



Yarriambiack
SHIRE COUNCIL

Annual Report 2011 - 2012



SHIRE OFFICE

Warracknabeal

34 Lyle Street
(PO Box 243)
Warracknabeal 3393
Telephone (03) 5398 0100
Facsimile (03) 5398 2502
info@yarriambiack.vic.gov.au

SERVICE CENTRES

Hopetoun

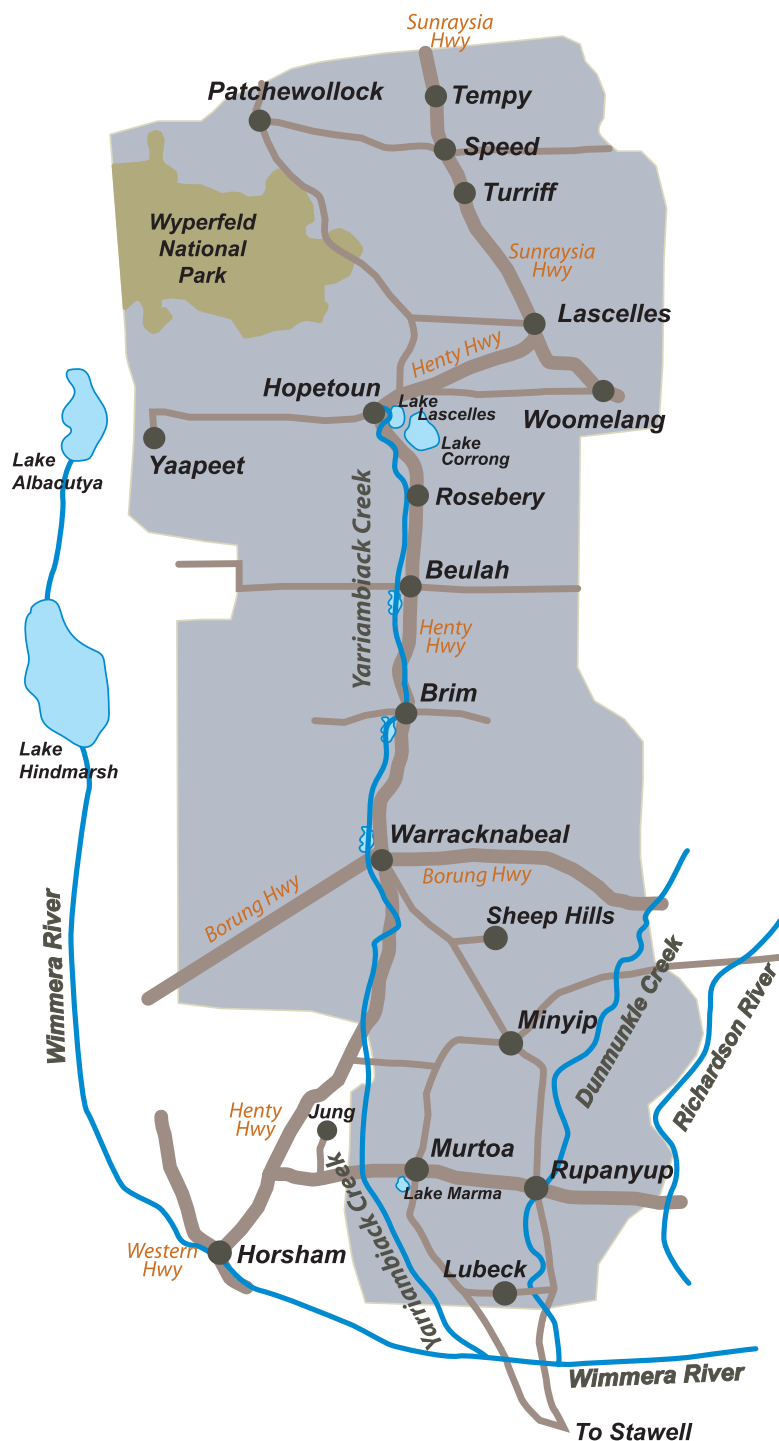
75 Lascelles Street
Hopetoun 3396
Telephone (03) 5083 3001
Facsimile (03) 5083 3309

Rupanyup

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

WEBSITE

www.yarriambiack.vic.gov.au



Front Cover Image: Street Scene - Woomelang

Back Cover Image: Lake Marmat - Murtoa

TITLE	PAGE
Our Shire at a Glance	4
Council's Philosophy	5
Mayors Report	6
Chief Executive Officers Report	7
Councillor Profiles & Meeting Attendance	8
Organisational Structure	9
Departmental Reports	10
Contributions, Donations & Memberships	15
Shire Happenings 2011/12	16
About Us & Freedom of Information	18
Information to be made available to Public	20
Victorian Government Indicators	21
 Annual Accounts	
Performance Statement	22
Standard Statements	26
General Purpose Financial Statements	36

our shire at a glance



Mallee Sunset - Beulah



Shearing Shed - Woomelang

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.

MAJOR ATTRACTIONS

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

AREA

7,160 sq. km

POPULATION

Approximately 7,520

VOTERS

Approximately 6,531

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.

RATE REVENUE

\$7,662,901.10

KEY STATISTICS

Planning Permits Issued	71
Total Value	\$12,436,126
Building Permits Issued	78
Total Value	\$3,211,608
Properties (total)	7696
Total Value (CIV)	\$1,343,781,000
Properties Rateable	6802
Total Value (CIV)	\$1,307,116,600

the shire is situated in the
grampians and mildura & murray
outback regions

councils philosophy



Kangaroos in scrub land - Yaapeet



Youth of our Shire - Beulah

OUR MISSION

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

OUR VALUES

Customer Service

- 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.

OUR 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.

yarriambiack shire council will
combine strategic planning and
prudent management to ensure a
positive and sustainable future

mayors report



I am delighted to provide an overview of Yarriambiack Shire Council's achievements during the past year. As Mayor of the Yarriambiack Shire Council I have great pleasure presenting the introduction to the 2011/2012 Yarriambiack Shire Council Annual Report.

I believe Council has shown a considered and strategic approach with regard to its responsibilities and to the many services it has delivered over the last twelve month period.

I am proud of our council's achievements over the past financial year and I thank my fellow Councillors, Chief Executive Officer Ray Campling and all staff for their commitment, professionalism and combined efforts, to achieve this. The report highlights council's dedication towards the betterment of our Yarriambiack municipality.

During my term as mayor it has been an amazing honour and privilege to serve, advocate and represent our municipality within this prestigious role. Councillors and staff working together to achieve the goals and aspirations of the community whilst ensuring that the goals are realistic and achievable has been invaluable.

During the past twelve months our communities have demonstrated resilience, positiveness, focus and commitment to the future with a strong theme of growth, retention and empowerment.

Positive examples of empowerment are seen with businesses expanding, new ones opening and many diversifying in the range of products and services that they offer. Council's commitment to strengthening and improving community engagement, advocacy and the use of "local knowledge" has been a valuable and vital focus across our municipality. Dedication to grow and prosper within our forever changing and challenging world is evident.

Partnerships with State and Federal Governments, major stakeholders and importantly the community demonstrate that council as in previous years places considerable importance and is committed to developing and maintaining positive and productive relationships. Singularly we can achieve great things, however together we can achieve so much more!

This report outlines plans for next year, and beyond. Council will act strategically and be prepared for a future - I believe this report also shows a caring Council, embracing these new times, new challenges and adapting to new ways to handle these challenges.

There are many challenging times ahead and I urge all residents to be active in their local communities. Remember our cups are half full - make your voices heard and help build Yarriambiack as an even better place to live and work.

Please take time to read the 2010 - 2011 Yarriambiack Shire Council Annual Report. We are proud of the progress Council has made during the past 12 months, and look forward to another year of exciting and lifestyle-enhancing achievements in 2011-12.

In conclusion, I would like to thank my fellow Councillors, Yarriambiack Shire Council staff and the Yarriambiack community for the support they have given to me over the last eleven months.

The last 12 months have been an exciting time in Yarriambiack Shire, and I have thoroughly enjoyed my term as Mayor.

A handwritten signature in black ink that reads "Cr Kylie Zanker".

Cr Kylie Zanker
Mayor

chief executive officers report



In consideration to the 2011/2012 financial year it was to some extent been a mirror reflection of previous years as it was without question a year in which we worked particularly diligently to consolidate and build upon our commitment of continuous improvement in delivering realistic services and proactively planning strategically to ensure the ongoing sustainability and viability of the Yarriambiack Shire.

As in previous year's considerable time, effort and energy has been expended and focused on relationship building and enhancement, financial accountability and addressing our identified goals, objectives and outcomes. Additionally we have also placed significant and appropriate emphasis on developing an understanding and a constructive and supportive relationship with the various and diverse sectors of our community and region.

Council has also placed considerable emphasis on further developing its productive relationships with both the State and Federal Governments and as a consequence significant and particularly favourable outcomes have been achieved which has resulted in substantial direct and indirect benefits being delivered to our communities.

Council is very much committed 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 overall benefit of the Shire and ultimately the achievement and fulfilment of our community's needs and aspirations.

The information contained in this report will provide the community with an opportunity to fully determine and judge for themselves the progress that Yarriambiack Shire Council has made during the 2011/2012 financial year. It is envisaged that the year ahead will again offer a wide range of unparalleled challenges and potentially 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 even more than we have previously encountered which have been considerable including ten plus years of unseasonal weather conditions, two incidences of unprecedented flooding in addition to mice and locust plagues, 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 lead and work with them. Keep up the great work it is very much appreciated respected and acknowledged

To the Mayor Kylie Zanker and your fellow councillors congratulations on your positive and proactive performance and efforts and in particular for the excellent working relationship that has been established and developed with the management team and staff over the past twelve months.

It certainly has been a pleasure to work in association with you and your councillors, the staff and I look forward to continuing our positive and constructive relationship. In closing, I would particularly like to thank our wonderful community for their support, co-operation, understanding and assistance throughout the year and for also making the Yarriambiack Shire simply a great place to live, raise a family, work, enjoy and visit!

A handwritten signature in black ink that reads "Ray Campling". The signature is written in a cursive, flowing style.

Ray Campling
Chief Executive Officer

councillors profiles & meeting attendance



Cr Kylie Zanker
Warracknabeal Ward

Attendance 11/12

Internal Audit Committee
Wimmera Regional Library Service
Wimmera Volunteers Inc
Warracknabeal Neighbourhood House
Yarrilinks



Cr Helen Ballentine
Hopetoun Ward

Attendance 10/12

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



Cr John Kemfert
Dunmunkle Ward

Attendance 11/12

North Western Municipalities
Rail Freight Alliance
Wimmera Rail Association / Rail Standardisation
Wimmera Regional Sports Assembly



Cr Geoff Lovel
Warracknabeal Ward

Attendance 12/12

Grampians Waste Management Group
Internal Audit Committee
Wimmera Regional Transport Group
Wimmera Intermodal Freight Terminal Project Control Group
Western Highway Action Committee



Cr Andrew McLean
Hopetoun Ward

Attendance 12/12

GWM Water Community Consultative Mallee User Group
Grampians Waste Management Group
Municipal Association of Victoria
North Western Municipalities Association
Sunraysia Highway Improvement Committee
Sustainability Accord
Yarriambiack Creek Advisory Committee
Yarrilinks



Cr Ray Kingston
Dunmunkle Ward

Attendance 11/12

Municipal Association of Victoria
Sustainability Accord
Victorian Saleyards Association
Warracknabeal Saleyards Committee
Yarrilinks
Yarriambiack Tourism Association

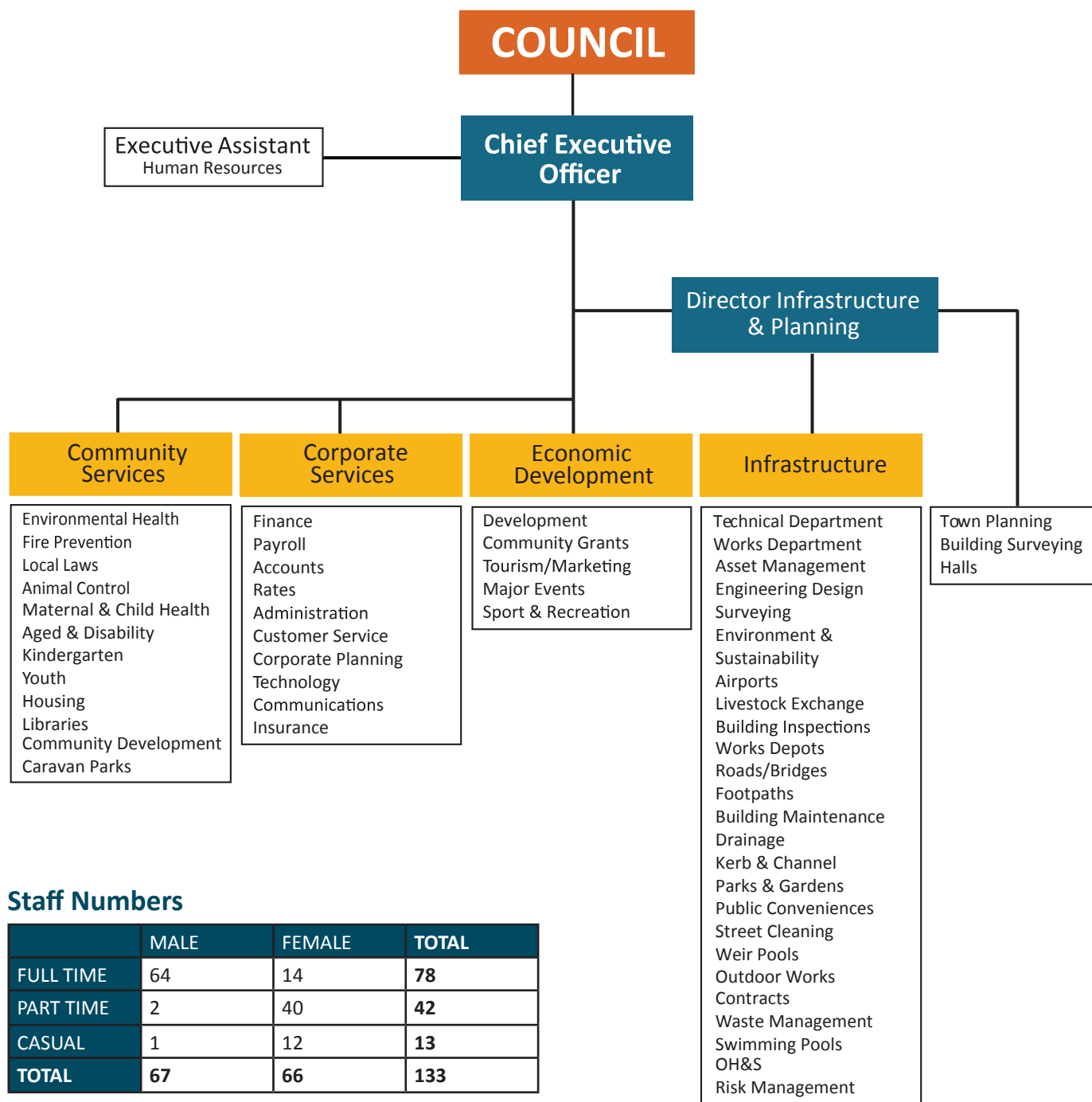


Cr Jean Wise
Warracknabeal Ward

Attendance 12/12

Australian Local Government Women's Association
Municipal Emergency Management Committee
Roadsafe Wimmera
Wimmera Development Association
Yarriambiack Chaplaincy Council
Yarriambiack Tourism Association
Western Highway Action Committee

organisational structure



Staff Numbers

	MALE	FEMALE	TOTAL
FULL TIME	64	14	78
PART TIME	2	40	42
CASUAL	1	12	13
TOTAL	67	66	133

Senior Management

Chief Executive Officer	Ray Campling
Director Planning & Infrastructure	James Magee
Corporate Services Manager	Anita McFarlane
Community Services Manager	Gavin Blinman
Economic Development Manager	Terry Sanders
Infrastructure Services Manager	Bernie Naylor

department of infrastructure & planning



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

2011/2012 ACHIEVEMENTS AND ACTIVITIES

- Completed road upgrade of Campbell St and Hopetoun West Road, Hopetoun for access from Henty Highway to their rail siding. Works funded by Iluka and Vicroads.
- 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.
- Completed widening of the Dimboola Minyip Rd via Roads to Market program. A 2km section completed.
- Completed construction and widening of Yaapeet Rainbow Road via Roads to Market program. 3.0km completed during year.
- Kerb and channel replacement at McDonald St Murtoa including seal widening and final seal.
- Continued to update vehicle fleet with greater emphasis being given to vehicles with environmental advantages.
- Construction and sealing of Dumbouy Road Warracknabeal.
- Completed reconstruction of kerbing in Anderson Street Warracknabeal.
- Installation of two new weir gates on Luna Park Road Beulah.
- Installation of three new weir gates on Rainbow Road at Warracknabeal.
- Review of Road Management Plan has commenced.
- Managed flooding response and recovery from January 2011 flood. Recovery works 85% complete.

- Lobbied for upgrade of the Yaapeet Rainbow railway line.
- Construction of floodways on Golf Hill Road, Luna Park Road, Brim West Road and Lah West Road.
- Rehabilitation of section of Ashens Jackson Road.
- Construction and sealing of Reservoir Lane, Hopetoun.

STAFFING

56 Equivalent Full Time Staff.

A handwritten signature in black ink that reads "James Magee". The script is cursive and fluid.

James Magee

Director Infrastructure & Planning

corporate services



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 and Business 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.

2011/2012 ACHIEVEMENTS AND ACTIVITIES

Finance

Provision of information to the Victorian Electoral Commission for the 2012 Council elections.
Upgrade financial system to allow for the emailing of purchase orders.
Completion of review of internal audits.

Rates & Property

Completion of 2012 General Valuations.

Information Technology

Purchase of ipads for Councillors.
Purchase of monitoring and imaging computer.

Administration

Update Council Community Directory.
Update Council Business Directory.

STAFFING

10 Equivalent Full Time Staff

A handwritten signature in black ink that reads "Anita McFarlane".

Anita McFarlane
Corporate Services Manager



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
- Kindergartens
- Home and Community Care Services
- Volunteer Transport
- Senior Citizens
- Youth
- Environmental Health
- Housing
- Arts and Culture
- Library
- Flood Recovery
- Emergency Relief
- Local Laws

2011/2012 ACHIEVEMENTS AND ACTIVITIES

- Wimmera Early Years Transport report completed and sent to Minister Wendy Lovel and DEECD for comment.
- Hosted 40 community members to the annual Yarriambiack Shire Kindergarten cluster dinner with Keryl Thomas DEECD assistant regional director.
- Received \$80,000 from the Local Government Infrastructure program for improvement to the Rupanyup Kindergarten facility.
- Recruitment of Stephanie Grainger as Teacher at Rupanyup and Minyip Kindergartens.
- Pilot program extended at Minyip / Rupanyup until the end of 2012.
- Yarriambiack Shire continued in the role of member and chair of the Wimmera Early Years reference group, for regional cluster managers looking at change management and workforce issues in Early Years.
- Opening of the Woomelang Kindergarten in 2012, closure of Beulah due to low numbers shire transport arranged for children to attend Hopetoun kindergarten.

- Replacement of playground equipment in Murtoa, Tempy and Minyip kindergartens.
- Flood recovery officer position extended to the end of September 2012.
- Training for Community Action Relief Teams at Hopetoun, Beulah and Brim, Rupanyup and Murtoa.
- Refurbishment of Hopetoun seniors building toilet area to increase access.
- 300 seniors attended a concert with Wendy Stapleton at Warracknabeal followed by a picnic for senior's week.
- Extra senior's week concerts with Police show and pipe bands in Beulah and Rupanyup.
- \$100,000 grant for ILOP, Improving Liveability for Older Persons in Yarriambiack shire over next 12 months.
- Review and update of Municipal Heatwave plan.
- Introduced a zero tolerance policy for restricted dog breeds in Yarriambiack shire.
- Development of a food safety newsletter for food proprietors on current and important health and safety issues.
- New youth worker in the South Ali Baker commenced.
- 2nd Yarriambiack Has Talent run successfully with 70 people attending.
- Monthly Immunisation program resulted in improved rates of 100% in most age ranges for shire.
- White Ribbon lunch held by YAKFAT committee as part of the campaign to reduce domestic violence in our communities.

STAFFING

7 Full Time Staff, 39 Part Time Staff, 11 Casual Staff

A handwritten signature in black ink that reads "Gavin Blinman".

Gavin Blinman
Community Services Manager

economic development



OBJECTIVES

The key objectives of the Economic & Community Development Unit for 2011/12 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

2011/2012 ACHIEVEMENTS AND ACTIVITIES

The major achievements for 2011/12 were:

- Showcasing the Shire at the Leisure Exhibitions in Adelaide and Melbourne.
- The continued development of Y-Fest and the Murtoa Big Weekend into major events for the Shire.
- Establishment of the Wimmera Mallee Tourism Association.
- Secured additional funding of \$630,000 from State and Federal Governments for community infrastructure, including sport and recreation facilities.
- Restoration of flood damaged community infrastructure.

STAFFING

2 Equivalent Full Time Staff, 1 Part Staff, 1 Casual Staff.

Terry Sanders

Terry Sanders

Manager Economic & Community Development

infrastructure services management



OBJECTIVES

To provide efficient and effective management of Council's Waste and Recycling Services, Transfer Stations, Contracts, Vehicle and Plant fleet 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.

2011/2012 ACHIEVEMENTS AND ACTIVITIES

In 2011/2012 the following contracts were tendered out and awarded:-

- Sealing of Various Local Roads, \$625,951, Term 1 Year
- Supply & Delivery of Prime Mover Truck, \$218,000, Term 1 Year
- Supply & Front End Loader, \$247,150, Term 1 Year
- Flood Rectification Works - Part A, \$1,279,157, Over 2 Years
- Flood Rectification Works - Part B, \$365,593, Over 2 Years

Waste Management

- Extension to cardboard baling facility at the Warracknabeal transfer station, cardboard from all transfer stations baled at Warracknabeal and transported to Melbourne.
- Recycling and crushing of 3,000 tonne of concrete – Murtoa Transfer Station.
- Successful EPA Audit of unlicensed Landfills.

Swimming Pools

- Upgrading of Rupanyup Swimming Pools Water Treatment System to a Electrochlorinator System.
- Upgrade to Hopetoun Swimming Pools Change rooms including disabled toilets, office first aid room and BBQ facilities.

A handwritten signature in black ink that reads "Bernie Naylor". The signature is fluid and cursive.

Bernie Naylor
Infrastructure Service Manager

contributions, donations & memberships

COMMUNITY & SPORTS DONATION

Access Ministries	\$3,393
Anzac Memorial Park	\$48,268
Beulah Bowling & Croquet Club	\$500
Beulah Business & Information	\$1,000
Beulah Football Club Inc	\$1,000
Beulah Kindergarten Committee	\$4,500
Beulah Memorial Hall Committee	\$1,000
Beulah Netball Club Inc	\$500
Beulah Park Trustees Committee	\$7,837
Beulah Primary School	\$600
Beulah Public Purpose Creek Committee	\$22,000
Beulah Swimming Pool	\$13,365
Beulah West Hall	\$1,034
Brim Active Community Group	\$1,500
Brim Lions Club	\$5,000
Brim Memorial Hall	\$525
Brim Recreation Reserve	\$7,183
Genr8 Youth Group	\$1,000
Grampians Regional Waste Management	\$1,500
Hopetoun & District Preschool	\$16,500
Hopetoun & District Traders Group	\$909
Hopetoun A & P Society	\$2,000
Hopetoun Football Netball Club	\$2,091
Hopetoun Memorial Hall	\$525
Hopetoun Patchwork Group	\$500
Hopetoun Progress Association	\$1,500
Hopetoun Recreation Reserve	\$12,358
Hopetoun Secondary College	\$978
Hopetoun Tennis Club	\$500
Jung Recreation Reserve	\$23,200
Lake Lascelles/Corrong Com. Management	\$12,109
Lake Marma	\$4,500
Lascelles Progress Association	\$2,000
Lubeck Memorial Public Hall Inc	\$2,430
Mallee Netball Association	\$500
Minyip Cricket Club	\$500
Minyip Festival Committee	\$770
Minyip Kindergarten Committee	\$14,500
Minyip Memorial Hall Inc.	\$2,271
Minyip Progress Association	\$1,500
Minyip Recreation Reserve Committee	\$13,874
Minyip Swimming Pool Inc	\$14,909
Minyip Tennis Club	\$500
Murtoa Kindergarten	\$4,500
Murtoa Mechanics Institute	\$1,040
Murtoa Progress Association	\$1,000
Murtoa Showyards Reserve Inc.	\$45,879
Murtoa Swimming Pool Inc.	\$20,486
Murtoa Tennis Club	\$500

COMMUNITY & SPORTS DONATION CONT

Patchewollock Gun Club	\$1,500
Patchewollock Memorial Community Club	\$3,570
Patchewollock Progress Association	\$1,000
Patchewollock Recreation Reserve	\$2,651
Police Emergency Services Day	\$1,364
Rupanyup Consultative Committee	\$1,000
Rupanyup Kindergarten Committe	\$2,500
Rupanyup Lions Club	\$3,000
Rupanyup Recreation Reserve	\$6,275
Rupanyup SES	\$15,630
Rupanyup Swimming Pool	\$12,923
Shared Learning & Activities Murtoa	\$500
Sheep Hills Mechanic Institute	\$525
Speed Public Hall	\$2,059
Speed Recreation Reserve	\$3,045
St Mary's School Parents Group	\$500
Tempy Memorial Park	\$2,037
Tempy Swimming Pool	\$6,696
Warracknabeal Action Group	\$1,000
Warracknabeal CWA Evening Club	\$500
Warracknabeal Historical Centre	\$500
Warracknabeal Hockey Club Inc	\$1,000
Warracknabeal Lions Club	\$3,000
Warracknabeal Memorial Kindergarten	\$2,500
Warracknabeal Memorial Swimming Pool	\$42,541
Warracknabeal Neighbourhood House	\$1,000
Warracknabeal RSL Sub Branch	\$2,727
Warracknabeal Secondary College	\$1,200
Warracknabeal SES	\$24,468
Warracknabeal Town Hall Committee	\$1,025
Warracknabeal Trap & Skeet Club	\$2,045
Warracknabeal Yarriambiack Creek	\$2,000
Wheatlands Warracknabeal	\$500
Woomelang & District Bush Nursing	\$4,000
Woomelang & District Development Assoc.	\$1,409
Woomelang Memorial Hall	\$5,308
Woomelang Recreation Reserve	\$5,776
Woomelang SES	\$12,630
Woomelang Swimming Pool	\$13,028
Yaapeet Community Club Inc	\$3,809
Yaapeet Tennis Club	\$1,100
TOTAL	\$526,375

MEMBERSHIPS

Wimmera Development Association	\$49,758
Wimmera Regional Library Corporation	\$166,112
TOTAL	\$215,870

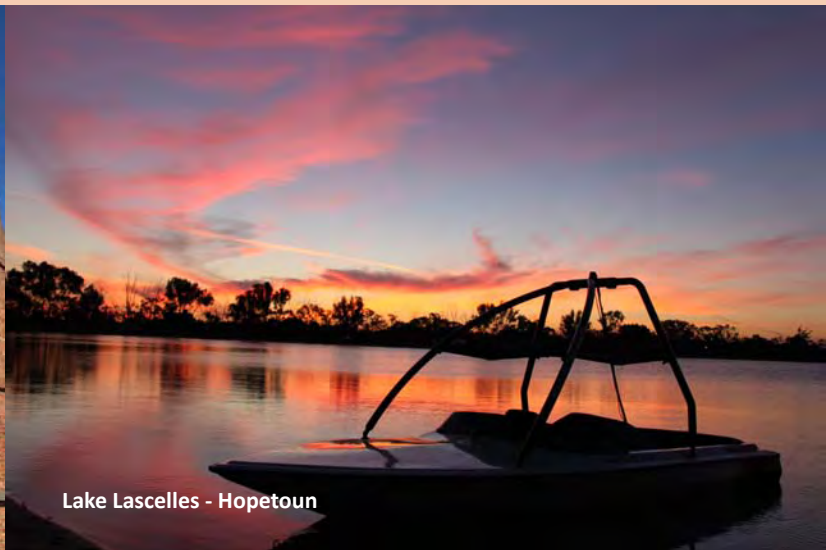
shire happenings 2011/12



Park Decoration - Brim



Water Tower Museum - Murtoa



Lake Lascelles - Hopetoun

JULY

Yarriambiack Shire Council has been approved a \$20,000 grant for the installation of three weir gates on Yarriambiack Creek at Warracknabeal, work to begin in October.

Yarriambiack Shire Council sponsorship scheme allocated \$200 to 21 community groups.

Yarriambiack formalised a road works agreement for the Henty Highway and Campbell Street in Hopetoun. Council signed and sealed a contract with Victorian contractor Bitu-Mill for re-alignment of the intersection.

Youth Worker has been employed for two days per week in the Southern part of Yarriambiack Shire.

AUGUST

Council adopts budget.

Yarriambiack Shire Council has signed a new three-year agreement for the Federal Government's Families, Housing Community Services and Indigenous Affairs funding to administer its emergency relief program. Funding of more than \$73,000 will help residents with bill payments and food vouchers.

SEPTEMBER

Swimming pools across the Yarriambiack Shire Council will share more than \$140,000 in budget allocations. Eight swimming pools will receive an annual allocation and an extra \$3,000 for lifeguard payments.

OCTOBER

The Annual Report was adopted at the Ordinary Meeting of Council held on Wednesday 12th October 2011.

Yarriambiack Shire Council reviewed the rate relief program. This program provides incentives for people to include sustainable water and energy initiatives when building new homes in the municipality.

NOVEMBER

Council approves financial assistance for 17 community groups within the Shire.

Council adopts dog strategy which includes new rules on breeds (dangerous and restricted dog breeds).

Council appointed Kylie Zanker as Mayor.

Council held a breakfast for Prevention of Violence Against Women (White Ribbon campaign). Chief Executive Officer Ray Campling is an Ambassador.

Yarriambiack Shire Council supports Yarriambiack Has Talent and will share in \$480,000 with four other organisations to support youth based programs in the region, the shire receiving \$90,000 during the next three years.

JANUARY

Yarriambiack Shire receives \$700,00 for Yarriambiack to rebuild and repair public infrastructure (Victorian Flood Damage).

Yarriambiack has received \$1,829,931 as a part of the Regional Infrastructure program to build new infrastructure or renew assets including roads & bridges and supporting development of facilities such as theatres, sporting grounds, pools, libraries and grandstands.

Yarriambiack Shire Council was recently nominated for an award for their Wimmera Early Years Transport report conducted this year. The Shire received a certificate in recognition and appreciation for ongoing commitment to ensuring all children and young people can develop, learn and succeed by improving Early Years Services through the Wimmera Early Years Transport Project.

Yarriambiack receives \$100,000 boost to help improve quality of life for older residents.



Big Lizard - Minyip



Shire Signs

MARCH

Mayor Kylie Zanker along with Peter Walsh, officially opened Redda's Park in Brim.

APRIL

Council submitted a full application for stage three (3) of Warracknabeal Street Scape Project.

Yarriambiack Shire Council has adopted a list of caravan park rules for the Hopetoun, Murtoa and Warracknabeal caravan parks.

Council offers for district residents to take part in Community Action Relief Team training.

Council received \$460,000 per year for various projects within the shire. These projects include installation of weir gates in Warracknabeal and Beulah, painting and renovation of the Rupanyup Kindergarten, construction of Council depot (Hopetoun), Shire road and upgrade of Hopetoun Caravan Park Amenities block.

MAY

Council recognised volunteers during National Volunteers Week.

Yarriambiack Shire Council joined other Wimmera Mallee Councils to exhibit at the Regional Victoria Living Expo at the Melbourne Exhibition Centre from April 27-29. The expo raised awareness of the lifestyle and investment opportunities available across Yarriambiack Shire, encouraging people to consider the lifestyle, education, career and housing benefits of Rural Victoria.

Yarriambiack Shire Council has completed shoulders reconstruction works on McLeod and South Street at Minyip and Kerb & Channel works in South Street.

Yarriambiack Shire Council was proud to host Governor of Victoria Alex Chernov AC QC and Elizabeth Chernov. The Governor was very impressed with the Yarriambiack Communities that he visited.

Yarriambiack Shire Council Gazetted public holiday arrangements half day Local Show and half day Melbourne Cup (6 November).

Council held a special Council Meeting to advertise the draft Budget 2012/13 for community consultation.

JUNE

Council offers Sponsorship Allocations - Used for prize money or purchase of trophies for a competition.

Councillor Jean Wise receives and Order of Australia medal (Queen's birthday honours).

Council has named one of the shire's newest roads (Clarendon Avenue). During its capital works program. Council constructed a new sealed road in Warracknabeal off Craig Avenue in an existing road reserve.

Council approved a new five year contract for Air Services Australia to lease land at Warracknabeal Aerodrome to operate navigational equipment.

Council voted unanimously to grant a permit for Minyip/Murtoa Football Club to extend its licence to cover the rear outdoor deck, entrance portico and front area of the Murtoa Community Centre.

Council approved money for 37 community groups within the Shire total budget for the June round of the scheme was \$12,500. Money used towards new equipment, materials and projects such as landscaping, painting and refurbishments.

Yarriambiack Shire Council releases draft budget showing an increase to council rates by 4.1 per cent in the 2012-13 financial year.

about us & freedom of information



Volunteers - Hopetoun



Brianna Kraus - Administration Officer

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 credibility 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 2010/11 year include:

- Infrastructure Management
- Tendering & Contract Management
- Employment Taxes

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 2011/12 financial year.

OCCUPATIONAL HEALTH & SAFETY

Yarriambiack Shire Council is fully committed to the provision of the highest levels 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 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.



Volunteers Breakfast - Mallee Bush Retreat



Teacher - Minyip

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.

the yarriambiack shire council
is committed to providing a
workplace free of all forms of
discrimination and harassment
including bullying.

information to be made available to the public



Mallee Sunset - Beulah



Mayor Kylie Zanker Opening a local shop - Rupanyup

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) The total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states -
 - (i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph
- (c) Details of overseas or interstate travel (with the exception of interstate travel by land for less than 3 days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost to the Council of the overseas or interstate travel, including accommodation costs;
- (d) Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act of the Act except 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 sections 87 and 98 of the Act, including the dates on which the last reviews under sections 86(6) and 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 the amount of each donation or grant;
- (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 such higher amount as is fixed from time to time under 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) or (5A) of the Act.

victorian government indicators



New Playground - Lascelles



Post Office - Warracknabeal

OVERALL PERFORMANCE

Community satisfaction rating for overall performance generally of the Council. 61%

ADVOCACY

Community satisfaction rating for Council's advocacy and community representation on key local issues. 60%

ENGAGEMENT

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

ALL RATES

Average rates and charges per assessment \$1,087.45

RESIDENTIAL RATES

Average residential rates and charges per assessment \$494.85

OPERATING COSTS

Average operating expenditure per assessment \$3,291.97

CAPITAL EXPENDITURE

Average capital expenditure per assessment \$1,380.59

INFRASTRUCTURE

Renewal 57%

Renewal and maintenance 79%

DEBTS

Average liability per assessment \$911.12

OPERATING RESULT

Operating result per assessment \$128.38

PERFORMANCE STATEMENT

For The Year Ended 30 June 2012

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	Performance Target	Actual	Compliance
Overall Performance					
To promote awareness of Council activities and services	Local Government Victoria Annual Community Satisfaction rating for overall performance generally of the Council.	1	≥ 65%	61%	Not Achieved
Advocacy and Leadership					
Providing leadership and advocacy on key Council issues	Local Government Victoria Annual Community Satisfaction rating for advocacy and representation on key local issues.	1	≥ 65%	60%	Not Achieved
Community Engagement					
To engage appropriate interest groups and individuals on specific issues	Local Government Victoria Annual Community Satisfaction rating in decision making on key issues	1	≥ 63%	63%	Not Achieved
Responsiveness to Enquiries					
To be responsive and accountable to the local community	Local Government Victoria Annual Community Satisfaction rating for Council's interaction and responsiveness in dealing with the public	1	>73%	69%	Not Achieved
Financial Management					
Developing and implementing financial plans for the long term viability of the Shire	Achieve the budgeted operating result. The difference between the budgeted operating result and the actual operating result for the financial year.	1	> \$0	< \$873	Not Achieved
	Complete the capital works program. The proportion of budgeted Capital Works projects completed at the conclusion of the financial year.	1	100%	100%	Achieved
Provide Appropriate Services					
Providing appropriate services to meet community needs in an effective manner	Local Government Victoria Annual Community Satisfaction rating for overall performance in key areas and responsibilities.	1	≥ 67%	55%	Not Achieved

NOTE 1

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.

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, JWS Research, on behalf of participating Councils. While Council expected a similar result as last year, the outcomes were not as good as expected as a result of perceptions at the time of the survey.

The budgeted operating result was not achieved due to the take up of Council's contribution to the Local Authorities Superannuation unfunded liability of which amounted to \$2,104,862 including tax. Council was formally notified of our share of the unfunded liability on the 31st July.

CERTIFICATION OF PERFORMANCE STATEMENT

For The Year Ended 30 June 2012

In our opinion, the accompanying Performance Statement of the Yarriambiack Shire Council in respect of the 2011/2012 financial year is presented fairly in accordance with the Local Government Act 1989 and the Local Government (Finance & Reporting) Regulations 2004.

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.

On the 12th September 2012 we were authorised by Yarriambiack Shire Council to approve the Performance Statements in its final form on behalf of the Yarriambiack Shire Council.



Jean M. Wise

Councillor

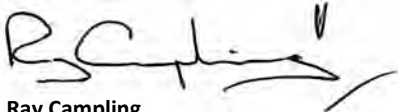
Dated: 27 September 2012



Kylie L. Zanker

Councillor

Dated: 27 September 2012



Ray Campling

Chief Executive Officer

Dated: 27 September 2012

INDEPENDANT AUDITOR'S REPORT



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Yarriambiack Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2012 of the Yarriambiack Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Yarriambiack Shire Council are responsible for the preparation and 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.

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.

Auditing in the Public Interest

INDEPENDENT AUDITOR'S REPORT CONTINUED

Independent Auditor's Report (continued)


Auditor's Opinion

In my opinion, the performance statement of the Yarriambiack Shire Council in respect of the 30 June 2012 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Yarriambiack Shire Council for the year ended 30 June 2012 included both in the Yarriambiack Shire Council's annual report and on the website. The Councillors of the Yarriambiack Shire Council are responsible for the integrity of the Yarriambiack Shire Council's website. I have not been engaged to report on the integrity of the Yarriambiack Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
28 September 2012


J D R Pearson
Auditor-General

NOTES TO THE STANDARD STATEMENT

For The Year Ended 30 June 2012

1. Basis of preparation of Standard Statements

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

These statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on accounting basis consistent with those used for General Purpose Financial Statements and the Budget. The result reported in these statements are consistent 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 36 to 81 of the Annual Report. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10 per cent. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures included in the Statements are those adopted by Council on 10th August 2011. 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 of the actual financial results is contained in the General Purpose Financial Statements on pages 36 to 81. The detailed budget can be obtained by contacting Council of through the Council website. The Standard Statements must be read with reference to these documents.

BUDGETED STANDARD INCOME STATEMENT

For The Year Ended 30 June 2012

	Ref	Budget \$'000	Actual \$'000	Variance \$'000	%
Income					
Rates & Charges		8,612	8,639	(27)	(0%)
Grants - Operating	1	5,797	13,517	(7,720)	(133%)
Grants - Capital	2	2,717	566	2,151	79%
Fees, Fines & User Charges	3	1,899	2,235	(336)	(18%)
Contributions & Donations	4	244	299	(55)	(22%)
Interest	5	238	495	(257)	(108%)
Total income		19,507	25,751	(6,244)	(32%)
Expenses					
Employee benefits		6,693	6,607	87	1%
Employee benefits - additional superannuation call	6	0	2,105	(2,105)	(100%)
Materials and services	7	6,466	8,125	(1,659)	(26%)
Contributions & donations	8	685	1,138	(453)	(66%)
Depreciation	9	4,751	5,972	(1,221)	(26%)
Finance costs	10	35	15	20	57%
Other expenses	11	992	1,373	(381)	(38%)
Total expenses		19,622	25,335	(5,713)	(29%)
Surplus (deficit) for the year		(115)	416	(531)	462%
Net gain (loss) on disposal of property, infrastructure, plant and equipment	12	186	(1,371)	1,557	837%
Movement in Associated Entities	13	0	(33)	33	100%
Comprehensive result		(115)	(988)	(873)	1859%

MAJOR VARIANCE REPORT EXPLANATION

For The Year Ended 30 June 2012

Ref	Item	Explanation
1	Grants - Operating	Grants exceeded budget expectations due mainly to the early payment of the first two instalment of the 2012/13 Grants Commission Grant. This was an extra \$2,318,028. Council also received two grant allocations for the Country Roads Bridges Initiative (\$2,000,000). Funding of \$458,000 was also received for the Local Government Infrastructure Program.
2	Grants - Capital	Variance is due to a reclassification of grant monies between operating and capital.
3	Fees, Fines & User Charges	User fee, fines & user charges exceeded budget due to the completion of the Vic Roads flood works in July 2011 of \$302,000. This was not budgeted for as Council's contract with Vic Roads ended on 30 June 2011.
4	Contributions & Donations	The increase in contributions & donations relates mainly to community projects that have been completed and community groups billed accordingly. The most significant community contribution is for the construction of the Rupanyup Community Centre totalling \$76,000 and Murtoa Recreation Reserve \$15,000. It also includes workcover and income protection insurance reimbursements of \$111,000.
5	Interest	Grant monies received at the end of 2011/12 which were invested have been utilized and therefore reducing the number of investments and interest accumulated. Interest rates have also fallen as a result of the economic downturn.
6	Employee benefits - additional superannuation call	\$2.1 million relates to Council's share of the unfunded superannuation liability which has been expensed as at the 30th June 2012.
7	Materials and services	Materials and contracts have exceeded budget mainly due to the Natural Disasters works being tendered out and completed during the period.
8	Contributions & donations	Increase above budget is due to the carry over of community projects which were not completed in the 2010/11 year and increase in contributions to recreation reserves, swimming pools, halls and weir pools. There was also an increase in the number of community projects which received grants.
9	Depreciation	Increase in depreciation is due to mainly to the revaluation of infrastructure of assets
10	Finance costs	Finance costs were less than budgeted because of the extra grant income received. This meant that there were only rare occasions when Council had to use the overdraft facility and therefore incur interest costs.
11	Other expenses	Other costs exceeded budget because Council leased a grader, tractors, and semi trucks to assist with the flood restoration works
12	Net gain (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 2011/12 capital works program.
13	Movement in Associated Entities	Council budgets for the Wimmera Regional Library Corporation to have a break even financial result each year.

BUDGETED STANDARD BALANCE STATEMENT

For The Year Ended 30 June 2012

	Ref	Budget \$'000	Actual \$'000	Variance \$'000	%
Current assets					
Cash and cash equivalents	14	6,469	8,469	(2,000)	(31%)
Trade and other receivables	15	1,070	2,643	(1,573)	(147%)
Inventories	16	328	741	(413)	(126%)
Other assets	17	304	363	(59)	(19%)
Total current assets		8,171	12,216	(4,045)	(50%)
Non-current assets					
Trade and other receivables		435	437	(2)	(0%)
Property, infrastructure, plant and equipment		132,727	133,702	(975)	(1%)
Total non-current assets		133,162	134,139	(977)	(1%)
Total assets		141,333	146,355	(5,022)	(4%)
Current liabilities					
Trade and other payables	18	975	2,169	(1,194)	(122%)
Interest-bearing loans and borrowings	19	182	61	121	66%
Provisions	20	2,004	2,306	(302)	(15%)
Total current liabilities		3,161	4,536	(1,375)	(43%)
Non-current liabilities					
Trade and other payables	21	0	2105	(2,105)	100%
Interest-bearing loans and borrowings		338	354	(16)	(5%)
Provisions	22	243	17	226	93%
Total non-current liabilities		581	2476	(1,895)	(326%)
Total liabilities		3,742	7,012	(3,270)	(87%)
Net assets		137,591	139,343	(1,752)	(1%)
Equity					
Accumulated surplus	23	73,920	64,041	9,879	13%
Asset revaluation reserve	24	63,671	75,302	(11,631)	(18%)
Total equity		137,591	139,343	(1,752)	(1%)

MAJOR VARIANCE REPORT EXPLANATION

For The Year Ended 30 June 2012

Ref	Item	Explanation
14	Cash and cash equivalents	Variance is due to 2 payments from the Grants Commission being received in June which was not budget for until the 2012/13 year.
15	Trade and other receivables	Trade and other Receivables are higher than budgeted due to \$1 million of Country Roads Bridges Initiative funding and community projects grant monies being outstanding as at the end of the financial year.
16	Inventories	The stockpiling of gravel in several of Council's gravel pits was being completed in June therefore increasing the stock levels on hand at year end.
17	Other assets	Other assets are higher than budget due to outstanding grants being accounted for in the debtors reports and insurance premiums being paid in July. The industrial estate redevelopment works were completed during the 2011/12 year and 1 block was sold.
18	Trade and other payables	Above budget due mainly to outstanding payments to contractors and suppliers being made for the completion of the capital works program and flood restoration works.
19	Interest-bearing loans and borrowings	Variance is due to the reclassification between current and non current liabilities
20	Provisions	Variance is due to increase in employee provision for Annual Leave and Long Service Leave and adjustment of the Sick Leave provision to reflect increases in the Enterprise Bargaining Agreement. Provisions for the reinstatement of gravel pits have also been increased.
21	Trade and other payables	Variance is due to Council being advised on 31st July that we have a unfunded superannuation liability of \$2.1 million. This liability has been brought to account in the 2011/12 financial year.
22	Provisions	Ref 20
23	Accumulated surplus	Variance is due to the timing of receiving grants in particular the natural disaster grants and early payment of grants commission payment and Country Roads Bridges Initiative grants.
24	Reserves	Variance is due to the revaluation of infrastructure assets.

BUDGETED STANDARD CASH FLOW STATEMENT

For The Year Ended 30 June 2012

	Ref	Budget \$'000	Actual \$'000	Variance \$'000	%
Cash flows from operating activities					
<i>Receipts</i>					
Rates and charges		8,597	8,493	104	1%
Grants and contributions	25	8,774	14,555	(5,781)	(66%)
Interest	26	238	484	(246)	(103%)
User charges, fees and fines	27	2,136	3,931	(1,795)	(84%)
		19,745	27,463	(7,718)	(39%)
<i>Payments</i>					
Employee benefits	28	(6,565)	(8,362)	1,797	(27%)
Materials, contractors and other expenses	29	(8,492)	(10,433)	1,941	(23%)
		(15,057)	(18,795)	3,738	(25%)
Net cash provided by operating activities		4,688	8,668	(3,980)	(85%)
Cash flows from investing activities					
Proceeds from sales of property, plant and equipment	30	426	230	196	46%
Repayment of loans and advances		70	0	70	100%
Payments for property, plant and equipment	31	(8,808)	(10,592)	1,784	(20%)
Net cash used in investing activities		(8,312)	(10,362)	2,050	(25%)
Cash flows from financing activities					
Finance costs	32	35	(9)	44	125%
Proceeds from borrowings	33	500	0	500	100%
Repayment of borrowings	34	(182)	(103)	(79)	43%
Net cash provided by (used in) financing activities		353	(112)	465	132%
Net increase (decrease) in cash and cash equivalents		(3,271)	(1,806)	(1,465)	45%
Cash and cash equivalents at beg of year		9,740	10,275	(535)	-5%
Cash and cash equivalents at end of year		6,469	8,469	(2,000)	-31%

MAJOR VARIANCE REPORT EXPLANATION

For The Year Ended 30 June 2012

Ref	Item	Explanation
25	Grants and contributions	See Ref 1 & 2
26	Interest	See Ref 5
27	User charges, fees and fines	See Ref 3
28	Employee Benefits	See Ref 6
29	Materials, contractors and other expenses	See Ref 7
30	Proceeds from sales of property, plant and equipment	Proceeds from the sale of assets were less than budgeted due to the decision to not trade some of the large plant items. These plant items retained to assist with flood restoration works.
31	Payments for property, plant and equipment	Variance is due to extra grants being made available for the renewal and upgrade of Council infrastructure assets and buildings. Such grants that allowed this extra spending to occur were the Country Roads Building Initiative, Natural Disaster grants and the Local Government Infrastructure Program.
32	Finance costs	See Ref 10
33	Proceeds from borrowings	Council elected not to take out any new borrowings to fund the 2011/12 unfunded superannuation liability of \$402,000
34	Repayment of borrowings	See Ref 19

BUDGETED STANDARD STATEMENT OF CAPITAL WORKS

For The Year Ended 30 June 2012

	Ref	Budget \$'000	Actual \$'000	Variance \$'000	%
Capital works areas					
Roads	35	6,901	8,574	(1,673)	(24%)
Drains	36	62	39	23	37%
Buildings	37	599	873	(274)	(46%)
Plant, equipment and other		1,246	1,139	107	9%
Total capital works		8,808	10,625	(1,817)	(21%)
Represented by:					
Asset renewal	38	6,787	6,014	773	11%
New assets	39	615	2,171	(1,556)	(253%)
Asset expansion/upgrade	40	1,406	2,440	(1,034)	(74%)
Total capital works		8,808	10,625	(1,817)	-21%

MAJOR VARIANCE REPORT EXPLANATION


For The Year Ended 30 June 2012

Ref	Item	Explanation
35	Roads	Actual was greater than budgeted due to extra grant monies being made available for flood restoration works, and the Country Roads Bridges Initiative Program.
36	Drains	Actual was lower than budgeted due to the replacement of the drainage pump in Warracknabeal being deferred until the 2012/13 year.
37	Buildings	An extra \$458,000 was made available for building works through the Local Government Infrastructure Program therefore allowing Council to do extra work on Council facilities
38	Asset renewal	Due to funding being received via various grants some monies were allocated to the development of new assets or upgrade of assets rather than the renewal of assets.
39	New assets	See Ref 35 & 37
40	Asset expansion/upgrade	See Ref 35 & 37

CERTIFICATION OF STANDARD STATEMENTS

For The Year Ended 30 June 2012

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 (B.Com)
Principal Accounting Officer

Date : 27 September 2012
Warracknabeal

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 12th September 2012 to certify the standard statements in their final form.



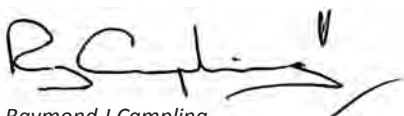
Kylie L Zanker
Councillor

Date : 27 September 2012
Warracknabeal



Jean M Wise
Councillor

Date : 27 September 2012
Warracknabeal



Raymond J Campling
Chief Executive Officer

Date : 27 September 2012
Warracknabeal

FINANCIAL REPORT

Page

FINANCIAL STATEMENTS

Comprehensive Income Statement	37
Balance Sheet	38
Statement of Changes in Equity	39
Cash Flow Statement	40

NOTES TO FINANCIAL STATEMENTS

	Introduction	41
Note 1	Significant accounting policies	42
Note 2	Rates and charges	50
Note 3	User Charges, fees and fines	50
Note 4	Grants	51
Note 5	Contributions	52
Note 6	Net gain/(loss) on disposal of property, infrastructure, plant & equipment	52
Note 7	Other income	52
Note 8	Employee benefits	52
Note 9	Materials and services	53
Note 10	Bad and doubtful debts	53
Note 11	Contributions and donations	53
Note 12	Depreciation and amortisation	53
Note 13	Finance costs	54
Note 14	Other expenses	54
Note 15	Investments in associates	54
Note 16	Cash and cash equivalents	55
Note 17	Trade and other receivables	55
Note 18	Inventories	55
Note 19	Non current assets classified as held for sale	55
Note 20	Other assets	55
Note 21	Property, infrastructure, plant and equipment	56
Note 22	Trade and other payables	60
Note 23	Trust funds and deposits	60
Note 24	Provisions	60
Note 25	Interest bearing loans and borrowings	62
Note 26	Reserves	63
Note 27	Reconciliation of cash flows from operating activities to surplus or deficit	64
Note 28	Reconciliation of cash and cash equivalents	64
Note 29	Financing arrangements	64
Note 30	Restricted assets	64
Note 31	Superannuation	65
Note 32	Commitments	65
Note 33	Operating leases	66
Note 34	Contingent liabilities and contingent assets	66
Note 35	Financial instruments	67
Note 36	Auditors' remuneration	73
Note 37	Events occurring after balance date	73
Note 38	Related party transactions	74
Note 39	Revenue, expenses and assets by functions/activities	75
Note 40	Financial ratios (Performance indicators)	77
Note 41	Capital expenditure	79
Note 42	Special committees and other activities	80

Certification of the Financial Report	81
Independent Auditor's Report	82

COMPREHENSIVE INCOME STATEMENT

For the Year Ended 30 June 2012

	Note	2012 \$'000	2011 \$'000
Income			
Rates and charges	2	8,639	8,058
User charges, fees and fines	3	2,235	3,659
Contributions & donations	5	299	516
Grants - recurrent	4	13,517	9,115
Grants - non-recurrent	4	566	1,430
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	6	(1,371)	(430)
Other income	7	495	604
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	15	(33)	71
Total income		24,347	23,023
Expenses			
Employee benefits	8	(6,607)	(6,462)
Employee benefits - additional superannuation call	31	(2,105)	(402)
Materials and services	9	(8,125)	(7,825)
Bad and doubtful debts	10	(6)	(46)
Contributions & donations	11	(1,138)	(769)
Depreciation and amortisation	12	(5,972)	(5,461)
Finance costs	13	(9)	(13)
Other expenses	14	(1,373)	(777)
Total expenses		(25,335)	(21,755)
Profit/(Loss)		(988)	1,268
Other comprehensive income			
Net asset revaluation increment(decrement)		6,164	(1,450)
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	15	(49)	40
Comprehensive result		5,127	(142)

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

BALANCE SHEET

As at 30 June 2012

	Note	2012 \$'000	2011 \$'000
Assets			
Current assets			
Cash and cash equivalents	16	8,469	10,275
Trade and other receivables	17	2,643	3,032
Inventories	18	741	513
Non-current assets classified as held for sale	19	150	207
Other assets	20	213	381
Total current assets		12,216	14,408
Non-current assets			
Trade and other receivables	17	80	149
Investments in associates accounted for using the equity method	15	357	439
Property, infrastructure, plant and equipment	21	133,702	124,479
Total non-current assets		134,139	125,067
Total assets		146,355	139,475
Liabilities			
Current liabilities			
Trade and other payables	22	2,112	2,746
Trust funds and deposits	23	57	21
Provisions	24	2,306	2,046
Interest-bearing loans and borrowings	25	61	103
Total current liabilities		4,536	4,916
Non-current liabilities			
Trade and other payables	22	2,105	-
Provisions	24	354	265
Interest-bearing loans and borrowings	25	17	78
Total non-current liabilities		2,476	343
Total liabilities		7,012	5,259
Net Assets		139,343	134,216
Equity			
Accumulated surplus		64,041	65,078
Reserves	26	75,302	69,138
Total Equity		139,343	134,216

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

STATEMENT OF CHANGES IN EQUITY

For the Year Ended 30 June 2012

	Total 2012 \$'000	Accumulated Surplus 2012 \$'000	Asset Revaluation Reserve 2012 \$'000	Other Reserves 2012 \$'000
2012				
Balance at beginning of the financial year	134,216	65,078	69,123	15
Comprehensive result	5,127	(1,037)	6,164	-
Balance at end of the financial year	139,343	64,041	75,287	15

	2011 \$'000	Accumulated Surplus 2011 \$'000	Asset Revaluation Reserve 2011 \$'000	Other 2011 \$'000
2011				
Balance at beginning of the financial year	134,358	63,770	70,573	15
Comprehensive result	(142)	1,308	(1,450)	-
Balance at end of the financial year	134,216	65,078	69,123	15

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

CASH FLOW STATEMENT

For the Year Ended 30 June 2012

		2012 Inflows/ (Outflows) \$'000	2011 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates		8,493	7,365
Grants (inclusive of GST)		14,555	10,545
Interest		484	491
Other receipts (inclusive of GST)		3,931	4,288
Payments to employees (including redundancies)		(8,362)	(6,864)
Other payments		(10,433)	(9,035)
Net cash provided by (used in) operating activities	27	<u>8,668</u>	<u>6,790</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	41	(10,592)	(5,090)
Proceeds from sale of property, infrastructure, plant and equipment		230	239
Repayment of loans and advances from community organisations			96
Net cash provided by (used in) investing activities		<u>(10,362)</u>	<u>(4,755)</u>
Cash flows from financing activities			
Finance costs		(9)	(13)
Repayment of interest bearing loans and borrowings		(103)	(169)
Net cash provided by (used in) financing activities		<u>(112)</u>	<u>(182)</u>
Net increase (decrease) in cash and cash equivalents		(1,806)	1,853
Cash and cash equivalents at the beginning of the financial year		10,275	8,422
Cash and cash equivalents at the end of the financial year	28	<u>8,469</u>	<u>10,275</u>
Financing arrangements	29		
Restrictions on cash assets	30		

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

INTRODUCTION

- (a) The Yarriambiack Shire Council was established by an Order of the Governor in Council on 19th January 1995 and is a body corporate.

The Council's main office is located at 34 Lyle Street, Warracknabeal.

- (b) The purpose of the Council is to:

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

The following information could also be provided here:

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

This financial report is a general purpose financial report that consists of an Comprehensive Income Statement, Statement of Financial Position, 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.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

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

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

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 (refer to Note 42) have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

(b) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution 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 fees and fines

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

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

Sale of property, plant and equipment, infrastructure

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Rental

Rents are recognised as revenue when the payment is due or the payment is received, whichever first occurs. Rental; payments received in advance are recognised as a prepayment until they are due.

Interest

Interest is recognised progressively as it is earned.

(c) 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.

(d) 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 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 on the basis that they are assessed as not having a limited useful life.

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Depreciation and amortisation of property, plant and equipment, infrastructure, intangibles

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

Property	Period
Land	-
Tip Cells	4 to 10 years
Tip Cells	30 years
Buildings	30 to 75 years
Heritage buildings	50 years
Plant and Equipment	5 to 25 years
Motor Vehicles	1 to 15 years
Office Furniture & Equipment	3 to 15 years
Roads	
Gravel road pavements /resheets	10 to 14 years
Sealed road pavements	60 years
Sealed road final seal	12 years
Footpaths, kerb & channel	25 years
Bridges & culverts	80 years
Main drains	25 to 80 years

(e) Repairs and maintenance

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

(f) Borrowing costs

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

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

(g) Recognition and measurement of assets

Acquisition

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	Threshold Limit
Property	\$
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	
Earthworks all	5,000
Gravel road pavements /resheets	2,000
Sealed road pavements	5,000
Sealed road final seal	2,000
Footpaths, kerb & channel	2,000
Bridges & culverts	5,000
Main drains	5,000

(g) Recognition and measurement of assets (cont.)

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant 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

Council recognises land under roads it controls at fair value.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(h) Cash and cash equivalents

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

(i) Investments

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

(j) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the 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. The Council's share of the financial result of the entities is recognised in the comprehensive income statement. 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.

(k) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 23).

(l) Employee benefits

Wages and salaries

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Employee benefits (cont.)

Long service leave

Long service leave entitlements payable are assessed at balance date having regard to expected employee remuneration rates on settlement, employment related oncosts and other factors including accumulated years of employment, on settlement, and experience of employee departure per year of service.

Long service leave expected to be paid within 12 months is measured at nominal value based on the amount expected to be paid when settled.

Long service leave expected to be paid later than one year has been measured at the present value of the estimated future cash outflows to be made for these accrued entitlements. Commonwealth bond rates are used for discounting future cash flows.

Classification of employee benefits

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

Superannuation

The 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. In addition Council may, periodically be required to contributed to the defined benefits schemes for current and former employees. Details of these arrangements are recorded in note 31

(m) Leases

Finance leases

Leases of assets where substantially all the risks and rewards incidental to ownership of the asset, are transferred to the Council are classified as finance leases. Finance leases are capitalised, recording an asset and a liability at the lower of the fair value of the asset and the present value of the minimum lease payments, including any guaranteed residual value. Lease payments are allocated between the reduction of the lease liability and the interest expense. Leased assets are depreciated 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 required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(n) Allocation between current and non-current

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Agreements equally proportionately unperformed

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

(p) Web site costs

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

(q) Goods and Services Tax (GST)

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

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

(r) Impairment of assets

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

(s) Rounding

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

(t) Non-current assets held for sale

A non-current asset held for sale (including disposal groups) 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, disposal groups and related liabilities assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale (or disposal group sale) is expected to be completed within 12 months from the date of classification.

(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 increase 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.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

(v) 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.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning or ending on</i>	<i>Impact on Local Government financial statements</i>
AASB 9: Financial Instruments and AASB 20010–11: 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]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; and * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ul style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments

(w) Contingent assets and contingent liabilities and commitments

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 2 RATES AND CHARGES

	2012 \$'000	2011 \$'000
Council uses Capital Improved Value (CIV) 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.		
The valuation base used to calculate general rates for 2011/12 was \$1,304 million (2010/11 \$1,307 million). The 2011/12 rate in the CIV dollar was \$0.6632 for general rates and \$0.5637 for farm rates (2010/11, \$0.6234 for general rates and \$0.5298 for farm rates).		
Residential	1,635	1,530
Commercial	318	302
Farm/Rural	5,698	5,352
Supplementary rates and rate adjustments	(2)	(4)
Municipal charge	207	155
Garbage charge	785	723
Total rates and charges	8,639	8,058

The date of the latest general revaluation of land for rating purposes within the municipal district was 1st January 2012, and the valuation will be first applied in the rating year commencing 1st July 2012.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1st January 2010, and the valuation first applied to the rating period commencing 1st July 2010.

NOTE 3 USER CHARGES, FEES AND FINES

Town planning & building fees	99	73
Animal control fees & fines	36	47
Leisure Centre fees	21	23
Aged services fees	171	156
Aged services brokerage fees	171	199
Tip Fees	51	52
Rents	63	51
Saleyard fees & charges	92	99
Vic Roads charges	516	2,474
Private works	824	-
Other fees & charges	191	485
Total user fees	2,235	3,659

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 4 GRANTS

	2012 \$'000	2011 \$'000
--	----------------	----------------

Grants were received in respect of the following :

Summary of grants

Federally funded grants	2,000	796
State funded grants	12,058	9,729
Others	25	20
Total	14,083	10,545

Recurrent

Commonwealth Government - Roads to Recovery	938	621
Commonwealth Government - Community Infrastructure	458	175
State Government - Country Roads & Bridges Initiative	2,000	-
Victoria Grants Commission - Unallocated	1,901	1,722
Victoria Grants Commission - Local Roads	3,785	2,632
Home and Community Care and Assessment	591	492
Natural Disaster	2,577	2,173
Valuation	2	76
Maternal & Child Health	172	170
Recycling	24	20
Community Development	46	185
Environmental	13	11
Preschools	457	422
Community Transport & Youth	178	176
Flood Relief	227	78
Meals on Wheels	46	46
Senior Citizens	35	37
Emergency Relief	27	65
Other	40	14
Total recurrent	13,517	9,115

Non-recurrent

Victorian Government - Roads to Market	-	458
Industrial Estate	-	15
Town Hall & Culture Buildings	-	108
Recreation	396	357
Community Water Projects	150	272
Roadside Project	-	150
Waste & Environment	-	23
Other	20	47
Total non-recurrent	566	1,430

Conditions on grants

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

Natural Disaster	1,000	2,173
State Government - Country Roads & Bridges Initiative	1,000	-
Weir Pool Grant	-	20
Community Water Projects	-	150
Flood Relief	50	78
Total	2,050	2,421

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 4 GRANTS (CONTINUED)

	2012 \$'000	2011 \$'000
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Heritage Victoria	-	35
Natural Disaster	2,173	-
Weir Pool Grant	20	-
Community Water Projects	150	-
Flood Relief	78	-
Community Building Initiative	-	703
State Community Development Grants	-	106
	<u>2,421</u>	<u>844</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>(371)</u>	<u>1,577</u>

NOTE 5 CONTRIBUTIONS

Workcover reimbursements	57	51
Preschools	15	34
Private use vehicle reimbursements	30	24
Swimming pool reimbursements	5	10
Income protection	77	84
Community facilities	112	307
Other	3	6
Total contributions	<u>299</u>	<u>516</u>

NOTE 6 NET GAIN/(LOSS) ON DISPOSAL OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

Proceeds of sale	230	239
Write down value of assets disposed	(1,601)	(669)
Total	<u>(1,371)</u>	<u>(430)</u>

NOTE 7 OTHER INCOME

Interest	411	408
Interest on rates	73	83
Other	11	113
Total other income	<u>495</u>	<u>604</u>

NOTE 8 EMPLOYEE BENEFITS

Wages and salaries	4,677	4,801
WorkCover	109	231
Councillor Allowance	148	146
Annual leave and long service leave	982	635
Superannuation	667	621
Fringe benefits tax	24	28
Total employee benefits	<u>6,607</u>	<u>6,462</u>

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 9 MATERIALS AND SERVICES

	2012 \$'000	2011 \$'000
Materials and services		
Contract payments	1,934	4,434
Waste & environmental services	4,822	158
Supply of meals	188	178
Office computers & equipment	25	53
Building & grounds maintenance	15	272
External Plant Hire	189	215
Utilities	280	277
Consultants	338	331
Other materials & services	334	1,907
Total materials and services	8,125	7,825

NOTE 10 BAD AND DOUBTFUL DEBTS

Rates debtors	3	39
Other debtors	3	7
Total bad and doubtful debts	6	46

NOTE 11 CONTRIBUTIONS AND DONATIONS

Regional Library	166	211
Sporting Reserves	348	138
Swimming Pools	131	98
Economic Development	150	100
Community Halls	16	13
State Emergency Services	24	49
Other	303	161
Total Contributions and donations	1,138	769

NOTE 12 DEPRECIATION AND AMORTISATION

<i>Property</i>		
Buildings		
Buildings	364	356
Heritage buildings	101	100
<i>Plant and Equipment</i>		
Plant, machinery and equipment	729	591
Fixtures, fittings and furniture	85	52
<i>Infrastructure</i>		
Roads	4,116	3,823
Bridges	44	37
Footpaths & kerb & channel	337	321
Drainage	93	83
<i>Other</i>		
Airport Runways	49	47
Tanks & Bores	18	17
Gravel Pits & Garbage Tips	36	34
Total depreciation and amortisation	5,972	5,461

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 13 FINANCE COSTS

	2012 \$'000	2011 \$'000
Bank overdraft charges	4	-
Interest - Borrowings	5	13
Total	9	13

NOTE 14 OTHER EXPENSES

Auditors' remuneration	40	33
Insurance	322	278
Operating lease rentals	565	108
Printing & Stationery	80	40
Advertising	65	62
Postal	16	17
Legal costs	32	26
Subscriptions	61	43
Water	84	64
Bank fees & charges	12	15
Other	96	92
Total other expenses	1,373	777

NOTE 15 INVESTMENT IN ASSOCIATES

Investments in associates accounted for by the equity method are:

- Wimmera Regional Library Corporation	357	439
Total	357	439

Wimmera Regional Library Corporation

Background

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 13.59% equity interest. (15.31% in 2010/11)

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	236	125
Reported surplus(deficit) for year	(33)	71
Transfers (to) from reserves	1	(15)
Distributions for the year	(30)	55
Council's share of accumulated surplus(deficit) at end of year	174	236

Council's share of reserves

Council's share of reserves at start of year	203	188
Transfers (to) from reserves	(1)	15
Council's share of reserves at end of year	202	203

Movement in carrying value of specific investment

Carrying value of investment at start of year	439	313
Share of surplus(deficit) for year	(33)	71
Change in equity share	(49)	55
Carrying value of investment at end of year	357	439

Council's share of expenditure commitments

Operating commitments	303	274
	303	274

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 16 CASH AND CASH EQUIVALENTS

	2012 \$'000	2011 \$'000
Cash on hand	2	2
Cash at bank	2,740	4,015
Money market call account	507	305
Term deposits	5,221	5,953
Total cash and cash equivalents	8,469	10,275

Councils cash and cash equivalents are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. Refer to note 30 for details.

NOTE 17 TRADE AND OTHER RECEIVABLES

Current

Rates debtors	994	848
Provision for doubtful debts - rate debtors	(158)	(155)
Grants	1,337	485
Advance to Gypsum Pit Owners	50	50
Other debtors	451	1,833
Provision for doubtful debts - other debtors	(32)	(29)
Total	2,643	3,032

Non-current

Advance to Gypsum Pit Owners	78	143
Other debtors	2	6
Total	80	149

Total trade and other receivables

2,723	3,181
--------------	--------------

NOTE 18 INVENTORIES

Inventories held for distribution	741	513
Total inventories	741	513

NOTE 19 ASSETS HELD FOR SALE

Cost of acquisition	150	207
Total	150	207

NOTE 20 OTHER ASSETS

Prepayments	154	195
Accrued income	59	186
Total	213	381

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT

	2012 \$'000	2011 \$'000
Summary		
at cost	12,587	13,969
Less accumulated depreciation	(5,025)	(4,288)
	<u>7,562</u>	<u>9,681</u>
at fair value as at 30 June 2010	22,155	202,030
at fair value as at 30 June 2012	194,720	-
Less accumulated depreciation	(90,734)	(87,232)
	<u>126,141</u>	<u>114,798</u>
Total	<u>133,702</u>	<u>124,479</u>
Property		
Land		
<i>Freehold Land</i>		
at fair value as at 30 June 2010	1,062	1,062
<i>Controlled Crown Land</i>		
at fair value as at 30 June 2010	739	739
Total Land	<u>1,801</u>	<u>1,801</u>
Buildings on freehold land		
at cost	1,596	841
Less accumulated depreciation	(24)	(3)
at fair value as at 30 June 2010	10,348	10,372
Less accumulated depreciation	(438)	(220)
	<u>11,482</u>	<u>10,990</u>
Building on controlled crown land		
at cost	142	55
Less accumulated depreciation	(1)	-
at fair value as at 30 June 2010	7,061	7,061
Less accumulated depreciation	(266)	(133)
	<u>6,936</u>	<u>6,983</u>
Heritage buildings		
at cost	107	85
Less accumulated depreciation	(5)	(2)
at fair value as at 30 June 2010	2,292	2,292
Less accumulated depreciation	(197)	(98)
	<u>2,198</u>	<u>2,277</u>
Total Buildings	<u>20,615</u>	<u>20,249</u>
Total Property	<u>22,416</u>	<u>20,249</u>
Valuation of land (excluding land under roads) and buildings were undertaken by a qualified independent valuer Ian Wilson, AAPI. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions.		
Plant and Equipment		
Plant, machinery and equipment		
at cost	8,951	8,286
Less accumulated depreciation	(4,140)	(3,545)
	<u>4,811</u>	<u>4,741</u>
Office Equipment, Furniture and Fittings		
at cost	1,013	973
Less accumulated depreciation	(577)	(495)
	<u>436</u>	<u>478</u>
Total Plant and Equipment	<u>5,247</u>	<u>5,219</u>

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 21 PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (CONTINUED)

	2012 \$'000	2011 \$'000
Infrastructure		
Roads & Streets		
at cost	-	2,331
at fair value as at 30 June 2010	-	156,286
at fair value as at 30 June 2012	167,781	-
Less accumulated depreciation	(75,316)	(73,173)
	92,402	85,444
Bridges		
at cost	-	238
at fair value as at 30 June 2010	-	2,719
at fair value as at 30 June 2012	3,373	-
Less accumulated depreciation	(1,435)	(1,344)
	1,938	1,613
Footpaths, kerb & channel		
at cost	-	265
at fair value as at 30 June 2010	-	12,898
at fair value as at 30 June 2012	14,507	-
Less accumulated depreciation	(8,302)	(7,836)
	6,205	5,327
Drainage		
at cost	-	62
at fair value as at 30 June 2010	-	5,831
at fair value as at 30 June 2012	6,872	-
Less accumulated depreciation	(3,123)	(2,805)
	3,749	3,088
Airport runways		
at fair value as at 30 June 2010	-	2,117
at fair value as at 30 June 2012	2,250	-
Less accumulated depreciation	(1,629)	(1,579)
	621	538
Tanks & Bores		
at cost	34	19
at fair value as at 30 June 2010	653	653
Less accumulated depreciation	(29)	(44)
	658	628
Gravel Pits & Garbage Tips		
<i>Gravel Pits</i>		
at cost	107	107
Less accumulated depreciation	(37)	(32)
	70	75
<i>Tip Structures</i>		
at cost	71	71
Less accumulated depreciation	(68)	(64)
	3	7
<i>Transfer Stations</i>		
at cost	567	557
Less accumulated depreciation	(174)	(147)
	393	410
Total Infrastructure	106,039	97,130
Valuation of infrastructure assets has been determined by Council's Engineer, James Magee. B.Eng(Civil)		
The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
Works in progress		
Roads at cost	-	80
Total Works in progress	-	80
Total property, infrastructure, plant and equipment	133,702	124,479

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 21 PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONT.)

2012	Balance at beginning of financial year	Impairment Reversal	Acquisition of assets	Transfer of assets	Revaluation increments (decrements) (note 26)	Depreciation and amortisation (note 12)	Written down value of disposals	Balance at end of financial year
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Property								
Land	1,801	-	-	-	-	-	-	1,801
Total land	1,801	-	-	-	-	-	-	1,801
Buildings	17,973	-	833	-	-	(364)	(24)	18,418
Heritage buildings	2,278	-	21	-	-	(101)	-	2,198
Total buildings	20,250	-	854	-	-	(465)	(24)	20,615
Total property	22,051	-	854	-	-	(465)	(24)	22,416
Plant and Equipment								
Plant & machinery	4,741	-	1,096	-	-	(729)	(297)	4,811
Office Equipment, Furniture & Fittings	478	-	43	-	-	(85)	-	436
Total plant and equipment	5,218	-	1,139	-	-	(814)	(297)	5,247
Infrastructure								
Roads & Streets	85,444	1,387	6,260	80	4,580	(4,116)	(1,232)	92,402
Bridges	1,613	57	319	-	8	(44)	(15)	1,938
Footpaths, Kerb & Channel	5,327	-	551	-	672	(337)	(8)	6,205
Drainage	3,088	6	33	-	733	(93)	(18)	3,749
Airport Runways	538	-	-	-	132	(49)	-	621
Tanks & Bores	628	-	9	-	39	(18)	-	658
Gravel Pits & Garbage Tips	492	-	10	-	-	(36)	-	466
Total infrastructure	97,129	1,450	7,181	80	6,164	(4,693)	(1,273)	106,040
Works in progress								
Roads	80	-	-	(80)	-	-	-	-
Total works in progress	80	-	-	(80)	-	-	-	-
Total property, plant and equipment, infrastructure	124,478	1,450	9,174	(0)	6,164	(5,972)	(1,594)	133,702

(a) Impairment losses

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 21 PROPERTY, PLANT AND EQUIPMENT, INFRASTRUCTURE (CONTINUED)

2011	Balance at beginning of financial year \$'000	Acquisition of assets \$'000	Depreciation and amortisation (note 12) \$'000	Written down value of disposals \$'000	Impairment losses recognised in profit or loss (a) \$'000	Balance at end of financial year \$'000
Property						
Land	1,801	-	-	-	-	1,801
Total land	1,801	-	-	-	-	1,801
Buildings	17,662	896	(356)	(229)	-	17,973
Heritage buildings	2,320	58	(100)	-	-	2,278
Total buildings	19,982	954	(456)	(229)	-	20,251
Total property	21,783	954	(456)	(229)	-	22,052
Plant and Equipment						
Plant & machinery	4,598	1,017	(591)	(283)	-	4,741
Office Equipment, Furniture & Fittings	441	101	(52)	(12)	-	478
Total plant and equipment	5,039	1,117	(643)	(295)	-	5,218
Infrastructure						
Roads & Streets	88,448	2,331	(3,823)	(125)	(1,387)	85,444
Bridges	1,469	238	(37)	-	(57)	1,613
Footpaths, Kerb & Channel	5,403	265	(321)	(20)	-	5,327
Drainage	3,115	62	(83)	-	(6)	3,088
Airport Runways	585	-	(47)	-	-	538
Tanks & Bores	626	19	(17)	-	-	628
Gravel Pits & Garbage Tips	501	25	(34)	-	-	492
Total infrastructure	100,147	2,939	(4,362)	(145)	(1,450)	97,130
Works in progress						
Roads	-	80	-	-	-	80
Total works in progress	-	80	-	-	-	80
Total property, plant and equipment, infrastructure	126,969	5,090	(5,461)	(669)	(1,450)	124,479

(a) Impairment losses

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 22 TRADE AND OTHER PAYABLES

	2012 \$'000	2011 \$'000
Current		
Trade payables	1,895	2,215
Accrued expenses	217	531
	2,112	2,746
Non-current		
Additional defined benefit superannuation call	2,105	-
	2,105	-
Total trade and other payables	4,217	2,746

NOTE 23 TRUST FUNDS AND DEPOSITS

Refundable building deposits	15	20
Refundable contract deposits	40	-
Other refundable deposits	2	1
Total trust funds and deposits	57	21

NOTE 24 PROVISIONS

	Annual leave	Long service leave	Landfill restoration	Other	Total
	\$ '000	\$ '000	\$ '000	\$ '000	\$ '000
2012					
Balance at beginning of the financial year	849	1,021	322	118	2,311
Additional provisions	652	330	70	2	1,054
Amounts used	(469)	(176)	(47)	(12)	(704)
Balance at the end of the financial year	1,032	1,175	345	108	2,661
2011					
Balance at beginning of the financial year	716	998	248	102	2,064
Additional provisions	554	90	133	26	803
Amounts used	(421)	(67)	(59)	(10)	(556)
Balance at the end of the financial year	849	1,021	322	118	2,311

	2012 \$'000	2011 \$'000
(a) Employee benefits		
(i) Current		
Annual leave	1,032	849
Long service leave	965	892
Other employee benefits	97	108
	2,094	1,849
(ii) Non-current		
Long service leave	210	130
Other employee benefits	11	10
	221	140
Aggregate carrying amount of employee benefits:		
Current	2,094	1,849
Non-current	221	140
	2,315	1,989

The following assumptions were adopted in measuring the present value of employee benefits:

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 24 PROVISIONS (CONTINUED)

Weighted average increase in employee costs	4.31%	4.60%
Weighted average discount rates	3.05%	5.23%
Weighted average settlement period	12 mths	12 mths

	2012 \$'000	2011 \$'000
(i) Current		
All annual leave and the long service leave entitlements representing 10 or more years		
- Short-term employee benefits, that fall due within 12 months after the end of the period	115	72
- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value	850	820
	<u>965</u>	<u>892</u>
(ii) Non-current		
Long service leave representing less than 10 years of continuous service measured at present value	<u>210</u>	<u>130</u>

(b) Land fill restoration

Council is obligated to restore landfill and gravel pit sites to a particular standard. The provision for landfill and gravel pit restoration has been calculated based on the present value of the expected cost of works to be undertaken. The expected cost of works has been estimated based on current understanding of work required to reinstate the site to a suitable standard and budgeted costs for that work. Accordingly the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council does not expect to receive reimbursement from a third party.

Provisions for gravel pit and landfill reinstatement		
Current	212	197
Non-current	133	125
Total	<u>345</u>	<u>322</u>

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 25 INTEREST-BEARING LOANS AND BORROWINGS

	2012 \$'000	2011 \$'000
Current		
Borrowings - secured	23	46
Total	23	46

Non-current

Borrowings - secured	17	40
Total	17	40

The maturity profile for Council's borrowings is:

Not later than one year	23	46
Later than one year and not later than five years	17	40
Total	40	86

Borrowings are secured against rates

Finance leases

Council had the following obligations under finance leases for the lease of equipment (the sum of which is recognised as a liability after deduction of future lease finance charges included in the obligation):

Current

Leases	38	57
Total	38	57

Non-current

Leases	-	38
Total	-	38

The maturity profile for Council's borrowings is:

Not later than one year	38	57
Later than one year and not later than five years	-	38
Total	38	95

Aggregate carrying amount of interest-bearing loans and borrowings:

Current	61	103
Non-Current	17	78
Total interest-bearing loans and borrowings	78	181

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 26 RESERVES

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$'000	\$'000	\$'000
(a) Asset revaluation reserve			
2012			
Property			
Land	1,413	-	1,413
Buildings	15,900	-	15,900
	17,313	-	17,313
Infrastructure			
Roads & Streets	45,636	4,580	50,216
Bridges	1,010	8	1,018
Footpaths, Kerb and Channel	2,488	672	3,160
Drainage	2,153	733	2,886
Airport Runways	355	132	487
Tanks & Bores	168	39	207
	51,810	6,164	57,974
Total asset revaluation reserve	69,123	6,164	75,287

2011

Property			
Land	1,413	-	1,413
Buildings	15,900	-	15,900
	17,313	-	17,313
Infrastructure			
Roads & Streets	47,023	(1,387)	45,636
Bridges	1,067	(57)	1,010
Footpaths, Kerb and Channel	2,488	-	2,488
Drainage	2,159	(6)	2,153
Airport Runways	355	-	355
Tanks & Bores	168	-	168
	53,260	(1,450)	51,810
Total asset revaluation reserve	70,573	(1,450)	69,123

The asset revaluation reserve was established to capture the movements in asset valuations

	Balance at beginning of reporting period	Transfer from accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000
(b) Other reserves			
2012			
Aerodrome Maintenance	15	-	15
Total Other reserves	15	-	15
2011			
Aerodrome Maintenance	15	-	15
Total Other reserves	15	-	15

Provide a description of the nature and purpose of the reserve

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 27 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO PROFIT/(LOSS)

	2012 \$'000	2011 \$'000
Profit/(Loss)	(988)	1,268
Depreciation/amortisation	5,972	5,461
Profit/(loss) on disposal of property, infrastructure, plant and equipment	1,371	(430)
Share of profit of associates in joint ventures	33	71
Bad & Doubtful Debts	6	-
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	461	(1,774)
Increase/(decrease) in other assets	168	126
Increase/(decrease) in trade and other payables	1,524	2,152
(Increase)/decrease in inventories	(228)	(331)
(Increase) in provisions	349	247
Net cash provided by/(used in) operating activities	8,668	6,790

NOTE 28 RECONCILIATION OF CASH AND CASH EQUIVALENTS

Cash and cash equivalents (see note 16)	8,469	10,275
Less bank overdraft	-	-
Total reconciliation of cash and cash equivalents	8,469	10,275

NOTE 29 FINANCING ARRANGEMENTS

Bank overdraft	1,200	1,200
Used facilities	(115)	(107)
Borrowing facilities	40	86
Unused facilities	1,125	1,179

NOTE 30 RESTRICTED ASSETS

Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and reserve funds (Recreational Lands Reserves).

Unspent grants (note 4)	2,050	2,421
Long service leave (note 24)	965	895
Trust funds and deposits (note 23)	57	21
Total restricted assets	3,072	3,337

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 31 SUPERANNUATION

	2012 \$'000	2011 \$'000
Council made contributions to the following funds:		
Defined benefit funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	301	564
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.	2,185	43
	<u>2,486</u>	<u>607</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	456	544
Employer contributions to Health Super	20	15
Employer contributions to Health Employees Superannuation	7	6
	<u>483</u>	<u>564</u>
Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date.	37	40
Employer contributions payable to Health Super at reporting date.	2	2
Employer contributions to payable Health Employees Superannuation at reporting date.	-	1
	<u>39</u>	<u>43</u>

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member. The value of the underfunded liability call effective at 1 July 2013 is \$453 million. Council was made aware of the expected short fall through the year and was informed formally of their share of the short fall on 31st July 2012 which amounted to \$2,104,862 including tax. Council, has at this stage, not made a decision on how or when this short fall will be paid. Council has accounted for this short fall in the Comprehensive Income Statement in Employment Benefits (see Note 9) and in the Balance Sheet in Accounts Payable non current (see Note 22).

NOTE 32 COMMITMENTS

The Council has entered into the following commitments

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2012					
Operating					
Recycling	-	-	-	-	-
Garbage collection	-	-	-	-	-
Valuation contract	-	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2011					
Operating					
Recycling	201	-	-	-	201
Garbage collection	222	-	-	-	222
Valuation contract	65	-	-	-	65
Total	<u>488</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488</u>

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 33 OPERATING LEASES

2012
\$'000

2011
\$'000

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):

Not later than one year	231	78
Later than one year and not later than five years	209	40
Later than five years	-	49
	<u>440</u>	<u>167</u>

NOTE 34 CONTINGENT LIABILITIES

The Council is presently involved in several confidential legal matters, which are being conducted through Council's solicitors

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial report.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS

(a) Accounting Policy, terms and conditions

Recognised

financial

instruments

Financial assets

	Note	Accounting Policy	Terms and Conditions
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue. Managed funds are measured at market value.	On call deposits returned an average interest rate and at balance date was 2.31% (4.2% in 2010/2011). Funds returned fixed interest rate of between 4.44% (4.75% in 2010/2011), and 6.00% (6.01% in 2010/2011) net of fees.

Trade and other receivables

Other debtors	17	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts 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 2.94% (25% in 2010/11).
----------------------	----	--	---

Financial Liabilities

Trade and other payables	22	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	25	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 9.63% (8.83% in 2010/2011).
Bank overdraft	29	The Council has a \$1,200,000 bank overdraft facility, which is used, in part, from time to time. The balance owing at 30/06/2012 was nil.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS (CONTINUED)

(b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at

2012

	Floating interest rate \$'000	Fixed interest maturing in:			Non-interest bearing \$'000	Total \$'000
		1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000		
Financial assets						
Cash and cash equivalents	3,246	5,220	-	-	2	8,468
Trade and other receivables	-	-	-	-	2,723	2,723
Total financial assets	3,246	5,220	-	-	2,725	11,191
Weighted average interest rate	2.31%	5.11%				
Financial liabilities						
Trade and other payables	-	-	-	-	4,217	4,217
Trust funds and deposits	-	-	-	-	57	57
Interest-bearing loans and borrowings	-	23	17	-	38	78
Total financial liabilities	-	23	17	-	4,312	4,352
Weighted average interest rate		9.55%	9.55%			
Net financial assets (liabilities)	3,246	5,197	(17)	-	(1,587)	6,839

2011

	Floating Interest rate \$'000	1 year or less \$'000	Over 1 to 5 years \$'000	More than 5 years \$'000	Non-interest bearing \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	4,320	5,953	-	-	2	10,275
Trade and other receivables	-	-	-	-	3,181	3,181
Total financial assets	4,320	5,953	-	-	3,183	13,456
Weighted average interest rate	4.20%	5.66%				
Financial liabilities						
Trade and other payables	-	-	-	-	2,746	2,746
Trust funds and deposits	-	-	-	-	21	21
Interest-bearing loans and borrowings	-	46	40	-	95	181
Total financial liabilities	-	46	40	-	2,862	2,948
Weighted average interest rate		8.78%	9.55%			
Net financial assets (liabilities)	4,320	5,907	(40)	-	321	10,508

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS (CONTINUED)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per		Aggregate net fair value	
	2012 \$'000	2011 \$'000	2012 \$'000	2011 \$'000
<i>Financial assets</i>				
Cash and cash equivalents	8,468	10,275	8,468	10,275
Trade and other receivables	2,723	3,181	2,723	3,181
Total financial assets	11,190	13,456	11,190	13,456
<i>Financial liabilities</i>				
Trade and other payables	4,217	2,746	4,217	2,746
Trust funds and deposits	57	21	57	21
Interest-bearing loans and borrowings	78	181	77	172
Total financial liabilities	4,351	2,948	4,351	2,939

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS (CONTINUED)

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

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

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

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

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 some financial assets included in our balance sheet. To help manage this risk:

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 34.

Movement in Provisions for Doubtful Debts

	2012 \$'000	2011 \$'000
Balance at the beginning of the year	184	138
New Provisions recognised during the year	7	48
Amounts already provided for and written off as uncollectible	28	21
Amounts provided for but recovered during the year	(29)	(23)
Balance at end of year	190	184

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:

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS (CONTINUED)

	2012 \$'000	2011 \$'000
Current (not yet due)	177	1,608
Past due by up to 30 days	144	46
Past due between 31 and 60 days	3	4
Past due between 61 and 90 days	1,394	489
Past due by more than 91 days	815	851
Total Trade & Other Receivables	2,533	2,998

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$190,000 (2011 \$184,000) were impaired. The amount of the provision raised against these debtors was \$190,000 (2011: \$184,000). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

The ageing of Trade and Other Receivables that have been individually determined as impaired at reporting date was:

	2012 \$'000	2011 \$'000
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	-
Past due by more than 1 year	190	184
Total Trade & Other Receivables	190	184

Liquidity risk

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

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

To help reduce these risks

we:

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

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 FINANCIAL INSTRUMENTS (CONTINUED)

2012	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	2,112	-	2,105	-	-	4,217	4,217
Trust funds and deposits	57	-	-	-	-	57	57
Interest-bearing loans and borrowings	41	21	17	-	-	78	78
Total financial liabilities	2,210	21	2,122	-	-	4,352	4,352

2011	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
Trade and other payables	2,746	-	-	-	-	2,746	2,746
Trust funds and deposits	21	-	-	-	-	21	21
Interest-bearing loans and borrowings	65	38	78	-	-	181	181
Total financial liabilities	2,832	38	78	-	-	2,948	2,948

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 35 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 sourced from Reserve Bank of Australia):

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

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

		Interest rate risk			
		-2%		+1%	
	\$'000	-200 Profit \$'000	basis points Equity \$'000	+100 Profit \$'000	basis points Equity \$'000
2012					
Financial assets:					
Cash and cash equivalents	8,468	(169)	(169)	85	85
Trade and other receivables	2,723	(0)	(0)	0	0
Financial liabilities:					
Trade and other payables	4,217	(0)	(0)	0	0
Trust funds and deposits	57	(0)	(0)	0	0
Interest-bearing loans and borrowings	78	(2)	(2)	1	1

		Interest rate risk			
		-2%		+1%	
	\$'000	-200 Profit \$'000	basis points Equity \$'000	+100 Profit \$'000	basis points Equity \$'000
2011					
Financial assets:					
Cash and cash equivalents	10,275	(206)	(206)	103	103
Trade and other receivables	3,181	(64)	(64)	32	32
Financial liabilities:					
Trade and other payables	2,746	(55)	(55)	27	27
Trust funds and deposits	21	(0)	(0)	0	0
Interest-bearing loans and borrowings	181	(4)	(4)	2	2

(g) Fair Value Hierarchy

All financial assets carried at fair value are measured at quoted prices in active markets for identical assets or liabilities

NOTE 36 AUDITORS' REMUNERATION

	2012 \$'000	2011 \$'000
Audit fee to conduct external audit - Victorian Auditor-General	29	31
Internal audit fees - AFS & Associates Pty Ltd	23	15
	<u>52</u>	<u>46</u>

NOTE 37 EVENTS OCCURRING AFTER BALANCE DATE

No matters have occurred after balance date that require disclosure in the financial report.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 38 RELATED PARTY TRANSACTIONS

(i) Responsible Persons

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

Councillors

Councillor Kylie Louise ZANKER (Mayor 1/12/11 to current)
 Councillor John Samuel KEMFERT (Mayor 1/12/10 to 30/11/11)
 Councillor Jean Margaret WISE
 Councillor Helen Anne McCulloch BALLENTINE
 Councillor Andrew Robert McLEAN
 Councillor Geoffrey William LOVEL
 Councillor Raymond John KINGSTON

Chief Executive Officer Raymond James CAMPLING

(ii) Remuneration of Responsible Persons

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

	2012 No.	2011 No.
\$10,000 - \$19,999	5	5
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	-	2
\$40,000 - \$49,999	1	-
\$170,000 - \$179,999	1	1
	<u>8</u>	<u>8</u>
	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	364	334

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2010/11, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2010/11, Nil).

(v) Other Transactions

Transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year amounted to \$68,370 (2010/11, \$64,420).

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive or whose total annual remuneration exceeds \$127,000.

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

	2012 No.	2011 No.
Income Range:		
<\$127,000	3	3
\$140,000 - \$149,999	1	1
	<u>4</u>	<u>4</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to	454	445

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 39 INCOME, EXPENSES AND ASSETS BY FUNCTION/ACTIVITIES

2012	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Grants	5,688	1,748	742	278	5,604	24	14,084
Other	8,427	601	197	142	14	873	10,254
TOTAL	14,115	2,349	939	420	5,618	897	24,338
EXPENSES	(4,443)	(2,966)	(920)	(1,815)	(13,076)	(2,106)	(25,326)
SURPLUS (DEFICIT) FOR THE YEAR	9,672	(617)	19	(1,395)	(7,458)	(1,209)	(988)
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	14,864	6,027	1,867	10,004	112,855	721	146,338

2011	Corporate Services	Community Services	Future Development	Community Facilities	Transport	Waste & Environment	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
INCOME							
Grants	4,430	1,490	657	465	3,441	62	10,545
Other	7,915	626	152	408	2,556	821	12,478
TOTAL	12,345	2,116	809	873	5,997	883	23,023
EXPENSES	(2,597)	(2,751)	(683)	(1,411)	(12,606)	(1,707)	(21,755)
SURPLUS (DEFICIT) FOR THE YEAR	9,748	(635)	126	(538)	(6,609)	(824)	1,268
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	17,392	5,688	1,921	10,088	103,643	743	139,475

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

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 39 INCOME, EXPENSES AND FUNCTION/ACTIVITIES (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 operations 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 and quarries.

Waste and Environment

Rubbish collection, recycling and disposal and tree schemes.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 40 FINANCIAL RATIOS (PERFORMANCE INDICATORS)

(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)
<u>Debt servicing costs</u>	5		13		14	
Total revenue	24,347	= 0.02%	23,023	= 0.06%	18,668	= 0.07%

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.

The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

Debt commitment ratio (to identify Council's debt redemption strategy)

<u>Debt servicing & redemption costs</u>	112		182		490	
Rate revenue	7,648	= 1.46%	7,180	= 2.53%	6,811	= 7.19%

The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

Revenue ratio (to identify Council's dependence on non-rate income)

<u>Rate revenue</u>	7,648		7,180		6,814	
Total revenue	24,347	= 31.43%	23,023	= 31.19%	16,668	= 40.88%

The level of Council's reliance on rate revenue is

Debt exposure ratio (to identify Council's exposure to debt)

<u>Total indebtedness</u>	5,990		4,343		2,398	
Total realisable assets	29,065	= 20.61%	31,156	= 13.94%	26,444	= 9.07%

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

Any liability represented by a restricted asset (note 30) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:
land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

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

Working capital ratio (to assess Council's ability to meet current commitments)

<u>Current assets</u>	12,216		14,408		10,152	
Current liabilities	4,536	= 269.32%	4,916	= 293.08%	2,857	= 355.34%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 40 FINANCIAL RATIOS (PERFORMANCE INDICATORS) (CONTINUED)

(f) Adjusted working capital ratio (to assess Council's ability to meet current commitments)	2012 \$'000	2012 (%)	2011 \$'000	2011 (%)	2010 \$'000	2010 (%)
Current assets	12,216		14,408		10,152	
Current liabilities	3,571	= 342.07%	4,024	= 358.05%	1,963	= 517.17%

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 41 CAPITAL EXPENDITURE

	Note	2012 \$'000	2011 \$'000
Capital expenditure areas			
Roads & streets & bridges		8,023	2,649
Drainage		39	62
Footpath, kerb & channel		551	265
Buildings		854	953
Plant and equipment		1,139	1,117
Other		19	44
Total capital works		10,625	5,090
Represented by:			
Renewal of infrastructure	(a)	6,014	2,585
Upgrade of infrastructure	(b)	2,440	731
New infrastructure		672	161
New buildings		341	496
New plant and equipment		1,158	1,117
Total capital works		10,625	5,090

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:

Total capital works		10,625	5,090
Impairment loss recognised in profit or loss		-	(1,450)
Asset revaluation movement	26(a)	6,164	-
Depreciation/amortisation	12	(5,972)	(5,461)
Written down value of assets sold	21	(1,594)	(669)
Net movement in property, plant and equipment, infrastructure	21	9,224	(2,489)

(a) Renewal

Expenditure on an 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.

(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.

NOTES TO THE FINANCIAL REPORT

For the Year Ended 30 June 2012

NOTE 42 SPECIAL COMMITTEES AND OTHER ACTIVITIES

Section 86 Committees

Woomelang Units	To manage and administer the units
Woomelang Multi-purpose Centre	To manage and administer the 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 the operation of the pool
Warracknabeal Leisure Centre	To manage and administer the operation of the centre
Tempy Swimming Pool	To manage and administer the operation of the pool

Other

Occupational Health & Safety Committee	To manage OH&S activities for Council
Tender Evaluation Committee	To evaluate tenders for Council
Enterprise Bargaining Consultative Committee	To facilitate the negotiation and implementation of the agreement.

CERTIFICATION OF THE FINANCIAL REPORT

For the Year Ended 30 June 2012

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



Anita J McFarlane (B.Com)
Principal Accounting Officer

Date : 27 September 2012
Warracknabeal

In our opinion the accompanying financial statements present fairly the financial transactions of Yarriambiack Shire Council for the year ended 30 June 2012 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 12th September 2012 to certify the financial statements in their final form.



Kylie L Zanker
Councillor

Date : 27 September 2012
Warracknabeal



Jean M Wise
Councillor

Date : 27 September 2012
Warracknabeal



Raymond J Campling
Chief Executive Officer

Date : 27 September 2012
Warracknabeal

INDEPENDANT AUDITOR'S REPORT



Victorian Auditor-General's Office

Level 24, 35 Collins Street
Melbourne VIC 3000
Telephone 61 3 8601 7000
Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

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 2012 of the Council which comprises budgeted standard income statement, budgeted standard balance statement, budgeted standard cash flow statement, budgeted 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 2012 of Yarriambiack Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The Councillors' Responsibility for the Standard Statements and Financial Report

The Councillors of the 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 to the statements and the requirements of the *Local Government Act 1989*
- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the standard statements and financial report based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance 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 in the financial report
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the standard statements and financial report.

INDEPENDENT AUDITOR'S REPORT CONTINUED

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and 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 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.

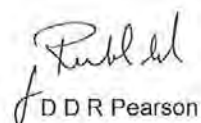
Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the standard statements and financial report of the Yarriambiack Shire Council for the year ended 30 June 2012 included both in the Yarriambiack Shire Council's annual report and on the website. The Councillors of the Yarriambiack Shire Council are responsible for the integrity of the Yarriambiack Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the standard statements and financial report are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited standard statements and financial report to confirm the information contained in the website version of the standard statements and financial report.

MELBOURNE
28 September 2012


D D R Pearson
Auditor-General



Yarriambiack
SHIRE COUNCIL

our vision

In consultation with our communities Yarriambiack Shire Council will provide viable and sustainable services through strong and proactive leadership.



34 Lyle Street, Warracknabeal Victoria 3393
Telephone: (03) 5398 0100 Fax: (03) 5398 2502
Email: info@yarriambiack.vic.gov.au