
Sealed Surfaces	2,204	1,289
Buildings	948	956
Sealed Pavements	838	1,247
Unsealed Pavement	696	704
Plant & Equipment	618	625
Major Bridges & Culverts	600	425
Motor Vehicles	239	258
Kerb & Channel	201	165
Computer Equipment	185	192
Footpaths	173	120
Drainage	158	139
Open Spaces	132	104
Land Improvements	28	28
Furniture & Equipment	20	22
Street Furniture	16	16
Heritage Assets	2	2
Formations	0	8
	7,058	6,300
Note 12 Finance Costs		
Interest - Borrowings	148	181
	148	181

	2013 \$'000	2012 \$'000
Note 13 Other Expenses		
Other	578	590
Councillors Allowances	177	175
	<u>755</u>	<u>765</u>
Note 14 Investment in Associates		
<i>Background</i>		
Council's investment in the Wimmera Regional Library Corporation is based on the equity method of accounting		
Council's interest in equity	25.73%	25.69%
Wimmera Regional Library Corporation	687	674
<i>Council's share of accumulated surplus(deficit)</i>		
Council's share of accumulated surplus(deficit) at start of year	329	378
Change in equity share appointment	2	18
Reported surplus(deficit) for year	11	(63)
Transfers (to) from reserves	(3)	(4)
Council's share of accumulated surplus(deficit) at end of year	<u>339</u>	<u>329</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	345	326
Change in equity share appointment	1	15
Transfers (to) from reserves	3	4
Share of asset revaluation	0	0
Council's share of reserves at end of year	<u>349</u>	<u>345</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	674	703
Change in equity share appointment	3	33
Share of surplus(deficit) for year	11	(63)
Carrying value of investment at end of year	<u>687</u>	<u>674</u>
Note 15 Cash and Cash Equivalents		
Cash on Hand	2	2
Cash at Bank	696	327
Short Term Deposits	8,193	9,358
	<u>8,891</u>	<u>9,687</u>

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

	2013 \$'000	2012 \$'000
Note 16 Trade and Other Receivables		
Current		
Rates Debtors	717	585
Loans & Advances to Community Organisations	23	26
Other Debtors	1,586	1,643
Provision for Doubtful Debts	(32)	(34)
GST Receivable	359	253
	2,653	2,473
Non-current		
Loans & Advances to Community Organisations	75	98
	75	98
Total	2,728	2,571
Note 17 Inventories		
Inventories for distribution	42	47
Inventories held for sale	3	3
	45	50
Note 18 Financial Assets		
Floating rate note at fair value	1,019	1,007
	1,019	1007
Note 19 Other Assets		
Prepayments	58	55
Accrued Income	36	168
	94	223

	2013 \$'000	2012 \$'000
Note 20 Property, Plant and Equipment, Infrastructure		
Summary		
at cost	31,832	44,923
at fair value as at 30 June 2008	0	245,077
at fair value as at 30 June 2010	11,723	11,826
at fair value as at 30 June 2011	66,035	66,035
at fair value as at 30 June 2012	19,496	18,979
at fair value as at 1 July 2012	256,582	0
Work In Progress	302	145
	<u>385,970</u>	<u>386,985</u>
Less accumulated depreciation	(101,903)	(125,354)
Less impairment	0	(10,130)
Total	<u>284,067</u>	<u>251,501</u>
Property		
Land		
at fair value as at 30 June 2010	11,723	11,826
	<u>11,723</u>	<u>11,826</u>
Land Under Roads		
at cost	2	2
	<u>2</u>	<u>2</u>
Land Improvements		
at cost	275	275
Less accumulated depreciation	(138)	(110)
	<u>137</u>	<u>165</u>
Total Land	<u>11,862</u>	<u>11,993</u>
Buildings		
at cost	1,411	669
at fair value as at 30 June 2011	66,035	66,035
Work In Progress	212	137
Less accumulated depreciation	(12,819)	(11,871)
Total Buildings	<u>54,839</u>	<u>54,970</u>
Total Property	<u>66,701</u>	<u>66,963</u>

The valuation of land (excluding land under roads) was determined by Council's independent contract valuer Mr. Ian Wilson, Dip. Valuations RMIT, as at 30th June 2010. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. The valuation of buildings was determined by Council's independent contract valuers APV Valuers & Asset Management, as at 30th June 2011. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

Land under roads is valued at deemed cost. Deemed cost is based on site values adjusted for engloba (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services at the date acquired.

	2013 \$'000	2013 \$'000
Note 20 Property, Plant and Equipment, Infrastructure (cont.)		
Plant, Machinery & Motor Vehicles		
Plant & Machinery		
at cost	9,430	8,529
Less accumulated depreciation	(4,132)	(3,725)
	5,298	4,804
Motor Vehicles		
at cost	1,244	1,158
Less accumulated depreciation	(557)	(546)
	687	612
Total Plant, Machinery & Motor Vehicles	5,985	5,416
Equipment		
Furniture & Fittings		
at cost	428	428
Less accumulated depreciation	(390)	(370)
	38	58
Computer Equipment		
at cost	2,098	1,943
Work In Progress	21	0
Less accumulated depreciation	(1,713)	(1,541)
	406	402
Total Equipment	444	460
Infrastructure		
Footpaths		
at cost	469	735
at fair value as at 30 June 2008	0	8,065
at fair value as at 1 July 2012	11,613	0
Less accumulated depreciation	(3,604)	(4,142)
Total Footpaths	8,478	4,658
Kerb & Channel		
at cost	112	652
at fair value as at 30 June 2008	0	13,369
at fair value as at 1 July 2012	17,988	0
Less accumulated depreciation	(6,956)	(6,606)
Total Kerb & Channel	11,144	7,415
Roads		
at cost	10,530	25,385
at fair value as at 30 June 2008	0	180,453
at fair value as at 1 July 2012	163,624	0
Less accumulated depreciation	(49,204)	(72,889)
Less accumulated impairment	0	(8,734)
Total Roads	124,950	124,215

	2013 \$'000	2012 \$'000
Note 20 Property, Plant and Equipment, Infrastructure (cont.)		
Infrastructure (cont.)		
Bridges & Major Culverts		
at cost	589	1,464
at fair value as at 30 June 2008	0	43,190
at fair value as at 1 July 2012	63,357	0
Less accumulated depreciation	(16,059)	(17,831)
Less accumulated impairment	0	(1,366)
Total Bridges & Major Culverts	47,887	25,457
Drainage		
at cost	667	0
at fair value as at 30 June 2012	19,496	18,979
Less accumulated depreciation	(5,544)	(5,087)
Total Drainage	14,619	13,892
Total Infrastructure	207,078	175,637
<p>The valuations of footpaths, kerb & channel, bridges & major culverts, sealed surfaces, sealed pavements, unsealed pavements and formations were determined by Mr Sanjay Manivasagasivam B. Engineering(Civil) MIE Aust. as at 1 July 2012 and were based on current written down replacement value of the assets. Condition assessments were undertaken by Infrastructure Management Group Pty Ltd for roads, footpaths and kerb and channel, and by Dooley, Mitchell and Morrison Pty Ltd for bridges and major culverts.</p> <p>Valuations for drainage assets were determined by Mr Sanjay Manivasagasivam B. Engineering(Civil) MIE Aust. as at 30 June 2012 and were based on current written down replacement value of the assets.</p>		
Street Furniture		
at cost	463	463
Less accumulated depreciation	(150)	(134)
Total Street Furniture	313	329
Open Spaces		
at cost	3,904	3,010
Work In Progress	69	8
Less accumulated depreciation	(609)	(476)
Less accumulated impairment	0	(30)
Total Parks & Gardens	3,364	2,512
Heritage Assets		
at cost	210	210
Less accumulated depreciation	(28)	(26)
Total Heritage Assets	182	184
Total Property, Plant and Equipment, Infrastructure	284,067	251,501

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

2013	Balance at Beginning of Financial Year	Acquisition of Assets	Lost & Found Assets (a)	Revaluation Increments (Decrements) (note 25)	Depreciation (note 11)	WDV of Disposals	Impairment recognised in profit or loss (b)	Transfers	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property									
Land	11,826	0	0	0	0	(103)	0	0	11,723
Land Improvements	165	0	0	0	(28)	0	0	0	137
Land Under Roads	2	0	0	0	0	0	0	0	2
Buildings	54,833	640	0	0	(948)	0	0	102	54,627
Total Property	66,826	640	0	0	(976)	(103)	0	102	66,489
Other Assets									
Plant & Equipment	4,804	1,145	0	0	(618)	(33)	0	0	5,298
Motor Vehicles	612	394	0	0	(239)	(80)	0	0	687
Furniture & Fittings	58	0	0	0	(20)	0	0	0	38
Computers	402	168	0	0	(185)	0	0	0	385
Street Furniture	329	0	0	0	(16)	0	0	0	313
Heritage Assets	184	0	0	0	(2)	0	0	0	182
Total Other Assets	6,389	1,707	0	0	(1,080)	(113)	0	0	6,903
Infrastructure									
Roads	124,215	10,532	(56)	(6,003)	(3,738)	0	0	0	124,950
Bridges & Culverts	25,457	588	1,827	20,615	(600)	0	0	0	47,887
Footpaths	4,658	468	272	3,253	(173)	0	0	0	8,478
Kerb & Channel	7,415	112	159	3,878	(201)	0	0	(219)	11,144
Drainage	13,892	666	0	0	(158)	0	0	219	14,619
Open Spaces	2,504	894	0	0	(132)	0	30	0	3,296
Total Infrastructure	178,141	13,260	2,202	21,743	(5,002)	0	30	0	210,374
Works in Progress									
Buildings	137	177	0	0	0	0	0	(102)	212
Computers	0	21	0	0	0	0	0	0	21
Open Spaces	8	60	0	0	0	0	0	0	68
Total Works in Progress	145	258	0	0	0	0	0	(102)	301
Total Property, Plant and Equipment and Infrastructure	251,501	15,865	2,202	21,743	(7,058)	(216)	30	0	284,067

(a) Reconciliation of Lost & Found Assets

Lost assets are derecognised assets that were previously recognised and are recognised in the income statement as expenses.

Found assets are recognised assets that were previously unrecognised and are recognised in the income statement as revenue.

Asset Category	Lost Assets	Found Assets	Net Lost & Found
Roads	(780)	724	(56)
Bridges	(180)	2,007	1,827
Footpaths	(3)	275	272
Kerb & Channel	0	159	159
Total	(963)	3,165	2,202

(b) Impairment

Impairment losses are recognised in the comprehensive income statement under other expenses.

Reversals of impairment losses are recognised in the comprehensive income statement under other revenue.

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

2012	Balance at Beginning of Financial Year	Acquisition of Assets	Revaluation Increments (Decrements) (note 25)	Depreciation (note 11)	WDV of Disposals	Impairment	Balance at End of Financial Year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property							
Land	11,931	0	0	0	(105)	0	11,826
Land Improvements	192	0	0	(27)	0	0	165
Land Under Roads	2	0	0	0	0	0	2
Buildings	57,470	669	0	(956)	(2,350)	0	54,833
Total Property	69,595	669	0	(983)	(2,455)	0	66,826
Other Assets							
Plant & Equipment	4,052	1,516	0	(625)	(139)	0	4,804
Motor Vehicles	707	298	0	(258)	(134)	0	613
Furniture & Fittings	77	3	0	(22)	0	0	58
Computers	371	223	0	(192)	0	0	402
Street Furniture	346	0	0	(17)	0	0	329
Heritage Assets	186	0	0	(2)	0	0	184
Total Other Assets	5,739	2,040	0	(1,116)	(273)	0	6,390
Infrastructure							
Roads	115,278	12,019	0	(3,248)	0	166	124,215
Bridges & Culverts	25,396	373	0	(425)	0	113	25,457
Footpaths	4,286	492	0	(120)	0	0	4,658
Kerb & Channel	7,441	139	0	(165)	0	0	7,415
Drainage	11,643	389	1,867	(139)	0	132	13,892
Open Spaces	1,725	674	0	(104)	0	208	2,503
Total Infrastructure	165,769	14,086	1,867	(4,201)	0	619	178,140
Works in Progress							
Buildings	10	127	0	0	0	0	137
Open Spaces	0	8	0	0	0	0	8
Total Works in Progress	10	135	0	0	0	0	145
Total Property, Plant and Equipment and Infrastructure	241,113	16,930	1,867	(6,300)	(2,728)	619	251,501

	2013 \$'000	2012 \$'000
Note 21 Trade and Other Payables		
Current		
Trade Payables	2,158	1,969
Accrued Wages and Salaries	182	183
Accrued Expenses	630	59
	<u>2,970</u>	<u>2,211</u>
Non-current		
Trade Payables	0	2,099
	<u>0</u>	<u>2,099</u>
Note 22 Trust Funds and Deposits		
Refundable Trusts and Deposits	26	29
	<u>26</u>	<u>29</u>

Note 23 Provisions

	Landfill Restoration	Annual Leave	Rostered Days Off	Long Service Leave	Total
2013	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
Balance at beginning of the financial year	275	1,102	57	1,802	3,236
Additional Provisions	0	743	221	650	1,614
Reduction of Provisions	0	(741)	(226)	(548)	(1,515)
Balance at the end of the financial year	<u>275</u>	<u>1,104</u>	<u>52</u>	<u>1,904</u>	<u>3,335</u>

2012

Balance at beginning of the financial year	275	1,009	52	1,562	2,898
Additional Provisions	0	769	203	533	1,505
Reduction of Provisions	0	(676)	(198)	(293)	(1,167)
Balance at the end of the financial year	<u>275</u>	<u>1,102</u>	<u>57</u>	<u>1,802</u>	<u>3,236</u>

	2013 \$'000	2012 \$'000
(a) Employee Provisions		
(i) Current		
Annual Leave	1,104	1,102
Long Service Leave	1,617	1,486
Rostered Days Off	52	57
	<u>2,773</u>	<u>2,645</u>
(ii) Non-current		
Long Service Leave	287	316
	<u>287</u>	<u>316</u>
Aggregate carrying amount of Employee Provisions:		
Current	2,773	2,645
Non-current	287	316
	<u>3,060</u>	<u>2,961</u>

	2013 \$'000	2012 \$'000
Note 23 Provisions (cont.)		
(a) Employee Provisions (cont.)		
The following assumptions were adopted in measuring the present value of employee benefits:		
Weighted average increase in employee costs	0.0%	3.7%
Weighted average discount rates	1.9%	1.8%
Weighted average settlement period	15	14
(i) Current		
All annual leave and the long service leave entitlements representing 7 or more years of continuous service		
- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	1,300	1,294
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	1,473	1,351
	<u>2,773</u>	<u>2,645</u>
(ii) Non-current		
Long service leave representing less than 7 years of continuous service measured at present value	287	316
Total	<u>3,060</u>	<u>2,961</u>
(b) Landfill Restoration		
Council is obligated to restore a landfill site to a particular standard. Current predictions indicate that the landfill site will cease operations in 2019 and restoration work is expected to commence shortly thereafter. The forecast of the life of the landfill site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard. Accordingly the estimation of the provision required is dependant on the accuracy of the forecast timing of the work and the related work.		
Non-current		
Landfill Restoration	275	275
	<u>275</u>	<u>275</u>

	2013 \$'000	2012 \$'000
Note 24 Interest-bearing Loans and Borrowings		
Current		
Borrowings - secured	380	392
Non-current		
Borrowings - secured	2,182	1,792
Total	2,562	2,184
The maturity profile for Council's borrowings is:		
Not later than one year	380	392
Later than one year and not later than five years	1,248	1,048
Later than five years	934	744
	2,562	2,184

Note 25 Reserves

(a) Asset Revaluation Reserve

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
2013			
Property			
Land	6,056	0	6,056
Buildings	49,910	0	49,910
Infrastructure			
Footpaths	1,666	3,253	4,920
Kerb & Channel	1,906	3,878	5,784
Bridges & Major Culverts	7,782	20,615	28,397
Drains	4,202	0	4,202
Sealed Pavements	47,538	(32,908)	14,628
Sealed Surfaces	4,932	9,449	14,381
Unsealed Pavements	1,139	15,082	16,222
Formations	4,465	2,374	6,839
Other			
Financial Assets	7	12	19
Investment in Associates	19	0	19
Total Asset Revaluation Reserves	129,622	21,755	151,377

	Balance at Beginning of Reporting Period \$'000	Increment (Decrement) \$'000	Balance at End of Reporting Period \$'000
2012			
Property			
Land	6,056	0	6,056
Buildings	49,910	0	49,910
Infrastructure			
Footpaths	1,666	0	1,666
Kerb & Channel	1,906	0	1,906
Bridges & Major Culverts	7,669	113	7,782
Drains	2,203	1,999	4,202
Sealed Pavements	47,430	108	47,538
Sealed Surfaces	4,932	0	4,932
Unsealed Pavements	1,081	58	1,139
Formations	4,465	0	4,465
Other			
Financial Assets	8	(1)	7
Investment in Associates	19	0	19
Total Asset Revaluation Reserves	127,345	2,277	129,622

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

Note 25 Reserves (cont.)

(b) General Reserves

	Balance at Beginning of Reporting Period \$'000	Transfer to/(from) Reserves \$'000	Balance at End of Reporting Period \$'000
2013			
Plant Replacement	1,044	(124)	920
St Arnaud Cemetery	0	0	0
Stawell Cemetery	37	(37)	0
Gravel Pits Restoration	122	0	122
Community Loans	376	(174)	202
Heritage Restoration	20	(20)	0
Waste Management	0	280	280
Long Service Leave	0	278	278
Defined Benefits	0	100	100
Total General Reserves	1,599	303	1,902

	Balance at Beginning of Reporting Period \$'000	Transfer to/(from) Reserves \$'000	Balance at End of Reporting Period \$'000
2012			
Plant Replacement	1,618	(574)	1,044
St Arnaud Cemetery	18	(18)	0
Stawell Cemetery	35	2	37
Gravel Pits Restoration	122	0	122
Community Loans	353	23	376
Heritage Restoration	20	0	20
Total General Reserves	2,166	(567)	1,599

Description of General Reserves

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

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

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

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

Gravel Pits Restoration - Provision for future rehabilitation of pits.

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

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

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

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

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

	2013	2012
	\$'000	\$'000
Note 26 Reconciliation of Cash Flows from Operating Activities to Profit/(Loss)		
Profit /(Loss)	10,926	6,493
Lost & Found Assets	(2,202)	0
Impairment Loss Reversals	(30)	(208)
Depreciation	7,058	6,300
(Profit)/Loss on Disposal of Property, Plant and Equipment	(128)	2,406
Share of Net Result of Associates	(11)	63
<i>Change in Assets and Liabilities:</i>		
(Increase)/Decrease in Trade and Other Receivables	(156)	(641)
Increase/(Decrease) in Other Assets	132	(131)
Increase/(Decrease) in Trade and Other Payables	(1,343)	2,020
(Increase)/Decrease in Inventories	5	(1)
Increase/(Decrease) in Provisions	99	338
Net Cash provided by Operating Activities	<u>14,350</u>	<u>16,639</u>
Note 27 Financing Arrangements		
Bank Overdraft	200	0
Used Facilities	0	0
Unused Facilities	<u>200</u>	<u>0</u>
Note 28 Restricted Assets		
Council has cash and cash equivalents (note 15) that are subject to restrictions. As at the reporting date, Council had trusts and deposits (note 22), reserve funds (note 25) and unspent grants (note 4).		
Trusts and Deposits (note 22)	26	29
Reserve Funds (note 25)	1,902	1,599
Unspent Grants (note 4)	2,870	3,259
	<u>4,798</u>	<u>4,887</u>

Note 29 Superannuation

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

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

Council also makes employer superannuation contributions in respect of its employees to other funds of the employees choice. Obligations for contributions to employees choice funds are recognised as an expense in the Comprehensive Income Statement when they are due.

Accumulation

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2013, this was 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.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

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 defined benefit obligations.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's Actuary. On the basis of the results of the most recent full actuarial investigation conducted by the Fund's Actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011-12).

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

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

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

Shortfall Amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011-12 year and was informed of its share of the shortfall on 2 August 2012. Council has not been advised of any further adjustments.

The projected value of Council's contribution to the shortfall at 30 June 2012 (including contributions tax) amounted to \$2.1 million which was accounted for in the 2011-12 Comprehensive Income Statement within Employee Benefits (see Note 8) and in the Balance Sheet in Current Liabilities Provisions (see Note 21). Council received an early payment discount of \$7,888 and this has been accounted for in the 2012-13 Comprehensive Income Statement within Employee Benefits (see Note 8).

The Fund surplus or deficit (ie the difference between fund assets and liabilities) is calculated differently for funding purposes (ie calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

The amount of the unpaid shortfall at 30 June 2013 is nil (\$2.1 million unpaid amount for 2011-12).

Note 29 Superannuation (cont.)

Retrenchment Increments

During 2012-13, Council was not required to make payments to the Fund in respect of retrenchment increments. Council has no liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax.

Accrued Benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31-Dec-11 \$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (minimum sum which must be paid to members when they leave the fund)	4,838,503

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

Net Investment Return	7.50% p.a.
Salary Inflation	4.25% p.a.
Price Inflation	2.75% p.a.

Superannuation Contributions

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

Fund	2013 \$'000	2012 \$'000
Defined benefit plans		
Local Authorities Superannuation Fund (Vision Super) - 9.25%	106	114
	106	114
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	0	2,099
	0	2,099
Accumulation funds		
Local Authorities Superannuation Fund (Vision Super) - 9%	645	618
Employees Choice Superannuation Funds - 9%	224	227
	869	845

There were no contributions outstanding and no loans issued from or to the above schemes as at 30 June 2013.

Note 30 Commitments

The Council has entered into the following commitments

2013	Not later than 1 year \$'000	Later than 1 year & not later than 2 years \$'000	Later than 2 years & not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
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Operating

Waste Management	680	653	1,355	703	3,391
Meals on Wheels	187	0	0	0	187
Cleaning Services	92	0	0	0	92
Municipal Property Valuation	132	0	0	0	132
	1,091	653	1,355	703	3,802

Capital

Flood Restoration Works	58	0	0	0	58
North Park Athletics Track	658	0	0	0	658
Halls Gap Rehabilitation	260	0	0	0	260
Stawell Airport	56	0	0	0	56
	1,032	0	0	0	1,032

Total

	2,123	653	1,355	703	4,834
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2012	Not later than 1 year \$'000	Later than 1 year & not later than 2 years \$'000	Later than 2 years & not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
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Operating

Waste Management	721	0	0	0	721
Asset Condition Assessment	184	0	0	0	184
Meals on Wheels	184	0	0	0	184
Cleaning Services	100	0	0	0	100
Municipal Property Valuation	86	0	0	0	86
	1,275	0	0	0	1,275

Capital

Restoration of Flood Damaged Public Assets	913	0	0	0	913
Bowling Green	108	0	0	0	108
	1,021	0	0	0	1,021

Total

	2,296	0	0	0	2,296
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	2013 \$'000	2012 \$'000
Note 31 Operating Lease Commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	105	101
Later than one year and not later than five years	67	171
Later than five years	317	338
	489	610
Note 32 Contingent Liabilities		
The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors.		
As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.		
Council operates several landfills & transfer stations. Council will have to carry out site rehabilitation works in the future. At balance date Council is unable to accurately assess the financial implications of such works.		
(i) Insurances		
As at 30 June 2013 the Northern Grampians Shire Council has ascertained a number of matters resulting in possible future liability to Council.		
Whilst Council will be required to meet the insurance excess deductible on any claims that are successful, its potential liability under those claims is otherwise adequately insured.		
(ii) There is the potential for Council to have to pay for restoration costs on gravel pits for land controlled by the D.S.E, these risks are covered by way of bank guarantee.		
(iii) Bank Guarantees		
The Council has provided bank guarantees in favour of the Commonwealth Bank to secure debts. The liability is contingent upon the satisfactory completion of contracts involving the following organisations.		
Minister for Resources	50	50
Minister for Energy & Resources	92	12
Minister for Agriculture & Resources	6	6
	148	68

Note 33 Financial Instruments

(a) Accounting Policy, Terms & Conditions

Recognised Financial Instruments	Note	Accounting Policy	Terms and Conditions
Financial Assets			
Cash and Cash Equivalents	15	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Investments and term deposits are valued at cost.</p> <p>Investments are made to maximise interest returns on surplus cash.</p> <p>Interest revenues are recognised as they accrue.</p>	Deposits returned a floating interest rate of between 2.25% and 5.21% (3.0% and 6.58% in 2011-12). The average rate at balance date was 3.25% (4.38% in 2011-12).
Trade and Other Receivables			
Other Debtors	16	<p>Receivables are carried at nominal amounts due less any provision for doubtful debts.</p> <p>A provision for doubtful debts is recognised when collection in full is no longer probable.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	General debtors are unsecured and are interest free. Credit terms are based on 30 days.
Financial Liabilities			
Trade and Other Payables	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing Loans and Borrowings	24	<p>Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt.</p> <p>Interest is accrued over the period it becomes due and recognised as part of payables.</p>	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.69% at balance date (7.10% in 2011-12).
Bank Overdraft	27	<p>Overdrafts are recognised at the principal amount.</p> <p>Interest is charged as an expense as it accrues.</p>	The overdraft is subject to annual review. Council currently has an overdraft facility of \$200,000 (\$NIL in 2011-12).

Note 33 Financial Instruments (cont.)

(b) Interest Rate Risk

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

2013						
	Floating interest rate \$'000	Fixed Interest Maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	4,589	4,300	0	0	2	8,891
Available-for-Sale Assets	1,019	0	0	0	0	1,019
Trade and Other Receivables	0	23	75	0	2,630	2,728
<i>Total Financial Assets</i>	5,608	4,323	75	0	2,632	12,638
Weighted Average Interest Rate	2.84%	3.82%	7.72%			
Financial Liabilities						
Trade and Other Payables	0	0	0	0	2,970	2,970
Trust Funds and Deposits	0	0	0	0	26	26
Interest-bearing Liabilities	0	380	1,248	934	0	2,562
<i>Total Financial Liabilities</i>	0	380	1,248	934	2,996	5,558
Weighted Average Interest Rate		6.73%	6.87%	0.00%		
<i>Net Financial Assets (Liabilities)</i>	5,608	3,943	(1,173)	(934)	(364)	7,080

2012						
	Floating interest rate \$'000	Fixed Interest Maturing in:			Non- interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial Assets						
Cash and Cash Equivalents	1,783	7,902	0	0	2	9,687
Available-for-Sale Assets	1,007	0	0	0	0	1,007
Trade and Other Receivables	0	26	98	0	2,447	2,571
<i>Total Financial Assets</i>	2,790	7,928	98	0	2,449	13,265
Weighted Average Interest Rate	3.93%	4.56%	7.67%			
Financial Liabilities						
Trade and Other Payables	0	0	0	2,099	2,211	4,310
Trust Funds	0	0	0	0	29	29
Interest-bearing Liabilities	0	392	1,048	744	0	2,184
<i>Total Financial Liabilities</i>	0	392	1,048	2,843	2,240	6,523
Weighted Average Interest Rate		6.69%	7.13%	7.44%		
<i>Net Financial Assets (Liabilities)</i>	2,790	7,536	(950)	(2,843)	209	6,742

Note 33 Financial Instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total Carrying Amount as per Statement of Financial Position		Aggregate Net Fair Value	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
<i>(1) Financial Assets</i>				
Cash and Cash Equivalents	8,891	9,687	8,891	9,687
Available-for-Sale	1,019	1,007	1,019	1,007
Trade and Other Receivables	2,728	2,571	2,728	2,571
Total Financial Assets	12,638	13,265	12,638	13,265
<i>(2) Financial Liabilities</i>				
Trade and Other Payables	2,970	4,310	2,970	4,310
Trust Funds and Deposits	26	29	26	29
Interest Bearing Loans & Borrowings	2,562	2,184	2,464	2,118
Total Financial Liabilities	5,558	6,523	5,460	6,457

(d) Credit Risk

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

(e) Risks and Mitigation

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

Market risk

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

Interest rate risk

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

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

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

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning & Community Development each year.

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

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

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

Note 33 Financial Instruments (cont.)

Credit risk

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 32.

	2013 \$'000	2012 \$'000
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	34	5
New Provisions recognised during the year	6	31
Amounts already provided for and written off as uncollectible	(6)	(2)
Amounts provided for but recovered during the year	(2)	0
Balance at end of year	32	34

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:

	2013 \$'000	2012 \$'000
Current (not yet due)	826	1,829
Past due by up to 30 days	106	86
Past due between 31 and 90 days	1,125	106
Past due between 91 and 365 days	446	459
Past due by more than 1 year	257	125
Total Trade & Other Receivables	2,760	2,605

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$31,643 (\$34,053 in 2012) were impaired. The amount of the provision raised against these debtors was \$31,643 (\$34,053 in 2012). The individually impaired debtors relate to sundry and childcare debts and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collection agency or are on payment arrangements.

Liquidity risk

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

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

To help reduce these risks we:

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

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

Note 33 Financial Instruments (cont.)

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

2013	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	2,970	0	0	2,970
Trust Funds and Deposits	26			26
Interest Bearing Loans & Borrowings	380	1,248	934	2,562
Total Financial Liabilities	3,376	1,248	934	5,558

2012	1 Year or less	2 - 5 Years	> 5 Years	Carrying Amount
Trade and Other Payables	2,211	700	1,399	4,310
Trust Funds and Deposits	29			29
Interest Bearing Loans & Borrowings	392	1,048	744	2,184
Total Financial Liabilities	2,632	1,748	2,143	6,523

(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 3.25%.

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

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	8,891	(89)	(89)	178	178
Available for sale	1,019	(10)	(10)	20	20
Trade and other receivables	2,764	0	0	0	0
Financial liabilities:					
Trade and Other Payables	2,970	0	0	0	0
Trust Funds and Deposits	26	0	0	0	0
Interest Bearing Loans & Borrowings	2,562	9	9	(19)	(19)

Market risk exposure	Interest rate risk				
	Carrying amount subject to interest	(1%) 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
2012	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	9,687	(97)	(97)	194	194
Available for sale	1,007	(10)	(10)	20	20
Trade and other receivables	2,739	0	0	0	0
Financial liabilities:					
Trade and Other Payables	4,310	0	0	0	0
Trust Funds and Deposits	29	0	0	0	0
Interest-bearing loans and borrowings	2,184	7	7	(15)	(15)

Note 34 Auditors' Remuneration

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

2013	2012
\$'000	\$'000
26	26
7	22
33	48

Note 35 Related Party Transactions

(i) Responsible Persons

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

Councillors

Mayor Dorothy Patton - to 27 October, 2012
Mayor Wayne Rice - from 1 November, 2012
Councillor Wayne Rice - to 1 November, 2012
Councillor Ray Hewitt - to 27 October, 2012
Councillor Kevin Erwin
Councillor Ross Clementson - to 27 October, 2012
Councillor Barry Marrow - to 27 October, 2012
Councillor Andrea Cooper - to 27 October, 2012
Councillor Murray Emerson - from 27 October, 2012
Councillor Karen Hyslop - from 27 October, 2012
Councillor Paul Russell - from 27 October, 2012
Councillor Tony Driscoll - from 27 October, 2012
Councillor Jim Anderson - from 27 October, 2012

Chief Executive Officer Justine Linley

(ii) Remuneration of Responsible Persons

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

	2013	2012
	No.	No.
\$0 - \$9,999	4	0
\$10,000 - \$19,999	7	4
\$20,000 - \$29,999	0	1
\$30,000 - \$39,999	0	1
\$40,000 - \$49,999	1	1
\$180,000 - \$189,999	0	1
\$190,000 - \$199,999	1	0
	13	8
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	360	354

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2011-12, \$0).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2011-12, \$0).

(v) Other Transactions

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

CEO - Justine Linley	Grampians Printing & Design - provision of printing services. Owned by husband of Justine Linley.	2	2
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Note 35 Related Party Transactions (cont.)

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000.

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

Income Range:	2013 No.	2012 No.
< \$127,000	0	1
\$127,000 - \$129,999	0	1
\$150,000 - \$159,999	1	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	0
	<u>3</u>	<u>4</u>
	\$'000	\$'000
Total remuneration for the reporting year for Senior Officers included above, amounted to	484	574

Note 36 Events occurring after balance date

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

Note 37 Income, Expenses and Assets by Function/Activities

	Corporate Services		Infrastructure & Environment		Marketing & Community		Emergency Event Flood		Total	
	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
INCOME										
Grants	6,037	7,495	13,895	12,320	1,179	1,009	3,800	3,189	24,911	24,013
Other	17,746	11,358	1,024	887	1,935	2,025	67	328	20,772	14,598
TOTAL	23,783	18,853	14,919	13,207	3,114	3,034	3,867	3,517	45,683	38,611
EXPENSES										
	(13,615)	(13,487)	(11,242)	(10,173)	(6,122)	(6,447)	(3,778)	(2,011)	(34,757)	(32,118)
SURPLUS (DEFICIT) FOR THE YEAR	10,168	5,366	3,677	3,034	(3,008)	(3,413)	89	1,506	10,926	6,493
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	13,821	27,249	283,701	238,464	0	0	0	0	297,531	265,713

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

Corporate Services

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

The Division includes the following Branches :

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

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

The Division includes the following Branches :

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

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

The Division includes the following Branches :

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

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

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
Note 38 Financial Ratios (Performance Indicators)						
(a) Debt Servicing Ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt Servicing Costs</u>	148		181		135	
Total Revenue	42,379	= 0.35%	41,080	= 0.44%	35,801	= 0.38%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b) Debt Commitment Ratio (to identify Council's debt redemption strategy)						
<u>Debt Servicing & Redemption Costs</u>	540		724		565	
Rate Revenue	13,666	= 3.95%	12,730	= 5.69%	11,759	= 4.80%
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>	13,666		12,730		11,759	
Total Revenue	42,379	= 32.25%	41,080	= 30.99%	35,801	= 32.85%
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>	8,867		9,730		6,837	
Total Realisable Assets	30,591	= 28.99%	30,317	= 32.09%	31,567	= 21.66%
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
Any liability represented by a restricted asset (note 28) is excluded from total indebtedness.						
The following assets are excluded from total assets when calculating Council's realisable assets: land - other controlled; buildings on other controlled land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associates.						
This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the multiple of total liabilities for each dollar of realisable assets.						

	2013 \$'000	2013 (%)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)
Note 38 Financial Ratios (Performance Indicators) (cont.)						
(e) Working Capital Ratio (to assess Council's ability to meet current commitments)						
<u>Current Assets</u>	11,683		12,433		12,381	
Current Liabilities	6,149	= 190.00%	5,277	= 235.61%	5,402	= 229.19%
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>	11,683		12,433		12,381	
Current liabilities	4,676	= 249.85%	3,926	= 316.68%	4,209	= 294.16%
The ratio expresses the level of current assets the Council has available to meet its current liabilities.						
Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.						

Northern Grampians Shire Council

Certification of the Financial Report for the Financial Year Ending 30 June 2013

Statement by Principal Accounting Officer

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



Julia Smith
Principal Accounting Officer

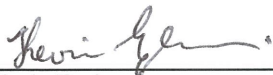
Date: 2 September, 2013

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying financial statements present fairly the financial transactions of Northern Grampians Shire Council for the year ended 30 June 2013 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 2 September, 2013 to certify the financial statements in their final form.



Cr Kevin Erwin
Councillor

Date: 2 September, 2013



Cr Paul Russell
Councillor

Date: 2 September, 2013



Justine Linley
Chief Executive Officer

Date: 2 September, 2013



Performance Statement

FOR THE YEAR ENDED 30 JUNE 2013



KEY STRATEGIC ACTIVITIES 2012/2013

For the year ending 30 June, 2013

Key Strategic Activity

Develop and implement a business plan for Children's Services to ensure Council is delivering effective and efficient service to the Community

Performance Measure	Performance Target	Achieved
Time: Develop Business Plan for Children's Services within timeframe	June 2013	Achieved
Quality: Identify efficiencies to be targeted for action	≥ 3	Achieved

Completion of Capital Works Program to ensure assets are provided and maintained at an appropriate level

Performance Measure	Performance Target	Achieved
Quantity: The proportion of forecasted capital works projects completed at the conclusion of the financial year	≥ 90%	Achieved
Cost: Proportion of capital works completed within forecast	≥ 90%	Achieved

Develop and implement industry sector plans for in order to maximise the economic benefits for our community and the region

Performance Measure	Performance Target	Achieved
Time: Develop and industry sector plan for the mining sector within timeframe	June 2013	Achieved
Quantity: Commence implementation of key strategies identified in the sector plan	≥ 3	Achieved

Develop IT Strategy

Performance Measure	Performance Target	Achieved
Time: Develop IT Strategy within timeframe	June 2013	Achieved
Quality: Identify efficiencies to be targeted for action	≥ 3	Achieved
Cost: Complete IT Strategy review within budget		Achieved

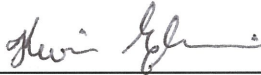
**Council Approval of the Performance Statement
for the Financial Year Ending 30 June 2013**

Statement by Councillors and Chief Executive Officer

In our opinion the accompanying Performance Statement of the Northern Grampians Shire Council in respect of the 2012-13 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

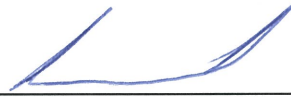
As at the date of signing, we are not aware of any circumstances which would render any particulars in the Performance Statement to be misleading or inaccurate.

On 2 September, 2013 we were authorised by the Council to certify the Performance Statement in its final form on behalf of the Council.



Cr Kevin Erwin
Councillor

Date: 2 September, 2013



Cr Paul Russell
Councillor

Date: 2 September, 2013



Justine Linley
Chief Executive Officer

Date: 2 September, 2013

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Standard Statements and Financial Report

The accompanying standard statements for the year ended 30 June 2013 of the Northern Grampians Shire Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of standard statements has been audited.

The accompanying financial report for the year ended 30 June 2013 of the Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Standard Statements and Financial Report

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

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

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

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.
- (b) the financial report presents fairly, in all material respects, the financial position of the Northern Grampians Shire Council as at 30 June 2013 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*

Basis of Accounting for Standard Statements


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

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

This auditor's report relates to the standard statements and the financial report of the Northern Grampians Shire Council for the year ended 30 June 2013 included both in the Northern Grampians Shire Council's annual report and on the website. The Councillors of the Northern Grampians Shire Council are responsible for the integrity of the Northern Grampians Shire Council's website. I have not been engaged to report on the integrity of the Northern Grampians Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements financial report.

MELBOURNE

6 September 2013


John Doyle
Auditor-General

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Northern Grampians Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Northern Grampians Shire Council which comprises the statement and the council approval of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Northern Grampians Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Independent Auditor's Report (continued)

Independence

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


Auditor's Opinion

In my opinion, the performance statement of the Northern Grampians Shire Council in respect of the 30 June 2013 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Northern Grampians Shire Council for the year ended 30 June 2013 included both in the Northern Grampians Shire Council's annual report and on the website. The Councillors of the Northern Grampians Shire Council are responsible for the integrity of the Northern Grampians Shire Council's website. I have not been engaged to report on the integrity of the Northern Grampians Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
6 September 2013


 John Doyle
Auditor-General