



# ANNUAL REPORT

## 2007-2008



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## SHIRE AT A GLANCE

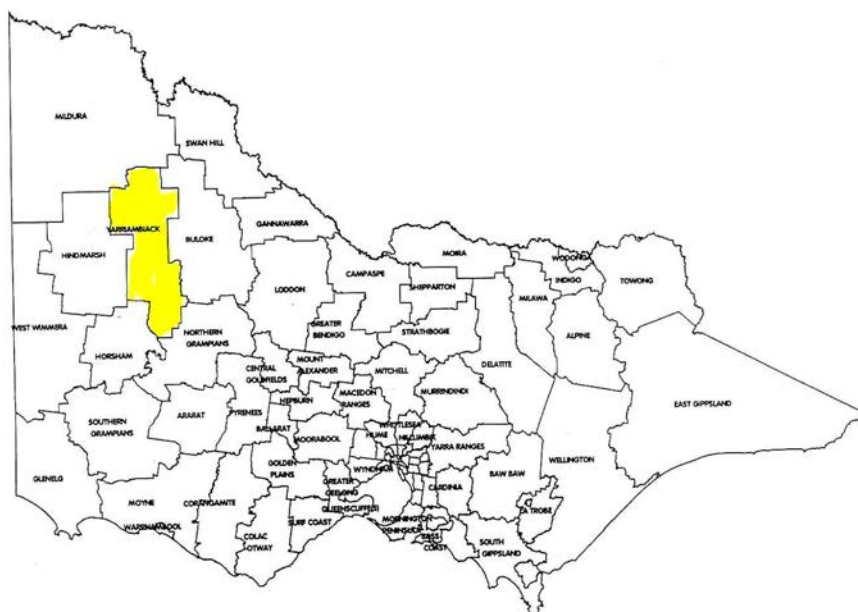
**Location:** The Shire is situated in the Grampians and Mildura & Murray Outback Regions and provides a link between Horsham in the south and Mildura in the northern end of that region. It is located immediately to the east of some of Victoria's main eco-tourist attractions, including the Big Desert, Wyperfeld National Park, Lake Hindmarsh, Lake Albacutya and the Little Desert.

**Area:** 7,160 sq. km  
**Population:** Approximately 7,520  
**Voters:** Approximately 6,531  
**Shire Office:** Warracknabeal  
**Service Centres:** Hopetoun and Rupanyup  
**Rate Revenue:** \$6,168,625

**Industry:** The Shire is the heartland of grain production and handling in the Wimmera and Mallee. The dry-land farming area produces one quarter of Victoria's total production of wheat and barley and is noted for the production of lambs and wool.

**Major Attractions:** Murtoa Stick Shed, Wimmera Inland Freezing Works Museum, Water Tower Museum and Concordia Cottage, Marma Lake and Rabl Park, Minyip Heritage Town, Yarriambiack Creek, Warracknabeal Agricultural Machinery Museum and Historical Centre, Federation Place, Corrong Homestead, Mallee Bush Retreat, Pine Plains, Wyperfeld National Park, Jack Emmett Billabong, Redda's Park, and Cronomby Tanks Reserve.

<b>Key Statistics:</b>			
Planning Permits Issued	58	Total Value	\$ 6,777,096
Building Permits Issued	97	Total Value	\$ 3,239,945
Properties (total)	7,564	Total Value (CIV)	\$ 1,166,370,240
Properties Rateable	6,707	Total Value (CIV)	\$ 1,138,714,020







## REPORT FROM THE MAYOR



As Mayor of Yarriambiack Shire Council it is with much pride and pleasure that I present the introduction to the 2007/08 Yarriambiack Shire Council Annual Report. This report illustrates to our residents, stakeholders and visitors, Yarriambiack Shire Council's commitment to the ongoing sustainability, variability, prosperity and governance of our municipality.

Since being elected to the position of Mayor in December 2006 it has been an immense privilege and an honour to serve and represent our community in this capacity. Council very much appreciates and acknowledges the difficult and frustrating times and conditions that our residents have endured over a long period of time and sincerely

thanks and congratulates them on remaining resilient, positive and focused.

Undoubtedly this is an extremely important period in the ongoing future of our community. Council realizes and very much appreciates that the decisions some, very difficult but ultimately necessary we make today will eventually have a long term beneficial and advantageous impact in nurturing and developing the type of community that we choose and want to live in now and in the future.

The Annual Report is in essence a practical expression of Council's appreciation and commitment to its core values of accountability, transparency and honesty to the community. Council as in previous years has placed significant emphasis on developing and maintaining positive and productive relationships with its community, stakeholders, and the State and Federal Governments.

I confidently believe that this constructive and proactive interaction will enable the community and key stakeholders to make positive, better informed and substantial contributions to the planning, direction and development of the long term future and viability of our municipality.

It is appropriate that I personally recognise and acknowledge the outstanding contributions and commitment of my fellow councillors and in particular their endeavours to work co-operatively and diligently for the benefit and betterment of the entire municipality and region. Their dedication and willingness to address critical issues and resolve them in a spirited and united manner has been particularly impressive and ultimately extremely advantageous. All Councillors have encountered the challenge of meeting the needs and expectations of their respective Ward constituents in addition to being mindful of the need to consider and evaluate the impact and consequences of issues on the entire municipality. Generally parochial matters have been set aside enabling the Council to have a positive strategic focus in addressing crucial and critical issues that confront our municipality and region.

The Annual Report reflects the key achievements of Council over the past year and I firmly and confidently believe that as a Council we are continually learning and developing and in particular we are becoming better listeners, advocates and lobbyist. As a direct consequence we are definitely doing things better and more efficiently which is directly benefiting our community, however, it is a team effort, councillors, staff and the community working together, to ensure that we remain a viable and enjoyable place to live and work.

In closing, I very much wish to extend my appreciation and congratulations to Council's staff for their commitment, enthusiasm and professionalism. In particular I would also like to sincerely congratulate the vast array of volunteers who have contributed so much energy and personal sacrifice to assist and enhance the lives of so many people throughout the Yarriambiack Shire.

Your selfless efforts are very much appreciated. Thank you and please keep up the great work.

**Councillor Andrew McLean**  
**Mayor**





## REPORT FROM THE CEO



The 2007/2008 financial year on reflection was without question a period of consolidation, building upon our organizational commitment of continuous improvement in delivering quality services and planning strategically to ensure the ongoing sustainability and viability of the Yarriambiack Shire.

During the past year considerable time and energy has been expended and focused on relationship development, financial accountability and addressing our identified goals and objectives. Additionally we have placed significant and appropriate emphasis on developing an understanding and partnerships with the various and diverse sectors of our community and region.

Council as a consequence of the introduction of various engagement tools and associated processes has endeavoured to develop and encourage positive and proactive relationships and partnerships with our community. Council has also placed significant emphasis on consolidating its relationships with both the State and Federal Governments and as a direct consequence significant and positive outcomes have been achieved which has resulted in substantial benefits being directed to our communities.

Council is very committed to further establishing and capitalizing on its various relationships and partnerships to ensure that a positive and advantageous difference is made to our community. We propose to ensure that Yarriambiack Shire Council continues to engage and relate to its community and fully examine how these important relationships can become even more productive and successful to the benefit of the Shire and ultimately the achievement of our community's aspirations.

The information contained in this report will enable the community to gauge for themselves the progress that Yarriambiack Shire Council has made during the 2007/2008 financial year. The year ahead will again offer a wide range of unparalleled opportunities for our community.

Council has planned to ensure that its activities support, encourage and provide added value enabling our community to fully derive benefit from every opportunity that comes our way. There will undoubtedly be numerous challenges that we will be required to address. More than we have previously encountered however I am extremely confident that we have the leadership, commitment, enthusiasm and professionalism and most importantly the teamwork to succeed.

Council is definitely committed to continually reviewing the way in which we operate and identify areas where we can improve and be even more responsive, efficient and effective. I would very much like to extend my personal congratulations and gratitude to all our staff, and in all sincerity thank them for their efforts and commitment. I am extremely proud of them; it is definitely a pleasure and privilege to work with them. Keep up the great work it is very much appreciated.

To the Mayor Andrew McLean and councillors congratulations on your positive performance and efforts and in particular for the excellent working relationship that has been established and maintained with the management team and staff over the past twelve months.

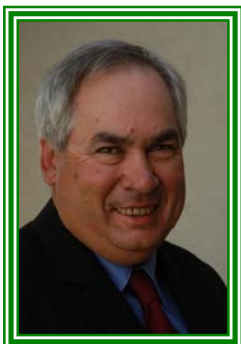
It certainly has been a pleasure to work in association with you and your councillors, the staff and I look forward to continuing our positive and productive relationship. In closing, I would also like to thank the general community for their support, co-operation and assistance throughout the year and for also making the Yarriambiack Shire a great place to be, to live and to be involved with. From a personal and professional perspective I very much enjoy and appreciate living and working in the Yarriambiack Shire and I am very proud to be its' Chief Executive Officer.

**Ray Campling**  
**Chief Executive Officer**





## COUNCILLOR PROFILES



### Mayor Andrew McLean. Hopetoun Ward.

**Elected to Council in March 2003.**

GWM Water Recreation Water Stakeholder Group  
Mallee Rural Counselling Service  
North Western Municipalities Association  
Northern Mallee Domestic & Stock Water Supply Consultative Committee  
Yarriambiack Creek Advisory Committee  
Yarriambiack Drought Committee



### Cr Jean Wise. Warracknabeal Ward.

**Elected unopposed in August 1998.**

Australian Local Government Women's Association  
MAV Human Services Portfolio Committee  
Wimmera Development Association  
Yarriambiack Chaplaincy Council  
Yarriambiack Shire Audit Committee  
Y-fest Advisory Committee  
Roadsafe Wimmera

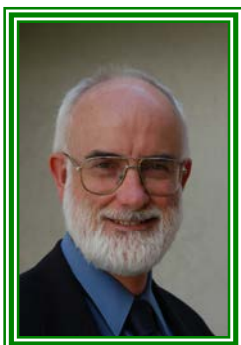


### Cr Geoff Lovel. Warracknabeal Ward.

**Elected to Council in March 1997**

**Elected the Shire's first Mayor.**

Grampians Waste Management Group  
GWM Water Northern Consultative Committee  
Municipal Association of Victoria  
Vic Roads Liaison Group  
Wimmera Rail Association/Rail Standardisation  
Wimmera Regional Transport Group



### Cr Allan Avery. Warracknabeal Ward.

**Elected to Council in November 2005.**

Municipal Association of Victoria  
Wimmera Regional Library Service  
SW Wimmera Rural Counselling Local Advisory Group



### Cr Nick McIntyre. Dunmunkle Ward.

**Elected in March 2003.**

Victorian Saleyards Association  
Warracknabeal Saleyards Committee  
Yarriambiack Shire Audit Committee  
Wimmera Regional Sports Assembly  
Yarriambiack Economic Advisory Committee





### Cr Helen Ballentine. Hopetoun Ward.

**Elected to Council in November 2005.**

Central Domestic & Stock Water Supply Committee  
Yarriambiack Economic Advisory Committee  
Municipal Emergency Management Committee  
Yarriambiack Drought Committee



### Cr Anne Gready. Dunmunkle Ward.

**Elected in March 2003.**

Yarriambiack Fire Prevention Committee (South)  
Wimmera Domestic & Stock Water Supply Committee

## COUNCILLOR MEETING ATTENDANCE

Councillor	Attended	
Jean Wise	11	(11)
Geoff Lovel	9	(11)
Nick McIntyre	11	(11)
Andrew McLean	11	(11)
Anne Gready	9	(11)
Allan Avery	10	(11)
Helen Ballentine	11	(11)





## SENIOR MANAGEMENT

**Chief Executive Officer**  
**Director of Planning & Infrastructure**  
**Corporate Services Manager**  
**Community Services Manager**  
**Economic Development Manager**  
**Infrastructure Services Manager**

Ray Campling  
 James Magee  
 Anita McFarlane  
 Judy Drage  
 Terry Sanders  
 Bernie Naylor

## COUNCIL OFFICES



34 Lyle Street Warracknabeal 3393  
 Box 243 Warracknabeal 3393  
**Telephone** (03) 5398 0100  
**Facsimile** (03) 5398 2502  
[info@yarriambiack.vic.gov.au](mailto:info@yarriambiack.vic.gov.au)

### HOPETOUN DISTRICT OFFICE:



75 Lascelles Street Hopetoun 3396  
**Telephone** (03) 5083 3001  
**Facsimile** (03) 5083 3309

### RUPANYUP DISTRICT OFFICE:



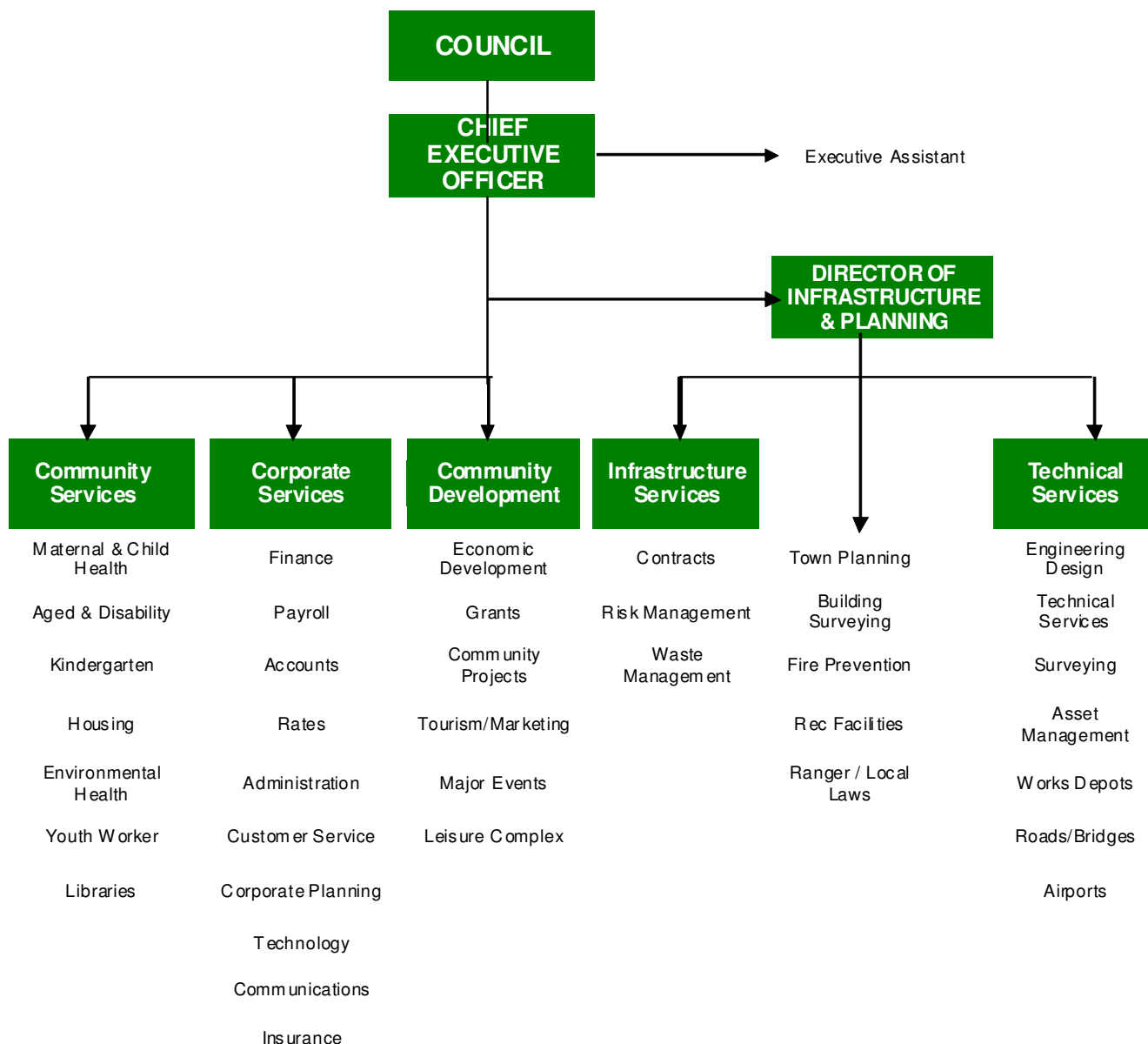
59 Cromie Street Rupanyup 3388  
**Telephone** (03) 5385 5060  
**Facsimile** (03) 5385 5300







## ORGANISATIONAL STRUCTURE



	MALE	FEMALE	TOTAL
<b>FULL TIME</b>	56	15	<b>71</b>
<b>PART TIME</b>	3	56	<b>59</b>
<b>CASUAL</b>	6	26	<b>32</b>
<b>TOTAL</b>	<b>65</b>	<b>87</b>	<b>162</b>





## **DEPARTMENTAL REPORTS**

### **Department of Infrastructure and Planning**

James Magee

#### **Objectives**

To effectively and efficiently plan and deliver Council's technical and physical services

#### **Areas of Responsibility**

- Town Planning
- Building Control
- Infrastructure Maintenance/Construction
- Asset Planning & Management
- Design & Technical Services
- Waste management
- Contract Management
- Local Laws

#### **2007/2008 Achievements and Activities**

- Presented a review of Yarriambiack Shire Council Municipal Strategic Statement (MSS) to Council. The MSS is an overview of the Planning Scheme and is the mechanism which ensures the scheme is updated, accurate and meets Councils requirements.
- Successful in completing a two year agreement with Vicroads for maintenance of 400 km of arterial roads within the municipality. The agreement means an additional income stream in excess of \$500,000 per annum
- Council were awarded a further three year agreement by Vicroads for management of arterial roads within Yarriambiack Shire
- Commencement of a sealing of gravel town streets program
- Successfully completed Yarriambiack Shire Council's capital works program for upgrading of roads, footpaths, town streets and drainage
- Obtained funding for widening of the Stawell Warracknabeal Road (2km in 2008/9)
- Completed Stage 2 of Fensomes Rd project
- Implementation of Risk Management Policy and Strategy
- Review of Footpath Hierarchy completed
- Update and adoption of Yarriambiack Shire Road Register
- Review of Asset Management Policy
- Implementation of Asset Management Plan for Township Drainage
- Implementation of Sustainable Water Use Plan
- Completed the upgrade and sealing of the Longrenong Murtoa Road project.
- Commenced development of Animal Management Plan





## Corporate Services

Anita McFarlane

### Objectives

To provide customer service and dissemination of financial and other relevant information to Council's management, staff, statutory bodies and the community in general

### Areas of Responsibility

#### Administrative Support Services

- Co-ordination of the Customer Service Centres in Warracknabeal and Rupanyup (Council operated) and Hopetoun (Agency operated)
- Production and maintenance of the Community Directory for the Shire.
- Co-ordination of municipal functions and the hire of meeting rooms.
- Provision of administration support for the management team at the Warracknabeal office.
- Management of a Vic Roads agency at the Warracknabeal offices.

#### Financial Services

- **Organisational wide financial support** - general ledger, accounts payable, payroll, rates, accounts receivable, banking, investment, external audit, internal audit.
- **Financial Planning and Control** – budget preparation, monitoring and reporting, 5 year operational and capital works programs
- **Financial Reporting Requirements** – regular reports to management and to Council, annual statement and annual report, Grants Commission, Goods and Services Tax and Fringe Benefits Tax, periodic reports to other associated bodies.
- **Rates and Property** - Maintenance of Council's property, valuation and rating database including MapInfo and the GIS system for Council
- **Other responsibilities** – review of fees and charges, internal control, purchasing.

#### Information Technology Services

- Provide a platform for the development of an efficient and accurate data entry and information dissemination management information system which benefits both internal and external clients.
- The development and updating of Council's website is also an important element of service.

### 2007/2008 Achievements and Activities

#### Finance

Further updates after the mergence of International Accounting Standards.  
Revaluation of all the municipal properties.

#### Rates & Property

The Exceptional Circumstances status was extended during 2007/2008 to include the rest of the municipality.

#### Information Technology

The commencement of the installation of phase 1 of the new computer software program.

### Staffing

10 Equivalent Full Time Staff





## Community Services

Judy Drage

### Objectives

To facilitate and support activities that improve the health, education, care and wellbeing of the Yarriambiack Shire community.

### Areas of Responsibility

- Maternal and Child Health
- Kindergartens
- Home and Community Care Services
- Volunteer Transport
- Senior Citizens
- Youth
- Environmental Health
- Housing
- Arts and Culture
- Library
- Drought Recovery
- Emergency Relief

### 2007/2008 Achievements and Activities:

- Introduced support services for parents and young children—*New Mothers' Group*, “*Sing and Grow*” music therapy, and parenting programs.
- Achieved an immunization rate of over 95% in all age groups.
- Added improvements to the outdoor play areas of Kindergartens and obtained a grant to purchase *Boardmaker* communication aide software for each kindergarten to assist children with learning difficulties.
- Embraced and introduced the D.H.S. Active Service model of Home Care.
- Provided water saving devices and garden mulch to 80 older citizens.
- Facilitated activities and free access to all events associated with Senior Citizen's week.
- Actively involved the community in the consultation process for the *Wimmera Aged Care Strategy*.
- Supported disengaged youth to attend “*Risk It*”, an on-going Certificate 1 and 11 Course in literacy, numeracy and community participation.
- Distributed “*Celebrating Young People*” grants to 16 Youth organizations across the Shire to encourage young people to participate creatively and actively in their communities.
- Provided training and increased the number of food businesses compliant with the Food Safety Act.
- Increased access to library services by extending “*Story Time*” to kindergartens and play groups, and introducing the *SWIFT* on line book ordering system.
- Appointment of a Drought Recovery Officer, in January 2008, for an 18 month term, to work with drought affected communities to promote well being and lessen the social impact of drought on communities and individuals.
- Established the *Yarriambiack Family Action Team* (YAKFAT), a network of organizations working within the Shire to promote family well-being and initiate strategies to prevent family violence.
- Administered the Commonwealth Government Emergency Relief Grant, giving assistance to individuals in need and support to drought affected families through subsidies for school expenses.

### Staffing

22.5 Effective Full Time







## Economic Development

Terry Sanders

### Objectives

The key objectives of the Economic Development Unit for 2007/08 were:

- To identify major economic issues that impact on the community and develop and implement appropriate strategies.
- Develop and implement strategies for the establishment of a renewable energy and fuel industry within the Shire.
- Foster the development of community owned enterprises as an option for the replacement of declining service industries.
- To assist communities with the review and implementation of the Community Action Plans developed as part of the Community Building Initiative.
- To encourage and support the business community and facilitate the development of new business opportunities within the Shire.
- To facilitate the provision of appropriate community infrastructure and recreational facilities within the Shire.

### Areas of Responsibility

- Economic Development
- Tourism
- Community Development
- Sport & Recreation

### 2007/2008 Achievements and Activities

The major achievements for 2007/2008 were:

- Continuation of the implementation of the Yarriambiack Shire Economic Development Strategy for 2006 – 2009.
- Implementation of our second “Buy Local” campaign, supported by a grant of \$10,000 from the State Government.
- Business forums and workshops conducted across the Shire to assist businesses recover from the impact of the drought.
- Attracting State Government funding for feasibility studies into community owned enterprises in Woomelang and Hopetoun.
- The official launch of the Ballarat University study on the potential for a community owned renewable energy facility being established in Hopetoun and the subsequent submission for funding through Sustainability Victoria.
- Our continued involvement in the development of a community owned biodiesel storage and distribution facility in Rupanyup.
- Additional funding of \$590,000 sourced from State and Federal Governments for community infrastructure projects.
- The completion of community projects within the communities of Hopetoun, Warracknabeal, Murtoa, Minyip and Rupanyup, identified through the Community Building Initiative process.
- The drought proofing of our recreation reserves through town storm water catchments, including the development of major wetlands at Rupanyup and Minyip.

### Staffing

Manager Economic Development – Terry Sanders  
Community Development Co-ordinator – Dennis Smith  
Community Building Initiative Facilitator – Marianne Ferguson  
Manager Warracknabeal Leisure Centre – Cheryl Woods





## Infrastructure Services Management

Bernie Naylor

### Objectives

To provide efficient and effective management of Council's contracts, risk, vehicle and plant fleet, waste and recycling services to the residents and ratepayers of Yarriambiack Shire Council

### Areas of Responsibility

#### Contracts

- Manage the tendering and contracting processes for all contracts let by Council ensuring that all processes comply with Council policies and government legislation.
- Provide appropriate project and contract management of major projects from Council's Capital Works Program, ensuring that they are completed within budget and on time where tendered out.

#### Risk

- Develop and manage a risk management strategy/policy process for Council, particularly in respect to public liability and Council buildings.

#### Waste & Recycling

- Co-ordinate and manage Council's waste management services at the transfer stations and landfills.
- Co-ordinate and manage Council's recycling services at the transfer stations.
- Co-ordinate and manage Council's Kerbside recycling service.
- Provide appropriate and improve waste facilities by continually reviewing transfer station operations, rehabilitation and closing of landfill sites and replacing with transfer stations where appropriate.

#### Swimming Pools

- Liaise and provide assistance to the committees of management for the community swimming pools located in the municipality.
- Distribute annual allocations to pool committees, prepare submissions to the Department of Sport & Recreation for "Better Pools" funding in relation to upgrades of the aquatic facilities.
- Provide project management of all swimming pool project upgrades from Council's Capital Works Program.

### 2007/2008 Achievements and Activities

In 2007/2008 the following contracts were tendered out and awarded:-

Sealing of Various Local Roads	\$627,774	Term 1 Year
Murtoa Swimming Pool Redevelopment	\$242,000	Term 1 Year
Supply & Delivery of Grader	\$258,800	Term 1 Year
Intergrated Computer System	\$796,780	Term 5 Years

#### Waste Management

- Council applied for and was successful in obtaining \$1 for \$1 funding from Eco-recycle Victoria to close the Beulah landfill site and construct a new transfer station / resource recovery facility for the residents of Beulah and district.

#### Murtoa Swimming Pool Redevelopment

- Council applied for and was successful in obtaining funding through the "Better pools" program to redevelop the Murtoa swimming pool.
- The redevelopment included the construction of a new wetdeck system, tiling and wall strengthening works and replacement of concourse.
- Cost of the redevelopment was \$242,000.





## CONTRIBUTIONS & DONATIONS

Anzac Park Tennis Centre	2,000.00
Beulah Business and Information Centre	600.00
Beulah Kindergarten	2,000.00
Beulah Memorial Hall Committee	1,565.00
Beulah Netball Club	1,000.00
Beulah Park Trustees Committee	13,220.00
Beulah Swimming Pool	9,500.00
Brim Active Community Group	2,790.00
Brim Recreation Reserve	5,910.00
Galaquil East Tennis Club	1,000.00
Hopetoun A & P Society	2,000.00
Hopetoun Bowling Club	3,742.73
Hopetoun Kindergarten	2,000.00
Hopetoun Police Persons Ball	1,500.00
Hopetoun Progress Association	950.00
Hopetoun Recreation Reserve	10,165.00
Hopetoun Swimming Pool	15,430.00
Horsham Art is Festival	3,000.00
Lake Lascelles/Corrong Committee of Management	7,670.00
Lascelles Progress Association	1,000.00
Lions Club of Rupanyup	15,000.00
Lubeck Memorial Hall	1,565.00
Lubeck Park Reserve	1,675.00
Lubeck Public Hall Committee	1,800.00
Mallee Football League	500.00
Marma Events Management Association	1,000.00
Minyip Kindergarten	2,000.00
Minyip Lions Club	1,824.00
Minyip Memorial Hall Committee	2,505.00
Minyip Recreation Reserve	15,471.00
Minyip Swimming Pool	11,529.00
Murtoa A & P Society	1,000.00
Murtoa Angling Club	800.00
Murtoa Kindergarten	2,000.00
Murtoa Mechanics Hall	2,505.00
Murtoa Mechanics Institute and Free Library	1,000.00
Murtoa Swimming Pool	16,022.00
Patchewollock Progress Association	1,000.00
Regional Arts Victoria	3,750.00
Rupanyup A & P Society	1,000.00
Rupanyup Kindergarten	2,000.00
Rupanyup Memorial Hall	2,395.00
Rupanyup Recreation Reserve	5,160.00
Rupanyup SES	10,089.52
Rupanyup Swimming Pool	9,091.00
Slaam Inc	2,200.00
Speed Public Hall	1,260.00
Speed Recreation Reserve	2,505.00
Tempy Primary School	1,000.00
Tempy Recreation Reserve	1,675.00
Tempy Swimming Pool	3,887.00
Wallup Public Hall	1,640.00





## CONTRIBUTIONS & DONATIONS (continued)

Warracknabeal A & P Society	2,000.00
Warracknabeal Action Group	1,450.00
Warracknabeal Bowling Club	500.00
Warracknabeal Golf Club	500.00
Warracknabeal Memorial Kindergarten	2,000.00
Warracknabeal SES	9,355.27
Warracknabeal Swimming Pool	36,838.00
Wheatland District Church	2,500.00
Woomelang Recreation Reserve	4,750.00
Woomelang SES	10,132.23
Woomelang Swimming Pool	9,190.00
Y Feast Promotions	3,000.00
Yaapeet Community Club	1,000.00
Yaapeet Recreation Reserve	1,900.00
Yaapeet Tennis Club	648.00
Genr8 Youth Group	2,000.00
Minyip Historical Society	3,096.50
Woomelang District Development Ass	500.00
Yarriambiack Creek Development	2,200.00
<b>TOTAL</b>	<b>304,451.25</b>

## MEMBERSHIPS

Municipal Association of Victoria	33,503.47
Wimmera Development Association	32,290.00
Wimmera Regional Library	129,281.00
Wimmera Southern Mallee Llen	5,000.00
<b>TOTAL</b>	<b>200,074.47</b>







## SHIRE HAPPENINGS 2007/08

### July 2007

- Vic Roads supplied \$7,000 towards a new footbridge near the creek's Dimboola Road bridge. Council decided to build a new bridge and pay any remaining installation cost from its construction budget.
- Council opens community funding – Council called for application from community groups for Community Events Funding – groups were able to apply for up to \$3,000 to stage events during 2007-08 financial year. Application close on July 31<sup>st</sup>.
- Council Internal Audit Committee has concluded its initial three year term and in accordance with its charter is now seeking to appoint three (3) suitably qualified community members to join Council's Internal Audit Committee.
- Chief Executive Officer notes population has declined by 6.7 per cent and by 13 per cent since 1996.
- Council invited senior citizens (60 years or older and not in full time employment) residing within the municipality to attend a Government House reception Awards for Victorian Senior of the Year and the COTA Senior Achiever Awards & Nominations.
- Yarriambiack Shire Council has successfully obtained funding from the Department of Sustainability for the recycling program, the funding was allocated under the Best Practice Kerbside Recycling Program.
- Valuation contract for 2008, 2010 & 2012 has been signed and sealed.
- Rates increase by 6.5 per cent for 2007-08, but the farm rates remains the same as at 2006.
- Two Yarriambiack Shire Council Transfer Station Supervisors have won Grampians Regional Waste Management Group Awards.
- Council has ordered 11 water tanks for fire fighting purposes along the Wimmera Mallee Pipeline course.
- Despite the State Government's announcement of \$15m road funding to target the state's greyspots, Yarriambiack Shire was not included in the 30 new road safety projects. The Mayor stated he was disappointed.
- The Shire hosted a Municipal Association of Victoria Community Transport Forum in Warracknabeal. The forum presented an opportunity to show case our community transport model, that is funded by the Commonwealth Regional Health Services Program through the Health Alliance.
- Community groups in Yarriambiack Shire are organising a ninth annual Yarrilinks planting weekend.
- Yarriambiack Shire Council received a grant to harvest water from the Warracknabeal Leisure Centre, funding made available through the Small Towns Development Fund.
- Yarriambiack Shire Council is launching its second year of Celebrating Young People Youth Grants, community groups and individuals are able to submit applications for up to \$1,000.

### August 2007

- Yarriambiack Shire Council had a range of information available at its Mallee Machinery Field days site.
- Yarriambiack Shire Council purchased two new diesel powered front deck mowers.
- Over the last 12 months Yarriambiack Shire has funded 11 youth projects in Warracknabeal and Hopetoun.
- Yarriambiack Shire Council representatives along with business and community leaders attended a Small Towns Summit, an initiative of the Small Town Victoria Program, funded by Regional Development Victoria and co-ordinated by the Municipal Association of Victoria.
- Council successfully obtained a \$55,000 grant for the provision, an alternative power supply in times of emergency – obtained from the Australian Governments' Local Grants Scheme.





## **SHIRE HAPPENINGS 2007/08** (continued)

- Wimmera Mallee Roads are the worst in rural Victoria an Australian Bureau of Statistics road safety report revealed. Yarriambiack Shire Council had the third highest percentage of rough roads in the state with 18.4 percent of roads considered unacceptable.
- Federal Member for Mallee, John Forrest has announced that the Yarriambiack Shire Council will receive Australian Government funding of \$3,762,929 million Financial Assistance Grants in 2007-08 for local roads and the provision of other local government services.
- Yarriambiack Shire plans to spend \$3,493,346 on its capital works program – roads and streets for 2007-08.
- A proposal for the development of the Wimmera Mallee tourism brand which has been on councils' agenda for many years moved a step closer after four shires met to discuss the issues.
- Council received notification from Vic Roads that \$241,000 will be made available to widen a 4.8km section of the Stawell-Warracknabeal Road.
- Brim community beautifies Swann Street with Yarriambiack Shire Council securing a \$19,000 grant.
- Yarriambiack was awarded with bronze waste wise certification at Council's August Meeting presented by Cr Rod Marshall – Grampians Regional Waste Management Group deputy chairman.

### **September 2007**

- Yarriambiack Shire Council stage two of an Auslink project involving construction of the Rainbow Road – Aubrey Road Fensomes Road intersection – one kilometer west of Warracknabeal works are due to start March next year – completion by June 30<sup>th</sup> 2008
- Yarriambiack Shire Council called for expression of interest from sporting and community groups for the next round of State Government minor facilities grants.
- Eleven level crossings in the Yarriambiack Shire will be upgraded with rumble strips under the Brumby Government \$33.2 million package to improve safety at level crossings across Victoria.

### **October 2007**

- Community Events Funding – Yarriambiack Shire Council called for community groups to apply for funding up to maximum of \$3,000 per community event.
- Announcement to indefinitely postpone all further developments in the Australia Biofuels Industry. Yarriambiack Shire Councils' Economic Development Manager said Agric Energy's original proposal for a site adjacent to Murtoa's Graincorp Centre confirmed the municipality's suitability for ethanol production.
- Chief Executive Officer Mr Ray Campling has been re-appointed for a further 5 years.

### **November 2007**

- Victorian Government's \$100 million drought relief package has delivered mixed results, Premier, John Brumby announced it recently.
- Yarriambiack Shire Council and the Victorian Farmers Federation have both called on the Federal Government and the Opposition to commit to additional funding to cover the Wimmera Mallee Pipeline's \$248 million cost blow out.

### **December 2007**

- Australia Day Awards – nominations are being sought by Yarriambiack Shire Council for persons who may qualify as 'Citizen of the Year' and 'Young Citizen of the Year' and the 'Community Event' of the year. Applications close 5.00pm Friday 14<sup>th</sup> December, 2007.





## **SHIRE HAPPENINGS 2007/08** (continued)

- Yarriambiack Shire Council along with Hindmarsh Shire and Northern Grampians Shire celebrated International Volunteers Day December 5<sup>th</sup> providing free coffee coupons for all volunteers.
- Andrew McLean was reappointed Yarriambiack Shire Councils' – Mayor for a second year.
- \$300,000 provided through Local Infrastructure Works Program is improving infrastructure in communities that have been declared under Exceptional Circumstances because of Victoria's worst drought on record.
- Yarriambiack Shire Council appointed Councillor representatives to its committees at the annual strategy committee meeting.
- Councillor Geoff Lovel presented Warracknabeal's Men's Shed – Ralph Christian, 84 a certificate for his outstanding contribution to the shed.
- Yarriambiack Shire Council approved a planning permit to build a block of 10 units in Warracknabeal, corner of Jamouneau and Woolcock Streets.
- Yarriambiack Shire Council congratulated emergency services and thanked its own council staff for the work in fighting a Waithe Reserve fire last month.
- E-Waste recycling in Yarriambiack Shire – residents can now dispose of their unwanted or damaged electronic goods at the Warracknabeal transfer station to be recycled.
- Yarriambiack Shire Council has given approval to 16 community projects that will receive Community Group Assistance Scheme funding in the December round.
- Preferred Contracts Registration – Yarriambiack Shire Council offered an opportunity for any business wishing to register for future work to develop and implement a Safety Plan offering an information day to become registered with the Shire.

### **January 2008**

- Mr Robin McCullough was presented with the Shire's prestigious Citizen of the Year Award.

### **February 2008**

- Yarriambiack Shire Council forwarded a letter to Council Commissioner of Police, Christine Nixon hoping to rectify an urgent vacancy at the Minyip Police Station.
- People across the nation accepted Prime Minister, Kevin Rudd's apology to the stolen generations and the indigenous community. Yarriambiack Shire was one of the four Wimmera Municipalities which flew the Aboriginal flag.
- Yarriambiack Shire Council will submit a letter to Minister for Public Transport, Lynne Kosky in a desperate attempt to save country Victoria's rail freight network.

### **March 2008**

- Yarriambiack Shire Council appointed a drought recovery co-ordinator after receiving a grant from the State Government's Department of Planning & Community Development.
- Yarriambiack Shire Council and the drumMUSTER program have passed a significant environmental milestone – 250,000 agricultural chemical containers have been collected for recycling. Yarriambiack Shire was presented with a certificate.

### **April 2008**

- Yarriambiack Shire Council received \$20,000 from the State Government which will be used to find a long term solution for kindergarten sustainability in the Shire.
- Yarriambiack Shire Council is seeking government funding for a containerised fuel supply system for Woomelang. Woomelang has lost its only fuel supply.





## **SHIRE HAPPENINGS 2007/08** (continued)

- Yarriambiack Shire Council will submit five road projects for Auslink funding when submissions open later this month. Upgrades include widening and strengthening of road seals as well as sealing and strengthening of pavement.
- Yarriambiack Shire Council was advised that funding for a feasibility study for Hopetoun's future energy project was successful.

### **May 2008**

- Community Grants Funds Applications – for Groups and Organisations is on offer through the Yarriambiack Shire Council.
- Councillor Jean Wise has been elected Vice President of the Australian Local Government Women's Association.
- Minister for Rural and Regional Development Jacinta Allen visited Warracknabeal May 13<sup>th</sup> to launch a "Buy Local" campaign at the Yarriambiack Shire Offices.
- Council's push to save EC Funding – Yarriambiack Shire Council lobby Federal Government in an attempt to save the Exceptional Circumstances funding beyond the cut-off date of September.

### **June 2007**

- Yarriambiack Shire Council appointed Marianne Ferguson as its new community building initiative facilitator.
- Yarriambiack Shire Councillor, Mr Geoff Lovel announced he will step down to allow for busier and younger people to become involved.







## **INFORMATION TO BE MADE AVAILABLE TO THE PUBLIC**

The following information is available for public inspection at the Warracknabeal Office in accordance with the Local Government (General) Regulations 2004, Part 5, Regulation number 11.

- (a) Details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act;
- (b) Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council;
- (c) Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel;
- (d) Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act of the Act except where such minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (g) A list of all special committees established by Council and the purpose for which each committee was established;
- (h) A list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- (i) Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- (j) A register of delegations kept under section 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place;
- (k) Submissions received in accordance with section 223 of the Act during the previous 12 months;
- (l) Agreements to establish regional libraries under section 196 of the Act;
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- (n) A register of authorised officers appointed under section 224 of the Act;
- (o) A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant;





## INFORMATION TO BE MADE AVAILABLE TO THE PUBLIC

- (p) A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- (q) A list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) of the Act.

## COUNCIL'S PHILOSOPHY

### OUR MISSION

To make Yarriambiack Shire Council an outstanding municipality with one of the highest levels of community satisfaction for small Rural Shires.

### OUR VALUES AND PRINCIPLES

#### VALUES

##### **Customer Service**

We:

- treat our customers with courtesy and respect;
- constantly strive to improve our services;
- forge closer relationships with customers;
- investigate matters thoroughly and objectively, and
- keep our customers informed, in plain language, about the process and outcome.
- treat people fairly, with respect and have proper regard for their rights;
- make decisions lawfully, fairly, impartially, and in the public interest;
- we are honest, trustworthy and reliable in our dealings;
- we are careful, conscientious and diligent, and
- use public resources economically and efficiently.

##### **Continuous improvement:**

We drive continuous and sustainable improvement in service provision, operational efficiency and stakeholder relations to create a leading organisation.

#### PRINCIPLES

##### **Social Justice:**

We strive to make sure that every part of our core business is accessible by and inclusive of all community members.

##### **Best Value:**

We provide services that are responsive to community needs, meet set performance standards, provide value for money, balance affordability and accessibility, and support opportunities for local employment growth or retention.

##### **Sustainability:**

We manage public assets and resources in a way that supports and balances sustainable economic, social and environmental objectives and adheres to the principles of intergenerational equity.





## ABOUT US

### Equal Employment Opportunity, Anti Discrimination & Bullying

The Yarriambiack Shire Council is committed to providing a workplace free of all forms of discrimination and harassment including bullying. It aims for equality of opportunity for all employees – both permanent and temporary. By effectively implementing our Equal Opportunity Policy we will attract talented people and use their abilities to maximum advantage for both the organization and the employee alike.

Quality Equal Opportunity programs are increasingly part of what best-practice organizations do to ensure the maximum contribution from their people by managing diversity effectively. The Yarriambiack Shire Council seeks to make this best practice approach an integral part of our organisation's culture.

It is the responsibility of all employees to provide a working environment free from discrimination, harassment and bullying. To this end we will take all practicable steps to ensure our contractors provide a similar working environment.

### Audit Committee

The Audit Committee is an independent advisory Committee to Council. The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation ethical development.

As part of Council's governance obligations to its community, Council has constituted an Audit Committee to facilitate:

- the enhancement of the creditability and objectivity of internal and external financial reporting;
- effective management of financial and other risks and the protection of Council assets;
- compliance with laws and regulations as well as use of best practice guidelines;
- the effectiveness of the internal audit function
- the provision of an affective means of communication between the external auditor, internal audit, management and the Council

### Code of Conduct

In signing the Code of Conduct Yarriambiack Shire Councillors and staff agreed to abide by its principles and all relevant legislation. The Code provides guidelines on behaviour, standards or performance, ethical conduct and meeting community expectation.

### Pecuniary Interests

Councillors are required to declare any pecuniary interest in any matter, and the nature of that interest, before a matter is discussed in a Council or Committee meeting. A Pecuniary Interest Register is maintained by Council and is available for inspection at the Warracknabeal Office.

All Councillors and senior staff are required to complete and sign a Form 26 Register of Interest Primary Return when elected or appointed in accordance with the Local Government Act.

Five Pecuniary Interests were declared in the 2006/07 financial year.





## Occupational Health & Safety

Yarriambiack Shire Council is fully committed to the provision of the highest levels of Quality Services and the management of risk. We are committed to providing a safe and healthy environment for employees, contractors and the public and to the management of risk. This policy commits the entire agreement to ensuring ongoing active prevention of injury and illness in our workplace and the preservation of our assets (both physical and reputation). This policy also commits to identifying and analyzing Council's liability associated with risk and promotion and support of risk management practices. The policy specifically requests all employees to participate actively in program development and implementation and to identify and report potential risk so as to help eliminate high risk activities.

## Risk Management

Our aim is, in conjunction with our Risk Management Strategy, to try and achieve best practice in controlling as many of the risks to which the organization is exposed. We will achieve this by identifying our priority exposures, addressing these, incorporating appropriate risk management strategies, risk improvements and contingency planning into our business, monitoring and reviewing ongoing risk to account for changes in our operations and to enable us to make well-informed decisions on risk controls. The organization is committed to the management of risk to continue to protect its:

- Ratepayers, customers and stakeholders
- Employees, Councillors and their skills
- Environment
- Quality of service
- Assets and intellectual property
- Contractual and statutory obligations
- Image and reputation

## **FREEDOM OF INFORMATION**

The Yarriambiack Shire Council maintains documents relation to all of the functional areas of the Council operations. These documents are broadly defined as being current, secondary and archival.

Requests for access to a document should be made to the Chief Executive Officer, who is Council's designated FOI Officer. Contact should be made with the Chief Executive Officer prior to the lodging of any potential FOI request.





## VICTORIAN GOVERNMENT INDICATORS

**2008**

### OVERALL PERFORMANCE

Community satisfaction rating for overall performance generally of the Council. 64%

### ADVOCACY

Community satisfaction rating for Council's advocacy and community representation on key local issues. 66%

### ENGAGEMENT

Community satisfaction rating for Council's engagement in decision making on key local issues 63%

### ALL RATES

Average rates and charges per assessment \$ 1,091.57

### RESIDENTIAL RATES

Average residential rates and charges per assessment \$ 531.02

### OPERATING COSTS

Average operating expenditure per assessment \$ 2,410.51

### CAPITAL EXPENDITURE

Average capital expenditure per assessment \$ 669.43

### INFRASTRUCTURE

Renewal 77%

Renewal and maintenance 93%

### DEBTS

Average liability per assessment \$ 634.80

### OPERATING RESULT

Operating result per assessment \$ (21.53)





## **NATIONAL COMPETITION POLICY COMPLIANCE**

### **CERTIFICATION BY CHIEF EXECUTIVE OFFICER**

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

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

for the financial year 2006/07 as set out below

#### **A. TRADE PRACTICES COMPLIANCE**

- Council is compliant.
- Council has not received any Trade Practices complaints.

#### **B. LOCAL LAWS COMPLIANCE**

- Council is compliant.
- Reviewed all existing local laws to ensure compliance with competition principles.

#### **C. COMPETITIVE NEUTRALITY COMPLIANCE**

- Council has no significant businesses.

I certify that:

1. this statement has been prepared in accordance with the 2006/07 Local Government Improvement Incentive guidelines issued in June 2007 for reporting on the following criterion:- National Competition Policy in accordance with *National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002)*; and
2. this statement presents fairly the Council's implementation of the National Competition Policy.

**RAY CAMPLING**  
**CHIEF EXECUTIVE OFFICER**

Dated: 17<sup>th</sup> September 2008

## PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

### Introduction to the Performance Statement

The Victorian Government is of the view that it is reasonable to expect all Councils to collect and publish performance information. The Government has amended the Local Government Act to ensure that local government:-

- develops strategic objectives and defines the strategic indicators for monitoring those achievements in the Council Plan,
- refines the activities and initiatives in the strategic objectives and sets the performance targets in the Council Annual Budget,
- and then reports against those performance targets in the Annual Report.

Key Strategic Activity	Performance Measure	Note	Target	Actual
<b>Overall Performance</b>				
To represent and assist local communities in the pursuit of their goals	Community Satisfaction rating for Council's overall performance generally of the Council	1	≥67 %	64%
<b>Leadership and Advocacy</b>				
To provide leadership and advocacy on key Shire issues	Community satisfaction rating for Council's advocacy and community representation on key local issues.	1	≥68 %	66%
<b>Community Engagement</b>				
To engage appropriate interest groups and individuals on specific issues.	Community satisfaction rating for Council's engagement in decision making on key local issues.	1	≥64 %	63%
<b>Responsiveness to Enquiries and Requests</b>				
To be responsive and accountable to the local community	Community satisfaction rating for Council's interaction and responsiveness in dealing with the public.	1	≥76 %	75%
<b>Financial Management</b>				
To develop and implement financial plans for the long term viability of the Shire	Compliance with STEP program implementation timetable		Yes	Yes
	Ratio of capital expenditure to total depreciation		≥ 100%	100.2%
	Ratio of actual to budget for Capital Works		100%	83%
<b>Provide Appropriate Services</b>				
To provide appropriate services to meet community needs in an effective manner	Community satisfaction rating for Council's overall performance in key areas and responsibilities	1	≥62 %	65%
	Client satisfaction rating for education, care and health services		≥80 %	76%



## Summary of explanations of major variations between Actual & Target results

The requirements of legislation require explanations for the major variations between the actual and targeted performance indicators. These variations can be caused by many factors or assumptions made at the time of formulating the Annual Business Plan upon which this Performance Statement is based.

### Note 1 Annual Community Satisfaction Survey

The first five of the key performance indicators are based upon the results of a survey conducted from January to March each year. The survey is coordinated by the Department of Victorian Communities and prepared by the independent research group, Wallis Consulting Group, on behalf of participating Councils. While Council expected a similar result as last year, the outcomes were better than expected as a result of perceptions at the time of the survey.



## **CERTIFICATION OF PERFORMANCE STATEMENT**

In our opinion, the accompanying Performance Statement of the Yarriambiack Shire Council in respect of the 2007/2008 financial year is presented fairly in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of the business plan in respect of that year described in Council's corporate plan and describes the extent to which the business plan was met in that year having regard to those targets and measures.

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



**Jean M. Wise**

Councillor

Dated: 24<sup>th</sup> September 2008



**Geoffrey W. Lovel**

Councillor

Dated: 24<sup>th</sup> September 2008



**Ray Campling**

Chief Executive Officer

Dated: 24<sup>th</sup> September 2008

## INDEPENDENT AUDIT

# VAGO

Victorian Auditor-General's Office

## INDEPENDENT AUDIT REPORT

### To the Councillors, Yarriambiack Shire Council

#### *The Performance Statement*

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

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

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

#### *Auditor's Responsibility*

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

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

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

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

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

Level 24, 35 Collins Street, Melbourne Vic. 3000

Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*



## INDEPENDENT AUDIT

# VAGO

Victorian Auditor-General's Office

### Independent Audit Report (continued)

#### *Independence*

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

#### *Auditor's Opinion*

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

MELBOURNE  
25 September 2008

  
D D R Pearson  
Auditor-General

2

Level 24, 35 Collins Street, Melbourne Vic. 3000

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*Auditing in the Public Interest*



## **STANDARD STATEMENTS**

### **Notes to the Standard Statements**

#### **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 Statement of Financial Performance, Standard Statement of Financial Position, Standard Statement of Cash Flows, 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 accounting basis consistent with those used for General Purpose Financial Statements and the Budget. The result 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 on pages 39 to 78 of 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 10 per cent. 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 10th July 2007. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet council's business plan and financial performance targets for both the short and long term. The budget did not reflect any changes to equity resulting from assets revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results is contained in the General Purpose Financial Statements on pages 39 to 78. 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.





## STANDARD INCOME STATEMENT

For the year ending 30 June 2008

	Ref	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
Revenues					
Rates and Garbage Charges		6,732	6,773	41	0.6%
Government Grants – Operating		4,854	5,144	290	6.0%
Government Grants – Capital	1	1,646	1,840	194	11.8%
User Charges, Fees & Fines		1,473	1,492	19	1.3%
Contributions & Donations	2	189	295	106	56.1%
Interest	3	114	360	246	215.8%
Other		-	2	2	-
Total Revenues		15,008	15,906	898	6.0%
Expenses					
Employee Benefits		(5,348)	(5,218)	130	(2.4)%
Materials & Services		(3,898)	(4,263)	(365)	9.4%
Depreciation		(4,501)	(4,462)	39	(0.9)%
Contributions & Donations	4	(1,099)	(1,440)	(341)	31.0%
Finance Costs	5	(47)	(33)	14	(29.8)%
Other	6	(850)	(597)	253	(29.8)%
Total Expenses		(15,743)	(16,013)	(270)	1.7%
Net loss on disposal of Fixed Assets		-	(3)	(3)	-
Share of Net Profit of Associates accounted for by the equity method		-	(33)	(33)	-
NET SURPLUS (DEFICIT) FOR THE PERIOD		(735)	(143)	592	(80.5)%



## STANDARD INCOME STATEMENT

### Major Variance Report Explanation

Ref	Item	Explanation
1	Government Grants – Capital	Grants exceeded budget expectations in the following areas: Community Services - \$50,000 received for emergency services for the purchase and installation of a generator Drought Relief Projects - \$50,000 received for the cartage of water to recreation reserves. Sporting Reserves – obtained extra grants from Department of Sport and Recreation, Country Football and Netball Program, Small Town Development and Community Water Grants for the development of recreational facilities and water catchments for use on the reserves in the towns of Yaapeet, Brim, Hopetoun, Minyip, Murtoa and Beulah
2	Contributions & Donations	The grants received for the development of sporting facilities resulted in increases in community contributions due to the structural requirements of the grants.
3	Interest	Upfront payments of grants for the sporting facility projects allowed for excess funds to be invested for short terms and at high rates of interest due to the current market.
4	Contributions & Donations	Increase in the grants received for the development of community sporting facilities has meant an increase in payments made for these particular community projects as Council has facilitated the payment of all invoices for such projects.
5	Finance Costs	Finance costs were less than budgeted because of the grant income received. This meant there was only rare occasions when Council had to use the overdraft facility and therefore incur interest costs.
6	Other	Decrease of insurance premiums of \$92,000 compared to budget. The main saving on the public liability insurance was due to low number of claims and improvement in risk management.



## STANDARD BALANCE SHEET

As at 30 June 2008

	Note	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
<b>Current Assets</b>					
Cash & Investments	7	2,719	6,045	3,326	122.3%
Receivables	8	759	850	91	12.0%
Inventories	9	437	216	(221)	(50.6)%
Other	10	370	246	(124)	(33.5)%
<b>Current Assets</b>		<b>4,285</b>	<b>7,357</b>	<b>3,072</b>	<b>71.7%</b>
<b>Current Liabilities</b>					
Creditors and Accruals	11	738	1,675	1,037	140.5%
Trust Funds and Deposits		-	47	(47)	-
Interest Bearing Liabilities	12	165	223	58	35.2%
Provisions		1,680	1,612	(68)	4.0%
<b>Current Liabilities</b>		<b>2,583</b>	<b>3,557</b>	<b>974</b>	<b>37.7%</b>
<b>NET CURRENT ASSETS</b>		<b>1,702</b>	<b>3,800</b>	<b>2,098</b>	<b>123.2%</b>
<b>Non Current Assets</b>					
Cash & Investments		-	-	-	-
Receivables	13	175	310	134	76.6%
Fixed Assets		101,231	106,448	5,217	5.2%
Investment – Library	14	295	249	(45)	(15.3)%
<b>Non Current Assets</b>		<b>101,701</b>	<b>107,007</b>	<b>5,306</b>	<b>5.2%</b>
<b>Non Current Liabilities</b>					
Interest Bearing Liabilities	15	323	406	83	(25.6)%
Provisions	16	197	254	57	(28.9)%
<b>Non Current Liabilities</b>		<b>520</b>	<b>660</b>	<b>140</b>	<b>26.9%</b>
<b>NET NON CURRENT ASSETS</b>		<b>101,181</b>	<b>106,347</b>	<b>5,166</b>	<b>5.1%</b>
<b>NET ASSETS</b>		<b>102,883</b>	<b>110,147</b>	<b>7,264</b>	<b>7.1%</b>
<b>Equity</b>					
Accumulated Surplus		61,803	63,468	1,665	2.7%
Reserves	17	41,080	46,679	5,599	13.6%
<b>EQUITY</b>		<b>102,883</b>	<b>110,147</b>	<b>7,264</b>	<b>7.1%</b>



## STANDARD BALANCE SHEET

### Major Variance Report Explanation

Ref	Item	Explanation
7	Cash & Investments	Increase in the number of investments held and cash in bank at the end of the financial year due to increased number of community project grants received.
8	Receivables	There was \$70,000 in project grants and recycling contributions outstanding at the end of the financial year which was not included in the budget.
9	Inventories	Decrease in inventories due to allocation of stock to various projects and the sale of vacant blocks owned by Council.
10	Other	The prepayment of the public liability insurance account was less than expected due to low claims and improved risk management. Also includes the accrual of grants for community projects which were not budgeted for.
11	Creditors and Accruals	Increase above budget is a result of capital works accounts such as the reseal contract of \$777,000, and cartage of materials, being paid later in the financial year than normally expected.
12	Interest Bearing Liabilities	With the purchase of the new computer system Council elected to repay the capital amount of \$286,000 over a 5 year period instead of outlaying all the funds in the 2007/08 financial year for the outright purchase and thereby creating a lease liability. Council paid out the Commonwealth Bank Loan during 2007/08. A National Australia Bank Loan will be paid out during the 2008/09 financial year.
13	Receivables	The improved climatic conditions resulted in an increase in the contribution from the gypsum pit owners due to increase volume of gypsum being carted from the pits. The repayment is based on the quantity of gypsum sold to the farmer.
14	Investment – Library	Share in the investment for the Wimmera Regional Library was lower than budgeted due to an operating deficit for the 2007/08 financial year.
15	Interest Bearing Liabilities	See Ref 12
16	Provisions	The difference is due to the interpretation of current and non current employee liabilities between the budget and the accounting standards.
17	Reserves	Increase in the revaluation reserve is due to a review of unit rates in the infrastructure assets. The increase in the unit rates, reflect the increasing costs of inputs.





## STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2008

	Note	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Customers		9,262	9,084	(178)	1.9%
Payments to Suppliers & Employees		(12,142)	(12,355)	(213)	(1.8)%
<b>Sub Total</b>		<b>(2,880)</b>	<b>(3,271)</b>	<b>(391)</b>	<b>(13.5)%</b>
Government Grants & Charges	18	6,674	7,373	699	10.5%
Interest	19	115	320	205	178.3%
Borrowing Costs	20	(47)	(33)	14	(29.8)%
<b>Net Cash inflow from Operating Activities</b>		<b>3,862</b>	<b>4,389</b>	<b>527</b>	<b>13.6%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from Asset Sales	21	301	197	(104)	(34.6)%
Repayment of Advances	22	117	77	(40)	(34.2)%
Purchase of Property, Plant & Equipment	23	(5,226)	(3,982)	1,244	(23.8)%
<b>Net Cash outflows from Investing Activities</b>		<b>(4,808)</b>	<b>(3,708)</b>	<b>1,100</b>	<b>(22.9)%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Proceeds from New Borrowings		-	-	-	-
Repayment of Loans	24	(247)	20	(267)	(108.1)%
<b>Net Cash inflow from Financing Activities</b>		<b>(247)</b>	<b>20</b>	<b>(267)</b>	<b>(108.1)%</b>
<b>Net Increase/(Decrease) in Cash Held</b>		<b>(1,193)</b>	<b>702</b>	<b>1,895</b>	<b>(158.8)%</b>
Cash at the Beginning of the Year		3,912	5,343	1,431	36.6%
<b>Cash at the End of the Year</b>		<b>2,719</b>	<b>6,045</b>	<b>3,326</b>	<b>122.3%</b>



## Major Variance Report Explanation

Ref	Item	Explanation
18	Government Grants & Charges	See Ref 1 & 2
19	Interest	See Ref 3
20	Borrowing Costs	See Ref 5
21	Repayment of Advances	See Ref 13
22	Proceeds from Asset Sales	Proceeds from the sale of assets were less than budgeted for due to low trade values. This reduced the changeover of the number of vehicles which had been budgeted for.
23	Repayment of Advances	Gypsum Pit owners paid \$77,000 based on tons of gypsum carted for the pit. Other Gypsum Pit owners have not yet made a contribution as budgeted.
24	Purchase of Property, Plant & Equipment	Purchase of property, plant & equipment is lower than budgeted because several projects have been deferred until the 2008/09 year. The Fensomes Road intersection which was budgeted for in 2007/08 as a local road but the intersection is Vic Roads responsibility and not a Council asset.
25	Repayment of Loans	See Ref 12



## STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2008

	Note	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
Land and Buildings	26	336	449	113	33.6%
Plant and Equipment	27	1,175	938	(237)	(20.2)%
Infrastructure assets					
Roads & Streets	28	3,519	2,891	(628)	(17.8)%
Drains, Tips, Bores & Tanks	29	329	169	(160)	(48.6)%
<b>Total Capital Works</b>		<b>5,359</b>	<b>4,447</b>	<b>(912)</b>	<b>(17.0)%</b>
<b>Types of Capital Works</b>					
Renewal		3,430	2,951	(479)	13.9%
New Assets		1,929	1,496	(433)	(22.4)%
<b>Total Capital Works</b>		<b>5,359</b>	<b>4,447</b>	<b>(912)</b>	<b>(17.0)%</b>

### Major Variance Report Explanation

Ref	Item	Explanation
26	Land and Buildings	Actual was higher than budgeted due to several capital projects which received grant money during the 2007/08 year. Also the refurbishment of office space of the former Warracknabeal Infant Welfare Centre was not budgeted for.
27	Plant and Equipment	See Ref 20.
28	Roads & Streets	See Ref 23.
29	Drains, Tips, Bores & Tanks	The under expenditure of the 2007/08 budget is due to the continuing Wimmera Mallee Pipeline project of installing tanks along the pipeline. This project should be completed in the 2008/09 financial year.



## **CERTIFICATION OF STANDARD STATEMENTS**

In my opinion the accompanying standard statements have been prepared on accounting basis consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



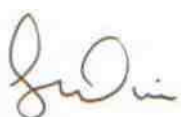
**Anita J. McFarlane**  
Principal Accounting Officer

Dated: 24<sup>th</sup> September 2008

In our opinion the accompanying standard statements have been prepared on an accounting basis 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 circumstance that would render any particulars in the standard statements to be misleading or inaccurate.

We have been authorised by the Council on 9<sup>th</sup> September 2008 to certify the standard statements in their final form.



**Jean M. Wise**  
Councillor  
Dated: 24<sup>th</sup> September 2008



**Geoffrey W. Lovel**  
Councillor  
Dated: 24<sup>th</sup> September 2008



**Ray Campling**  
Chief Executive Officer  
Dated: 24<sup>th</sup> September 2008

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**GENERAL PURPOSE FINANCIAL STATEMENTS****INCOME STATEMENT****FOR THE YEAR ENDED 30 JUNE 2008**

	<b>Note</b>	<b>2007/2008 \$'000</b>	<b>2006/2007 \$'000</b>
<b>REVENUE</b>			
Rates and Charges	3	6,773	6,316
Government Grants – Operating	4	5,144	5,196
Government Grants – Capital	4	1,840	2,214
User Charges, Fees & Fines	5	1,492	1,560
Contributions, Donations & Reimbursements	6	295	186
Other Revenue	7	362	306
<b>TOTAL REVENUE</b>		<b>15,906</b>	<b>15,778</b>
<b>EXPENSES</b>			
Employee Benefits	8	(5,218)	(4,952)
Materials and Services	9	(4,263)	(3,756)
Bad and Doubtful Debts	10	-	(71)
Depreciation & Amortisation	11	(4,462)	(4,252)
Contributions & Donations	12	(1,440)	(1,378)
Finance Costs	13	(33)	(28)
Other Expenses	14	(597)	(722)
<b>TOTAL EXPENSES</b>		<b>(16,013)</b>	<b>(15,159)</b>
Net gain(loss) on disposal of property, infrastructure, plant and equipment	15	(3)	(67)
Share of net profit(losses) of associates accounted for by the equity method	16	(33)	(13)
<b>SURPLUS(DEFICIT) FOR THE PERIOD</b>		<b>(143)</b>	<b>539</b>

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



**GENERAL PURPOSE FINANCIAL STATEMENTS****BALANCE SHEET****AS AT 30 JUNE 2008**

	Note	2007/2008 \$'000	2006/2007 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	17	6,045	5,343
Trade and other receivables	18	850	792
Inventories	19	216	313
Other Assets	20	246	162
<b>TOTAL CURRENT ASSETS</b>		<b>7,357</b>	<b>6,610</b>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	18	310	382
Investments in associates accounted for using the equity method	16	249	282
Property, infrastructure, plant and equipment	21	106,448	100,250
<b>TOTAL NON CURRENT ASSETS</b>		<b>107,007</b>	<b>100,914</b>
<b>TOTAL ASSETS</b>		<b>114,364</b>	<b>107,524</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	23	1,675	773
Trust funds and deposits	24	47	21
Provisions	25	1,612	1,656
Interest-bearing loans and borrowings	26	223	247
<b>TOTAL CURRENT LIABILITIES</b>		<b>3,557</b>	<b>2,697</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	25	254	286
Interest bearing loans and borrowings	26	406	362
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>660</b>	<b>648</b>
<b>TOTAL LIABILITIES</b>		<b>4,217</b>	<b>3,345</b>
<b>NET ASSETS</b>		<b>110,147</b>	<b>104,179</b>
<b>EQUITY</b>			
Accumulated Surplus		63,468	63,611
Reserves	27	46,679	40,568
<b>TOTAL EQUITY</b>		<b>110,147</b>	<b>104,179</b>

The above balance sheet should be read with the accompanying notes.



## GENERAL PURPOSE FINANCIAL STATEMENTS

### STATEMENT OF CHANGES IN EQUITY

#### FOR THE YEAR ENDED 30 JUNE 2008

	Note	Total \$'000	Accumulated Surplus \$'000	Reserves \$'000
Balance at Beginning of the financial year		104,179	63,611	40,568
Surplus (deficit) for the year		(143)	(143)	-
Net asset revaluation increment	27	6,111	-	6,111
<b>Balance at end of the financial year</b>		<b>110,147</b>	<b>63,468</b>	<b>46,679</b>

#### FOR THE YEAR ENDED 30 JUNE 2007

	Note	Total \$'000	Accumulated Surplus \$'000	Reserves \$'000
Balance at Beginning of the financial year		101,152	63,072	38,080
Surplus (deficit) for the year		539	539	-
Net asset revaluation increment	27	2,488	-	2,488
<b>Balance at end of the financial year</b>		<b>104,179</b>	<b>63,611</b>	<b>40,568</b>

The above changes in equity should be read with the accompanying notes.



## GENERAL PURPOSE FINANCIAL STATEMENTS

### CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2008

	Note	2007/2008 \$'000 Inflows/ (Outflows)	2006/2007 \$'000 Inflows/ (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<i><b>GST Inclusive</b></i>			
General Rates and Charges Receipts		6,800	6,215
Other operating receipts		2,284	2,723
Employee Costs		(5,200)	(4,820)
Other payments		(7,155)	(6,562)
<b>Sub Total</b>		<b>(3,271)</b>	<b>(2,444)</b>
Government grants		7,373	7,420
Interest		320	306
Finance costs		(33)	(27)
<b>Net cash provided by (used in) operating activities</b>	<b>28</b>	<b>4,389</b>	<b>5,255</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant & Equipment, Infrastructure		(3,982)	(5,123)
Proceeds from Sale of Property, Plant & Equipment, Infrastructure		197	254
Repayment of Advances		77	24
<b>Net cash provided by (used in) investing activities</b>		<b>(3,708)</b>	<b>(4,845)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from Borrowings		-	400
Repayment of Borrowings		20	(261)
<b>Net cash provided by (used in) financing activities</b>		<b>20</b>	<b>139</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>702</b>	<b>549</b>
Cash and cash equivalents at the Beginning of the Year		5,343	4,794
<b>Cash and cash equivalents at the end of the financial year</b>	<b>17</b>	<b>6,045</b>	<b>5,343</b>
Financing arrangements		-	-
Restrictions on cash assets		-	-

The above cash flow statement should be read with the accompanying notes.



### INTRODUCTION

The Yarriambiack Shire Council was established by an Order of the Governor in Council on 19 January 1995 and is a body corporate. The Council's main office is located at 34 Lyle Street, Warracknabeal.

The purpose of the Council is to:

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

The following information is also provided:

- External Auditor - Auditor-General of Victoria;
- Internal Auditor – AFS Chartered Accountants & Business Advisors
- Solicitors – Lucas & Marshman;
- Bankers – National Australia Bank;
- Website address – [www.yarriambiack.vic.gov.au](http://www.yarriambiack.vic.gov.au)

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

### Note 1 Significant Accounting Policies

#### (a) Basis of Accounting

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

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

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

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



**Note 1 Significant Accounting Policies (continued)**

**(b) Revenue Recognition**

*Rates, grants and contributions*

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

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

A provision for doubtful debts in respect of uncollected rates and other amounts owing is made for amounts that are considered uncollectible.

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 the 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 grant or contributions from prior years that was 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 charges, fees and fines*

User charges, fees and fines are recognised as revenue when the service has been provided, or payment is received, 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 has irrevocably passed to the buyer.

*Interest and rents*

Interest and rentals are recognised as revenue when the payment is due, the value of the payment is notified, the payment is received, or as interest accrues (refer Note 1 (i)) whichever first occurs.

**(c) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles.**

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

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

Road earthworks are not depreciated.

## NOTES TO THE ACCOUNTS

### Note 1 Significant Accounting Policies (continued)

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

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

	Depreciation Periods
Land	-
Tip Cells	4 to 10 years
Transfer Stations	30 years
Buildings	30 to 75 years
Heritage Buildings	50 years
Plant & Equipment	5 to 25 years
Motor Vehicles	1 to 15 years
Office Furniture & Equipment	3 to 15 years
Roads, Streets - Gravel Road Pavement/Resheets	10 to 14 years
- Sealed Road Pavement	60 years
- Sealed Road Final Seal	12 years
Footpath, Kerb & Channel	25 years
Bridges & Culverts	80 years
Main Drains	25 to 80 years

#### (d) Repairs and maintenance

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

#### (e) Borrowing Costs

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

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

#### (f) Recognition and measurement of assets

##### *Acquisition*

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

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

The following classes of assets have been recognised in Note 21. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.



## Note 1 Significant Accounting Policies (continued)

	Threshold \$
Land	1,000
Pipeline Tanks	2,000
Dams and Bores	2,000
Tip Cells	2,000
Transfer Stations	5,000
Buildings	5,000
Heritage Buildings	5,000
Plant & Equipment	1,000
Office Furniture & Equipment	1,000
Roads, Streets – Earthworks All	5,000
- Gravel Road Pavement/Resheets	2,000
- Sealed Road Pavement	5,000
- Sealed Road Final Seal	2,000
Footpath, Kerb & Channel	2,000
Bridges & Culverts	5,000
Main Drains	5,000

### *Revaluation*

Subsequent to the initial recognition of assets, non-current physical assets, other than tip cells, heritage buildings, plant and equipment and office furniture and equipment, 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 1 to 3 years. The valuation is performed either by experienced council officers or independent experts.

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

### *Land under roads*

The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 "Land under Roads", which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2008.

## **(g) Cash and cash equivalents**

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

## **(h) Other financial assets**

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

## **(i) Investments**

Investments, other than investments in associates, are measured at cost. Interest revenues are recognised as they accrue.



**Note 1 Significant Accounting Policies (continued)****(j) Accounting for Investments in Associates**

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. 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 entities. Audited statements were not available at the time of preparing the Council's financial report.

The Council's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. The annual contribution is included as an expense in the Income Statement.

**k) Tender deposits**

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer note 24)

**(l) Employee Benefits***Wages and Salaries*

Liabilities for wages, salaries, rostered days off and bonuses are recognised and are measured as the amount unpaid at balance date and include appropriate oncosts such as workers compensation costs.

*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 entitlements. Commonwealth bond rates are used for discounting future cash flows.

*Long Service Leave*

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

*Classification of employee benefits*

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

*Superannuation*

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.25%

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable / unfavourable) in the position of any defined benefits schemes. Details of these arrangements are set out in Note 31.

**Note 1 Significant Accounting Policies (continued)***Sick Leave gratuity*

A gratuity is provided to all employees who have accumulated 20 years of service with this Council or its immediate predecessors. The liability represents a set proportion of accumulated sick leave that is paid on resignation, retirement or retrenchment. At balance date, the liability is measured at the present value of estimated future cash flows to be made for this entitlement. Commonwealth bond rates are used for discounting future cash flows.

**(m) Leases***Finance Leases*

Leases of assets where substantially all the risks and benefits incidental to ownership of the asset, but not the legal ownership, are transferred to the Council are classified as financial leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual value. Leased assets are amortised on a straight line basis over their estimated useful lives to the Council where it is likely that the Council will obtain ownership of the asset or over the term of the lease, whichever is the shorter. Leased assets are currently being amortised over a 1 to 5 year period.

*Operating leases*

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

**(n) Allocation between Current and Non-Current**

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

**(o) Agreements equally proportionately unperformed**

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

**(p) Web Site Costs**

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

**(q) Goods and Services Tax**

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

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

**(r) Impairment of Assets**

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





## **NOTES TO THE ACCOUNTS**

### **Note 1 Significant Accounting Policies (continued)**

**(s) Rounding**

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

**(t) Non-current asset held for sale**

A non-current asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

**(u) 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.



## Note 2 Pending Accounting Standards

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

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2006-3 Amendments to Australian Accounting Standards	AAS27 Financial Reporting by Local Governments  AASB 1045 Land Under Roads: Amendments to AAS27A, AAS 29A and AAS 31A	From the beginning of the reporting period to which this Standard is first applied, until the end of the first reporting period ending on or after 31 December 2007, transitional provisions shall apply. Under those provisions, local governments, while encouraged to apply the full provisions of this Standard, may elect instead not to recognise land under roads as an asset in the balance sheet.	Oct-06	01-Jul-08
AASB 1004 Contributions	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relating to contributions contained in AAS 27, there will be no direct impact on the financial report	01-Jul-08	01-Jul-08
AASB 1051 Land Under Roads	AAS 27 Financial Reporting by Local Governments	In respect to land under roads acquired before 30 June 2008: allows a Council to elect to recognise or not to recognise an asset; requires any adjustment upon recognition to be made against accumulated surplus; requires a Council to disclose its accounting policy; allows a Council to elect to adopt the fair value or a previous revaluation; requires any above elections to be made effective as at 1 July 2008. Requires that land under roads acquired after 30 June 2008 is accounted for in accordance with AASB 116. The impact of any changes that may be required cannot be reliably estimated and is not disclosed in the financial report.	01-Jul-08	01-Jul-08
AASB 1052 Disaggregated Disclosures	AAS 27 Financial Reporting by Local Governments	As this Standard broadly reproduces the requirements relation to disaggregated disclosures contained in AAS 27, there will be no direct impact on the financial report.	01-Jul-08	01-Jul-08
AASB 2007-9 Amendments to Australian Accounting Standards arising from the Review of AASs 27, 29 and 31	AAS 27 Financial Reporting by Local Governments  Amendments to: AASB 3, AASB 5, AASB 8, AASB 101, AASB 114, AASB 116, AASB 127, AASB 137	As this Standard broadly reproduces the requirements relating to certain relevant requirements contained in AAS 27, there will be no direct impact on the financial report.	01-Jul-08	01-Jul-08



### Note 3 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 net market value after deducting selling costs.

<b>General Rate</b>	<b>2007/2008</b>	<b>2006/2007</b>
Number of Ratable Properties – General	3,735	3,815
Number of Ratable Properties – Rural	2,908	2,870
Total Capital Improved Value (CIV) – General	\$252,183,360	\$262,205,100
Total Capital Improved Value (CIV) – Rural	\$884,141,800	\$881,529,400
Rate (cents in the \$ CIV) – General	0.6132	0.5840
Rate (cents in the \$ CIV) – Rural	0.5212	0.4964
	<b>\$'000</b>	<b>\$'000</b>
Rate Declared	6,155	5,907
Supplementary Adjustments	14	(59)
<b>Total General Rate</b>	<b>6,169</b>	<b>5,848</b>

<b>Garbage Charge</b>	<b>2007/2008</b>	<b>2006/2007</b>
Number of Services – Residential	2,659	2,599
Number of Services – Commercial / Industrial	463	446
Number of Services – Rural	167	139
Number of Services – Recycling	2,805	2,715
Rate (\$ per Service Exc. GST) – 80Lt	\$77.00	\$73.50
Rate (\$ per Service Exc. GST) – 120Lt Residential	\$108.00	\$103.00
Rate (\$ per Service Exc. GST) – 120Lt Other	\$108.00	\$103.00
Rate (\$ per Service Exc. GST) – 240Lt Residential	\$231.00	\$220.00
Rate (\$ per Service Exc. GST) – 240Lt Other	\$231.00	\$200.00
Rate (\$ per Service Exc. GST) – Residential Recycling	\$70.00	\$35.00
Rate (\$ per Service Exc. GST) – Other Recycling	\$77.00	\$38.50
	<b>\$'000</b>	<b>\$'000</b>
Garbage Rate Declared	590	448
Supplementary Adjustments	14	20
<b>Total Garbage Charge</b>	<b>604</b>	<b>468</b>
<b>Total Rates &amp; Charges</b>	<b>6,773</b>	<b>6,316</b>

#### General Revaluation for Rating Purposes

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

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



## NOTES TO THE ACCOUNTS

### Note 4 Government Grants & Reimbursements

	2007/2008 \$'000	2006/2007 \$'000
<b>Operating Grants</b>		
General Revenue Grant	2,225	2,068
Grants Commission Local Roads Grant	1,547	1,491
Home and Community Care Grants	529	544
National Competition Grant	9	-
Kindergarten Grant	225	239
Community Transport and Youth Services Grants	123	122
Infant Welfare Grants	123	133
Recycling Reimbursements	128	75
Landcare Grants	5	84
Drought Grants	55	61
Natural Disaster Grant	-	218
Other Recurrent Grants	175	161
<b>Total Operating Grants</b>	<b>5,144</b>	<b>5,196</b>
<b>Capital Grants</b>		
Local Road Grants	311	200
Federal Roads Grant	847	888
Warracknabeal Kindergarten Building Grants	-	25
Town Hall & Cultural Buildings Grants	-	91
Recreational Grants	412	655
Drought Relief Grants	50	300
Wimmera Pipeline Grant	128	-
Waste & Environment Grants	14	10
Emergency Management Grants	50	-
Other Capital Grants	28	45
<b>Total Capital Grants</b>	<b>1,840</b>	<b>2,214</b>
<b>Total Grants</b>	<b>6,984</b>	<b>7,410</b>

#### **Conditions over Grants**

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

	2007/2008 \$'000	2006/2007 \$'000
State Community Development Grants	60	459
Community Building Initiative Grant	24	-
Federal Community Development Grants	-	29
Heritage Victoria	5	-
Drought Relief Grant	-	178
Natural Disaster Grant	-	62
HACC Water Saving Initiatives Grant	-	10
Recycling Grant	-	18
<b>Total</b>	<b>89</b>	<b>756</b>

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

	2007/2008 \$'000	2006/2007 \$'000
Drought Relief Grant	-	82
Warracknabeal Kindergarten Building Grants	-	475
State Community Development Grants	130	92
Federal Community Development Grants	-	37
Federal Roads Grant	129	351
<b>Total</b>	<b>259</b>	<b>1,037</b>
<b>Net Increase (decrease) in restricted assets resulting from Grant revenues for the reporting period</b>	<b>(170)</b>	<b>(281)</b>



## NOTES TO THE ACCOUNTS

### Note 5 User charges, fees and fines

	2007/2008 \$'000	2006/2007 \$'000
Vic Roads Charges	734	786
Home Help Brokerage Services	161	159
HACC Charges	148	139
Rents	36	72
Sale Yard Fees & Charges	65	67
Staff Sales	54	64
Town Planning & Building Fees & Charges	47	46
Caravan Park Fees	26	43
Tip Fees	41	42
Animal Control Fees & Fines	37	38
Private Works	37	28
Other Fees & Charges	106	76
<b>Total</b>	<b>1,492</b>	<b>1,560</b>

### Note 6 Contributions, donations and other reimbursements

	2007/2008 \$'000	2006/2007 \$'000
<b>Operating</b>		
Workcover Reimbursements	75	27
Kindergartens	21	20
Private Use Vehicle Expenses	24	19
Finance Costs	4	9
Swimming Pool	5	14
Income Protection Insurance	6	8
Other	41	45
<b>Total Operating</b>	<b>176</b>	<b>142</b>
<b>Capital Contributions</b>		
Council Facilities	-	37
Community Facilities	119	7
<b>Total Capital</b>	<b>119</b>	<b>44</b>
<b>Total</b>	<b>295</b>	<b>186</b>

### Note 7 Other revenue

	2007/2008 \$'000	2006/2007 \$'000
Interest on Investments	351	273
Interest on Rates	9	31
Miscellaneous	2	2
<b>Total</b>	<b>362</b>	<b>306</b>





## NOTES TO THE ACCOUNTS

### Note 8 Employee benefits

	2007/2008 \$'000	2006/2007 \$'000
Wages & Salaries Paid	4,340	4,117
Councillor's Allowance	108	108
Increase(Decrease) in Employee Entitlements	107	142
Superannuation	417	391
Workcare Costs	128	151
Other Employee Costs	707	565
<b>Total Employee Costs</b>	<b>5,807</b>	<b>5,474</b>
Labour Used in Capital	589	522
<b>Total</b>	<b>5,218</b>	<b>4,952</b>

### Note 9 Materials and services

	2007/2008 \$'000	2006/2007 \$'000
Transport Services Materials & Contractors	2,360	2,093
Waste & Environment Services	842	704
External Plant Hire	34	45
Consultants	206	110
Supply of Meals	153	123
Electricity	145	132
Office Computers & Equipment	113	82
Telephone	105	101
Land & Building Maintenance	109	150
Other Materials & Services	196	216
<b>Total</b>	<b>4,263</b>	<b>3,756</b>

### Note 10 Bad and doubtful debts

	2007/2008 \$'000	2006/2007 \$'000
Rates	-	49
Other Debtors	-	22
<b>Total</b>	<b>-</b>	<b>71</b>

### Note 11 Depreciation and amortisation

Depreciation expense for the year was charged in respect of:

	2007/2008 \$'000	2006/2007 \$'000
Buildings	453	301
Heritage Buildings	57	56
Plant & Equipment	620	581
Furniture & Equipment	82	48
Roads & Streets	2,993	2,977
Footpaths, Kerb & Channel	275	274
Bridges	22	26
Drainage	69	70
Aerodrome Runways	37	32
Tanks and Bores	8	3
Gravel Pits & Garbage Tips	32	32
<b>Total Depreciation</b>	<b>4,648</b>	<b>4,400</b>
Depreciation Used in Capital	186	148
<b>Total</b>	<b>4,462</b>	<b>4,252</b>



## NOTES TO THE ACCOUNTS

### Note 12 Contributions and Donations

	2007/2008 \$'000	2006/2007 \$'000
<b>Operating</b>		
Regional Library	129	123
Sporting Reserves	106	105
Swimming Pools	96	89
Economic Development	57	44
Community Halls	16	19
State Emergency Service	30	30
Drought Relief	64	-
Other	155	58
<b>Total Operating</b>	<b>653</b>	<b>468</b>
<b>Capital</b>		
Sporting Facilities	209	562
Swimming Pools	374	282
Other Community Facilities	204	66
<b>Total Capital</b>	<b>787</b>	<b>910</b>
<b>Total</b>	<b>1,440</b>	<b>1,378</b>

### Note 13 Finance costs

	2007/2008 \$'000	2006/2007 \$'000
<b>Interest on:</b>		
Borrowings	32	41
Overdrafts	1	-
	33	41
Less capitalised borrowing costs on qualifying assets	-	13
<b>Total</b>	<b>33</b>	<b>28</b>
Rate used to capitalise finance costs	-	6.505%

### Note 14 Other expenses

	2007/2008 \$'000	2006/2007 \$'000
Insurance	308	360
Hire & Rentals	49	71
Travelling Expenses	65	75
Printing & Stationery	39	59
Advertising	56	63
Postage	16	21
Audit	24	24
Legal Costs	8	6
Subscriptions	30	27
Miscellaneous	2	16
<b>Total</b>	<b>597</b>	<b>722</b>



## Note 15 Disposal of Property, Plant & Equipment

	2007/2008 \$'000	2006/2007 \$'000
<b>Proceeds From Asset Disposals</b>		
Land & Buildings	18	27
Plant & Equipment	170	227
Footpath Pavers	9	-
<b>Sub Total</b>	<b>197</b>	<b>254</b>
<b>Less: Carrying Amount of Assets Disposed</b>		
Land & Buildings	29	23
Plant & Equipment	163	230
Footpath Pavers	8	-
Land Transferred to Community Committee	-	16
Crown Land Transfer	-	47
Equipment Transferred to Water Catchment Authority	-	5
<b>Sub Total</b>	<b>200</b>	<b>321</b>
<b>Profit / (Loss) on Disposal</b>		
Land & Buildings	(11)	4
Plant & Equipment	7	(3)
Footpath Pavers	1	-
Assets transferred	-	(68)
<b>Profit / (Loss) on Disposal</b>	<b>(3)</b>	<b>(67)</b>

## Note 16 Investments in Associates

	2007/2008 \$'000	2006/2007 \$'000
Investments in associates accounted for by the equity method are: Regional Library – refer Note 1(j)		
<i>Council's share of accumulated surplus (deficit)</i>		
Council's share of accumulated surplus (deficit) at start of year	122	114
Reported surplus (deficit) for year	(46)	(21)
Transfer (to) from reserves	(7)	25
Council's share of accumulated surplus (deficit) at end of year	69	118
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	168	189
Transfers (to) from reserves	12	(25)
Council's share of reserves at end of year	180	164
<i>Movement in carry value of specific investment</i>		
Carrying value of investment at start of year	290	303
Share of surplus (deficit) for year	(46)	(21)
Share of asset revaluation	5	-
Carrying value of investment at end of year	249	282
Council's share of expenditure commitments Operating Commitments	284	255
<b>Total Investments in Associates</b>	<b>249</b>	<b>282</b>



## Note 17 Cash and Cash Equivalents

	2007/2008 \$'000	2006/2007 \$'000
Current		
Cash on Hand	2	2
Cash at Bank	1,526	2,172
Cash Investments – at call	251	2,284
Cash Investments up to 90 days		
- Bank Bills	588	591
- Term Deposits	3,678	294
<b>Total Cash Assets</b>	<b>6,045</b>	<b>5,343</b>

## Note 18 Trade and Other Receivables

	2007/2008 \$'000	2006/2007 \$'000
Current		
Rate Debtors	447	458
<u>Less:</u> Provision for Doubtful Debts	(135)	(134)
Grants	75	237
Advance to Gypsum Pit Owners	113	117
Other Debtors	362	138
<u>Less:</u> Provision for Doubtful Debts	(12)	(24)
<b>Total Current</b>	<b>850</b>	<b>792</b>
Non Current		
Advance to Gypsum Pit Owners	293	362
Other Debtors	17	20
<b>Total Non-Current</b>	<b>310</b>	<b>382</b>
<b>Total Debtors</b>	<b>1,159</b>	<b>1,174</b>

## Note 19 Inventories

	2007/2008 \$'000	2006/2007 \$'000
Inventories held for distribution	131	203
Inventories held for resale		
Cost of Acquisition	85	62
Capitalised Development Costs	10	24
<b>Total Inventories</b>	<b>216</b>	<b>289</b>

## Note 20 Other Assets

	2007/2008 \$'000	2006/2007 \$'000
Current		
Prepayments	167	80
Accrued Income	79	82
<b>Total Inventories</b>	<b>246</b>	<b>162</b>



## Note 21 Property, Plant & Equipment & Infrastructure

	2007/2008 \$'000	2006/2007 \$'000
<b>SUMMARY</b>		
- at cost	10,465	9,014
<u>Less:</u> Accumulated Depreciation	(3,484)	(2,847)
<b>Sub Total</b>	<b>6,981</b>	<b>6,167</b>
- at fair value at 30 June 2008	1,503	1,503
- at valuation at 30 June 2008	26,233	26,233
<u>Less:</u> Accumulated Depreciation	(11,938)	(11,484)
<b>Sub Total</b>	<b>15,798</b>	<b>16,252</b>
- at Council valuation at 30 June 2007	156,478	149,174
<u>Less:</u> Accumulated Depreciation	(72,809)	(71,343)
<b>Sub Total</b>	<b>83,669</b>	<b>77,831</b>
<b>Total Property, Plant &amp; Equipment, Infrastructure</b>	<b>106,448</b>	<b>100,250</b>
<b>Land</b>		
Freehold Land		
- at Independent Valuation on 30 June 2007 (a)	887	887
Controlled Crown Land		
- at Independent Valuation on 30 June 2007 (a)	616	616
<b>Total Land</b>	<b>1,503</b>	<b>1,503</b>
<b>Buildings</b>		
Buildings on Freehold Land		
- at Cost	249	101
- at valuation at 30 June 2007 (b)	16,699	16,699
<u>Less:</u> Accumulated Depreciation	(8,198)	(7,930)
Buildings on Controlled Crown Land		
- at Cost	150	-
- at valuation at 30 June 2007 (b)	9,534	9,534
<u>Less:</u> Accumulated Depreciation	(3,739)	(3,554)
<b>Total Buildings</b>	<b>14,695</b>	<b>14,850</b>

### Basis of Valuation

- (a) Independent valuations were undertaken by Ian Wilson, AAPI. The basis of valuation is current market value for land and buildings and includes all other items regarded as part of the asset except for the runways attached to aerodromes which are included as infrastructure assets
- (b) Independent valuations were undertaken by Ian Wilson, AAPI. The basis of valuation is based on estimated current replacement cost for buildings and includes all other items regarded as part of the asset and subsequently depreciated to reflect the assets current condition and life expectancy.



## Note 21 Property, Plant & Equipment & Infrastructure (continued)

	2007/2008 \$'000	2006/2007 \$'000
<b>Heritage Buildings</b>		
Heritage Buildings on Freehold Land		
- at Cost	1,328	1,275
<u>Less:</u> Accumulated Depreciation	(200)	(146)
Heritage Buildings on Controlled Crown Land		
- at Cost	35	35
<u>Less:</u> Accumulated Depreciation	(12)	(10)
<b>Total Heritage Buildings</b>	<b>1,151</b>	<b>1,154</b>
<b>Plant &amp; Machinery</b>		
Plant & Equipment – at cost	6,910	6,373
<u>Less:</u> Accumulated Depreciation	(2,605)	(2,122)
<b>Total Plant &amp; Machinery</b>	<b>4,305</b>	<b>4,251</b>
<b>Office Equipment, Furniture &amp; Fittings</b>		
Plant & Equipment – at cost	997	662
<u>Less:</u> Accumulated Depreciation	(525)	(458)
<b>Total Office Equipment, Furniture &amp; Fittings</b>	<b>472</b>	<b>204</b>
<b>Roads &amp; Streets</b>		
- at cost (W.I.P)	25	-
- at Council's Valuation at 30 June 2008 (c)	135,603	-
- at Council's Valuation at 30 June 2007 (c)	-	129,096
<u>Less:</u> Accumulated Depreciation	(61,332)	(59,949)
<b>Total Roads &amp; Streets</b>	<b>74,296</b>	<b>69,147</b>
<b>Footpaths, Kerb &amp; Channel</b>		
- at cost (W.I.P)	-	2
- at Council's Valuation at 30 June 2008 (c)	12,295	-
- at Council's Valuation at 30 June 2007 (c)	-	11,606
<u>Less:</u> Accumulated Depreciation	(6,849)	(6,674)
<b>Total Roads &amp; Streets</b>	<b>5,446</b>	<b>4,934</b>
<b>Bridges</b>		
- at Council's Valuation at 30 June 2008 (c)	1,779	-
- at Council's Valuation at 30 June 2007 (c)	-	1,898
<u>Less:</u> Accumulated Depreciation	(872)	(1,048)
<b>Total Bridges</b>	<b>907</b>	<b>850</b>
<b>Drainage</b>		
- at Council's Valuation at 30 June 2008 (c)	4,843	-
- at Council's Valuation at 30 June 2007 (c)	-	4,686
<u>Less:</u> Accumulated Depreciation	(2,582)	(2,525)
<b>Total Drainage</b>	<b>2,261</b>	<b>2,161</b>
<b>Airport Runways</b>		
- at Council's Valuation at 30 June 2008 (c)	1,822	-
- at Council's Valuation at 30 June 2007 (c)	-	1,751
<u>Less:</u> Accumulated Depreciation	(1,159)	(1,139)
<b>Total Airport Runways</b>	<b>663</b>	<b>612</b>





## Note 21 Property, Plant & Equipment & Infrastructure (continued)

	2007/2008 \$'000	2006/2007 \$'000
<b>Tanks &amp; Bores</b>		
Tanks & Bores – Cost	111	46
- at Council's Valuation at 30 June 2008 (c)	136	-
- at Council's Valuation at 30 June 2007 (c)	-	90
<u>Less: Accumulated Depreciation</u>	(16)	(7)
<b>Total Tanks and Bores</b>	<b>231</b>	<b>129</b>
<b>Gravel Pits &amp; Garbage Tips</b>		
Gravel Pits – Cost	107	107
<u>Less: Accumulated Depreciation</u>	(19)	(15)
Tip Structures – Cost	71	71
<u>Less: Accumulated Depreciation</u>	(51)	(47)
Transfer Stations – Cost	482	388
<u>Less: Accumulated Depreciation</u>	(72)	(49)
<b>Total Gravel Pits &amp; Garbage Tips</b>	<b>518</b>	<b>455</b>

### Basis of Valuation

- (c) The valuations were undertaken by the Council's Engineer, James Magee, Bachelor of Civil Engineering. The basis of valuation is based on estimated replacement cost and subsequently depreciated to reflect the assets current condition and life expectancy.

### Reconciliation of Property, Plant & Equipment & Infrastructure

	Balance at beginning of financial year \$'000	Acquisition of Assets \$'000	Depreciation and Amortisation \$'000	WDV of Disposals & Transfers \$'000	Revaluation Increment/ Decrement \$'000	Balance at end of financial Year \$'000
<b>2007/2008</b>						
Land	1,503	-	-	-	-	1,503
Buildings	14,850	298	(453)	-	-	14,695
Heritage Buildings	1,154	54	(57)	-	-	1,151
<b>Total Land &amp; Buildings</b>	<b>17,507</b>	<b>352</b>	<b>(510)</b>	<b>-</b>	<b>-</b>	<b>17,349</b>
Plant & Machinery	4,251	855	(620)	(181)	-	4,305
Office Equipment	204	351	(82)	(1)	-	472
<b>Total Plant &amp; Equipment</b>	<b>4,455</b>	<b>1,206</b>	<b>(702)</b>	<b>(182)</b>	<b>-</b>	<b>4,777</b>
Roads and Streets	69,147	2,860	(2,993)	-	5,283	74,297
Footpath, Kerb and Channel	4,934	295	(275)	-	492	5,446
Bridges	850	-	(22)	-	79	907
Drainage	2,161	-	(69)	-	169	2,261
Airport Runways	612	-	(37)	-	88	663
Tanks and Bores	129	111	(8)	-	-	230
Gravel Pits & Garbage Tips	455	95	(32)	-	-	518
<b>Total Infrastructure</b>	<b>78,288</b>	<b>3,360</b>	<b>(3,436)</b>	<b>-</b>	<b>6,111</b>	<b>84,322</b>
<b>Total Property, Plant &amp; Equipment &amp; Infrastructure</b>	<b>100,250</b>	<b>4,918</b>	<b>(4,648)</b>	<b>(182)</b>	<b>6,111</b>	<b>106,448</b>



## Note 21 Property, Plant & Equipment & Infrastructure (continued)

### Reconciliation of Property, Plant & Equipment & Infrastructure

	Balance at beginning of financial year \$'000	Acquisition of Assets \$'000	Depreciation and Amortisation \$'000	WDV of Disposals & Transfers \$'000	Revaluation Increment/Decrement \$'000	Balance at end of financial Year \$'000
<b>2006/2007</b>						
Land	1,194	-	-	(16)	325	1,503
Buildings	8,228	1,304	(301)	(47)	5,666	14,850
Heritage Buildings	1,226	5	(56)	(21)	-	1,154
<b>Total Land &amp; Buildings</b>	<b>10,648</b>	<b>1,309</b>	<b>(357)</b>	<b>(84)</b>	<b>5,991</b>	<b>17,507</b>
Plant & Machinery	4,187	876	(581)	(231)	-	4,251
Office Equipment	220	37	(48)	(5)	-	204
<b>Total Plant &amp; Equipment</b>	<b>4,407</b>	<b>913</b>	<b>(629)</b>	<b>(236)</b>	<b>-</b>	<b>4,455</b>
Roads and Streets	72,560	2,739	(2,977)	-	(3,175)	69,147
Footpath, Kerb and Channel	5,053	320	(274)	-	(165)	4,934
Bridges	1,035	-	(26)	-	(159)	850
Drainage	2,293	4	(70)	-	(66)	2,161
Airport Runways	640	-	(32)	-	4	612
Tanks and Bores	56	18	(3)	-	58	129
Gravel Pits & Garbage Tips	482	5	(32)	-	-	455
<b>Total Infrastructure</b>	<b>82,119</b>	<b>3,086</b>	<b>(3,414)</b>	<b>-</b>	<b>(3,503)</b>	<b>78,288</b>
<b>Total Property, Plant &amp; Equipment &amp; Infrastructure</b>	<b>97,174</b>	<b>5,308</b>	<b>(4,400)</b>	<b>(320)</b>	<b>2,488</b>	<b>100,250</b>

## Note 22 Restricted Assets

Assets, which have restrictions externally imposed on their use by law or regulation and which are included in Council's assets.

	2007/2008 \$'000	2006/2007 \$'000
Restricted assets with offsetting liabilities		
Long Service Leave – Investments (a)	778	729
Trust Funds & Refundable Deposits (a)	47	21
<b>Sub Total</b>	<b>825</b>	<b>750</b>
Restricted assets forming part of Equity		
Unexpended Specific Purpose Grants (b)	436	1,299
Land & Buildings (c)	6,561	6,524
Heritage Assets (d)	1,151	1,154
Infrastructure Assets (d)	84,322	78,389
<b>Sub Total</b>	<b>92,470</b>	<b>87,366</b>
<b>Total</b>	<b>93,295</b>	<b>88,116</b>

- (a) Imposed by regulation
- (b) Government Grants not fully expended
- (c) Crown Land
- (d) No commercial market



## Note 23 Trade and Other Payables

	2007/2008 \$'000	2006/2007 \$'000
Current		
Creditors	1,588	671
Tax Liabilities	11	50
Accruals	76	52
<b>Total</b>	<b>1,675</b>	<b>773</b>

## Note 24 Trust Funds and Deposits

Amounts received as tender deposits and retention amounts.

	2007/2008 \$'000	2006/2007 \$'000
Contractors Retention Amount	42	16
Building Deposits	5	5
<b>Total</b>	<b>47</b>	<b>21</b>

## Note 25 Provisions

	2007/2008 \$'000	2006/2007 \$'000
Current		
Annual Leave	627	581
Long Service Leave – Short Term	44	99
Long Service Leave – Longer Term	754	647
Retiring Gratuity	48	44
Other Employee Benefits	29	196
Gravel Pit Reinstatement	66	51
Garbage Pit Reinstatement	44	38
<b>Sub Total</b>	<b>1,612</b>	<b>1,656</b>
Non Current		
Long Service Leave	115	124
Retiring Gratuity	19	25
Gravel Pit Reinstatement	107	111
Garbage Pit Reinstatement	13	26
<b>Sub Total</b>	<b>254</b>	<b>286</b>
<b>Total</b>	<b>1,866</b>	<b>1,942</b>
The following assumptions were adopted in measuring the present value of annual leave, long service leave and retiring gratuity:		
Weighted average employee costs	4.75%	4.50%
Weighted average discount rates	6.54%	6.32%
Weighted average settlement period	12	12

A provision is created upon the extraction of gravel from private land for its re-instatement on an ongoing basis and at the end of the pits life. An assessment of the re-instatement works required for each pit is calculated against the balance of the provision at the end of the financial period. Where necessary the balance is adjusted.



Note 25 Provisions (continued)

	Balance at beginning of financial year \$'000	Additional provisions \$'000	Provisions Used \$'000	Balance at end of financial year \$'000
<b>2007/2008</b>				
Annual Leave	581	428	(382)	627
Long Service Leave	870	118	(75)	913
Retiring Gratuity	69	5	(7)	67
Other Employee Benefits	196	29	(196)	29
Gravel Pit Reinstatement	162	91	(80)	173
Garbage Tip Reinstatement	64	-	(7)	57
<b>Total Provisions</b>	<b>1,942</b>	<b>671</b>	<b>(747)</b>	<b>1,866</b>
<b>2006/2007</b>				
Annual Leave	508	401	(328)	581
Long Service Leave	797	129	(58)	870
Retiring Gratuity	72	2	(5)	69
Other Employee Benefits	197	196	(197)	196
Gravel Pit Reinstatement	170	17	(25)	162
Garbage Tip Reinstatement	89	(16)	(9)	64
<b>Total Provisions</b>	<b>1,833</b>	<b>729</b>	<b>(622)</b>	<b>1,942</b>



## Note 26 Interest Bearing Loans and Borrowings

	2007/2008 \$'000	2006/2007 \$'000
<b>Borrowings</b>		
Current		
Borrowings – Secured	165	247
<b>Total Current</b>	<b>165</b>	<b>247</b>
Non-Current		
Borrowings – Secured	195	362
<b>Total Non-Current</b>	<b>195</b>	<b>362</b>
<b>Total</b>	<b>360</b>	<b>609</b>
The maturity profile for Council's borrowings is:		
Not later than one year	165	247
Later than one year and not later than five years	195	362
<b>Total Borrowings Liabilities</b>	<b>360</b>	<b>609</b>
<b>Finance Lease</b>		
Council had the following obligation under finance lease for the lease of computer equipment (the sum of which is recognised as a liability)		
Current		
Finance Lease	58	-
<b>Total Current</b>	<b>58</b>	<b>-</b>
Non-Current		
Finance Lease	211	-
<b>Total Non-Current</b>	<b>211</b>	<b>-</b>
<b>Total</b>	<b>269</b>	<b>-</b>
The maturity profile for Council's finance lease is:		
Not later than one year	58	-
Later than one year and not later than five years	211	-
<b>Total Finance Lease Liabilities</b>	<b>269</b>	<b>-</b>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	223	247
Non Current	406	362
<b>Total</b>	<b>629</b>	<b>609</b>
<b>Financing Arrangements</b>		
Bank Overdraft Limit	1,200	1,200
Bank Guarantee Facility	107	107
Borrowing Facility	360	609
<b>Total</b>	<b>1,667</b>	<b>1,916</b>



## Note 27 Reserves

	Balance 2007	Increment/ (Decrement)	Balance 2008
	\$'000	\$'000	\$'000
<b>2008</b>			
<b>Revaluation Reserves</b>			
Land	1,116	-	1,116
Buildings	11,453	-	11,453
Roads & Streets	24,381	5,283	29,664
Footpath, Kerb and Channel	1,976	492	2,468
Bridges	362	79	441
Drains	948	169	1,117
Airport Runways	259	88	347
Bores & Tanks	58		58
<b>Sub Total</b>	<b>40,553</b>	<b>6,111</b>	<b>46,664</b>
<b>General Reserves</b>			
Aerodrome Maintenance	15	-	15
<b>Sub Total</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>Total</b>	<b>40,568</b>	<b>6,111</b>	<b>46,679</b>

	Balance 2006	Increment/ (Decrement)	Balance 2007
	\$'000	\$'000	\$'000
<b>2007</b>			
<b>Revaluation Reserves</b>			
Land	791	325	1,116
Buildings	5,787	5,666	11,453
Roads & Streets	27,556	(3,175)	24,381
Footpath, Kerb and Channel	2,141	(165)	1,976
Bridges	521	(159)	362
Drains	1,014	(66)	948
Airport Runways	255	4	259
Bores & Tanks	-	58	58
<b>Sub Total</b>	<b>38,065</b>	<b>2,488</b>	<b>40,553</b>
<b>General Reserves</b>			
Aerodrome Maintenance	15	-	15
<b>Sub Total</b>	<b>15</b>	<b>-</b>	<b>15</b>
<b>Total</b>	<b>38,080</b>	<b>2,488</b>	<b>40,568</b>





## Note 28 Reconciliation of Cash Flows from Operating Activities to Surplus (Deficit)

	2007/2008 \$'000	2006/2007 \$'000
Surplus (Deficit) for the period	(143)	539
Depreciation	4,462	4,252
<u>Capital / Financing Related Items</u>		
Change in Investment in Library	33	13
Loss / (Profit) on Sale of Property, Plant & Equipment	3	67
Increase/(Decrease) Gypsum Pit Owners balance	(77)	(24)
Change in Capital Creditors	(768)	(38)
<u>Change in Assets &amp; Liabilities</u>		
(Increase)/Decrease in Receivables	15	(104)
Increase/(Decrease) in Employee Benefits	(80)	142
(Increase)/Decrease in Inventories	73	(24)
(Increase)/Decrease in Other Assets	(84)	197
Increase/(Decrease) in Payables & Other Liabilities	955	235
<b>Net Cash Provided by / (Used in) Operating Activities</b>	<b>4,389</b>	<b>5,255</b>
<b>The reconciliation of cash and cash equivalents is as follows:</b>		
Cash and cash equivalents (see Note 17)	6,045	5,343

## Note 29 Operating Lease Commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases (these obligations are not recognised as liabilities).

	2007/2008 \$'000	2006/2007 \$'000
Motor Vehicles	18	50
<b>Total</b>	<b>18</b>	<b>50</b>
These expenditures are due for payment:		
Not later than one year	18	36
Later than one year and not later than five years	-	14
<b>Total</b>	<b>18</b>	<b>50</b>

## Note 30 Other Commitments

At the reporting date, the Council had entered into contracts for the following capital and other expenditure, which have not been recognised as liabilities in the balance sheet as follows:

	2007/2008 \$'000	2006/2007 \$'000
<b>Operating</b>		
Kerbside Garbage Collection	485	680
Kerbside Recycling Collection	525	710
Murtoa Swimming Pool Upgrade	242	-
<b>Total</b>	<b>1,252</b>	<b>1,390</b>
These expenditures are due for payment:		
Not later than one year	622	330
Later than one year and not later than five years	630	1,060
<b>Total</b>	<b>1,252</b>	<b>1,390</b>



## Note 31 Superannuation

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

The Fund's accumulation category, Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (9% required under Superannuation Guarantee Legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund. From the 1<sup>st</sup> July 2008 employers are required to pay superannuation guarantee contributions based on Ordinary Time Earnings (OTE) which may put upward pressure on contribution levels.

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

Council makes employer contributions to the defined 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 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:

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

The Fund's liability for accrued benefits was determined by the Actuary at the 30 June 2007 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	30 June 2007 \$'000
Net Market Value of Assets	4,102,154
Accrued Benefits (per accounting standards)	3,923,436
Difference between Assets and Accrued Benefits	178,718
Vested Benefits	3,572,589

The Accrued Benefits liability has been determined by the Actuary at 30 June 2007 outside of the full actuarial review which is normally undertaken every three years and most recently performed as at 31 December 2007. This liability is calculated to satisfy the requirements of AAS25 and is not reflected in the audited financial statements of the Fund at 30 June 2007.

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

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



### Note 31 Superannuation (continued)

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

	2007/2008 \$'000	2006/2007 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	417	391
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date	-	-

Council has an ongoing obligation to share in the future experience of the Fund. Favourable or unfavourable variations may arise should the experience of the Fund differ from the assumptions made by the Fund's actuary in estimating the Fund's accrued benefit liability.

### Note 32 Auditors' Remuneration

	2007/2008 \$'000	2006/2007 \$'000
External audit fees – Victorian Auditor General	24	19
Internal audit fees – AFS & Associates	9	5
<b>Total</b>	<b>33</b>	<b>24</b>

### Note 33 Events occurring after the Balance Date

At the date of this report the Council is not aware of any activities giving rise to an event occurring after the balance date.

### Note 34 Contingent Assets & Contingent Liabilities

At the date of this report the Council is not aware of any activities giving rise to a contingent asset or a contingent liability.



## Note 35 Financial Instruments

### (a) Accounting Policy, Terms & Conditions

Financial Instruments	Notes	Accounting Policy	Terms and Conditions
<b>Financial Assets</b>			
Cash and cash equivalents	17	Cash on hand and at bank and money market call account are valued at face value.	Cash funds are at call and have an average interest rate of 6.67% (6.01% in 2006/2007).
		Investments and bills are valued at cost.	Funds returned fixed interest rate of between 7.69% (6.10% in 2006/2007), and 7.76% (6.42% in 2006/2007) net of fees.
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenue is recognised as it accrues.	
Trade and other receivables	18	Trade and other receivables, are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection of the full nominal amount is no longer probable. Collectability of overdue amounts is assessed on an ongoing basis	General debtors are unsecured. Credit terms are based on 30 days.
<b>Financial Liabilities</b>			
Bank Overdraft	N/A	The Council has a \$1,200,000 bank overdraft facility, which is used, in part, from time to time. The balance owing at 30/06/2008 was nil.	Interest is charged at the bank's benchmark rate. The bank overdraft is secured by a charge over the rates of the Council.
Trade and other payables	23	Trade Creditors are recognised for amounts to be paid in the future for goods and services received, whether or not billed to the Council.	General Creditors are unsecured, not subject to interest charges and are normally settled on 30 days.
Interest-bearing loans and borrowings.	26	Loans are carried at their principal amounts which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognized as part payables.	Borrowings are secured by way of mortgage over the general rates of the Council. The weighted average interest rate on borrowings is 6.42% during 2007/2008 (6.10% in 2006/2007)



## NOTES TO THE ACCOUNTS

### Note 35 Financial Instruments (continued)

#### (b) Interest rate risk

The Council's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognized and unrecognized at balance date, are as follows: -

Financial Instruments	Fixed Interest Rate Maturing in:				
	Floating Interest Rate	Non–			Total
		1 year or less	Over 1 to 5 years	Interest Bearing	
	\$'000	\$'000	\$'000	\$'000	\$'000
2008					
(i) Financial Assets					
Cash and cash equivalents	1,777	4,266	-	2	6,045
Trade and other receivables	-	120	-	1,039	1,159
Accrued Income	-	52	-	27	79
Total Financial Assets	1,777	4,438	-	1,068	7,283
Weighted Average Interest Rate	6.67%	8.12%	-	-	6.71%
(ii) Financial Liabilities					
Trade and other payables	-	-	-	1,675	1,675
Interest – bearing loans and Borrowings	-	165	196	268	629
Total Financial Liabilities	-	165	196	1,943	2,304
Weighted Average Interest Rate	n/a	6.42%	6.50%	-	1.23%
Net Financial Assets (Liabilities)	1,777	4,273	(196)	(875)	4,979

Financial Instruments	Fixed Interest Rate Maturing in:				
	Floating Interest Rate	1 year or less	Over 1 to 5 years	Non–Interest Bearing	Total
	1.\$'000	\$'000	\$'000	\$'000	\$'000
2007					
(i) Financial Assets					
Cash and cash equivalents	4,456	885	-	2	5,343
Trade and other receivables	-	117	-	1,057	1,174
Accrued Income	-	12	-	70	82
<b>Total Financial Assets</b>	<b>4,456</b>	<b>1,014</b>	<b>-</b>	<b>1,129</b>	<b>6,599</b>
<b>Weighted Average Interest Rate</b>	<b>6.02%</b>	<b>6.35%</b>	<b>-</b>	<b>-</b>	<b>5.30%</b>
(ii) Financial Liabilities					
Trade and other payables	-	-	-	773	773
Interest – bearing loans and Borrowings	-	247	362	-	609
<b>Total Financial Liabilities</b>	<b>-</b>	<b>247</b>	<b>362</b>	<b>773</b>	<b>1,382</b>
<b>Weighted Average Interest Rate</b>	<b>n/a</b>	<b>6.07%</b>	<b>6.47%</b>	<b>-</b>	<b>2.78%</b>
<b>Net Financial Assets (Liabilities)</b>	<b>4,456</b>	<b>767</b>	<b>(362)</b>	<b>32</b>	<b>4,893</b>



## Note 35 Financial Instruments (continued)

### c) *Net Fair Values*

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	6,045	5,343	6,045	5,343
Trade and other receivables	1,159	1,174	1,159	1,174
Accrued Income	79	82	79	82
<b>Total Financial Assets</b>	<b>7,283</b>	<b>6,599</b>	<b>7,283</b>	<b>6,599</b>
<b>Financial Liabilities</b>				
Trade and other payables	1,675	773	1,675	773
Interest – bearing loans and borrowings	629	609	629	609
<b>Total Financial Liabilities</b>	<b>2,304</b>	<b>1,382</b>	<b>2,304</b>	<b>1,382</b>

### d) *Credit risk*

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

### e) *Risks and mitigation*

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

#### *Market risk*

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

#### *Interest rate risk*

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

Our loan borrowings are sourced from major Australian banks. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of finding;
- 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 Australia Loan Council each year.

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

- conformity with State and Federal regulations and standards,
- adequate safety,





**Note 35 Financial Instruments (continued)**

- 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.

*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 may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating.

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 Victoria 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.

*Liquidity Risk*

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

- we have readily accessible standby facilities and other funding arrangements in place; and
- monitor budget to actual performance on a regular basis.

**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 sources from the Federal Bank of Australia):

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

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

	Interest rate risk				
	Carrying amount subject to interest	-1% 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
<b>Financial Assets:</b>					
Cash and cash equivalents	6,045	(60)	(60)	121	121
Other financial assets	246	(2)	(2)	5	5
Trade and other receivables	1159	(12)	(12)	23	23
<b>Financial Liabilities</b>					
Interest-bearing loans and borrowings	629	(6)	(6)	13	13

## NOTES TO THE ACCOUNTS

### Note 36 Related Party Transactions

- (a) The Responsible Persons holding office at Yarriambiack Shire Council during the reporting period were:

<b>Councillors:</b>	Geoffrey William LOVEL Helen Anne McCulloch BALLENTINE Allan Stanley AVERY Jean Margaret WISE Amanda Margaret Anne GREASY Nicholas Vaughan McINTYRE Andrew Robert McLEAN Ray CAMPLING	(Mayor from December 2006)
<b>Chief Executive Officer:</b>	Ray CAMPLING	

- (b) *Remuneration of Responsible Persons*

	2007/2008 No.	2006/2007 No.
Annualised remuneration of responsible persons were within the following bands:		
\$1 – \$9,999	-	-
\$10,000 – \$19,999	6	5
\$20,000 – \$29,999	-	1
\$30,000 – \$39,999	1	1
\$140,000 – \$149,999	-	-
\$170,000 – \$179,999	1	1
<b>Total</b>	<b>8</b>	<b>8</b>

	2007/2008 \$'000	2006/2007 \$'000
Total remuneration for the reporting year for responsible persons included above, amounted to:	273	307

- (c) Council paid no retirement benefits in connection with the retirement of Responsible Persons of the Council.
- (d) No loans have been made, guaranteed or secured by the Council to Responsible Persons during the reporting year (2006/2007 – Nil).
- (e) *Other Transactions*  
No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2006/2007 – Nil).
- (f) *Senior Officers Remuneration*  
A Senior Officer other than a Responsible Person is an officer of Council who has management responsibility and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$100,000.

The number of senior officers other than the Responsible Persons is shown below in their relevant income bands.

	2007/2008 No.	2006/2007 No.
\$80,000 – \$89,999	3	2
\$90,000 – \$99,999	1	1
\$100,000 – \$109,999	2	1
<b>Total</b>	<b>6</b>	<b>4</b>

	2007/2008 \$'000	2006/2007 \$'000
Total remuneration for the reporting period for responsible persons included above, amounted to:	408	372



## NOTES TO THE ACCOUNTS

### Note 37 Revenue, Expenses and Assets by Function / Activity

	Total	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment
<b>2008</b>							
<b>Income</b>							
Rates	6,773	6,156	-	-	-	-	617
Grants & Reimbursement	6,984	3,784	1,284	166	445	1,172	133
Other	2,149	482	501	86	218	820	42
<b>Total Income</b>	<b>15,906</b>	<b>10,422</b>	<b>1,785</b>	<b>252</b>	<b>663</b>	<b>1,992</b>	<b>792</b>
<b>Expenses</b>							
Employee Costs	5,218	1,436	1,556	401	108	1,602	115
Depreciation	4,462	138	139	34	260	3,861	30
Other	6,369	1,046	654	335	1,494	1,967	873
<b>Total Expenses</b>	<b>16,049</b>	<b>2,620</b>	<b>2,349</b>	<b>770</b>	<b>1,862</b>	<b>7,430</b>	<b>1,018</b>
<b>Surplus (Deficit) for the year</b>	<b>(143)</b>	<b>7,802</b>	<b>(564)</b>	<b>(518)</b>	<b>(1,199)</b>	<b>(5,438)</b>	<b>(226)</b>
<b>Assets attributed to Functions / Activities</b>	<b>114,386</b>	<b>9,670</b>	<b>4,923</b>	<b>1,301</b>	<b>7,962</b>	<b>89,885</b>	<b>623</b>
	Total	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment
<b>2007</b>							
<b>Income</b>							
Rates	6,316	5,848	-	-	-	-	468
Grants & Reimbursement	7,410	3,619	1,167	366	747	1,334	177
Other	2,052	432	502	97	125	849	47
<b>Total Income</b>	<b>15,778</b>	<b>9,899</b>	<b>1,669</b>	<b>463</b>	<b>872</b>	<b>2,183</b>	<b>692</b>
<b>Expenses</b>							
Employee Costs	4,952	1,375	1,330	410	106	1,578	153
Depreciation	4,252	78	75	16	221	3,829	33
Other	6,035	1,134	639	245	1,522	1,723	772
<b>Total Expenses</b>	<b>15,239</b>	<b>2,587</b>	<b>2,044</b>	<b>671</b>	<b>1,849</b>	<b>7,130</b>	<b>958</b>
<b>Surplus (Deficit) for the year</b>	<b>539</b>	<b>7,312</b>	<b>(375)</b>	<b>(208)</b>	<b>(977)</b>	<b>(4,947)</b>	<b>(266)</b>
<b>Assets attributed to Functions / Activities</b>	<b>107,524</b>	<b>8,661</b>	<b>4,923</b>	<b>1,315</b>	<b>7,997</b>	<b>84,005</b>	<b>625</b>

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



## NOTES TO THE ACCOUNTS

### Note 37 Revenue, Expenses and Assets by Function / Activity (continued)

The activities relating to the municipality's components reported on are as follows:

#### CORPORATE SERVICES

General rates and Grants Commission revenue, council, general administration and finance costs which are not allocated to the other functions.

#### COMMUNITY SERVICES

Fire Prevention, Animal Control, Emergency Management and the administration of Local Laws, Maternal & Child Health Services, Health Act administration, Immunizations, Preschools and Rental Accommodation, Homecare, Senior Citizen Centres, Meals on Wheels, Home Maintenance, Emergency Transport and Sundry Welfare Services.

#### FUTURE DEVELOPMENT

Planning, Building Control, Commercial and Industrial Promotion, Caravan Parks, Tourist Promotion and Public Conveniences.

#### COMMUNITY FACILITIES

Maintenance of Halls, Cultural Buildings, and operation of the Library, Parks and Reserves, Recreation Centres, Swimming Pools, Sporting Clubs, Sale yards and other sundries.

#### TRANSPORT

Construction and maintenance of Roads and Bridges, Footpaths, Parking Facilities, Traffic Control, Street Lighting, Street Cleaning and Drainage, Plant Operations, Workshops and Depots, Weighbridges and Quarries.

#### WASTE AND ENVIRONMENT

Rubbish Collection, Recycling and Disposal and Tree Schemes.

### Note 38 Financial Ratios

		2007/2008		2006/2007		2005/2006	
		\$	%	\$	%	\$	%
(1)	<b>Debt Exposure Ratio</b>						
(To identify Council's exposure to debt)							
	<u>Total indebtedness</u>	3,392		2,595		2,148	
	<u>Total realisable assets</u>	30,042	0.11	20,163	0.13	15,178	0.14

Total realisable assets includes current and non-current assets but excludes infrastructure assets.



## NOTES TO THE ACCOUNTS

### Note 37 Financial Ratios (continued)

	2007/2008		2006/2007		2005/2006	
	\$	%	\$	%	\$	%
<b>(2) Working Capital Ratio</b>						
(To assess a Council's ability to meet current commitments)						
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{7,536}{3,557}$	2.07	$\frac{6,610}{2,697}$	2.45	$\frac{6,088}{2,249}$	2.71
<b>(3) Adjusted Working Capital Ratio</b>						
(To assess a Council's ability to meet current commitments)						
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$						
Current Liabilities have been reduced to reflect the long service liability 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 even though it is unlikely to fall due within 12 months after the end of the period.	$\frac{7,536}{3,054}$	2.46	$\frac{6,610}{2,127}$	3.11	$\frac{6,088}{1,757}$	3.46
<b>(4) Debt Commitment Ratio</b>						
(To identify Council's debt redemption strategy)						
$\frac{\text{Debt Servicing \& Redemption}}{\text{Rate Revenue}}$	$\frac{13}{6,773}$	0.19%	$\frac{289}{6,316}$	4.58%	$\frac{285}{5,823}$	4.89%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft						
<b>(5) Debt Servicing Ratio</b>						
(To identify Council's capacity to service its outstanding debt)	$\frac{-33}{-15,906}$	0.21%	$\frac{-28}{-15,778}$	0.18%	$\frac{-43}{-15,129}$	0.28%
$\frac{\text{Debt Servicing Costs}}{\text{Total Revenue}}$						
<b>(6) Revenue Ratio</b>						
(To identify Council's dependence on non-rate income)	$\frac{6,773}{15,906}$	42.58%	$\frac{6,316}{15,778}$	40.03%	$\frac{5,823}{15,129}$	38.49%
$\frac{\text{Rate Revenue}}{\text{Total Revenue}}$						



## CERTIFICATION OF FINANCIAL REPORT

In my opinion the accompanying financial statements of the Yarriambiack Shire Council for the year ended 30<sup>th</sup> June 2008 has 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.



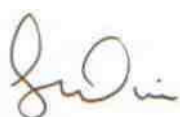
**Anita J. McFarlane**  
Principal Accounting Officer

Dated: 24<sup>th</sup> September 2008  
Warracknabeal

In our opinion the accompanying financial statements present fairly the financial transactions of the Yarriambiack Shire Council for the year ended 30<sup>th</sup> June 2008 and the financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstance that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council on 9 September 2008 to certify the financial statements in their final form.



**Jean M. Wise**  
Councillor  
Dated: 24<sup>th</sup> September 2008  
Warracknabeal



**Geoffrey W. Lovel**  
Councillor  
Dated: 24<sup>th</sup> September 2008  
Warracknabeal



**Ray Campling**  
Chief Executive Officer  
Dated: 24<sup>th</sup> September 2008  
Warracknabeal



# INDEPENDENT AUDIT

## VAGO

### Victorian Auditor-General's Office INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Yarriambiack Shire Council

##### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2008 of the Yarriambiack Shire Council which comprises of income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of financial statements has been audited.

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

##### *The Councillors Responsibility for the Financial Report and Standard Statements*

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

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

This responsibility includes:

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

##### *Auditor's Responsibility*

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

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

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*Auditing in the Public Interest*



## INDEPENDENT AUDIT

# VAGO

Victorian Auditor-General's Office

### Independent Auditor's Report (continued)

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

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

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

#### *Independence*

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

#### *Auditor's Opinion*

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of the Yarriambiack Shire Council as at 30 June 2008 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE  
25 September 2008

  
D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*

