

# ANNUAL REPORT

## 2009/2010



**Yarriambiack**  
SHIRE COUNCIL



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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:** \$6,807,493.32

**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, Corrongo 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	40	Total Value	\$ 2,281,214
Building Permits Issued	117	Total Value	\$ 4,309,315
Properties (total)	7617	Total Value (CIV)	\$ 1,267,366,000
Properties Rateable	6757	Total Value (CIV)	\$ 1,233,988,700





## REPORT FROM THE MAYOR

As Mayor of Yarriambiack Shire Council it is with much pride and pleasure that I present the introduction to the 2009/2010 Yarriambiack Shire Council Annual Report. The intention of this report is to clearly demonstrate and illustrate to our residents, stakeholders and visitors, Yarriambiack Shire Council's commitment to the ongoing sustainability, variability, and prosperity of our remarkable municipality.

Since being elected to the position of Mayor in December 2009 it has definitely been an incredible honour for me to serve and represent our community in this very privileged capacity. Councillors and staff very much appreciate and comprehend the challenging and extremely frustrating times and conditions that we as a community have endured over an extended period of time and sincerely commend and congratulate everyone for remaining particularly resilient, positive, committed and focused. Hopefully the positive start to the new season that we are presently experiencing continues until cropping is completed!

Undoubtedly this is an extremely crucial and critical period in the ongoing future of our municipality and in saying that Council realizes and appreciates that some of the difficult decisions we make today will hopefully and eventually have a long term beneficial and advantageous impact in nurturing and developing the type of community that we choose and desire to live in now and in the future.

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

I truly 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 sustainability and viability of our municipality.

I believe that 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 as a team for the overall 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. 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 accomplishments of Council over the past year and I firmly 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 result we are hopefully doing things better and more efficiently which is directly and indirectly 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, work and visit.

In closing, I very much wish to extend my appreciation and congratulations to the Council staff led by our Chief Executive Officer for their commitment, enthusiasm and professionalism. In addition I would particularly like to sincerely congratulate and thank the vast array of volunteers who have contributed so much energy and personal time to assist and enhance the lives of so many people throughout the Yarriambiack Shire.

Your wonderful efforts are very much appreciated. Thank you and please keep up the exceptional and selfless work as it is very much appreciated and acknowledged.

**Mayor Jean Wise**  
**Yarriambiack Shire Council**





## REPORT FROM THE CEO

The 2009/2010 financial year on reflection was not too dissimilar from previous years as it was a year in which we worked extremely diligently to consolidate and build 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.

As in past years considerable time, effort and energy has been expended and focused on relationship development and enhancement, 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 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 much compelled and obligated 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 for the direct and indirect benefit of the Shire and ultimately the achievement of our community's aspirations.

The information contained in this report will provide the community with an opportunity to gauge for themselves the progress that Yarriambiack Shire Council has made during the 2009/2010 financial year. It is envisaged that the year ahead will again offer a wide range of unparalleled challenges and an array of 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 also be numerous challenges that we will be required to address. Possibly more than we have previously encountered however I am extremely confident, in fact, I know that we have the leadership, commitment, enthusiasm and professionalism and most importantly the teamwork to succeed.

Council is particularly committed to continually reviewing the way in which we do things, how 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 sincerely thank them for their much appreciated efforts and commitment. I am extremely proud of every one of them; it is definitely a pleasure and privilege to work with them. Keep up the great work it is very much appreciated and respected.

To the Mayor Jean Wise and your fellow 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 delight 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.

**Ray Campling**  
**Chief Executive Officer**  
**Yarriambiack Shire Council**



## COUNCILLOR PROFILES



### **Mayor Jean Wise. Warracknabeal Ward.**

**Elected unopposed in August 1998.**

Australian Local Government Womens Association  
Municipal Emergency Management Committee  
RoadSafe Wimmera  
Wimmera Development Association  
Yarriambiack Chaplaincy Council



### **Cr Helen Ballentine. Hopetoun Ward.**

**Elected to Council in November 2005.**

Wimmera Mallee Tourism Steering Group  
Municipal Emergency Management Committee  
GWM Water Regional Recreation Water Users Group  
Yarriambiack Drought Committee



### **Cr Andrew McLean. Hopetoun Ward.**

**Elected to Council in March 2003.**

Grampians Waste Management Group  
GWM Water CC Mallee Users Group  
North Western Municipalities Association  
Mallee Rural Financial Counselling Service  
Municipal Association of Victoria  
Sustainability Accord  
Yarrilinks  
Sunraysia Highway Improvement Committee  
Yarriambiack Creek Advisory Committee



### **Cr Geoff Lovel. Warracknabeal Ward.**

**Elected to Council in March 1997**

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

Grampians Waste Management Group  
Yarriambiack Shire Council Internal Audit Committee  
Wimmera Regional Transport Group  
Yarriambiack Drought Committee



## COUNCILLOR PROFILES



### **Cr Kylie Zanker. Warracknabeal Ward.**

**Elected to Council in November 2008.**

Municipal Emergency Management Planning Committee  
Wimmera Regional Library Service  
Wimmera Volunteers Inc  
Yarriambiack Shire Council Internal Audit Committee  
Yarriambiack Shire Council Fire Prevention Committee



### **Cr Ray Kingston. Dunmunkle Ward.**

**Elected to Council in November 2008.**

Sustainability Accord  
Victorian Saleyards Association  
Warracknabeal Saleyards Committee  
Yarriambiack Creek Advisory Committee  
Yarriambiack Shire Council Fire Prevention Committee  
Yarrilinks



### **Cr John Kemfert. Dunmunkle Ward.**

**Elected to Council in November 2008.**

Municipal Association of Victoria  
North Western Municipalities Association  
Wimmera Rail Association / Rail Standardisation  
Wimmera Regional Sports Assembly

## COUNCILLOR MEETING ATTENDANCE

Councillor	Attended
Jean Wise	11 out of 11
Andrew McLean	11 out of 11
Helen Ballentine	10 out of 11
Geoff Lovel	9 out of 11
Ray Kingston	11 out of 11
John Kemfert	11 out of 11
Kylie Zanker	11 out of 11



## SENIOR MANAGEMENT

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

Ray Campling  
James Magee  
Anita McFarlane  
Gavin Blinman  
Terry Sanders  
Bernie Naylor

## COUNCIL OFFICES



### MUNICIPAL OFFICE:

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



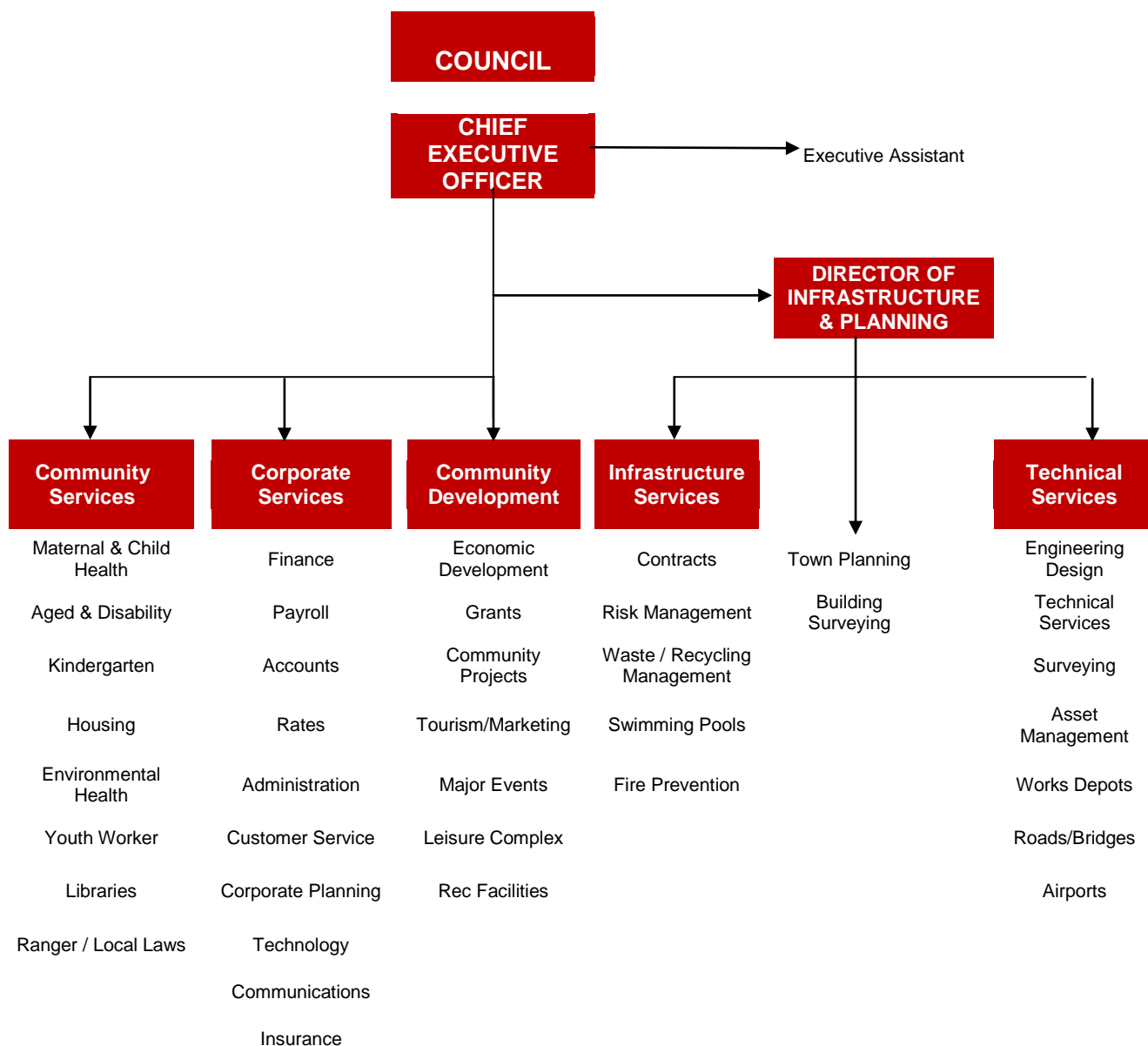
### RUPANYUP DISTRICT OFFICE:

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





## ORGANISATIONAL STRUCTURE



	MALE	FEMALE	TOTAL
<b>FULL TIME</b>	57	15	<b>72</b>
<b>PART TIME</b>	2	46	<b>48</b>
<b>CASUAL</b>	2	13	<b>15</b>
<b>TOTAL</b>	<b>61</b>	<b>74</b>	<b>135</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



#### 2009/2010 Achievements and Activities

- Continued a service agreement with Vicroads for maintenance of 400 km of arterial roads within the municipality. The agreement means an additional income stream approx. of \$500,000 per annum
- Liaised with Iluka to get trucks off the road and onto rail at Hopetoun with agreement on concept gained during year
- Continuation 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 with the final 3km of narrow section now widened and reconstructed
- Completed another block of kerb and channel replacement at Breen Street Murtoa including seal widening and final seal.
- Continued to update vehicle fleet with greater emphasis being given to vehicles with environmental advantages
- Purchase of efficient high capacity Jetpatcher road maintenance unit
- Completed Environmental Strategy for municipality with external funding from Victorian Local Government Sustainability Accord
- Completed installation of tanks to Wimmera Mallee Pipeline Project
- Commenced review of Road Management Plan
- Undertook construction and sealing of R Learmonth Road, Minyip
- Undertook construction and sealing of access road to Lake Lascelles, Hopetoun
- Successfully completed gained funding via Roads to Markets Program for improvement and widening works on the Yaapect Rainbow Road and Dimboola Minyip Road
- Constructed and sealed 2.4km previously gravel section of Browns Road to provide better access to gypsum pit

#### Staffing

56 Equivalent Full Time Staff



## 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 office.

#### 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.

### 2009/2010 Achievements and Activities

#### Finance

Participation in MAV Financial Credibility Study  
Review and update Council Investment Policy  
Review and update Council Credit Card Policy

#### Rates & Property

The Exceptional Circumstances status was extended to include 2009/2010 year.  
Completion of 2010 property valuation

#### Information Technology

Updated and implemented new council website  
Implementation of four new servers  
Appointment of a new Information Technology contractor  
Updated and replaced computer cabling in the Warracknabeal office  
Implementation of 2007 Microsoft Office.

#### Administration

Update and print 2010 Business Directory

### Staffing

10 Equivalent Full Time Staff



# Community Services

## Gavin Blinman

### Objectives

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

### Areas of Responsibility

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

### 2009/2010 Achievements and Activities:

- Undertook the Universal Access 15 hours review for Kindergartens in Yarriambiack shire, Hindmarsh shire and West Wimmera shire.
- Released new Early Years plan for next 5 years.
- Over 300 senior citizens attended the picnic in the park and concert at Warracknabeal as part of Seniors week celebrations.
- Initiated a forum for Mental Health providers in response to the rising mental health issues and suicide rate amongst young people in the shire.
- Worked with community members to bring Jeff Kennett to Warracknabeal to hold a Beyond Blue forum. Over 400 people attended from across the region.
- Established a Municipal Recovery committee with community representatives.
- Developed a Municipal Heatwave plan.
- Warracknabeal Kindergarten teacher Glenda Hewitt is awarded Outstanding Early Childhood teacher of the year.
- Set up regular visits by Wimmera Uniting Care to provide local people with financial counselling and reduce dependence on Emergency relief support.
- Maternal and Child Health nurses establish regular immunisation clinics each month to address unmet need and improve immunisation rates across shire.
- HACC coordination staff improved professional skills completing Diploma's in Welfare and Community service management.
- Volunteer transport coordinator recruited and trained 14 new volunteer drivers.
- All volunteer drivers given shire uniforms.
- Review of Centre based meals and Meals on Wheels, consumer satisfaction high.
- Developed a draft Public Health plan for public comment.
- Developed a draft Recreational Water Monitoring and Response program for public comment.
- Completed School based Immunisation program
- Upgrades to Murtoa, Rupanyup, Woomelang and Beulah M&CH centres.
- Implementation of Key Ages and Stages program in M&CH.
- Hosted regional M&CH meeting in Warracknabeal.
- New M&CH nurse in the south of shire, all services reviewed as a result.
- All Emergency Relief centres in shire reviewed under new guidelines.

### Staffing

22.5 Effective Full Time



# Economic Development

## Terry Sanders

### Objectives

The key objectives of the Economic Development Unit for 2009/10 were:

- Maintain a positive investment environment
- Support existing businesses and encourage expansion
- Attract external investment

### Areas of Responsibility

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



### 2009/2010 Achievements and Activities

The major achievements for 2009/10 were:

- Continuation of the very successful “Buy Local” campaign
- State Government funding provided for the development of the Warracknabeal Industrial Estate.
- Production of the Shire Business Directory
- Business networking workshop
- Promotion of business development opportunities resulting from the completion of the Wimmera Mallee Pipeline
- Successful operation of the community owned general stores in Patchewollock and Woomelang
- Secured additional three year funding for the expansion of the Community Building Initiative.
- The continued development of Y-Fest and the Murtoa Big Weekend into major events for the Shire.
- Progress towards the establishment of the Wimmera Mallee Tourism Association.
- Secured additional funding of \$550,000 from State and Federal Governments for community infrastructure, including sport and recreation facilities.
- Training and jobs provided for drought affected farmers through our involvement in the Rural Skills Connect program, particularly through the Roadside Clearance Project.

### Staffing

Manager Economic & Community Development – Terry Sanders  
Community Projects 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, vehicle and plant fleet, waste and recycling services and to manage the function of the Technical Services Department for 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.

#### Works/Technical services

- Manage functions of Technical Services Department including assets, design and sustainability
- Manage functions of works area including operations, plant and programming

#### 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.

#### Fire Prevention

- Manage Council's Fire Prevention activities
- Undertake role as Assistant Municipal Fire Prevention Officer
- Liaise with M.F.P.O and his manager, to ensure that fire prevention functions are undertaken in an efficient and timely manner.

### 2009/2010 Achievements and Activities

#### In 2009/2010 the following contracts were tendered out and awarded:-

Sealing of Various Local Roads	\$620,921	Term 1 Year
Supply & Delivery of Road M'tce Unit	\$289,250	Term 1 Year
Construction of the Rupanyup Community Centre	\$593,990	Term 1 Year
Supply & Delivery of Front Wheel Assist Tractor	\$125,000	Term 1 Year
Supply & Delivery of 2 <sup>nd</sup> Hand Skidsteer Loader	\$ 46,700	Term 1 Year

#### Waste Management

- Construction and development of a new transfer station in Woomelang including the closure and rehabilitation of the old landfill
- Construction of a new cardboard baling facility at the Warracknabeal transfer station
- Recycling and crushing of 3,000 tonne of concrete





## CONTRIBUTIONS & DONATIONS

Anzac Park	\$ 2,000
Beulah Business and Information Centre	\$ 1,000
Beulah Kindergarten	\$ 6,000
Beulah Memorial Hall Committee	\$ 500
Beulah Park Trustees Committee	\$ 2,000
Beulah Swimming Pool	\$ 8,955
Brim Active Community Group	\$ 500
Brim Lions Club	\$ 4,500
Brim Recreation Reserve	\$ 6,205
Emmas Café	\$ 973
Genr8 Youth Group	\$ 1,550
Grampians Community Health Centre	\$ 750
Grampians Regional Waste Management	\$ 10,967
Hindmarsh Shire Council	\$ 5,000
Hopetoun Kindergarten	\$ 2,000
Hopetoun Progress Association	\$ 1,000
Hopetoun Recreation Reserve	\$ 10,675
Hopetoun Scout Group	\$ 1,550
Hopetoun Secondary College	\$ 1,000
Hopetoun Swimming Pool	\$ 14,073
Lake Lascelles/Corrong Committee of Management	\$ 11,005
Lascelles Progress Association	\$ 500
Lubeck Park Reserve	\$ 1,760
Lubeck Public Hall Committee	\$ 1,645
Minyip Kindergarten	\$ 2,000
Minyip Lions Club	\$ 3,000
Minyip Memorial Hall Committee	\$ 2,630
Minyip Progress Association	\$ 1,000
Minyip Recreation Reserve	\$ 11,985
Minyip Swimming Pool	\$ 10,288
Murtoa Kindergarten	\$ 7,000
Murtoa Mechanics Hall	\$ 2,630
Murtoa Progress Association	\$ 1,000
Murtoa Showyards Reserve	\$ 13,210
Murtoa Swimming Pool	\$ 15,102
Next of Kin	\$ 1,000
Noval Uniting Church Camp	\$ 1,000
On Track Learning Wimmera Inc	\$ 1,000
Our Lady of Help Christian School	\$ 500
Patchewollock Progress Association	\$ 500
Patchewollock Recreation Reserve	\$ 2,290
Rupanyup & District Consultative Committee	\$ 2,000
Rupanyup Kindergarten	\$ 2,000
Rupanyup Lions Club	\$ 2,500
Rupanyup Girl Guide Support Group	\$ 800
Rupanyup Memorial Hall	\$ 2,515
Rupanyup Recreation Reserve	\$ 5,420
Rupanyup SES	\$ 10,455
Rupanyup Swimming Pool	\$ 8,570
Speed Public Hall	\$ 1,325
Speed Recreation Reserve	\$ 2,630



## CONTRIBUTIONS & DONATIONS (continued)

Tempy Memorial Park	\$ 1,760
Tempy Swimming Pool	\$ 3,193
Warracknabeal Action Group	\$ 1,000
Wallup Public Hall	\$ 885
Warracknabeal Lions Club	\$ 3,000
Warracknabeal Memorial Kindergarten	\$ 2,000
Warracknabeal Primary School	\$ 1,500
Warracknabeal SES	\$ 9,791
Warracknabeal Swimming Pool	\$ 34,858
Warracknabeal Yarriambiack Creek Development Committee	\$ 2,000
Wimmera Uniting Care	\$ 500
Woomelang & District Development Association	\$ 500
Woomelang Memorial Hall	\$ 6,943
Woomelang Recreation Reserve	\$ 4,990
Woomelang SES	\$ 10,589
Woomelang Swimming Pool	\$ 8,662
Yaapeet Community Club	\$ 2,495
Yarriambiack Chaplaincy Council	\$ 2,393
<b>TOTAL</b>	<b>\$ 307,517</b>

## MEMBERSHIPS

Municipal Association of Victoria	\$ 21,015
Wimmera Development Association	\$ 36,972
Wimmera Regional Library	\$ 140,583
<b>TOTAL</b>	<b>\$ 198,570</b>



## SHIRE HAPPENINGS 2009/10

### July 2009

- Yarriambiack Shire Council announces a 5 percent general rate increase in the 09/10 period. Council also decided to implement a \$30 municipal charge on all properties.
- CEO Ray Campling says the proposed budget includes construction and sealing of Browns Road Hopetoun; new footpaths; seal two sections of R. Learmonth Road in Minyip; Warracknabeal Stadium upgrade; Hopetoun Swimming Pool change rooms redevelopment; and introduction of the new 'We Can 2' youth program.
- Yarriambiack Shire Council Mayor, Helen Ballentine, spent a week in Canberra for the National General Assembly and Australian Council of Local Government. Cr Ballentine attended ceremonies, forums and workshops relating to climate change, the environment and infrastructure.
- Construction of a new community centre at Rupanyup will begin in October after an announcement yesterday of \$300,000 cemented plans for the multipurpose facility.
- Yarriambiack Shire Council embarks on a roadside vegetation project to clear overhanging vegetation from shire roads and create jobs for drought-affected farmers and farm workers in the shire. Member for Northern Victoria, Candy Broad announced that \$300,000 for a \$400,000 Roadside Clearance project will link with the Wimmera Rural Skills Connect program to train more than 50 of the region's farmers.
- A \$124,905 grant was announced for a Minyip Wetlands Travellers Rest development which will see the construction and installation of a pedestrian bridge, all weather parking area, barbecue, shelter, picnic tables and seating, amenities block and powered camp sites.
- \$66,100 grant was announced by Member for Northern Victoria, Candy Broad, to go towards a continuous walking track to be built around Murtoa's Lake Marma.
- Tourism in Hopetoun is set to grow following a \$32,200 grant for the upgrading of facilities at McGinnis Park and a Hopetoun and District Historical Society vintage farm display.
- Progress Associations in the Yarriambiack Shire Council consider following the Buloke Shire Council's initiative of \$1 rental program for attracting people to the area.
- Yarrilinks returned for another year to Minyip for the annual tree planting weekend, aiming to return vegetation to the Yarriambiack Creek and all throughout the shire.



### August 2009

- Council seeks community input for developing its first Environmental Strategy. The strategy would address environmental and sustainability issues with the municipality and determine how to secure a more sustainable future.
- Yarriambiack Shire Council, along with Wimmera Primary Care Partnership and the Salvation Army funded a ladies day out for rural women. The women came from Lah, Brim and Batchica, 26 women participated in the day.
- Council recruits six new volunteer drivers for the volunteer transport program.



- Yarriambiack Shire Council will spend \$396,000 upgrading Browns Road, Hopetoun.
- Yarriambiack Shire Council has finished kerbing replacement work on the first section of Breen Street, Murtoa. Council has completed design work for the second section of kerb replacement work in Breen Street, between Hamilton and McDonald Streets.
- Council approves a student gym membership discount for the Warracknabeal Leisure Centre to encourage young people to use the gym under supervision.
- The 2009/10 Budget was adopted at the August Council meeting.
- Elspeth Mullen was naturalized as an Australian citizen during a ceremony at Yarriambiack Shire Council offices on Monday 17 August 2009. Mrs Mullen was congratulated by Mayor Helen Ballentine and Councillor Jean Wise.
- Warracknabeal Town Hall has been successful in securing a \$18,583 McPherson Smith Community Alliance funding grant towards the upgrade of the facility. The funding was able to help the town hall committee purchase a cool room, air conditioners for the supper room, fridges and round tables.



### September 2009

- Yarriambiack Shire Council Mayor Helen Ballentine recently commended the dedicated number of residents who have volunteered their time to ensure our aging community is transported to medical appointments.
- Festival for Healthy Living is held in Warracknabeal supported by Yarriambiack Shire Council and other local organizations. The Governor of Victoria, Professor David de Kretser will officially open the event.
- Yarriambiack Shire Council will ask the State Government to retain a four year old kindergarten service at Minyip despite only have one enrollment for the next year.
- Yarriambiack Shire Council signed a memorandum of understanding with Knox City Council to mark the beginning of a sister city relationship between the two councils.
- A Community celebration marks water flowing into Lake Lascelles for the first time in ten years. Lake Lascelles is the first waterway to be supplied with recreation water from Grampians Storages via the Wimmera Mallee Pipeline.
- Yarriambiack Shire Council together with Warracknabeal Urban Fire Brigade are encouraging district residents to clean up their yards ahead of the summer fires season.



- Victorian State government announces that it will offer only one full public holiday instead of the two half day holidays which the Yarriambiack Shire Council previously had for show day.
- Yarriambiack Shire Council is fighting to remain in Grampians Regional Waste Management Group after a proposed restructure merged the council with the Bendigo region.

## October 2009

- To help celebrate the Victorian Seniors Festival, Yarriambiack Shire Council will host a seniors picnic at the Warracknabeal Lions Park. As part of the annual Victorian Seniors Festival which runs from October 4<sup>th</sup> to 11<sup>th</sup> and aims to encourage senior Victorians to be inspired and get active in their communities, the picnic is expected to draw a large crowd.
- The Yarriambiack Shire Council, the Victorian State Government and Wimmera Development Association combined to hold a Business networking dinner for all businesses across the shire to attend.
- Knox City and Yarriambiack Shire Council's signed a friendship agreement at Hopetoun's Gateway Beet on Thursday. The signing of the agreement means Yarriambiack communities will be able to link with Knox communities.
- Yarriambiack Shire Council will work with Hindmarsh and West Wimmera Shires to implement a new kindergarten model by 2012, after it received \$60,000 funding. The grant will see the three shires work to implement a 15 hours per week kindergarten model by 2012.
- Brim Sports and Social Club received a boost with Yarriambiack Shire Council receiving notification of a \$28,136 grant for the upgrade of existing change rooms.
- More than \$108,000 is to be spent on eight public swimming pools across the Yarriambiack Shire.



## November 2009

- Yarriambiack Shire Council applies for State Government money to complete road works worth over \$1.8 million. If approved the Local Roads to Market program will cover 50% of the total project cost which includes upgrades to Yaaapeet Rainbow Road and Minyip Dimboola Road.
- Yarriambiack Shire Council awards a \$730,000 bitumen surfacing contract to Inroads.
- Yarriambiack Shire Council plans to distribute \$19,000 to community groups in December
- Hopetoun, Rupanyup and Warracknabeal are declared RV-friendly towns. Yarriambiack Shire council Economic Development Manager, Terry Sanders said the towns had to provide free to low-cost sites for recreation vehicles to gain the title.
- Yarriambiack Shire Council is reminding residents to buy local as the festive season swings into full gear. Council would start a mail out campaign to all shire homes and business to promote the "Buy Local" message.
- In an effort to improve industry in the district Yarriambiack Shire Council will sell three industrial zoned blocks along the Henty Highway. The blocks will need to be built on within a reasonable time to ensure the district sees a strong industrial growth.
- Yarriambiack Shire council plans to develop a mobile4 cardboard baling facility at Warracknabeal transfer station. The facility will include a steel shed with concrete floor, Bramidan 240 bale press and a generator and will enable council to recycle cardboard received for its commercial sector.



## December 2009

- Cr Jean Wise replaces Cr Helen Ballentine who was mayor for the previous 12 months. All councilors congratulated Cr Wise on her election and wished her well for her term as mayor. Councillors also acknowledged the service and leadership Cr Ballentine had given the shire and community.
- Yarriambiack Shire Council has estimated the cost of cleaning up the storm damage at Woomelang would reach \$550,000. Council has submitted a claim to the State Government for natural disaster funding to recover costs incurred following the “miniature cyclone” which ripped through Woomelang on November 25<sup>th</sup>.
- Yarriambiack Shire councilors will distribute 130 personal care packages to residents throughout the municipality. Council had already distributed food hampers and toy vouchers to residents of low socio-economic backgrounds and would use information gathered from earlier distributions to help councillors identify who should receive the care packages.
- The State Government has granted Yarriambiack Shire Council indemnity for any injuries or deaths at Neighbourhood Safer Places during a bushfire.
- The Victorian State Government changes legislation allowing local government to allocate public holidays within the shire.

## January 2010

- Warracknabeal resident, John Aitken was presented with the Yarriambiack Shire Council's citizen of the year award. Mayor Jean Wise spoke highly of Mr Aitken's contribution and commitment to the community and Warracknabeal.
- Yarriambiack Shire Council Mayor Jean Wise announces that Council secured a grant of \$42,000 from McPherson Smith Community Alliance for Lake and Rabi Park Development Plan.



## February 2010

- Yarriambiack Shire Council hosted a public depression forum at Warracknabeal which featured beyondblue chairman Jeff Kennett as guest speaker.
- Yarriambiack Shire Council stepped up their recycling program to include sausage/bunker bags used for grain storage, from farmers.
- Council downsize plans for proposed walking track along Yarriambiack Creek after an exorbitant quote for a cultural management plan.

## March 2010

- Yarriambiack Shire will benefit from the State Governments \$100million works package on upgrading several regional freight lines.
- Council denies a request to rename Sheep Hills-Bangerang Road.
- Yarriambiack Shire Council applauded the Back-to-Beulah 2010 committee for a successful town reunion at the weekend.





- The Victorian State government announced \$3.97 million would go towards building a rail-loading facility at Hopetoun.
- The Wimmera Mallee Pipeline project reached a milestone when the final pipe was installed near Lubeck. A Michell Water crew installed the last section of the 8790km piping network alongside Horsham Lubeck road.

### April 2010

- Warracknabeal's annual Y-fest was boosted yet again with a massive crowd converging on the town during the Easter weekend, breaking the record crowd numbers seen during the 2009 event.
- Proving its merit as a vibrant, growing region, Yarriambiack Shire recently recorded a population growth of 0.1 per cent, reversing a previous 5 year trend of population losses to metropolitan centres,.
- Yarriambiack Shire Council announces show holidays for respective town show days
- Hopetoun Bowls Club and Rupanyup Recreation Reserve receive State Government funding
- Yarriambiack Shire Council website is functioning after being down for 6 months and has been upgraded
- Locusts have made their way into the Wimmera. There had been reports of localized locust groups in the Grampians and Warracknabeal regions and confirmed sightings in and around Horsham.



### May 2010

- Yarriambiack Shire Councils' proposed Volunteer Intra Town Taxi service for Hopetoun cancelled due to lack of volunteer drivers
- Yarriambiack Shire Council and Rural Northwest Health team up to present the Yarriambiack Weight Loss & Fitness Challenge, a program aimed at community fitness.



- Council requests money from the Federal Budget for maintain local infrastructure and upgrading ageing buildings
- Yarriambiack Shire Council receives State Government Local History Grant of \$8,000
- Yarriambiack Shire Council Chief Executive Officer, Ray Campling, calls for the region's invasion of mice and locusts to be declared a natural disaster
- Yarriambiack Shire Council offers free green waste disposal at transfer stations for a weekend
- Yarriambiack Shire Council's L2P learner driver program has been successful with more than 55 Wimmera teenagers using the service
- State Government awards funding approval to Hopetoun Bowls Club, Warracknabeal Lions Park, Warracknabeal Golf Bowls Club, Rupanyup Netball Club and Rupanyup Bowls Club



- Yarriambiack Shire Council, with Rural Northwest Health and Dunmunkle Health Services, join to promote “youth biznezz”, to promote the mental health of youth across the district
- Residents of the Yarriambiack Shire Council receive their free Shire Business Directory
- Minyip and Rupanyup Kindergartens are selected to participate in the State Government pilot program to introduce 15 hours of kindergarten a week.

### June 2010

- Yarriambiack Shire Council receive \$89,000 funding to establish an industrial area along the Henty Highway at Warracknabeal
- State Government announces \$1.9 million to boost childcare services, Minyip and Rupanyup receive funding for childcare staff to become kindergarten teachers



- Woomelang Outreach Preschool receives \$17,000 for a sustainability package from State Governments \$2.6 million Innovation Fund.
- State Government announces \$43.5 million package to combat locusts
- ‘Yarriambiack has talent’ sees 70 local youths take part in the Youth Access State Government funded program
- General Rates to rise by 6% for the 2010/11 year.
- Yarriambiack Shire Council joins five other Wimmera municipalities to create a Mallee Regional Strategic Plan to send to the State Government
- Five Yarriambiack Shire Council emergency services will receive new vehicles following a funding announcement from the State Government

## 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 except if the 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(1) of the Act or more-
  - (i) Which the Council entered into during the financial year without first engaging in a competitive process; and
  - (ii) Which are not contracts referred to in section 186(5) of the Act.



## COUNCIL'S PHILOSOPHY

### OUR MISSION

Yarriambiack Shire Council will combine strategic planning and prudent management to ensure a positive and sustainable future.

### OUR VALUES AND PRINCIPLES

#### **VALUES**

##### ***Customer Service***

We:

- treat our customers with courtesy and respect;
- lead and develop leadership within our community;
- 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, reliable, transparent and accountable in our dealings;
- we are careful, conscientious and diligent;
- use public resources economically and efficiently, and
- actively pursue positive outcomes for the community.

##### ***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 effective means of communication between the external auditor, internal audit, management and the Council

Internal Audits undertaken during the 2009/10 year include:

- Community Grants
- Human Resources and Payroll
- Corporate Credit Card Usage and Councillor expenditure.

### 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.

No Pecuniary Interests were declared in the 2009/10 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

2010

### OVERALL PERFORMANCE

Community satisfaction rating for overall performance generally of the Council. 68%

### ADVOCACY

Community satisfaction rating for Council's advocacy and community representation on key local issues. 69%

### ENGAGEMENT

Community satisfaction rating for Council's engagement in decision making on key local issues 64%

### ALL RATES

Average rates and charges per assessment \$ 1,141.00

### RESIDENTIAL RATES

Average residential rates and charges per assessment \$ 638.50

### OPERATING COSTS

Average operating expenditure per assessment \$ 2,595.66

### CAPITAL EXPENDITURE

Average capital expenditure per assessment \$ 761.44

### INFRASTRUCTURE

Renewal 74%

Renewal and maintenance 84%

### DEBTS

Average liability per assessment \$ 486.48

### OPERATING RESULT

Operating result per assessment \$ 119.58



# PERFORMANCE STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

## 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	Compliance
<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	≥65 %	68%	Achieved
<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	≥65 %	69%	Achieved
<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	≥65 %	64%	Not achieved
<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	≥70 %	75%	Achieved
<b>Financial Management</b>					
To develop and implement financial plans for the long term viability of the Shire	Compliance with STEP program implementation timetable		Progress to the next step in the STEP Program	Sign off by CEO	Achieved
	Ratio of capital expenditure to total depreciation		≥ 100%	97%	Not achieved
	Ratio of actual to budget for Capital Works		≥ 100%	100%	Achieved
<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	≥67 %	67%	Achieved



## 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 2009/2010 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**

Mayor

Dated: 27 September 2010



**Kylie L. Zanker**

Councillor

Dated: 27 September 2010



**Ray Campling**

Chief Executive Officer

Dated: 27 September 2010



Victorian Auditor-General's Office

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Yarriambiack Shire Council

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2010 of 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 Yarriambiack Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the performance statement that is free of material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

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

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

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

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

This auditor's report relates to the performance statement published in both the annual report and on the website of Yarriambiack Shire Council for the year ended 30 June 2010. The Councillors are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on Yarriambiack Shire Council website.

1

Level 24, 35 Collins Street, Melbourne Vic. 3000

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*Auditing in the Public Interest*







Victorian Auditor-General's Office

### Independent Auditor's Report (continued)

#### *Independence*

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

#### *Auditor's Opinion*

In my opinion, the performance statement of Yarriambiack Shire Council in respect of the 30 June 2010 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
28 September 2010

  
J D R Pearson  
Auditor-General

2

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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 43 to 88 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 11<sup>th</sup> August 2010. 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 43 to 88. 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 2010

	Ref	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
<b>Revenues</b>					
Rates and Charges		7,615	7,636	21	0.3%
Government Grants – Operating	1	5,322	7,314	1,992	37.4%
Government Grants – Capital		1,329	1,443	114	8.6%
User Charges	2	1,417	1,706	289	20.4%
Reimbursements, Contributions & Donations	3	319	244	(75)	(23.5)%
Interest	4	123	325	202	164.2%
<b>Total Revenues</b>		<b>16,125</b>	<b>18,668</b>	<b>2,543</b>	<b>15.8%</b>
<b>Expenses</b>					
Employee Costs		5,682	5,696	14	0.2%
Materials & Services		4,647	4,970	323	7.0%
Depreciation	5	4,606	5,273	667	14.5%
Contributions & Donations	6	622	701	79	12.7%
Finance Costs	7	34	14	(20)	(58.8)%
Bad Debts		-	3	3	-
Other Costs		783	817	34	4.3%
<b>Total Expenses</b>		<b>16,374</b>	<b>17,474</b>	<b>1,100</b>	<b>6.7%</b>
Net loss on disposal of property, infrastructure, plant and equipment	8	45	(2,055)	(2,100)	(4,666.7)%
Share of Net Profit/(Loss) of Associates accounted for by the equity method	9	-	56	56	100.0%
<b>NET SURPLUS (DEFICIT) FOR THE YEAR</b>		<b>(204)</b>	<b>(805)</b>	<b>(601)</b>	<b>(294.6)%</b>



## STANDARD INCOME STATEMENT

### Major Variance Report Explanation

Ref	Item	Explanation
1	Government Grants – Operational	Grants exceeded budget expectations due mainly to the early payment of the first instalment of the 2010/11 Grants Commission Grant. This was an extra \$1,000,000 grant payment. Council also received two natural disaster grants for storm damage \$900,000.
2	User Charges	User charges, fees & fines exceeded budget due mainly to a \$130,000 increase in works for Vic Roads. The introduction of the NLIS Levy at the Warracknabeal Saleyards and the number of sheep sold during the 2009/10 financial year and the increase in the unit rate for the sale of scrap metal has also contributed to the increase in user charges, fees and fines.
3	Reimbursements, Contributions & Donations	As some of the community projects have not yet being finalised community groups have therefore not paid their contribution towards their projects.
4	Interest	Payments of grants for community projects, grants commission and natural disaster have allowed for excess funds to be invested for short terms and at higher rates of interest.
5	Depreciation	Increase in depreciation is due to the revaluation of infrastructure assets.
6	Contributions & Donations	The increase in contributions and donations compared to budget is due to extra funding received for several community projects. Payments made for these particular community projects are facilitated by Council.
7	Finance Costs	Finance costs were less than budgeted because of the grant income received. This meant there were only rare occasions when Council had to use the overdraft facility and therefore incur interest costs.
8	Net loss on disposal of property, infrastructure, plant and equipment	The variance is due to the write back of roads and footpaths which were upgraded in the 2009/10 capital works program.
9	Share of Net Profit/(Loss) of Associates accounted for by the equity method	Variance is due to an increase in the Council's share in the Wimmera Regional Library which was not budgeted for



## STANDARD BALANCE SHEET

As at 30 June 2010

	Ref	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
<b>Current Assets</b>					
Cash and cash equivalents	10	4,534	8,422	3,888	85.8%
Trade and other receivables	11	765	1,118	353	46.1%
Other assets	12	242	182	(60)	(24.8)%
Financial assets	13	378	340	(38)	(10.1)%
<b>Current Assets</b>		<b>5,919</b>	<b>10,062</b>	<b>4,143</b>	<b>70.0%</b>
<b>Current Liabilities</b>					
Trade and other payables	14	1,535	861	(674)	(43.9)%
Interest-bearing loans and borrowings	15	141	169	28	19.9%
Provisions		1,711	1,827	116	6.8%
<b>Current Liabilities</b>		<b>3,387</b>	<b>2,857</b>	<b>(530)</b>	<b>(15.6)%</b>
<b>NET CURRENT ASSETS</b>		<b>2,532</b>	<b>7,205</b>	<b>4,673</b>	<b>(184.6)%</b>
<b>Non Current Assets</b>					
Trade and other receivables	16	228	289	61	26.8%
Property, infrastructure, plant and equipment	17	107,969	126,969	19,000	17.6%
Investment – Library	18	249	313	64	25.7%
<b>Non Current Assets</b>		<b>108,446</b>	<b>127,571</b>	<b>19,125</b>	<b>17.6%</b>
<b>Non Current Liabilities</b>					
Interest-bearing loans and borrowings	19	124	181	57	46.0%
Provisions		261	237	(24)	(9.2)%
<b>Non Current Liabilities</b>		<b>385</b>	<b>418</b>	<b>33</b>	<b>8.6%</b>
<b>NET NON CURRENT ASSETS</b>		<b>108,061</b>	<b>127,153</b>	<b>19,092</b>	<b>17.7%</b>
<b>NET ASSETS</b>		<b>110,593</b>	<b>134,358</b>	<b>23,765</b>	<b>21.5%</b>
<b>Equity</b>					
Accumulated Surplus		63,914	63,770	(144)	(0.2)%
Reserves	20	46,679	70,588	23,909	51.2%
<b>EQUITY</b>		<b>110,593</b>	<b>134,358</b>	<b>23,765</b>	<b>21.5%</b>



## STANDARD BALANCE SHEET

### Major Variance Report Explanation

Ref	Item	Explanation
10	Cash and cash equivalents	Increase in the number of investments held and cash in bank at the end of the financial year due to increased number of Council and community project grants received and the early payment of the first instalment of the 2010/11 Grants Commission grant.
11	Trade and other receivables	Receivables are higher than budgeted due to \$202,000 being billed for project grants and contributions which were outstanding at the end of the financial year and were not included in the budget.
12	Other assets	Inventories were lower than budgeted as two gravel pits that Council used were empty as at 30 June. These gravel pits will be operational again in 2010/11
13	Financial assets	There was no accrual of grants for community projects in the 2009/10 year which were budgeted for.
14	Trade and other payables	Below budget is a result of completion of works program being finalised earlier than normal.
15	Interest-bearing loans and borrowings	Variance is due to Council taking out an equipment finance lease for the installation of four new computer servers which was not budgeted for in the 2009/10 year.
16	Trade and other receivables	Variance in the contribution from the gypsum pit owners is due to only a settlement being reached with two gypsum pit owners which had not previously made payments. 2009/10 budget made allowance for gypsum pit owners contribution to commence. Repayments from these two owners will not commence until 2010/11
17	Property, infrastructure, plant and equipment	Increase in the fixed assets above budget is due to the revaluation of infrastructure assets and land and buildings.
18	Investment – Library	Council's share in the Wimmera Regional Library has increased due to a surplus results.
19	Interest-bearing loans and borrowings	See Ref 14
20	Reserves	Increase in the revaluation reserve is due to a review of infrastructure unit rates which reflect the increasing costs of inputs in the infrastructure assets. Council's valuer has also completed the land & building revaluation.



## STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2010

	Ref	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from Ratepayers, Clients & Customers		9,425	8,995	(430)	(4.6)%
Payments for Employee Costs & Suppliers		(12,052)	(11,419)	633	(5.3)%
<b>Sub Total</b>		<b>(2,627)</b>	<b>(2,424)</b>	<b>203</b>	<b>(7.7)%</b>
Government Grants & Contributions	21	6,827	8,757	1,930	28.3%
Interest Received	22	124	325	201	162.1%
<b>Net cash provided by operating activities</b>		<b>4,358</b>	<b>6,658</b>	<b>2,334</b>	<b>54.0%</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales of property, plant and equipment	23	331	213	(118)	(35.6)%
Repayment of loans and advances	24	70	30	(40)	(57.1)%
Payments for property, plant & equipment		(4,966)	(5,126)	(160)	3.2%
<b>Net cash used in Investing Activities</b>		<b>(4,565)</b>	<b>(4,883)</b>	<b>(318)</b>	<b>7.0%</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Interest	25	34	(14)	(48)	(141.2)%
Proceeds from new borrowings	26	-	109	109	100.0%
Repayment of borrowings	27	(141)	(476)	(335)	237.6%
<b>Net cash used in financing activities</b>		<b>(141)</b>	<b>(381)</b>	<b>(274)</b>	<b>194.3%</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(348)</b>	<b>1,394</b>	<b>1,742</b>	<b>(500.6)%</b>
Cash and cash equivalents at the beginning of the period		4,881	7,028	2,147	44.0%
<b>Cash and cash equivalents at end of the year</b>		<b>4,533</b>	<b>8,422</b>	<b>3,889</b>	<b>85.80%</b>





## STANDARD CASH FLOW STATEMENT

### Major Variance Report Explanation

Ref	Item	Explanation
21	Government Grants & Contributions	See Ref 1
22	Interest Received	See Ref 4
23	Proceeds from sales of property, plant and equipment	Proceeds from the sale of assets were less than budgeted due to low trade values.
24	Repayment of loans and advances	Council reached a settlement with two of the three gypsum pit owners.
25	Interest	Due to grant monies being received for Council and community projects the overdraft facility was not used and therefore interest on overdraft was minimal.
26	Proceeds from new borrowings	See Ref 15
27	Repayment of borrowings	New loan commenced in 2009/10 for computer equipment and amount also includes financing lease arrangement with Civica.

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## STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2010

	Ref	Budget \$'000	Actual \$'000	Variance	
				\$'000	%
Land and Buildings	25	621	491	130	21.0%
Plant and Equipment	26	975	1,093	(118)	(12.1)%
Infrastructure assets					
Roads & Streets		3,276	3,287	(11)	(0.3)%
Drains, Tips, Bores & Tanks	27	265	255	10	3.7%
<b>Total Capital Works</b>		<b>5,137</b>	<b>5,126</b>	<b>11</b>	<b>0.2%</b>
<b>Types of Capital Works</b>					
Renewal		4,813	3,785	1,028	21.4%
New Assets		324	1,341	(1,017)	(313.7)%
<b>Total Capital Works</b>		<b>5,137</b>	<b>5,126</b>	<b>11</b>	<b>0.2%</b>

### Major Variance Report Explanation

Ref	Item	Explanation
<b>25</b>	Land and Buildings	Actual was lower than budgeted due to several capital projects incomplete as at the end of the financial year ie Rupanyup Recreation Reserve pavilion upgrade and Warracknabeal Town Hall upgrade
<b>26</b>	Plant and Equipment	Actual was higher than budgeted due to the replacement and installation of four computer servers which were not budgeted for
<b>27</b>	Drains, Tips, Bores & Tanks	The under expenditure of the 2009/10 budget is due to the completion of the Wimmera Mallee Pipeline project of installing tanks along the pipeline. This project was under spent in the 2009/10 year. Capital works was also done at several transfer stations and tips.



## 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: 27 September 2010

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 8<sup>th</sup> September 2010 to certify the standard statements in their final form.



**Jean M. Wise**  
Mayor  
Dated: 27 September 2010



**Kylie L. Zanker**  
Councillor  
Dated: 27 September 2010



**Ray Campling**  
Chief Executive Officer  
Dated: 27 September 2010

## GENERAL PURPOSE FINANCIAL STATEMENTS

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GENERAL PURPOSE FINANCIAL STATEMENTS  
**COMPREHENSIVE INCOME STATEMENT**

**FOR THE YEAR ENDED 30 JUNE 2010**

	Note	2009/2010 \$'000	2008/2009 \$'000
<b>INCOME</b>			
Rates and Charges	3	7,636	7,064
Government Grants – Operating	4	7,314	6,349
Government Grants – Capital	4	1,443	1,930
User Charges, Fees & Fines	5	1,706	1,426
Contributions, Donations & Reimbursements	6	244	352
Other Revenue	7	325	318
Net gain(loss) on disposal of property, infrastructure, plant and equipment	15	(2,055)	(320)
Share of net profit(losses) of associates accounted for by the equity method	16	56	24
<b>TOTAL INCOME</b>		<b>16,669</b>	<b>17,143</b>
<b>EXPENSES</b>			
Employee Benefits	8	(5,696)	(5,422)
Materials and Services	9	(4,970)	(4,222)
Bad and Doubtful Debts	10	(3)	12
Depreciation & Amortisation	11	(5,273)	(5,078)
Contributions & Donations	12	(701)	(641)
Finance Costs	13	(14)	(21)
Other Expenses	14	(817)	(647)
<b>TOTAL EXPENSES</b>		<b>(17,474)</b>	<b>(16,019)</b>
<b>PROFIT/(LOSS)</b>		<b>(805)</b>	<b>1,124</b>
<b>OTHER COMPREHENSIVE INCOME</b>			
Share of other comprehensive income of joint venture accounted for using the equity method		(18)	1
Net asset revaluation increment (decrement) reversals		18,365	5,544
<b>COMPREHENSIVE RESULT</b>		<b>17,542</b>	<b>6,669</b>

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



GENERAL PURPOSE FINANCIAL STATEMENTS  
BALANCE SHEET

AS AT 30 JUNE 2010

	Note	2009/2010 \$'000	2008/2009 \$'000
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash & cash equivalents	17	8,422	7,028
Trade and other receivables	18	1,208	1,015
Inventories	19	182	384
Non- current assets classified as held for sale	20	85	-
Other Assets	21	255	229
<b>TOTAL CURRENT ASSETS</b>		<b>10,152</b>	<b>8,656</b>
<b>NON CURRENT ASSETS</b>			
Trade and other receivables	18	199	259
Investments in associates accounted for using the equity method	16	313	275
Property, infrastructure, plant and equipment	22	126,969	111,181
<b>TOTAL NON CURRENT ASSETS</b>		<b>127,481</b>	<b>111,715</b>
<b>TOTAL ASSETS</b>		<b>137,633</b>	<b>120,371</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	24	838	978
Trust funds and deposits	25	23	109
Provisions	26	1,827	1,775
Interest-bearing loans and borrowings	27	169	140
<b>TOTAL CURRENT LIABILITIES</b>		<b>2,857</b>	<b>3,002</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	26	237	288
Interest bearing loans and borrowings	27	181	265
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>418</b>	<b>553</b>
<b>TOTAL LIABILITIES</b>		<b>3,275</b>	<b>3,555</b>
<b>NET ASSETS</b>		<b>134,358</b>	<b>116,816</b>
<b>EQUITY</b>			
Accumulated Surplus		63,770	64,593
Reserves	28	70,588	52,223
<b>TOTAL EQUITY</b>		<b>134,358</b>	<b>116,816</b>

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



# GENERAL PURPOSE FINANCIAL STATEMENTS

## STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 30 JUNE 2010

	Note	Total \$'000	Accumulated Surplus \$'000	Reserves \$'000
Balance at Beginning of the financial year		116,816	64,593	52,223
Comprehensive Results		17,542	(823)	18,365
<b>Balance at end of the financial year</b>		<b>134,358</b>	<b>63,770</b>	<b>70,588</b>

### FOR THE YEAR ENDED 30 JUNE 2009

	Note	Total \$'000	Accumulated Surplus \$'000	Reserves \$'000
Balance at Beginning of the financial year		110,147	63,468	46,679
Comprehensive Results		6,669	1,125	5,544
<b>Balance at end of the financial year</b>		<b>116,816</b>	<b>64,593</b>	<b>52,223</b>

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





GENERAL PURPOSE FINANCIAL STATEMENTS  
CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2010

	Note	2009/2010 \$'000 Inflows/ (Outflows)	2008/2009 \$'000 Inflows/ (Outflows)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
General Rates and Charges Receipts (inclusive of GST)		7,533	6,998
Other operating receipts (inclusive of GST)		1,462	1,098
Employee Costs		(5,695)	(5,422)
Other payments (inclusive of GST)		(5,709)	(5,473)
Net GST refund/payment		(14)	(32)
Government grants (inclusive of GST)		8,757	8,279
Interest		325	318
<b>Net cash provided by (used in) operating activities</b>	29	<b>6,658</b>	<b>5,745</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant & Equipment, Infrastructure		(5,126)	(4,811)
Proceeds from Sale of Property, Plant & Equipment, Infrastructure		213	224
Repayment of Advances		30	48
<b>Net cash provided by (used in) investing activities</b>		<b>(4,883)</b>	<b>(4,539)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Finance costs		(14)	(21)
Proceeds from Interest Bearing Loans and Borrowings		109	-
Repayment of Borrowings		(476)	(223)
<b>Net cash provided by (used in) financing activities</b>		<b>(381)</b>	<b>(244)</b>
<b>Net Increase/(Decrease) in cash and cash equivalents</b>		<b>1,394</b>	<b>983</b>
Cash and cash equivalents at the Beginning of the Year		7,028	6,045
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>8,422</b>	<b>7,028</b>
Financing arrangements	27		
Restrictions on cash assets	23		

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



## NOTES TO THE ACCOUNTS

### 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 – Russell Kennedy;
- 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 a Comprehensive 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 (f), (i), (q) and (s).

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. Details of entities not included in this financial report based on their materiality are detailed in Note 41.



**(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 is valued at the 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.

*Trade and other receivables*

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

*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 22. 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
Land Under Roads	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*

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

**(g) Cash and cash equivalents**

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

**(h) Investments**

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



## Note 1 Significant Accounting Policies (continued)

**(i) 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 Comprehensive Income Statement.

**(j) 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 25).

**(k) 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 32.



## 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.

### **(l) 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.

### **(m) Allocation between Current and Non-Current**

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

### **(n) 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.

### **(o) Web Site Costs**

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

### **(p) 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.

### **(q) Impairment of Assets**

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





Note 1 Significant Accounting Policies (continued)

**(r) Rounding**

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

**(s) 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 and are not subject to depreciation. Non current assets are treated as current and classified as held for sale if their carrying value will be recovered through a sale transaction rather than through continuing use. This condition is regarded as not met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months of the date of classification

**(t) 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.

**(u) Financial guarantees**

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increases in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

**(v) Contingent assets and contingent liabilities and commitments**

Contingent assets and contingent liabilities are not recognised in the balance sheet but disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are present inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and inclusive of the GST payable.



## 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.

Standard/ Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 2009-5 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project. [AASB 5, 8, 101, 107, 117, 118, 136 & 139]	Some amendments will result in accounting changes for presentation, recognition or measurement purposes, while other amendments will relate to terminology and editorial changes.	Beginning 1 Jan 2010	Terminology and editorial changes. Impact minor.
AASB 2009-8 Amendments to Australian Accounting Standards-Group Cash-settled Share-based Payment Transactions. [AASB 2]	The amendments clarify the scope of AASB 2.	Beginning 1 Jan 2010	No impact. AASB 2 does not apply to Local Government; consequently this Standard does not apply.
AASB 2009-9 Amendments to Australian Accounting Standards-Additional Exemptions for First-time Adopters [AASB 1]	Applies to entities adopting Australian Accounting Standards for the first time, to ensure entities will not face undue cost or effort in the transition process in particular situations.	Beginning 1 Jan 2010	No impact. Relates only to first time adopters of Australian Accounting Standards.
AASB 2009-10 Amendments to Australian Accounting Standards-Classification of Rights Issues [AASB 132]	The Standard makes amendments to AASB 132, stating that rights issues must now be classed as equity rather than derivative liabilities.	Beginning 1 Feb 2010	No impact. Local Government do not issue rights, warrants and options, consequently the amendment does not impact on the statements.
AASB 9 Financial Instruments	This standard simplifies requirements for the classification and measurement of financial assets resulting from Phase 1 of the IASB's project to replace IAS 39 <i>Financial Instruments: Recognition and Measurement</i> (AASB 139 <i>Financial Instruments: Recognition and Measurement</i> ).	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This gives effect to consequential changes arising from the issuance of AASB 9.	Beginning 1 Jan 2013	Detail of impact is still being assessed.
AASB 2009-12 Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	This Standard amends AASB 8 to require an entity to exercise judgement in assessing whether a government and entities known to be under the control of that government are considered a single customer for purposes of certain operating segment disclosures. This Standard also makes numerous editorial amendments to other AASBs.	Beginning 1 Jan 2011	AASB 8 does not apply to Local Government therefore no impact expected. Otherwise, only editorial changes arising from amendments to other standards, no major impact. Impacts of editorial amendments are not expected to be significant.
AASB 2009-13 Amendments to Australian Accounting Standards arising from Interpretation 19. [AASB 1]	Consequential amendment to AASB 1 arising from publication of Interpretation 19	Beginning 1 Jul 2010	Local Governments do not extinguish financial liabilities with equity instruments, therefore requirements of Interpretation 17 and related amendments have no impact
AASB 2009-14 Amendments to Australian Interpretation-Prepayments of a Minimum Funding Requirement [AASB Interpretation 14]	Amendments to Interpretation 14 arising from the issuance of <i>Prepayments of a Minimum Funding Requirement</i>	Beginning 1 Jan 2011	Expected to have no significant impact

### 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>Rates</b>	<b>2009/2010</b>	<b>2008/2009</b>
Number of Ratable Properties – General	3,736	3,726
Number of Ratable Properties – Rural	2,919	2,946
Total Capital Improved Value (CIV) – General	\$285,690,500	\$282,102,800
Total Capital Improved Value (CIV) – Rural	\$948,301,100	\$947,228,800
Rate (cents in the \$ CIV) – General	0.6249	0.5932
Rate (cents in the \$ CIV) – Rural	0.5312	0.5042
	<b>\$'000</b>	<b>\$'000</b>
Rate Declared	6,802	6,477
Supplementary Adjustments	12	(31)
<b>Total General Rate</b>	<b>6,814</b>	<b>6,446</b>

<b>Charges</b>	<b>2009/2010</b>	<b>2008/2009</b>
Number of Services – Residential	2,667	2,661
Number of Services – Commercial / Industrial	459	459
Number of Services – Rural	186	180
Number of Services – Recycling	2,867	2,835
Rate (\$ per Service Exc. GST) – 80Lt	\$80.49	\$80.85
Rate (\$ per Service Exc. GST) – 120Lt Residential	\$119.07	\$113.40
Rate (\$ per Service Exc. GST) – 120Lt Other	\$130.98	\$103.10
Rate (\$ per Service Exc. GST) – 240Lt Residential	\$254.68	\$242.55
Rate (\$ per Service Exc. GST) – 240Lt Other	\$254.68	\$220.50
Rate (\$ per Service Exc. GST) – Residential Recycling	\$80.00	\$73.50
Rate (\$ per Service Exc. GST) – Other Recycling	\$88.00	\$73.50

	<b>\$'000</b>	<b>\$'000</b>
Charges Declared	668	626
Supplementary Adjustments	(1)	(8)
<b>Total Garbage Charge</b>	<b>667</b>	<b>618</b>
Municipal Charge Declared	157	-
Supplementary Adjustments	(2)	-
<b>Total Municipal Charge</b>	<b>155</b>	<b>-</b>
<b>Total Rates &amp; Charges</b>	<b>7,636</b>	<b>7,064</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 2008, and the valuation first applied to the rating period commencing 1 July 2008.

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation was first applied in the rating year commencing 1 July 2010.



## Note 4 Government Grants &amp; Reimbursements

	2009/2010 \$'000	2008/2009 \$'000
<b>Operating Grants</b>		
General Revenue Grant	1,601	2,025
Grants Commission Local Roads Grant	2,419	2,952
Home and Community Care Grants	555	574
Valuation Grants	2	72
Kindergarten Grant	473	201
Community Transport and Youth Services Grants	167	143
Infant Welfare Grants	162	197
Recycling Reimbursements	24	19
Community Development Grants	684	-
Environmental Grants	46	15
Natural Disaster	931	-
Drought Grants	-	75
Other Recurrent Grants	250	76
<b>Total Operating Grants</b>	<b>7,314</b>	<b>6,349</b>
<b>Capital Grants</b>		
Federal Roads Grant	972	841
Federal Community Infrastructure Grant	218	444
Town Hall & Cultural Buildings Grants	9	63
Recreational Grants	68	405
Wimmera Pipeline Grant	101	173
Waste & Environment Grants	75	-
Other Capital Grants	-	4
<b>Total Capital Grants</b>	<b>1,443</b>	<b>1,930</b>
<b>Total Grants</b>	<b>8,757</b>	<b>8,279</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:

	2009/2010 \$'000	2008/2009 \$'000
State Community Development Grants	106	-
Community Building Initiative Grant	703	-
Federal Community Infrastructure Grant	-	400
Heritage Victoria	35	-
<b>Total</b>	<b>844</b>	<b>400</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:

	2009/2010 \$'000	2008/2009 \$'000
Heritage Victoria	-	5
Community Building Initiative Grant	-	24
State Community Development Grants	-	60
Federal Roads Grant	400	-
<b>Total</b>	<b>400</b>	<b>89</b>
<b>Net Increase (decrease) in restricted assets resulting from Grant revenues for the reporting period</b>	<b>444</b>	<b>311</b>



## Note 5 User charges, fees and fines

	2009/2010 \$'000	2008/2009 \$'000
Vic Roads Charges	738	585
Home Help Brokerage Services	180	190
HACC Charges	172	168
Rents	81	46
Sale Yard Fees & Charges	108	75
Staff Sales	-	64
Town Planning & Building Fees & Charges	66	45
Caravan Park Fees	26	23
Tip Fees	53	36
Animal Control Fees & Fines	30	33
Private Works	29	25
Other Fees & Charges	223	136
<b>Total</b>	<b>1,706</b>	<b>1,426</b>

## Note 6 Contributions, donations and other reimbursements

	2009/2010 \$'000	2008/2009 \$'000
<b>Operating</b>		
Workcover Reimbursements	49	50
Kindergartens	65	24
Private Use Vehicle Expenses	30	34
Swimming Pool	10	1
Income Protection Insurance	32	42
Other	23	85
<b>Total Operating</b>	<b>209</b>	<b>236</b>
<b>Capital Contributions</b>		
Community Facilities	35	116
<b>Total Capital</b>	<b>35</b>	<b>116</b>
<b>Total</b>	<b>244</b>	<b>352</b>

## Note 7 Other revenue

	2009/2010 \$'000	2008/2009 \$'000
Interest on Investments	262	265
Interest on Rates	59	52
Other income	4	1
<b>Total</b>	<b>325</b>	<b>318</b>



## Note 8 Employee benefits

	2009/2010 \$'000	2008/2009 \$'000
Wages & Salaries Paid	5,224	5,013
Councillor's Allowance	146	146
Increase(Decrease) in Employee Entitlements	(3)	183
Superannuation	572	418
Workcare Costs	225	170
Other Employee Costs	169	108
<b>Total Employee Costs</b>	<b>6,333</b>	<b>6,038</b>
<b>Less capitalised employee benefits</b>	<b>637</b>	<b>616</b>
<b>Total</b>	<b>5,696</b>	<b>5,422</b>

## Note 9 Materials and services

	2009/2010 \$'000	2008/2009 \$'000
Transport Services Materials & Contractors	2,288	1,842
Waste & Environment Services	193	830
External Plant Hire	73	33
Consultants	396	232
Supply of Meals	178	173
Electricity	163	163
Office Computers & Equipment	57	69
Telephone	87	92
Land & Building Maintenance	636	416
Other Materials & Services	898	372
<b>Total</b>	<b>4,969</b>	<b>4,222</b>

## Note 10 Bad and doubtful debts

	2009/2010 \$'000	2008/2009 \$'000
Rates	-	(18)
Other Debtors	3	6
<b>Total</b>	<b>3</b>	<b>(12)</b>

## Note 11 Depreciation and amortisation

Depreciation expense for the year was charged in respect of:

	2009/2010 \$'000	2008/2009 \$'000
Buildings	454	451
Heritage Buildings	60	58
Plant & Equipment	497	526
Furniture & Equipment	147	142
Roads & Streets	3,600	3,392
Footpaths, Kerb & Channel	302	299
Bridges	36	32
Drainage	80	90
Aerodrome Runways	46	44
Tanks and Bores	17	12
Gravel Pits & Garbage Tips	34	32
<b>Total</b>	<b>5,273</b>	<b>5,078</b>



## Note 12 Contributions and Donations

	2009/2010 \$'000	2008/2009 \$'000
<b>Operating</b>		
Regional Library	156	140
Sporting Reserves	123	88
Swimming Pools	95	119
Economic Development	55	46
Community Halls	58	21
State Emergency Service	42	30
Other	172	114
<b>Total Operating</b>	<b>701</b>	<b>558</b>
<b>Capital</b>		
Sporting Facilities	-	13
Swimming Pools	-	70
Other Community Facilities	-	-
<b>Total Capital</b>	<b>-</b>	<b>83</b>
<b>Total</b>	<b>701</b>	<b>641</b>

## Note 13 Finance costs

	2009/2010 \$'000	2008/2009 \$'000
<b>Interest on:</b>		
Borrowings	14	20
Overdrafts	-	1
<b>Total</b>	<b>14</b>	<b>21</b>

## Note 14 Other expenses

	2009/2010 \$'000	2008/2009 \$'000
Insurance	262	262
Hire & Rentals	133	11
Printing & Stationery	73	57
Advertising	51	58
Postage	18	17
Audit	43	46
Legal Costs	69	19
Subscriptions	41	47
Water	44	63
Bank Fees & Charges	13	19
Other expenses	70	48
<b>Total</b>	<b>817</b>	<b>647</b>





## Note 15 Disposal of Property, Plant &amp; Equipment

	2009/2010 \$'000	2008/2009 \$'000
<b>Proceeds From Asset Disposals</b>		
Plant & Equipment	213	224
<b>Sub Total</b>	<b>213</b>	<b>224</b>
<b>Less: Carrying Amount of Assets Disposed</b>		
Plant & Equipment	225	238
Drainage	35	-
Roads & Streets	1,865	296
Footpaths	143	10
<b>Sub Total</b>	<b>2,268</b>	<b>544</b>
<b>Profit / (Loss) on Disposal</b>		
Plant & Equipment	(12)	(14)
Drainage	(35)	-
Roads & Streets	(1,865)	(296)
Footpaths	(143)	(10)
<b>Profit / (Loss) on Disposal</b>	<b>(2,055)</b>	<b>(320)</b>

## Note 16 Investments in Associates

	2009/2010 \$'000	2008/2009 \$'000
<b>Wimmera Regional Library Corporation</b>		
<b>Background:</b> Yarriambiack Shire council in conjunction with Horsham Rural City Council, Buloke Shire Council, Hindmarsh Shire Council, Northern Grampians Shire Council and West Wimmera Shire Council have an interest in the Wimmera Regional Library Corporation. The library services much of the population in western Victoria and Yarriambiack Shire Council currently has a 13.02% equity interest. (13.92% in 2008/09).		
<i>Council's share of accumulated surplus (deficit)</i>		
Council's share of accumulated surplus (deficit) at start of year	87	69
Reported surplus (deficit) for year	56	17
Movement in equity share	(18)	1
<b>Council's share of accumulated surplus (deficit) at end of year</b>	<b>125</b>	<b>87</b>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	188	180
Transfers (to) from reserves	-	8
<b>Council's share of reserves at end of year</b>	<b>188</b>	<b>188</b>
<i>Movement in carry value of specific investment</i>		
Carrying value of investment at start of year	275	249
Share of surplus (deficit) for year	56	17
Movement in equity share	(18)	9
<b>Carrying value of investment at end of year</b>	<b>313</b>	<b>275</b>
Council's share of expenditure commitments		
Operating Commitments	219	229
<b>Total Investments in Associates</b>	<b>313</b>	<b>275</b>



## NOTES TO THE ACCOUNTS

### Note 17 Cash and Cash Equivalents

	2009/2010 \$'000	2008/2009 \$'000
Current		
Cash on Hand	2	2
Cash at Bank	1,051	2,599
Cash Investments – at call	268	234
Cash Investments up to 90 days		
- Bank Bills	587	594
- Term Deposits	6,514	3,599
<b>Total Cash Assets</b>	<b>8,422</b>	<b>7,028</b>

Users of the financial report should refer to note 23 for details of restrictions on cash assets and note 31 and 30 for details existing Council commitments

### Note 18 Trade and Other Receivables

	2009/2010 \$'000	2008/2009 \$'000
Current		
Rate Debtors	772	661
<u>Less:</u> Provision for Doubtful Debts	(116)	(117)
Grants	220	74
Advance to Gypsum Pit Owners	100	113
Other Debtors	254	302
<u>Less:</u> Provision for Doubtful Debts	(22)	(18)
<b>Total Current</b>	<b>1,208</b>	<b>1,015</b>
Non Current		
Advance to Gypsum Pit Owners	189	245
Other Debtors	10	14
<b>Total Non-Current</b>	<b>199</b>	<b>259</b>
<b>Total Debtors</b>	<b>1,407</b>	<b>1,274</b>

### Note 19 Inventories

	2009/2010 \$'000	2008/2009 \$'000
Inventories held for distribution	182	299
<b>Total Inventories</b>	<b>182</b>	<b>299</b>

### Note 20 Assets Held for Sale

	2009/2010 \$'000	2008/2009 \$'000
Cost of Acquisition	85	85
<b>Total Assets held for sale</b>	<b>85</b>	<b>85</b>



## NOTES TO THE ACCOUNTS

### Note 21 Other Assets

	2009/2010 \$'000	2008/2009 \$'000
Current		
Prepayments	231	187
Accrued Income	24	42
<b>Total Other Assets</b>	<b>255</b>	<b>229</b>

### Note 22 Property, Plant & Equipment & Infrastructure

	2009/2010 \$'000	2008/2009 \$'000
<b>SUMMARY</b>		
- at cost	11,846	11,155
<u>Less:</u> Accumulated Depreciation	(3,986)	(3,619)
<b>Sub Total</b>	<b>7,860</b>	<b>7,536</b>
- at fair value	201,562	198,004
<u>Less:</u> Accumulated Depreciation	(82,453)	(94,359)
<b>Sub Total</b>	<b>119,109</b>	<b>103,645</b>
<b>Total Property, Plant &amp; Equipment, Infrastructure</b>	<b>126,969</b>	<b>111,181</b>
<b>Land</b>		
Freehold Land		
- at fair value as at 30 June 2008	-	887
- at fair value as at 30 June 2010	1,062	-
Controlled Crown Land		
- at fair value as at 30 June 2008	-	616
- at fair value as at 30 June 2010	739	-
<b>Total Land</b>	<b>1,801</b>	<b>1,503</b>
<b>Buildings</b>		
Buildings on Freehold Land		
- at Cost	-	353
- at fair value as at 30 June 2008	-	16,692
- at fair value as at 30 June 2010	10,601	-
<u>Less:</u> Accumulated Depreciation	-	(8,475)
Buildings on Controlled Crown Land		
- at Cost	-	176
- at fair value as at 30 June 2008	-	9,534
- at fair value as at 30 June 2010	7,061	-
<u>Less:</u> Accumulated Depreciation	-	(3,914)
<b>Total Buildings</b>	<b>17,662</b>	<b>14,366</b>

#### Basis of Valuation

Valuation of land and buildings were undertaken by Ian Wilson, AAPI. The valuation is at fair value, being market value based on the highest and best use permitted by relevant land planning provisions. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. All freehold land reserved for public open space is valued at fair value, being market value.



## Note 22 Property, Plant &amp; Equipment &amp; Infrastructure (continued)

	2009/2010 \$'000	2008/2009 \$'000
<b>Heritage Buildings</b>		
Heritage Buildings on Freehold Land		
- at Cost	-	1,391
- at fair value as at 30 June 2010	2,292	-
<u>Less:</u> Accumulated Depreciation	-	(255)
Heritage Buildings on Controlled Crown Land		
- at Cost	-	35
- at fair value as at 30 June 2010	28	-
<u>Less:</u> Accumulated Depreciation	-	(15)
<b>Total Heritage Buildings</b>	<b>2,320</b>	<b>1,156</b>
<b>Plant &amp; Machinery</b>		
Plant & Equipment – at cost	7,711	7,218
<u>Less:</u> Accumulated Depreciation	(3,113)	(2,794)
<b>Total Plant &amp; Machinery</b>	<b>4,598</b>	<b>4,424</b>
<b>Office Equipment, Furniture &amp; Fittings</b>		
Plant & Equipment – at cost	1,105	1,061
<u>Less:</u> Accumulated Depreciation	(664)	(650)
<b>Total Office Equipment, Furniture &amp; Fittings</b>	<b>441</b>	<b>411</b>
<b>Roads &amp; Streets</b>		
- at cost (W.I.P)	-	34
- at fail value at 30 June 2009	-	145,682
- at fail value at 30 June 2010	157,798	-
<u>Less:</u> Accumulated Depreciation	(69,350)	(68,469)
<b>Total Roads &amp; Streets</b>	<b>88,448</b>	<b>77,247</b>
<b>Footpaths, Kerb &amp; Channel</b>		
- at fail value at 30 June 2009	-	13,091
- at fail value at 30 June 2010	12,918	-
<u>Less:</u> Accumulated Depreciation	(7,515)	(7,192)
<b>Total Roads &amp; Streets</b>	<b>5,403</b>	<b>5,899</b>
<b>Bridges</b>		
- at fail value at 30 June 2009	-	2,574
- at fail value at 30 June 2010	2,776	-
<u>Less:</u> Accumulated Depreciation	(1,307)	(1,273)
<b>Total Bridges</b>	<b>1,469</b>	<b>1,301</b>
<b>Drainage</b>		
- at fail value at 30 June 2009	-	6,595
- at fail value at 30 June 2010	5,837	-
<u>Less:</u> Accumulated Depreciation	(2,722)	(3,465)
<b>Total Drainage</b>	<b>3,115</b>	<b>3,130</b>
<b>Airport Runways</b>		
- at fail value at 30 June 2009	-	2,051
- at fail value at 30 June 2010	2,117	-
<u>Less:</u> Accumulated Depreciation	(1,532)	(1,279)
<b>Total Airport Runways</b>	<b>585</b>	<b>772</b>



## Note 22 Property, Plant &amp; Equipment &amp; Infrastructure (continued)

	2009/2010 \$'000	2008/2009 \$'000
<b>Tanks &amp; Bores</b>		
Tanks & Bores – Cost	-	177
- at fair value at 30 June 2009	-	282
- at fair value at 30 June 2010	653	-
<u>Less: Accumulated Depreciation</u>	(27)	(22)
<b>Total Tanks and Bores</b>	<b>626</b>	<b>437</b>
<b>Gravel Pits &amp; Garbage Tips</b>		
Gravel Pits – Cost	107	107
<u>Less: Accumulated Depreciation</u>	(28)	(24)
Tip Structures – Cost	71	71
<u>Less: Accumulated Depreciation</u>	(60)	(55)
Transfer Stations – Cost	532	532
<u>Less: Accumulated Depreciation</u>	(121)	(96)
<b>Total Gravel Pits &amp; Garbage Tips</b>	<b>501</b>	<b>535</b>

Valuations of infrastructure assets has been determined by Council's Engineer, James Magee, Bachelor of Civil Engineering. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

**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>2009/2010</b>						
Land	1,503	-	-	-	298	1,801
Buildings	14,366	438	(454)	1	3,311	17,662
Heritage Buildings	1,156	53	(60)	35	1,136	2,320
<b>Total Land &amp; Buildings</b>	<b>17,025</b>	<b>491</b>	<b>(514)</b>	<b>36</b>	<b>4,745</b>	<b>21,783</b>
Plant & Machinery	4,424	890	(497)	(219)	-	4,598
Office Equipment	411	203	(147)	(26)	-	441
<b>Total Plant &amp; Equipment</b>	<b>4,835</b>	<b>1,093</b>	<b>(644)</b>	<b>(245)</b>		<b>5,039</b>
Roads and Streets	77,247	2,868	(3,600)	(1,937)	13,870	88,448
Footpath, Kerb and Channel	5,899	419	(302)	(143)	(470)	5,403
Bridges	1,301	-	(36)	-	204	1,469
Drainage	3,130	8	(80)	(36)	93	3,115
Airport Runways	772	-	(46)	4	(145)	585
Tanks and Bores	437	138	(17)	-	68	626
Gravel Pits & Garbage Tips	535	109	(34)	(109)	-	501
<b>Total Infrastructure</b>	<b>89,321</b>	<b>3,542</b>	<b>(4,115)</b>	<b>(2,221)</b>	<b>13,620</b>	<b>100,147</b>
<b>Total Property, Plant &amp; Equipment &amp; Infrastructure</b>	<b>111,181</b>	<b>5,126</b>	<b>(5,273)</b>	<b>(2,430)</b>	<b>18,365</b>	<b>126,969</b>



## Note 22 Property, Plant &amp; Equipment &amp; Infrastructure (continued)

## Reconciliation of Property, Plant &amp; Equipment &amp; 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>2008/2009</b>						
Land	1,503	-	-	-	-	1,503
Buildings	14,695	122	(451)	-	-	14,366
Heritage Buildings	1,151	63	(58)	-	-	1,156
<b>Total Land &amp; Buildings</b>	<b>17,349</b>	<b>185</b>	<b>(509)</b>		<b>-</b>	<b>17,025</b>
Plant & Machinery	4,305	883	(526)	(238)	-	4,424
Office Equipment	472	81	(142)	-	-	411
<b>Total Plant &amp; Equipment</b>	<b>4,777</b>	<b>964</b>	<b>(668)</b>	<b>(238)</b>	<b>-</b>	<b>4,835</b>
Roads and Streets	74,297	3,150	(3,392)	(296)	3,488	77,247
Footpath, Kerb and Channel	5,446	272	(299)	(10)	490	5,899
Bridges	907	4	(32)	-	422	1,301
Drainage	2,261	10	(90)	-	949	3,130
Airport Runways	663	-	(44)	-	153	772
Tanks and Bores	230	177	(12)	-	42	437
Gravel Pits & Garbage Tips	518	49	(32)	-	-	535
<b>Total Infrastructure</b>	<b>84,322</b>	<b>3,662</b>	<b>(3,901)</b>	<b>(306)</b>	<b>5,544</b>	<b>89,321</b>
<b>Total Property, Plant &amp; Equipment &amp; Infrastructure</b>	<b>106,448</b>	<b>4,811</b>	<b>(5,078)</b>	<b>(544)</b>	<b>5,544</b>	<b>111,181</b>

## Note 23 Restricted Assets

Council has cash and cash equivalents (note 17) that are subject to restrictions. As at the reporting date, Council had restrictions externally imposed on their use by law or regulation in relation to the following:

	2009/2010 \$'000	2008/2009 \$'000
Restricted assets with offsetting liabilities		
Long Service Leave – Investments (note 26)	854	828
Trust Funds & Refundable Deposits (note 25)	23	109
<b>Total</b>	<b>877</b>	<b>937</b>



## Note 24 Trade and Other Payables

	2009/2010 \$'000	2008/2009 \$'000
Current		
Trade payables	627	805
Accrued expenses	211	173
<b>Total</b>	<b>838</b>	<b>978</b>

## Note 25 Trust Funds and Deposits

Amounts received as tender deposits and retention amounts.

	2009/2010 \$'000	2008/2009 \$'000
Contractors Retention Amount	3	32
Vic Roads	11	66
Building Deposits	5	10
Other	4	1
<b>Total</b>	<b>23</b>	<b>109</b>

## Note 26 Provisions

	2009/2010 \$'000	2008/2009 \$'000
Current		
Annual Leave	716	679
Long Service Leave – Short Term (a)	40	125
Long Service Leave – Longer Term (b)	854	768
Retiring Gratuity	63	57
Other Employee Benefits	29	26
Gravel Pit Reinstatement	100	85
Garbage Pit Reinstatement	25	35
<b>Sub Total</b>	<b>1,827</b>	<b>1,775</b>
Non Current		
Long Service Leave (b)	104	146
Retiring Gratuity	10	19
Gravel Pit Reinstatement (c)	107	107
Garbage Pit Reinstatement	16	16
<b>Sub Total</b>	<b>237</b>	<b>288</b>
<b>Total</b>	<b>2,064</b>	<b>2,063</b>
The following assumptions were adopted in measuring the present value of annual leave, long service leave and retiring gratuity:		
Weighted average employee costs	4.48%	4.45%
Weighted average discount rates	5.16%	5.48%
Weighted average settlement period	12	12

## (a) Current Annual Leave and Long Service Leave

Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value	40	125
Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	854	768
<b>Total</b>	<b>894</b>	<b>893</b>



## Note 26 Provisions (continued)

## (b) Non Current Long Service Leave

Long Service Leave representing less than 10 years of continuous services measured at present value	104	146
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## (c) Gravel Pit Reinstatement

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.

	Balance at beginning of financial year \$'000	Additional provisions \$'000	Provisions Used \$'000	Balance at end of financial year \$'000
<b>2009/2010</b>				
Annual Leave	679	362	(325)	716
Long Service Leave	1,039	12	(53)	998
Retiring Gratuity	75	3	(5)	73
Other Employee Benefits	26	29	(26)	29
Gravel Pit Reinstatement	192	124	(109)	207
Garbage Tip Reinstatement	51	-	(10)	41
<b>Total Provisions</b>	<b>2,062</b>	<b>530</b>	<b>(528)</b>	<b>2,064</b>
<b>2008/2009</b>				
Annual Leave	627	357	(305)	679
Long Service Leave	913	177	(51)	1,039
Retiring Gratuity	67	23	(15)	75
Other Employee Benefits	29	26	(29)	26
Gravel Pit Reinstatement	173	58	(39)	192
Garbage Tip Reinstatement	57	-	(6)	51
<b>Total Provisions</b>	<b>1,866</b>	<b>641</b>	<b>(445)</b>	<b>2,062</b>





## Note 27 Interest Bearing Loans and Borrowings

	2009/2010 \$'000	2008/2009 \$'000
<b>Borrowings</b>		
Current		
Borrowings – Secured	111	82
<b>Total Current</b>	<b>111</b>	<b>82</b>
Non-Current		
Borrowings – Secured	86	112
<b>Total Non-Current</b>	<b>86</b>	<b>112</b>
<b>Total</b>	<b>197</b>	<b>194</b>
The maturity profile for Council's borrowings is:		
Not later than one year	111	82
Later than one year and not later than five years	86	112
<b>Total Borrowings Liabilities</b>	<b>197</b>	<b>194</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	58
<b>Total Current</b>	<b>58</b>	<b>58</b>
Non-Current		
Finance Lease	95	153
<b>Total Non-Current</b>	<b>95</b>	<b>153</b>
<b>Total</b>	<b>153</b>	<b>211</b>
The maturity profile for Council's finance lease is:		
Not later than one year	58	58
Later than one year and not later than five years	95	153
<b>Total Finance Lease Liabilities</b>	<b>153</b>	<b>211</b>
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	169	140
Non Current	181	265
<b>Total</b>	<b>350</b>	<b>405</b>



## Note 28 Reserves

	Balance 2009	Increment/ (Decrement)	Balance 2010
	\$'000	\$'000	\$'000
<b>2010</b>			
<b>Asset Revaluation Reserves</b>			
Land	1,116	297	1,413
Buildings	11,453	4,447	15,900
Roads & Streets	33,152	13,871	47,023
Footpath, Kerb and Channel	2,958	(470)	2,488
Bridges	863	204	1,067
Drains	2,066	93	2,159
Airport Runways	500	(145)	355
Bores & Tanks	100	68	168
<b>Sub Total</b>	<b>52,208</b>	<b>18,365</b>	<b>70,573</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>52,223</b>	<b>18,365</b>	<b>70,588</b>

	Balance 2008	Increment/ (Decrement)	Balance 2009
	\$'000	\$'000	\$'000
<b>2009</b>			
<b>Asset Revaluation Reserves</b>			
Land	1,116	-	1,116
Buildings	11,453	-	11,453
Roads & Streets	29,664	3,488	33,152
Footpath, Kerb and Channel	2,468	490	2,958
Bridges	441	422	863
Drains	1,117	949	2,066
Airport Runways	347	153	500
Bores & Tanks	58	42	100
<b>Sub Total</b>	<b>46,664</b>	<b>5,544</b>	<b>52,208</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>46,679</b>	<b>5,544</b>	<b>52,223</b>



## Note 29 Reconciliation of Cash Flows from Operating Activities to Profit (Loss)

	2009/2010 \$'000	2008/2009 \$'000
Profit (Loss) for the period	(822)	1,113
Depreciation	5,273	5,078
Share of net result of associate	38	(25)
Loss / (Profit) on Sale of Property, Infrastructure, Plant & Equipment	2,055	320
Increase/(Decrease) Gypsum Pit Owners balance	69	(48)
Change in Capital Creditors	316	(479)
<u>Change in Assets &amp; Liabilities</u>		
(Increase)/Decrease in Trade and other receivables	103	114
Increase/(Decrease) in Provisions	(3)	183
(Increase)/Decrease in Inventories	(117)	168
(Increase)/Decrease in Other Assets	26	(17)
Increase/(Decrease) in Trade and other payables	(280)	(662)
<b>Net Cash Provided by / (Used in) Operating Activities</b>	<b>6,658</b>	<b>5,745</b>
<b>The reconciliation of cash and cash equivalents is as follows:</b>		
Cash and cash equivalents (see Note 17)	8,422	7,028

## Note 30 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).

	2009/2010 \$'000	2008/2009 \$'000
Motor Vehicles	178	253
<b>Total</b>	<b>178</b>	<b>253</b>
These expenditures are due for payment:		
Not later than one year	103	111
Later than one year and not later than two years	52	103
Later than two years and not later than five years	23	39
<b>Total</b>	<b>178</b>	<b>253</b>

## Note 31 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:

	2009/2010 \$'000	2008/2009 \$'000
<b>Operating</b>		
Kerbside Garbage Collection	433	680
Kerbside Recycling Collection	391	669
Valuation Contract	130	313
<b>Total</b>	<b>954</b>	<b>1,662</b>
These expenditures are due for payment:		
Not later than one year	405	493
Later than one year and not later than two years	549	1,169
<b>Total</b>	<b>954</b>	<b>1,662</b>



## Note 32 Superannuation

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

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

### Defined Benefit Plan

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

Yarriambiack Shire 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 2008, 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);

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

The result of the actuarial review is expected to be finalised during October 2010. Should the review identify a funding shortfall requiring additional contributions, the Council will be notified of any amount payable by November 2010 for payment on 1 July 2011. A further actuarial review will be undertaken as at 30 June 2011. Based on the result of this further review, a detailed funding plan will be developed and implemented to achieve the target of fully funding the Fund by 31 December 2013.

### Accounting Standard Disclosure

The Fund's liability for accrued benefits was determined by the Actuary at the 31 December 2008 pursuant to the requirements of Australian Accounting Standard AAS25 as follows:

	31 December 2008 \$'000
Net Market Value of Assets	3,630,432
Accrued Benefits	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits (minimum sum which must be paid to members when they leave the fund)	3,561,588



## Note 32 Superannuation (continued)

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

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

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

	2009/2010 \$'000	2008/2009 \$'000
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	558	415
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 33 Auditors' Remuneration

	2009/2010 \$'000	2008/2009 \$'000
External audit fees – Victorian Auditor General	31	31
Internal audit fees – AFS & Associates	13	14
<b>Total</b>	<b>44</b>	<b>45</b>

## Note 34 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 35 Contingent Assets &amp; Contingent Liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make addition contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the increased volatility in financial markets the likelihood of making such contributions in future periods has increased. As this point in time it is not know if additional contributions will be required, their timing or potential amount.

## Note 36 Financial Instruments

## (a) Accounting Policy, Terms &amp; 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 3.9 % (2.4% in 2008/2009).
		Investments and bills are valued at cost.	Funds returned fixed interest rate of between 4.70 % (3.22% in 2008/2009), and 6.10 % (7.40% in 2008/2009) 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. There has been an increase in doubtful debts of 18% (8.8% in 2008/2009)
<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 30/06/2010 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	24	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.	27	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 6.51% during 2009/2010 (6.51% in 2008/2009)



## Note 36 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	Floating Interest Rate \$'000	Fixed Interest Rate Maturing in:			Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	Non-Interest Bearing \$'000	
2010					
(i) Financial Assets					
Cash and cash equivalents	1,319	7,101	-	2	8,422
Trade and other receivables	-	-	-	635	635
<b>Total Financial Assets</b>	<b>1,319</b>	<b>7,101</b>	<b>-</b>	<b>637</b>	<b>9,057</b>
<b>Weighted Average Interest Rate</b>	<b>3.87%</b>	<b>5.55%</b>	<b>-</b>	<b>-</b>	
(ii) Financial Liabilities					
Trade and other payables	-	-	-	838	838
Interest – bearing loans and Borrowings	-	109	88	153	350
<b>Total Financial Liabilities</b>	<b>-</b>	<b>109</b>	<b>88</b>	<b>991</b>	<b>1,188</b>
<b>Weighted Average Interest Rate</b>	<b>n/a</b>	<b>6.51%</b>	<b>6.51%</b>	<b>-</b>	
<b>Net Financial Assets (Liabilities)</b>	<b>1,319</b>	<b>6,992</b>	<b>(88)</b>	<b>(354)</b>	<b>7,869</b>

Financial Instruments	Floating Interest Rate \$'000	Fixed Interest Rate Maturing in:			Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	Non-Interest Bearing \$'000	
2009					
(i) Financial Assets					
Cash and cash equivalents	2,833	4,193	-	2	7,028
Trade and other receivables	-	-	-	613	613
Accrued Income	-	22	-	20	42
<b>Total Financial Assets</b>	<b>2,833</b>	<b>4,215</b>	<b>-</b>	<b>635</b>	<b>7,689</b>
<b>Weighted Average Interest Rate</b>	<b>2.47%</b>	<b>3.84%</b>	<b>-</b>	<b>-</b>	
(ii) Financial Liabilities					
Trade and other payables	-	-	-	978	978
Interest – bearing loans and Borrowings	-	84	112	211	407
<b>Total Financial Liabilities</b>	<b>-</b>	<b>84</b>	<b>112</b>	<b>1,189</b>	<b>1,385</b>
<b>Weighted Average Interest Rate</b>	<b>n/a</b>	<b>6.51%</b>	<b>6.51%</b>	<b>-</b>	
<b>Net Financial Assets (Liabilities)</b>	<b>2,833</b>	<b>4,131</b>	<b>(112)</b>	<b>(554)</b>	<b>6,298</b>



## Note 36 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	
	2010 \$'000	2009 \$'000	2010 \$'000	2009 \$'000
<b>Financial Assets</b>				
Cash and cash equivalents	8,422	7,028	8,422	7,028
Trade and other receivables	635	655	635	655
<b>Total Financial Assets</b>	<b>9,057</b>	<b>7,683</b>	<b>9,057</b>	<b>7,683</b>
<b>Financial Liabilities</b>				
Trade and other payables	861	978	861	978
Interest – bearing loans and borrowings	350	407	341	407
<b>Total Financial Liabilities</b>	<b>1,211</b>	<b>1,385</b>	<b>1,202</b>	<b>1,385</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 funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the 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 36 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.

**Movement in provisions for Doubtful Debts**

	2010 \$'000	2009 \$'000
Balance at the beginning of the year	135	147
New Provisions recognised during the year	21	18
Amounts already provided for and written off as uncollectable	3	(12)
Amounts provided for but recovered during the year	(21)	(18)
<b>Balance at end of year</b>	<b>138</b>	<b>135</b>

**Ageing of Trade and Other Receivables**

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

	2010 \$'000	2009 \$'000
Current (not yet due)	191	247
Past due by up to 30 days	29	30
Past due between 31 and 60 days	6	5
Past due between 60 and 90 days	3	1
Past due between 90 and 180 days	35	49
<b>Total Trade &amp; Other Receivables</b>	<b>264</b>	<b>332</b>



## Note 36 Financial Instruments (continued)

*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.

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

2010	6mths or less \$'000	6-12 mths \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	838	-	-	-	-	838	838
Trust funds and deposits	20	3	-	-	-	23	23
Interest-bearing loans and borrowings	89	89	108	64	-	350	350
<b>Total financials liabilities</b>	<b>947</b>	<b>92</b>	<b>108</b>	<b>64</b>	<b>-</b>	<b>1,211</b>	<b>1,211</b>

2009	6mths or less \$'000	6-12 mths \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	978	-	-	-	-	978	978
Trust funds and deposits	99	10	-	-	-	109	109
Interest-bearing loans and borrowings	71	71	126	139	-	407	407
<b>Total financials liabilities</b>	<b>1,148</b>	<b>81</b>	<b>126</b>	<b>139</b>	<b>-</b>	<b>1,494</b>	<b>1,494</b>



## Note 36 Financial Instruments (continued)

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 Reserve Bank of Australia):

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 6%

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.

2010	Carrying amount subject to interest	Interest rate risk			
		-1% 100 basis points	2% 200 basis points		
		Profit	Equity	Profit	Equity
<b>Financial Assets:</b>					
Cash and cash equivalents	8,422	(84)	(84)	168	168
Other financial assets	255	-	-	-	-
Trade and other receivables	635	-	-	-	-
<b>Financial Liabilities</b>					
Interest-bearing loans and borrowings	350	(4)	(4)	7	7

2009	Carrying amount subject to interest	Interest rate risk			
		-1% 100 basis points	2% 200 basis points		
		Profit	Equity	Profit	Equity
<b>Financial Assets:</b>					
Cash and cash equivalents	7,028	(70)	(70)	141	141
Other financial assets	229	(2)	(2)	5	5
Trade and other receivables	655	(7)	(7)	13	13
<b>Financial Liabilities</b>					
Interest-bearing loans and borrowings	407	(4)	(4)	8	8

## Note 37 Financing Arrangements

	2009/2010 \$'000	2008/2009 \$'000
<b>Unused Facilities</b>		
Bank Overdraft Limit	1,200	1,200
Bank Guarantee Facility	107	107
<b>Sub Total</b>	<b>1,307</b>	<b>1,307</b>
<b>Used Facilities</b>		
Borrowing Facility	197	196
<b>Sub Total</b>	<b>197</b>	<b>196</b>
<b>Total</b>	<b>1,504</b>	<b>1,503</b>



## Note 38 Related Party Transactions

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

<b>Councillors:</b>	Jean Margaret WISE	(Mayor from December 2009)
	Helen Anne McCulloch BALLENTINE	
	Geoffrey William LOVEL	
	Andrew Robert McLEAN	
	Kylie Louise ZANKER	(Elected November 2008)
	Ray KINGSTON	(Elected November 2008)
	John KEMFERT	(Elected November 2008)

**Chief Executive Officer:** Ray CAMPLING

- (b) *Remuneration of Responsible Persons*

	2009/2010 No.	2008/2009 No.
Annualised remuneration of responsible persons were within the following bands:		
\$1 – \$9,999	-	3
\$10,000 – \$19,999	5	5
\$20,000 – \$29,999	1	1
\$30,000 – \$39,999	1	-
\$40,000 – \$49,999	-	1
\$160,000 – \$169,999	-	1
\$170,000 – \$179,999	1	-
<b>Total</b>	<b>8</b>	<b>11</b>
	2009/2010 \$'000	2008/2009 \$'000

Total remuneration for the reporting year for responsible persons included above, amounted to: 324 318

- (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 (2009/2010 – Nil).

- (e) *Other Transactions*

Transactions other than remuneration payments or the reimbursement of approved expenses entered in to by Council with Responsible Persons or related Parties of such Responsible Persons, during the reporting year 2009/10 amounted to \$164,763.41 (2008/09 \$25,339.56).

- (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 \$120,000.

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

	2009/2010 No.	2008/2009 No.
\$80,000 – \$89,999	-	1
\$90,000 – \$99,999	2	2
\$100,000 – \$109,999	1	-
\$120,000 – \$129,999	-	1
\$130,000 – \$139,999	1	-
<b>Total</b>	<b>4</b>	<b>4</b>
	2009/2010 \$'000	2008/2009 \$'000

Total remuneration for the reporting period for responsible persons included above, amounted to: 429 393



## Note 39 Revenue, Expenses and Assets by Function / Activity

	Total	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment
<b>2010</b>							
<b>Income</b>							
Rates	7,636	6,962	-	-	-	-	674
Grants & Reimbursement	8,757	4,022	1,492	521	498	2,125	99
Other	2,489	393	627	158	86	1,117	108
<b>Total Income</b>	<b>18,882</b>	<b>11,377</b>	<b>2,119</b>	<b>679</b>	<b>584</b>	<b>3,242</b>	<b>881</b>
<b>Expenses</b>							
Employee Costs	5,696	1,065	1,504	245	83	2,300	499
Depreciation	5,273	211	143	33	225	4,627	34
Other	8,718	963	854	423	1,003	4,424	1,051
<b>Total Expenses</b>	<b>19,687</b>	<b>2,239</b>	<b>2,501</b>	<b>701</b>	<b>1,311</b>	<b>11,351</b>	<b>1,584</b>
<b>Surplus (Deficit) for the year</b>	<b>(805)</b>	<b>9,138</b>	<b>(382)</b>	<b>(22)</b>	<b>(727)</b>	<b>(8,109)</b>	<b>(703)</b>
<b>Assets attributed to Functions / Activities</b>	<b>137,632</b>	<b>12,841</b>	<b>6,139</b>	<b>3,373</b>	<b>8,234</b>	<b>106,155</b>	<b>890</b>
	Total	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment
<b>2009</b>							
<b>Income</b>							
Rates	7,064	6,446	-	-	-	-	618
Grants & Reimbursement	8,279	5,049	1,384	532	419	876	19
Other	2,320	401	577	113	192	951	86
<b>Total Income</b>	<b>17,663</b>	<b>11,896</b>	<b>1,961</b>	<b>645</b>	<b>611</b>	<b>1,827</b>	<b>723</b>
<b>Expenses</b>							
Employee Costs	5,422	1,169	1,529	223	85	1,922	494
Depreciation	5,078	190	153	38	222	4,440	35
Other	6,038	974	710	336	985	2,018	1,015
<b>Total Expenses</b>	<b>16,538</b>	<b>2,333</b>	<b>2,392</b>	<b>597</b>	<b>1,292</b>	<b>8,380</b>	<b>1,544</b>
<b>Surplus (Deficit) for the year</b>	<b>1,125</b>	<b>9,563</b>	<b>(431)</b>	<b>48</b>	<b>(681)</b>	<b>(6,553)</b>	<b>(821)</b>
<b>Assets attributed to Functions / Activities</b>	<b>120,371</b>	<b>10,589</b>	<b>4,812</b>	<b>1,369</b>	<b>8,119</b>	<b>94,771</b>	<b>711</b>

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



## Note 39 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 40 Financial Ratios

	2009/2010		2008/2009		2007/2008	
	\$	%	\$	%	\$	%
<b>(1) Debt Exposure Ratio</b>						
(To identify Council's exposure to debt)						
<u>Total indebtedness</u>						
<u>Total realisable assets</u>	2,398	9.07%	2,618	11.55%	3,392	11.29%
	26,444		22,673		30,042	
Total realisable assets includes current and non-current assets but excludes infrastructure assets.						



## Note 40 Financial Ratios (continued)

	2009/2010		2008/2009		2007/2008	
	\$	%	\$	%	\$	%
<b>(2) Working Capital Ratio</b>						
(To assess a Council's ability to meet current commitments)						
$\frac{\text{Current Assets}}{\text{Current Liabilities}}$	$\frac{10,152}{2,857}$	355.34%	$\frac{8,657}{3,004}$	288.18%	$\frac{7,536}{3,557}$	211.06%
<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.	$\frac{10,152}{1,963}$	517.17%	$\frac{8,657}{2,111}$	410.09%	$\frac{7,536}{3,054}$	246.76%
<b>(4) Debt Commitment Ratio</b>						
(To identify Council's debt redemption strategy)						
$\frac{\text{Debt Servicing \& Redemption}}{\text{Rate Revenue}}$	$\frac{490}{6,814}$	7.19%	$\frac{243}{7,064}$	3.43%	$\frac{13}{6,773}$	0.19%
The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
<b>(5) Debt Servicing Ratio</b>						
(To identify Council's capacity to service its outstanding debt)						
$\frac{\text{Debt Servicing Costs}}{\text{Total Revenue}}$	$\frac{14}{18,668}$	0.07%	$\frac{21}{17,439}$	0.12%	$\frac{33}{15,906}$	0.21%
Debt servicing costs refer to the payment of interest on loan borrowings, finance lease interest and bank overdraft.						
<b>(6) Revenue Ratio</b>						
(To identify Council's dependence on non-rate income)	$\frac{6,814}{18,668}$	36.50%	$\frac{7,064}{17,439}$	40.51%	$\frac{6,773}{15,906}$	42.58%
$\frac{\text{Rate Revenue}}{\text{Total Revenue}}$						



## Note 41 Capital Expenditure

## Capital expenditure areas

	Note	2009/2010 \$'000	2008/2009 \$'000
Buildings		438	122
Heritage Buildings		53	63
Plant & Machinery		890	883
Office Equipment		203	81
Roads and Streets		2,868	3,150
Footpath, Kerb and Channel		419	272
Bridges		-	4
Drainage		8	10
Tanks and Bores		138	177
Gravel Pits and Garbage Tips		109	49
<b>Total capital works</b>		<b>5,126</b>	<b>4,811</b>
Represented by:			
Renewal	(a)	3,786	3,146
Upgrade	(b)	1,340	1,665
Expansion	(c)	-	-
<b>Total capital works</b>		<b>5,126</b>	<b>4,811</b>

## Property, plant and equipment infrastructure movement

The Movement between the previous year and the current year in property, plant and equipment, infrastructure as shown in the Balance Sheet links to the net of the following items:

	Note	2009/2010 \$'000	2008/2009 \$'000
Total capital works		5,126	4,811
Asset revaluation movement	28	18,365	5,544
Depreciation / Amortisation	11	(5,273)	(5,078)
Written down value of assets sold	15	(2,430)	(544)
<b>Net movement in property, plant and equipment, infrastructure</b>	<b>22</b>	<b>15,788</b>	<b>4,733</b>

(a) **Renewal**

Expenditure on existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.





## Note 41 Capital Expenditure (continued)

**(b) Upgrade**

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base

**(c) Expansion**

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

## Note 42 Special Committees and other activities

Committee	Purpose
<b>Section 86 Committees</b>	
Woomelang Units	To manage and administer the units
Woomelang Multi Purpose Centre	To manage and administer functions of the centre
Murtoa Units	To manage and administer the units
Warracknabeal Saleyards Committee of Management	To manage saleyard activities for Council
Hopetoun Swimming Pool	To manage and administer operation of the swimming pool
Warracknabeal Leisure Centre	To manage and administer operation of the Leisure Centre
Tempy Swimming Pool	To manage and administer operation of the swimming pool
<b>Other</b>	
Occupational Health & Safety Committee	To manage O H & S activities for the Council
Tender Evaluation Committee	To evaluate tenders for the Council
Enterprise Bargaining Consultative Committee	To facilitate the implementation of the Agreement

## 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 2010 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: 27 September 2010  
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 2009 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 8<sup>th</sup> September 2010 to certify the financial statements in their final form.



**Jean M. Wise**  
Mayor  
Dated: 27 September 2010  
Warracknabeal



**Kylie L. Zanker**  
Councillor  
Dated: 27 September 2010  
Warracknabeal



**Ray Campling**  
Chief Executive Officer  
Dated: 27 September 2010  
Warracknabeal

## INDEPENDENT AUDIT



Victorian Auditor-General's Office

### INDEPENDENT AUDITOR'S REPORT

#### To the Councillors, Yarriambiack Shire Council

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

The accompanying standard statements for the year ended 30 June 2010 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 accompanying financial report for the year ended 30 June 2010 of Yarriambiack Shire Council which comprises of comprehensive 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 Report has been audited.

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

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

- the standard statements in accordance with the basis of preparation as described in note 1 of the statements and the requirements of the *Local Government Act 1989*.
- 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*.

This responsibility includes:

- establishing and maintaining internal controls relevant to the preparation and fair presentation of the Standard Statements and Financial Report 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 Standard Statements and Financial Report 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 Standard Statements and Financial Report are free from material misstatement.

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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*Auditing in the Public Interest*



## INDEPENDENT AUDIT



Victorian Auditor-General's Office

### Independent Auditor's Report (continued)

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

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

This auditor's report relates to the Standard Statements and Financial Report published in both the annual report and on the website of Yarriambiack Shire Council for the year ended 30 June 2010. The Councillors of Yarriambiack Shire Council are responsible for the integrity of the website. I have not been engaged to report on the integrity of the website. The auditor's report refers only to the statements named above. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on Yarriambiack Shire Council website.

#### *Independence*

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

#### *Auditor's Opinion*

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.
- (b) the financial report presents fairly, in all material respects, the financial position of Yarriambiack Shire Council as at 30 June 2010 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*.

MELBOURNE  
28 September 2010

  
D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*

