



Hindmarsh
Shire Council



A n n u a l R e p o r t
2 0 0 8 - 0 9



Y Happin Youth Festival

SENIOR MANAGEMENT

Chief Executive Officer
John Hicks

General Manager Organisational Development
Peter Smith

Manager Finance and Customer Services
Campbell McKenzie

Acting Director Assets
Peter Cowie

Manager Capital Works
Adam Sewell

Manager Community Development
Anne Champness

Hindmarsh S hire
C ouncil always moving
forward . . .

Cover Photo
Four Mile Beach, Lake Hindmarsh



Wimmera Street Footpath - Dimboola



Wimmera Street Footpath - Dimboola



Wimmera Street Footpath - Dimboola

C ontents

Shire Profile	4
Mayor's Report	7
Chief Executive Officer's Report	8
Councillors	9
Organisational Development Report	10
Assets Report	11
Capital Works Report	12
Finance & Customer Service Report	13
Community Development Report	14
Equal Opportunity, Local Laws & Whistleblowers	15
Staff Structure & Staff Numbers	16
Information to be Made Available to the Public	17
Council Grants, Contributions & Memberships	18
2008/09 Performance Statement	19
Certification of the Performance Statement	20
Auditor Generals Report on the Performance Statement	21
2008/09 Council Plan Strategies	23
Victoria Local Government Indicators	30
Best Value Victoria Report 2008/09	31

STANDARD STATEMENTS

Notes to the Standard Statements	38
Standard Income Statements	39
Standard Income Statement Comparison Report	40
Standard Statement of Balance Sheet	41
Standard Statement of Balance Sheet Comparison Report	42
Standard Statement of Cash Flow	43
Standard Cash Flow Statement Comparison Report	44
Standard Statement of Capital Works	45
Standard Statement of Capital Works Comparison Report	46
Certification of the Standard Statements	47
Description of Financial Position	48

FINANCIAL STATEMENTS

Income Statement	53
Balance Sheet	54
Statement of Changes in Equity	55
Cash Flow Statement	56
Notes to Financial Report	57
Certification of the Financial Report	88
Auditor General's Report	89

The Hindmarsh Shire Council is a legally constituted entity under the Local Government Act 1989, and was formed from the former Dimboola and Lowan Shire Councils in 1995.

COUNCIL OFFICES

Main Office

92 Nelson Street
Nhill, 3418
Phone: 03 5391 4444

Customer Service Centres

10 Roy Street
Jeparit, 3423
Phone: 03 5397 2070

101 Lloyd Street
Dimboola, 3414
Phone: 03 5389 1734

Federal Street,
Rainbow, 3424
Phone: 03 5395 1436

Website: www.hindmarsh.vic.gov.au

Email: info@hindmarsh.vic.gov.au



Post Office Nhill

Shire Profile



Brierly Homestead



Dimboola Skate Park

VISION

A responsive, vibrant community working together in a sustainable environment with a dynamic economy.

MISSION

Our mission is to;

- meet our community's economic and social needs;
- engage with our community to realise its aspirations;
- focus on the needs of our young people;
- adjust to an ageing population in a positive, progressive manner;
- ensure security of quality water and sustainability of our environment; and
- promote the Shire's attributes.

VALUES

1. Leadership and good governance;
2. Serving the community;
3. Efficiency and effectiveness;
4. Acting in the best interests of the Shire as a whole;
5. Striving to improve;
6. The diversity of our community;
7. The importance of health and safety;
8. Transparency in decision making;
9. Life long learning; and
10. Giving everyone a fair go.

LOCATION

Hindmarsh Shire is located in central North West Victoria and is bounded in the north by the Big Desert/Wyperfeld National Park and in the south by the Little Desert National Park. On the east, west and south lie the Shires of Yarriambiack, West Wimmera and the Rural City of Horsham respectively, comprising the area generally referred to as 'the Wimmera'. The northern section of the Shire lies in the Mallee region.

4 Hindmarsh Shire Council

HISTORY

The Hindmarsh Shire Council was created in January 1995 as part of state-wide local government reform program. The Hindmarsh Shire consists of the former Shire of Dimboola (created 1885), and the Shire of Lowan (created 1875).

WOTJOBALUK COMMUNITY

Prior to European settlement, the Wotjobaluk community lived in the area. Council policy acknowledges them as the first owners of the land. Prior to all civic ceremonies the following statement is made – "Welcome to Hindmarsh Shire. We acknowledge the Wotjobaluk Community as the first owners of this country. We recognise the important ongoing role that indigenous people have in our community." In 2005, the native title of the Wotjobaluk was recognised by the High Court of Australia at an historic hearing in Dimboola. This was a joyous and significant day for all in the Shire and the first recognition of native title in the State of Victoria.

GOVERNANCE

Six elected Councillors represent three wards with two Councillors in each of the wards. Councillors elected in November 2008 for a four-year term are Mick Gawith (Mayor), David Colbert, Rob Gersch, Wayne Lovett, Ron Lowe and Cliff Unger. Council elections will next be held in November 2012.

An independent Electoral Boundaries Commission will review these electoral arrangements prior to the General Election in 2012.

LANDFORM AND VEGETATION

The Hindmarsh Shire has an area of 7,527 square kilometres, and is gently undulating. It averages an elevation equivalent to sea level. Large areas of the local soils are well suited to dryland agriculture.



Hindmarsh Sustainability Forum



Dimboola Community Planning Meeting

There is a very low percentage of vegetation, outside the National Park areas, with 97% of the native vegetation cleared. A major focus is to preserve the indigenous vegetation remnants, protect bio-diversity via planted corridors (bio-links) linking the Big and Little Deserts, and to generally increase the amount of cover, by revegetation on private land.

Council considers it of the utmost importance to preserve and enhance our biodiversity. The Council is committed to an environmental overlay of bio-link corridors.

Council in partnership with the Hindmarsh Landcare Network has been very successful in the implementation of landcare projects throughout the Shire linking up the Little and Big Deserts and facilitating improved agricultural and land use practices. A rate rebate scheme to encourage landowners to preserve remnant vegetation or re-establish native vegetation is in place.

POPULATION

According to the Australian Bureau of Statistics, the Shire's estimated residential population at 30 June 2006 was 6,039. Australian Bureau of Statistics figures for estimated resident population recently showed a population loss for the 2005/06 year of 0.5%. From the last census the major towns and their approximate district populations were Nhill 2,550, Dimboola 1,863, Rainbow 649 and Jeparit 583. In the past the majority of population loss has occurred in the rural area as a product of farm amalgamation and the use of modern technology.

On census night 2006 there were 2,968 males and 3,071 females in the Shire. There were 62 people of indigenous origin. There were 2,763 married people (56.6%), 428 separated and divorced people (8.8%), 558 widowed people (11.4%) and 1,123 never married (23.2%). The median age in Hindmarsh is 45 years compared with Australia's median of 37

years. It has the fifth highest proportion of any municipality for people aged over 60 in the State. 90.2% stated they were Australian-born. English was the only language spoken in 95.6% of homes.

WATER

The Wimmera River is a major lifeline for our towns and communities but it is a heavily over-utilised source of water in the upper catchment and in recent years has essentially been dry with the exception of weir pools. Lake Hindmarsh and Lake Albacutya, at the end of the system, are dry, and the GWMWater water storages at February 2008 were only 4% full. The extended dry period has had major adverse environmental, social and economic consequences. The existing open channel water supply system has been replaced by a piped system. 86% of the natural flows of the Wimmera River were previously harvested upstream to feed the Wimmera Mallee stock and domestic system – with some 90% lost to seepage and evaporation. In Rainbow and Dimboola, the water is treated to national standards for potability. Nhill is supplied via six bores from an underground aquifer and does not have water to potable standards. It is vital this aquifer is not polluted in any way. GWMWater is looking to supply Nhill by pipeline from Dimboola once the Wimmera Mallee Pipeline is complete. An integrated water plan (GWMWater pilot study) for Nhill is likely to be undertaken in the near future.

THE WIMMERA MALLEE PIPELINE

Of 120,000 megalitres released into the channel system in an average year, only 17,000 megalitres was actually used by customers. The rest was wasted - up to 90% of water lost from open channels due to evaporation and seepage. Piping the channels will result in the saving of more than 100,000 megalitres per year. Farm properties will benefit from a secure, 365-days-a-year high quality piped water supply with

Shire Profile Cont.....

a range of economic opportunities not accessible to them at the moment. The positive effects of returning water to the rivers and lakes on the environment and the economies of towns and farms will be dramatic. The Western leg of the pipeline through Dimboola to Yaaapeet was completed in 2008.

AGRICULTURE

Agricultural land covers a large part of the Shire and as a major source of employment and wealth, is one of its most valuable assets. Hindmarsh is essentially 'broad acre' dryland farming. The current and future prosperity of the Shire depends heavily on the health and productivity of the land. The dollar value of selected agricultural commodities in 2001 was over \$141M. Council supports a moratorium on the introduction of GM crops pending more scientific evidence.

Major crops include wheat, barley, oats, lupins, field peas, chick peas, canola, vetches, lentils and faba beans. Hindmarsh Shire also produces over 80% of all ducks in Victoria. Wool and sheep meat are also significant.

62% of all business enterprises in Hindmarsh are in the agriculture sector. There are opportunities for growth in diversification and value adding, especially with the introduction of the pipeline, e.g. cattle feedlots. Augmented, secure, quality water supply will mean a major boost to production and possible employment increases and an opportunity for diversification to reduce vulnerability to drought.

OTHER INDUSTRY AND TOURISM

The Shire has an 'industry cluster' in silo and grain handling equipment. There are three businesses in the Shire, which manufacture silos and field bins. The silo and field bin producers in Hindmarsh Shire have a large market share of the South East Australian market.

Major employers are 'Luv-a-Duck', Ahrens, Campbells, the West Wimmera Health Service (which operates campuses at Nhill, Rainbow, Jeparit, Gorokey, Natimuk, and Kaniva), Wimmera Health Care Group (Dimboola Hospital), Jaeschke's of Tarranyurk, Blue Lake Milling, Council and the schools. Other industries include train driver relief and exchange in Dimboola as well as truck and trailer exchanges conducted in Dimboola and Nhill.

The regional AWB grain receipt and storage facility in Dimboola is strategically located on the Western Highway, and has a private rail spur to the standard gauge Melbourne-

Adelaide line. The facility loads a 2,000 tonne train in two hours.

The estimated number of visitors to the Shire is 85,000 - 110,000 per year. Major tourist attractions include the Little Desert National Park, Wyperfeld National Park, Big Desert Wilderness, Little Desert Nature Lodge, Wimmera River, Lake Hindmarsh, Lake Albacutya, Ebenezer Mission, Wimmera Mallee Pioneer Museum, John Shaw Neilson Cottage, Yurunga Homestead, Pella Church, Pink Lake and fauna & flora. Major events include the Wimmera German Fest, the Nhill Duck and Jazz Festival and performances of the play 'Dimboola'. Tourism information is provided at visitor information centres.

The return of water to the rivers and lakes following the construction and operation of the Wimmera Mallee Pipeline will see a renaissance in water sports such as skiing, sailing, swimming, canoeing, fishing, camping, bushwalking and the observation of birds and wildflowers.

VOLUNTEERS

Our greatest asset is our people. Our communities rely on volunteers. They contribute critically to the quality of life and safety of our community. Volunteers provide assistance in the event of fire, storm damage, enhance our environment, and run nearly every sporting, social, religious, service, and other community organisation.

COMMUNITY SERVICES

Council provides a significant operating subsidy to Wimmera Uniting Care to operate kindergartens in four townships. West Wimmera Health Service delivers Maternal and Child Health Services through an agreement with Council.

The Council provides Home and Community Care Services to 560 clients. This includes home handyman and meals on wheels services.

Council is a member of the Wimmera Regional Library Service which has a collection of approximately 123,000 items, lends nearly 300,000 items annually and employs the equivalent of 12 FTE staff (37 overall staff) with a budget of just under \$2 million.

Mayor's Report



The past 12 months have been an exciting and eventful time for the Shire of Hindmarsh, as well as for myself. I knew the role of mayor would be a full time job, and I am revelling in the opportunity to work with all facets of the community and representing the Shire in a multitude of ways. I must say I am very impressed with the energy and activity of our community and the work put in by our hard working staff.

A key outcome we have achieved in the past year has been the expansion of Council's community engagement program to include all the community. We now have 17 community neighbourhoods each with their own working groups working to achieve their own aims with the support of Council. This is true bottom up grass roots control and a wonderful base for Council to use to ensure it is properly keyed in to the desires of its community. Our challenge now is to live up to the expectations of these groups and to keep the communication open and clear so that these expectations are realistic and achievable. I know we are well ahead of all other Councils in our region in developing such a comprehensive process.

Hindmarsh has been involved in a range of partnerships with other organisations to achieve strategic outcomes. One of the most important partnerships we have is with Hindmarsh Landcare Network (HLN). This has been a very successful year with HLN representatives travelling to Canberra in October 2008. The HLN was successful in winning the Nature Conservation category in the National Landcare Awards for Project Hindmarsh. The partnership also saw a successful pilot 'pest plants and animals' project undertaken in Kiata that could form the basis for future work. Sustainable agriculture is vital for our shire so it was also great to see the successful satellite imaging project undertaken in the Winiam South area.

The Desert Fringe Waste Management Group (in partnership with the West Wimmera Shire) has also had a good year with the setting up of domestic asbestos disposal facilities and good co-operation on the plastic bag free shire policy. We face ongoing problems however in meeting the Towards Zero Waste strategy of the Victorian Government as it does not take into account the twin factors of high freight costs for remote shires and low recycling materials prices. It would be far cheaper for us not to recycle but we have a moral imperative to do so. This is an expense that our more populous and less remote neighbours do not have to deal with.

The key to our future is to ensure the liveability of our communities. On this front we have again been very busy with employment of yet another "Hindmarsh Cadet" this time in the engineering field. We have worked hard with our younger

community members to put in place mechanisms to keep young people connected and attracted to our area. More work is happening in this space and will continue into the future. Industry in the Shire is healthy and the multi-million dollar expansion of Luv-a-Duck a real boon. The closure of the Green's plant (formerly Lowan's) was a shock but the product is now sourced from the plant at Blue Lake Milling in Dimboola and work is well underway to see a new operator for the Nhill plant. Work at our silo manufacturing plants seems to be continuing in a healthy manner and the outlook for industry generally seems optimistic despite the continuing drought. I marvel at the resilience and skill of our entrepreneurs.

Much investment has come into our shire over the past year including schools in all towns, the wastewater treatment plant in Nhill, the completion of the Wimmera Mallee pipeline works, investment in "waterproofing" our ovals and bowling greens and the Nhill Memorial Community Centre refurbishment along with work on a range of Small Town Development Fund projects. We must thank the Victorian Government for its wonderful contribution to our community in these areas. The Commonwealth Government has also come on board and deserves our appreciation, especially with the stimulus funding that will flow through shortly.

I would like to thank the previous mayor, Rob Gersch for his work at the start of the year and leaving the office in such good shape. It has been great to have someone of his experience to rely upon. I am also very pleased with the service being provided to the community by our hard working staff.

The new Council has settled in well after the elections and councillors have been diligent in coming up to speed with the complexities of the job and the work that was already in place. The new group has been very cohesive and focussed on the issues and policies at hand. I would like to take this opportunity to thank them for their outcome oriented approach.

The Council looks forward to another constructive productive year in 2010 and, hopefully a better season for our backbone, the agricultural sector.

Michael Gawith

Michael Gawith
Mayor

Chief Executive Officers Report



The 2008 – 2009 year saw Council implement key outcomes following much work over a number of years. These outcomes varied from internal organisational matters to planning initiatives to completion of vital infrastructure. The year also saw the Shire continue to provide regional leadership in a way that has benefited its residents greatly.

One of Council's key directions has been to actively and vigorously pursue community engagement. This year has seen the completion of our coverage of the community with 17 neighbourhoods having developed their own community plans and, more importantly, established their own working groups to implement the desired outcomes of the plans. It was crucial for Council that its rural communities became actively involved. The Shire now has the broad foundations on which to continue its community engagement as well as the building blocks of citizen involvement and control of community projects.

In the area of statutory planning, Council completed a review of its planning scheme and now has a program of works that have developed from that process. This will see the upgrade and further development of the scheme over the next few years. Council's Wetlands Overlay was introduced as part of our planning scheme giving vital protection to this important part of our environment.

The election of the new Council proceeded without a hitch and much work was put in by staff to induct the new councillors into the complexities of local government. Briefings were conducted on all facets of the organisation and its operations and this was greatly facilitated by the new staffing structure that had been introduced during the year prior to the elections. The new structure sees an expansion of second level management to five positions from the previous two. This has given staff far more access to information and the ability to influence decision making, while at the same time creating a more flexible workforce with increased capability to address issues and provide services.

Key infrastructure challenges have been well met this year; many of which are the culmination of years of work in setting up the projects and obtaining funding. The refurbishment of the Nhill Memorial Community Centre has been achieved against the odds with Council having to contract manage the works itself, with a better value outcome resulting. The Nhill Trailer Exchange replacement has progressed from Council's initiative in presenting the case to the Victorian Government to acceptance of the need and funding in the State and Commonwealth budgets. VicRoads is now proceeding with the design and land acquisition and the construction will proceed next financial year.

Some other key infrastructure included the construction of the truck bypass along McKenzie Avenue, the second stage of the footpaths and accessways project throughout our four main towns (expenditure on this program now exceeds \$600,000) and road reconstruction and maintenance across the Shire. The Victorian and Commonwealth Governments have been strategic partners in the funding and construction of projects important to our communities identified through our community engagement efforts. These projects include the Nine Creeks project in Dimboola, the Federal Street redevelopment in Rainbow and the continued development of the Wimmera Mallee Pioneer Museum in Jeparit.

Council effectively defended the rights of its citizens in a number of disputes including the retention of the Yurunga Homestead against a private attempt to exclude the very community that had developed and maintained the property for decades. Council also successfully worked with Wimmera Uniting Care to retain child care in Dimboola when this was threatened with closure from an unsympathetic bureaucracy. Council continued its effective regional leadership role with involvement in many areas where it could influence decision makers to benefit its citizens. Following Hindmarsh's initiation of the Wimmera Mallee Sustainability Alliance it has successfully obtained funding for a regional environmental officer and a project to improve sustainability across the Wimmera, as well as the development of environmental strategies across four shires, Hindmarsh included. These projects are now well underway with a value of \$440,000.

Hindmarsh continues to chair the Rural Councils Victoria body with funding support from the Victorian Government. Cr Rob Gersch was the inaugural chairman of this body and has continued throughout the year to lead its involvement in the economic development of small towns and bringing the 38 rural councils together to pursue common aims and ambitions. The Retention and Attraction of Young People in the Wimmera project has been instigated by Hindmarsh with consolidation of the project this year. Hindmarsh has also served on the steering group for the Wimmera Southern Mallee Regional Strategy which has been an input to the Victorian Government's state wide planning process.

Finally, this has been my last year as the Chief Executive Officer of Hindmarsh, a position that has been a privilege and an honour. The community of Hindmarsh is a united one that is still realising the strength it can mobilise. I believe the future for our Shire is only limited by our imagination and desire. It is a wonderful place to live and the Council is in a very sound position to invest in the new initiatives that will be needed to move it forward to the economic and community development it deserves. I am content to leave the stewardship of the process to someone with new ideas and energy, and wish all in Hindmarsh a dynamic and prosperous future.

John Hicks

John Hicks
Chief Executive Officer

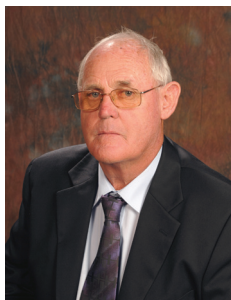
Councillors

All Councillors were elected in November 2008 and retire in November 2012



CR MICHAEL GAWITH

Cr Michael Gawith is currently the Mayor and a councillor for the North Ward. He is Council's representative on the Desert Fringe Regional Waste Management Committee, Wimmera Regional Library Corporation, Grampians Stock and Domestic Consultative Committee, Wimmera Police Safety Consultative Committee, Western Highway Action Committee, Hindmarsh Landcare Network, Hindmarsh Tourism, Hindmarsh Drought Committee, GWMWater Wimmera Mallee Customer Consultative Committee, Friendship Alliance with Port Phillip, Wimmera Mallee Pioneer Museum Committee and Jeparit Town Committee. Locally, Cr Gawith is also a member of Jeparit Community Emergency Response Team and a member of the Friends of Lake Hindmarsh Committee, Jeparit A&P Society, Jeparit Heritage Walking Trail Committee and Jeparit Community Health Committee.



CR DAVID COLBERT

Cr David Colbert is a councillor for the West Ward. He is Council's representative on the GWMWater Groundwater Users Consultative Committee, Nhill Town and Police Community Consultative Committee, Nhill Memorial Community Centre Committee, Municipal Emergency Management Planning Committee, Hindmarsh Drought Committee, Nhill State Emergency Service, Risk Management Committee and Wimmera Regional Transport Group.



CR ROB GERSCH

Cr Rob Gersch is a councillor for the West Ward. He is the Chair of Rural Councils Victoria, and Council's representative on the Wimmera Development Association, Municipal Saleyards Association, Friendship Alliance with Port Philip, Internal Audit Committee, Municipal Emergency Management Planning Committee, Nhill Duck and Jazz Festival Committee, Nhill Swimming Pool Advisory Committee and Nhill Saleyards Committee. Locally, Cr Gersch is the Vice President of the Nhill & District Football Club, member of the Nhill and District Back To Committee, and a Justice of the Peace.



CR WAYNE LOVETT

Cr Wayne Lovett is a councillor for the East Ward. He is Council's representative on the North West Municipalities Association, Dimboola Town Committee, Internal Audit Committee, Rural Combined Services, Hindmarsh Landcare Network, Hindmarsh Visitor Information Centre Committee and Wimmera Mallee Rail Service Association.



CR RON LOWE

Cr Ron Lowe is a councillor for the North Ward. He is Council's representative on the Nhill Saleyards Committee, Rainbow Town Committee, Wimmera Sports Assembly, Rainbow Civic Centre Committee of Management, and Yanac Public Hall and Recreation Reserve Committee.



CR CLIFF UNGER

Cr Cliff Unger is a councillor for the East Ward. He is Council's representative on the Dimboola Town Committee, Friends of Lake Albacutya Committee, Dimboola Community Enterprise Centre Committee, Dimboola and District Sporting and Recreation Committee, Dimboola Sports Stadium Committee, Dimboola Community Centre Reserve Committee, Hindmarsh Landcare Network, Dimboola Memorial Swimming Pool Committee, Wimmera Mallee Rail Association, Western Highway Action Committee, Desert Fringe Regional Waste Management Group, Dimboola State Emergency Service, Wimmera Mallee Sustainability Alliance, Wimmera Regional Transport Group and the Council Risk Management and Audit Committees. Locally, Cr Unger is President of Dimboola Bowling Club Committee, and is also on the committees of Dimboola Rowing Club and Snape Reserve Committee of Management.

Organisational Development Report



The Organisational Development Team is pleased to present this report on its activities for 2008/2009.

Induction Programs

The Department was involved in several induction sessions for new councillors following the municipal elections in November 2008 and also played a co-ordinating role in delivering the MAV Top Teams Program facilitated by

John Stevens of Dench, McLean Carlson in early 2009. The Top Teams Program consolidates teamwork and alignment between councillors and senior managers and emphasises the importance of trust and mutual respect between and within a new Council 'team', a shared commitment to the goals of the Council and agreeing on roles and responsibilities.

Workforce Planning and Development

Hindmarsh Shire Council is very aware of the challenges of attracting and retaining skilled people and has allocated funds to address this problem in the 2009/2010 budget based on a significant program following industry consultations to, among other things;

- address growing skills gap and high staff turnover;
- improve performance and co-ordination by enhancing employee engagement and strengthening links between staff and Council strategic directions;
- Conducting training and information sharing sessions incorporating Organisation Development/Australian Business Excellence Framework/management reporting and improved costing frameworks, etc.

The MAV, LGPro and an expert sector committee have been developing a Local Government Employment Branding Strategy. Council representation on a Workforce Planning and Services Advisory Committee since 2006 was provided by the

General Manager Organisational Development. Council has agreed to contribute \$5,000 towards the Local Government Employment Branding Strategy which seeks to reposition local government as a preferred employer, while also targeting in-demand professions. The strategy is likely to be implemented during 2009/2010.

During 2008/2009 Organisation Development was also responsible for supporting the appointment of several permanent and temporary staff as well as contractors engaged for the next two years for the Infrastructure Services Department.

Hindmarsh Flu Pandemic Plan

Some flu strains were prevalent in Victoria in 2009, i.e. H1N1 Swine flu, so the Hindmarsh Flu Pandemic Plan was updated by Council's HFPP Sub-Committee and then reviewed by the Department of Human Services. The results of the review in June 2009 were that the Hindmarsh Flu Pandemic Plan represents best practice and is a significant aid to providing the best possible protection for the community should a pandemic occur in this region.

Membership of the Hindmarsh Influenza Pandemic Plan Sub Committee (*see table below*)

Hindmarsh Positive Ageing Plan and Home and Community Care

Additional funding streams have been accessed and Council was allocated further funding in areas of Strength Training \$10,000, Assessment Action Planning \$15,000, Growth funding \$19,429 – assessment, general home care and personal care. HACC models for Assessment are currently under review as the program moves toward an Active Service Model and improved Service Coordination between agencies. The Active Service Model is a client focused capability building strategy which will be implemented by 2011. Clients received environment packs which included water saving products and batteries. These packs were provided as part of the Climate Change Funding Grant. Administration procedures have been streamlined with the introduction of the Daelibs electronic roster system.

Name	Position	Organisation
Peter Smith (Chairman)	General Manager Organisational Development	Hindmarsh Shire
Chris Rose/Garry Newman	Environmental Health Officer	Hindmarsh Shire
Alison Ey	Former Aged & Disability Services Coordinator	Hindmarsh Shire
Christine Dufty	Infection Control Consultant	West Wimmera Health Service
Mary Smith	Regional Infection Control Consultant	Department of Human Services

Assets Report

Risk Management

Council is annually audited by its insurers, Civic Mutual Plus (CMP) for the management of areas of public risk and by Jardine Lloyd Thompson for the management of Council's buildings (JMAPP). Following Council's audit score, Hindmarsh is ranked 9th in the state for JMAPP so it received a Risk Management bonus. Risk Management Officer Wayne Schulze has worked hard in all areas relating to risk management. It is very rewarding for him and Council that his efforts are paying off.

Other Major Activities

Other major activities that Organisational Development was involved with during the year include:

- Hindmarsh Internal Audit and Corporate Risk Management programs;
- State Cabinet Submissions, includes submission to Local Government Minister on financial capacity;
- Council compliance program - national competition policy, FOI, privacy, human rights charter, recruitment, employment awards and agreements, contracts administration, local law enforcement, insurances, audits, aged care service compliances, committees of Council, emergency management planning, annual reporting, budget, public disclosures, I.T. systems including business continuity and disaster recovery;
- Review of the Hindmarsh Local Law, adopted by Council in October 2008;
- Better Local Governance program 2008 (Department of Planning and Community Development);
- Contract Manager for 2008 electoral services, Victorian Electoral Commission
- Contributions to Council Plan; strategy formulation, implementation and progress reports.
- Review of the Hindmarsh Disability Access Plan;
- Preparation of the Hindmarsh Heatwave strategy, in conjunction with Wimmera Primary Care Partnerships;
- Wimmera Primary Care Partnerships Executive Committee member.
- Hindmarsh Shire Council ICT Committee;
- Council web page development;
- Wimmera Regional Library Corporation (WRLC) Board Member;
- Recruitment panel for WRLC Chief Executive Officer;
- Upgrading the telephone to the VOIP NEC system;
- Healthy Workplace Challenge (via West Wimmera Health Service).



The Assets Department is pleased to present this report on its activities for 2008/2009.

The Assets Department functions include maintenance of infrastructure and the management of waste and recycling, Municipal Emergency Response, plus strategic liaison with authorities, associations and groups such as VicRoads, GWMWater, Wimmera CMA, DSE, LGA's, MAV, Wimmera Regional Transport Group, and others.

Staffing

Employing and retaining engineering staff continues to be a problem for the Shire due to a shortage of engineers, and our distance from the major cities. An Assets Engineer employed in July 2008 through the VLGA, resigned for a metropolitan position in May 2009. The Director Assets left Hindmarsh in May 2009 after being on extended sick leave. Applicants are currently being sought for both positions, however it is expected to remain difficult to attract engineers to the region. Driscoll Engineering Services was awarded a two year contract in February providing three staff. An engineering scholarship was awarded to Shane O'Toole who will commence a five year employment contract in 2014.

Asset Maintenance

Maintenance of roads has continued to result in a high standard of access across the Shire. Another dry winter has helped, but lack of water has contributed to higher maintenance and construction costs.

Council has continued its maintenance program for over 90 buildings or properties within the Shire. Protective maintenance, accessibility and safety are key factors when determining building maintenance works.

Waste Management

Council obtained funding through Desert Fringe Regional Waste Management Group to enable asbestos to be received at the four transfer stations.

The challenge in future years is to significantly reduce the amount of waste transported to landfill.

Asset Management

Asset Management System software is being assessed for implementation in 2009/10. This will enable up to date reporting on Council's assets, which will ensure access to government funding programs.

Peter Smith

Peter Smith
General Manager Organisational Development

Peter Cowie

Peter Cowie
Acting Director Assets

Capital Works Report

Nhill Memorial Community Centre



Maintenance of roads
has continued to result
in a high standard of
access across the
Shire. . . .



2008/2009 saw Council undertake a Capital Works program with a budget of \$6.7million. Council received a number of grants from both the Federal and State Governments that aided Council in maintaining all of its assets to a high standard.

The Infrastructure Services Department has worked hard to achieve goals that were set at the beginning of the year and delivered a number of major projects for Council.

The 2008/2009 Capital Works program saw approximately \$500,000 spent on re-sealing local roads while approximately \$200,000 was spent on re-sheeting un-sealed roads throughout the municipality. Council is determined to continue to provide a high level of service for the entire road network that all residents have become accustomed to and the spending in the re-seal and re-sheet program in 2008/2009 supports this effort made by Council.

Council received approximately \$1.01million from the Commonwealth Government's Roads to Recovery program. These funds were largely spent on various road reconstruction projects that included approximately 3.0km of Lorquon West Rd and approximately 3.0km of Salisbury Woorak Rd. All projects were undertaken utilising Council outdoor employees.

Approximately \$95,000 was spent on improvements to Council owned buildings and halls. These projects included works at the Diapur Hall and the Gerang Gerung Hall, and various toilet blocks throughout the municipality.

Improvements were undertaken to the Nhill works depot located in Whitehead Ave while also improving the water supply at the Rainbow works depot located in Park St.

Council spent approximately \$900,000 on its plant replacement program. The Plant Management Committee was convened in November 2008 and Council has already reaped the benefits of establishing such a committee. Through this committee, Council was able to purchase and replace all plant that was required. The committee has established a 5year plant replacement program to ensure all Council owned machinery is replaced in accordance with policy and to ensure that Council receives the best value for money.

Through its highly skilled and dedicated outdoor workforce, Council was also able to:

- Construct various kerb & channel improvements throughout the municipality
- Construct various footpath improvements throughout the municipality
- Construct and seal the shoulders in various streets within Dimboola
- Improve the drainage at the Bow St and King St intersection, Rainbow
- Construct underground drainage in Railway St, Rainbow

Finance and Customer Service Report

Major Projects

Council undertook Stage 1 and 2 of the streetscape improvements in Federal St, Rainbow. Council was fortunate in obtaining funding from the State Government to assist in delivering this project. It involved re-constructing the concrete footpath and kerb and channel to greatly improve access and mobility for the residents and visitors of Rainbow. The works were a great improvement to the visual appearance of the main street.

A \$1.15million refurbishment of the Nhill Memorial Community Centre (NMCC) was undertaken by Council and was officially opened on the 17 July 2009. The project involved the extension of the centre to enable a commercial type kitchen and bar area to be constructed, an upgrade to the heating and cooling systems, an upgrade to the lighting and theatre equipment and a general 'face-lift' to the centre, both inside and outside. This project received funding from the Commonwealth and State Governments, Council, the NMCC committee and a bequest was very generously donated for the refurbishment.

Council received \$854,000 from the Commonwealth Government's AusLink program for the construction of McKenzie Ave, Nhill. The project involved constructing and sealing McKenzie Ave from Nhill Yanac Rd to the Western Hwy. At present B-Doubles are prohibited from using Nhill Yanac Rd. With the construction of McKenzie Ave, it is now envisaged that B-Double traffic will be permitted to utilise Nhill Yanac Rd which will greatly improve the transportation of grain and livestock through the region.

Council was successful in obtaining a grant of approximately \$263,000 from the State Government for the construction of footpaths across the municipality. This funding has enabled Council to construct new concrete footpaths, in the four major towns of the municipality, and in doing so, has greatly improved the overall pedestrian connectivity of the towns. Approximately 690m of new concrete footpath was constructed in Nhill, approximately 340m in Jeparit, approximately 370m in Rainbow and approximately 680m in Dimboola.

Next Year – 2009/2010

Council has adopted a Capital Works program of approximately \$5.7million for 2009/2010.

One initiative that the Infrastructure Services Department is planning to implement is a 5year Capital Works program to ensure that all of its assets continue to provide a high level of service to the community. This is seen as a crucial tool for the future of the Hindmarsh Shire Council.

The Infrastructure Services Department looks forward to continuing to improve and maintain all of Council's assets.

Adam Sewell

Adam Sewell
Manager Capital Works



This is my first annual report following a staff restructure in November 2008, which increased my responsibility from Finance to Finance, Customer Service and other areas such as cleaners, property leases and caravan parks. The restructure also increased the management group from three officers to six. This has been an interesting period and I have enjoyed the additional responsibility and the input into both Council and management decisions.

August 2008 saw the introduction of Australia Post Billpay as a payment option for ratepayers to pay their Council rates and charges. This has proved to be well received by ratepayers with a good take up rate, and is an excellent way for non resident ratepayers to make payments. At the same time Council introduced EFTPOS facilities into the four Customer Service Centres so that both debit and credit card facilities can be used. This has also proved to be popular and reduces the risk to Council in handling cash and cheque payments.

There has been considerable work involved this year due to the number of grant projects in 2009, with completion of works on the Albacutya Bridge, the construction of McKenzie Avenue in Nhill, the Roads to Recovery normal and supplementary programs, the refurbishment of the Nhill Memorial Community Centre, the Regional and Local Community Infrastructure Program as well as various other minor grants. All of these projects require monitoring and reporting against the grant funding on a regular basis.

The Internal Audit Committee has met twice in 2009 and has had input into the annual accounts, performance statement, Risk Register, credit card usage, Fraud Policy and a report on contract management. The audit committee has considered the following projects for the internal auditor to report on in the coming year.

- Risk Management
- Fraud Awareness
- Electronic Funds Transfer
- Accounts Payable
- Aged and Disability (HACC) Services
- Invoicing and Receipting

There have been several staff changes in the Finance and Customer Service area over the year and the new staff have settled in well to their responsibilities. I look forward to another good year ahead for all of our staff and thank them for their valuable contribution in 2009.

Campbell McKenzie

Campbell McKenzie
Manager Finance and Customer Service

Community Development Report



The Community Development Team is pleased to present this report on 2008/09 projects and activities in the areas of community and economic development, youth, environment, tourism, drought support and statutory planning.

Highlights of the past year include community planning workshops in 17 communities within the Shire of Hindmarsh as well as financial support received for community

projects from State Government, Commonwealth Government and philanthropic organisations totalling in excess of \$1.6m.

Community Planning

The last twelve months have seen Council greatly increase its community engagement program. While community planning workshops have been undertaken in the four major towns since 2006, the program was extended to the small rural communities in the latter half of 2008 and early 2009. Community planning workshops took place in the small rural communities of Antwerp, Boyeo, Diapur, Winiam, Woorak, Rainbow West, Yanac, Kenmare, Lorquon, Netherby, Kiata, Broughton and Gerang Gerung. Most communities highlighted the importance of their local halls as their social hub and consequently developed projects designed to improve these venues. Other projects identified included signage, recycling, better telecommunications, a bio fuel plant and a weighbridge. The four major towns undertook a review of their community action plans. New projects were identified as well as progress on projects undertaken reviewed.

Grants

Council was successful in obtaining a number of large grants for the development of community infrastructure. In 2008/09 a total of \$1,622,965 funding was approved for projects ranging from the implementation of Urban Design Plan projects (Rainbow Federal Street Stage 3), to the Nine Creeks Reserve, from Rainwater Harvesting to the Wimmera Mallee Sustainability Alliance, upgrades at the Wimmera Mallee Pioneer Museum to the Youth Participation and Access Program. In comparison: in 2007/08 funding approved for community projects totalled \$1,424,212. A great number of the projects funded in the previous financial year were implemented during 2008/09. Of these, the refurbishment of the Nhill Memorial Community Centre was one of the biggest projects (\$401,800 of the funding for this project was approved in 2006/07). Others included the first two stages of the Federal Street Beautification project, the construction of Jeparit Skate Park and the first stage of the Dimboola Nine Creeks project.

Regional and Local Community Infrastructure Program

In October 2008 the Commonwealth Government announced an Economic Stimulus Package that would provide

\$410,000 funding to Hindmarsh Shire Council. Infrastructure projects were developed with the input of the local Town Committees. Part of the funding was allocated to the small rural communities to implement projects identified at the planning workshops. The funding received under the Federal Government's economic stimulus package has been utilised to leverage additional State Government funding and will see projects worth more than \$1m completed within the Shire of Hindmarsh.

Tourism

For a number of years the region made up of Buloke, Hindmarsh, West Wimmera and Yarriambiack Councils has struggled to promote itself to the tourism sector. Priorities set by the State Government have seen promotion focussed on the Grampians which left little room for our distinct region. Following negotiations with Tourism Victoria, Council as the lead agency was successful in attracting \$10,000 funding to undertake a tourism study of the region. The study is currently underway and aims to develop an identity for the region, propose a structure for a regional tourism association and future alignment with Tourism Vic priorities.

On a more local aspect, Hindmarsh's new tourism brochure was completed in late 2008. The local communities were involved extensively in the collation of the content of the brochure via their Town Committees.

Youth

In January 2008 Council successfully gained funding to run FReeZA events. With the help of school based FReeZA committees several FReeZA events were held during 2008/09. In November 2008 funding of \$90,000 over a three year period was approved for the Hindmarsh Youth Participation and Access Program. This funding provides an additional day/week for the Youth and Business Officer. As part of the program 'Y Happin,' a shire wide youth festival, was held in May 2009. The outcomes of this forum will inform the development of a new Youth Strategy which is currently underway.

Environmental Strategy

Council is in the process of developing an Environmental Strategy. Community workshops were held in June and July 2008 and have identified a great number of local issues and actions to address these. The strategy will be completed by December 2009.

Business

Business Nhill entered into a partnership with the Business Enterprise Centre Ballarat and not only established its own Nhill Enterprise Centre but was also able to employ a coordinator for one day a week. Following the Business Vitality Initiative undertaken in Dimboola in early 2008 the Dimboola Traders formally established the Dimboola Business Association.

Retention of Young People

Hindmarsh Shire Council was the lead agency in the Retention and Attraction of Young People to the Wimmera project. The project was jointly funded by the Department of Planning and Community Development, Hindmarsh Shire, West

Wimmera Shire and Horsham Rural City Councils as well as the Department of Human Services and Victoria Police. A number of forums involving both service providers and a large group of young people from the Wimmera region identified possible actions to attract and retain young people. A detailed action plan was developed with the help of the University of Ballarat and funding for the implementation of individual projects suggested is currently being sought.

Cadetships

In the 2008/2009 financial year Council heavily promoted the Rural Skills Cadetship Program offered through Regional Development Victoria. The program offered financial support of up to \$8,000 to students from rural areas studying away from home. Five Hindmarsh students were successful in receiving a cadetship in the first round, a further six students received cadetships in the second round, one of which will be undertaken with Hindmarsh Shire Council.

Council is committed to provide a cadetship every year to a student studying engineering, town planning, building surveying, accounting or environmental health. Under the cadetship Council provides employment during semester breaks as well as support of \$8,000/year to assist with students' study expenses. The students in turn commit to, following the completion of their studies, work for Council for the same amount of time as support was provided. Last year Council entered into a partnership with Latrobe University to promote the cadetship to engineering students in the form of a scholarship. A cadetship has since been allocated to an engineering student. An accounting cadetship is now entering its second year.

Town Planning

The review of the Hindmarsh Shire Planning Scheme and MSS was completed in mid 2008 and adopted by Council in September 2008. The planning scheme amendment process is currently underway for a number of the recommendations made by the report including the Dimboola and Jeparit Flood Studies.

Next Year – 2009/2010

We will continue our extensive community engagement program with our small rural and the major communities, as well as seek funding to support our communities' aspirations. The year will also see the implementation of major infrastructure projects through Small Towns Development Fund and Regional and Local Community Infrastructure Program.

The Skills Match project, a pilot project aiming to develop a program to match people, their skills and available jobs to improve employment and recruitment within the Shire will be completed in December 2009. The Tourism Study will be completed in September 2009 and its recommendations implemented in the coming year.

Anne Champness

Anne Champness
Manager Community Development

The objective of Council's Equal Employment Opportunity Program is to establish and maintain a non-discriminatory working environment.

Policy Statement

The Hindmarsh Shire Council is wholly committed to the principle of Equal Employment Opportunity.

In all policies and practices of Council there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation.

Selection of individuals for employment promotion or advancement, training and staff development will be on the basis of personal merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

Council's policy on Equal Opportunity reflects our desire to enjoy a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability.

Local Laws

Local Laws operational as at 30th June, 2009

- Hindmarsh Meeting Procedure and Common Seal Local Law
- Hindmarsh Local Law

Whistleblowers Protection Act 2001

There have been no disclosures, investigations, matters, requests, or recommendations, made or received in connection with this Act, during the financial year 2008/09.

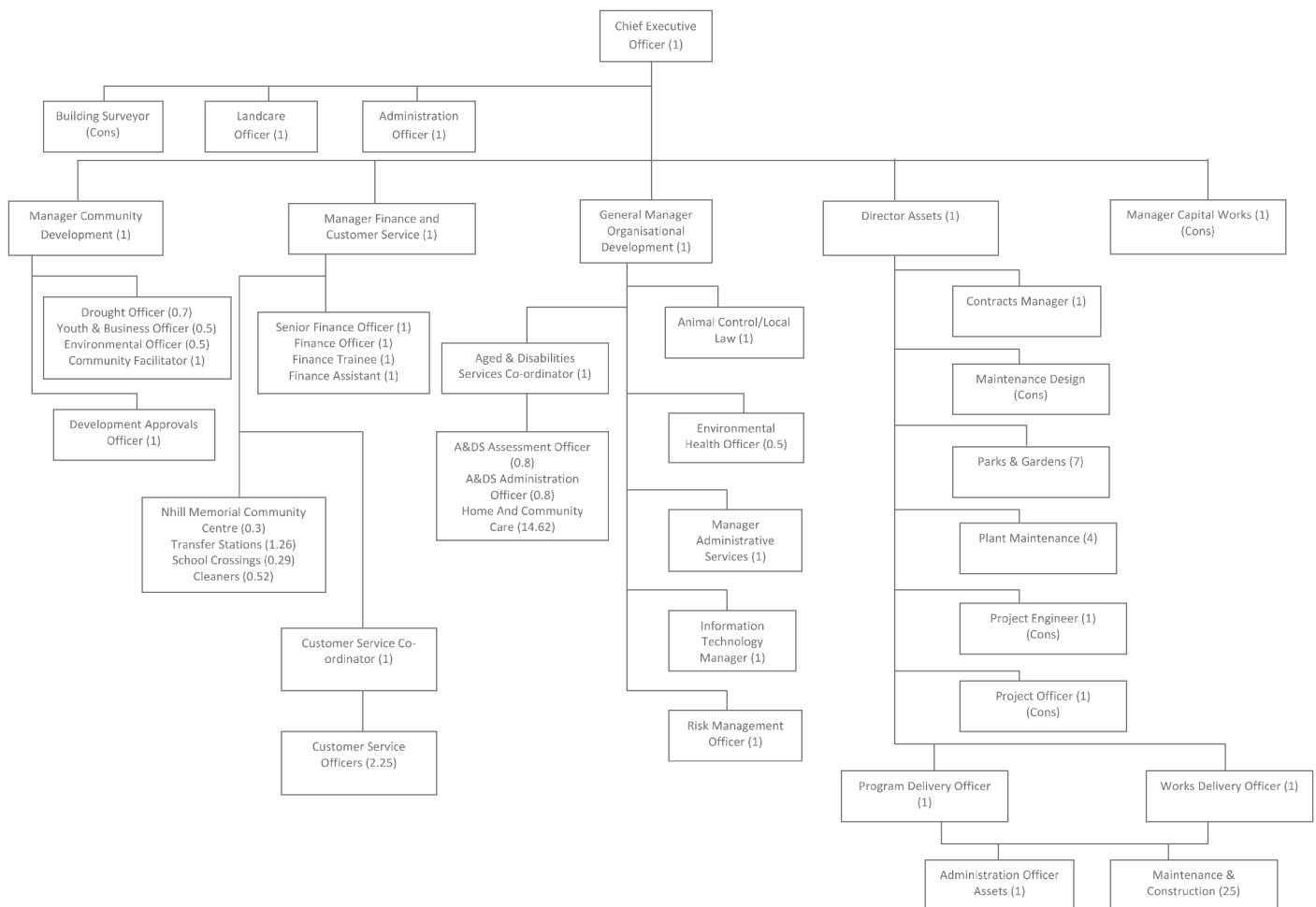
Equal Opportunity

reflects our desire

to enjoy a workplace free

of discrimination . . .

Staff Structure



Staff Numbers

DESIGNATED WORK GROUPS	NUMBER	MALES	FEMALES
Senior Management	4	3	1
Finance, Admin & Customer Service	14	3	11
Building & Planning	1		1
Environmental Health	1	1	
Landcare Co-Ordinator	1	1	
Engineering Support	3	1	2
Community Development	3	1	2
Technical Services	30	30	
Town & Property Maintenance	6	6	
Homecare/Maintenance	36	3	33
Community Centre	4	2	2
School Crossing	2		2
Property, Purchasing & Risk Management	2	2	
Animal Control/Local Laws	1	1	
Other	11	6	5
TOTAL	119	60	59

Information To Be Made Available For Public Inspection

The following information is available for public inspection at the Nhill Office in accordance with the Local Government (General) Regulations 2004 No.130, Part 5, Regulation number 11.

- (a) Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A of the Act.
- (b) Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council.
- (c) Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
- (d) Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- (g) A list of all special committees established by Council and the purpose for which each committee was established.
- (h) A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- (i) Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months except where such 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, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place.
- (k) Submissions received under Section 223 of the Act during the previous 12 months.
- (l) Agreements to establish regional libraries under Section 196 of the Act.
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- (n) A register of authorised officers appointed under Section 224 of the Act.
- (o) A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- (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 organization by the Council.
- (q) a list of contracts valued at:
 - \$150,000 (for goods and services)
 - \$200,000 (for the carrying out of works)(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) of the Act.

making
communities
stronger. . . .



Big Desert in November

Council Grants, Contributions & Memberships

Community Grants:	\$
Town Committees	2,000
Jeparit Heritage Walk Committee	375
Rural Skills Cadetship	9,250
Scholarships/Cadetships	15,415
Community Groups Grants Program	13,383
Total:	\$40,423

Council Contributions:	\$
Jeparit RSL	200
Rainbow RSL	200
Dimboola RSL	400
Rotary Club - Nhill	400
Lions Club - Nhill	231
Jeparit Memorial Hall	100
Dimboola C.W.A	150
Nhill Local Area Committee	220
Antwerp Public Hall	80
Dimboola Playgroup	114
Rainbow Infant Welfare Committee	114
Rainbow Swimming Pool Committee	200
Hindmarsh Landcare Network	3,500
Total:	\$5,909

Council Memberships:	\$
Alliance of Councils for Rail Freight	2,000
Aerodrome Inspection, Reporting & Operation	385
Tourism Alliance Victoria	700
Desert Fringe Regional Waste Management Group	7,500
Livestock Saleyards Association of Victoria	1,125
Municipal Association of Victoria	12,616
North Western Municipalities Association	400
Victorian Employers Chamber of Commerce & Industry	2,727
Wimmera Development Association	28,151
Wimmera Mallee Rail Services Association	50
Wimmera Regional Library Corporation	117,915
Wimmera Messengers	100
Wimmera Hub Inc.	91
Koori Kids Pty Ltd	450
HRRC - Wimmera Regional Transport Group	2,355
Total:	\$176,565

Council Grants:	\$
Dimboola State Emergency Service	\$10,780
Nhill State Emergency Service	\$10,780
Total:	\$21,560

Performance Statement

Council must prepare a budget for each financial year and ensure that the budget contains separately identified Key Strategic Activities to be undertaken during the financial year and performance targets and measures in relation to each Key Strategic Activity;

Our overall Strategic Objectives are:

- Protect and improve the Environment (Environmental Sustainability)
- Foster and encourage a healthy, safe and happy Community (Community Sustainability)
- Encourage business and employment growth, and improve the effectiveness of the Council organisation (Sustainable Economy)
- Good Governance

KEY STRATEGIC ACTIVITIES	PERFORMANCE MEASURE & TARGET	ACHIEVED	COMMENTS
KSA 1 – Financial performance	Ensure that the unrestricted cash position at end of June 2009 is favourable (at least \$200,000).	Cash position exceeded target	Achieved
KSA 2 – Risk management	Audit Committee reviews of corporate risk register presented to Council.	Two reports considered by Council during 2008/09.	Achieved
KSA 3. Audit function	Review Audit Committee Terms of Reference.	One review provided to Council in 2008/09	Achieved
KSA 4. Asset Management	Availability of unified asset management database.	Complete single asset management database including buildings and all assets.	Not Achieved
KSA 5. Form the Wimmera Mallee Sustainability Alliance	Formation and funding of the Alliance – Funding Agreement signed by 30 June 2009.	Funding Agreement signed 30 June 2009.	Achieved
KSA 6. Economic Development Strategy	Completion of a Wimmera Southern Mallee Growth Strategy.	Funding Agreement signed 25 June 2009.	Achieved
KSA 7. Friendship Agreement with Port Phillip City Council	Formulation and signing of Agreement by 30 June 2009.	Friendship Agreement signed July 2008.	Achieved
KSA 8. Planning Scheme Review	Review of Hindmarsh Planning Scheme by 30 June 2009.	Hindmarsh Planning Scheme reviewed and adopted by Council on 17 September 2008.	Achieved
KSA 9. Capital Works Program	Completion of at least 90% of Council's Capital Works Program for 2008/09.	Annual Report 2008/09 and report to Council's July 15 Meeting.	Achieved

Certification Of The Performance Statement

HINDMARSH SHIRE COUNCIL

CERTIFICATION OF THE PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Hindmarsh Shire Council in respect of the 2008/2009 financial year is presented fairly in accordance with the **Local Government Act 1989**.

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

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

Councillor R.L. Gersch
24 September 2009



Councillor K.D Colbert
24 September 2009



Mr Campbell McKenzie
Acting Chief Executive Officer
24 September 2009





Victorian Auditor-General's Office

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hindmarsh Shire Council

The Performance Statement

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

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Matters Relating to the Electronic Presentation of the Audited Performance Statement

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



Victorian Auditor-General's Office

Independent Auditor's Report (continued)


Independence

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

Auditor's Opinion

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

MELBOURNE
29 September 2009


D D R Pearson
Auditor-General

Council Plan Strategies

OBJECTIVE – ENVIRONMENTAL SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategic Objective 1 - Implement a Hindmarsh Environmental Sustainability Strategy

Strategy 1: Work with DPI, DSE, Parks, WCMA, GMMWATER, Hindmarsh Landcare Network, Sustainability Victoria, DFWMG, local communities and other bodies to develop the strategy	Environmental Advisory Committee appointed and part time staff appointed
--	--

Status: Funding for Hindmarsh Environmental Strategy approved and Environmental Strategy report submitted to Council.

Strategy 1B: Complete construction of wetland filtering and storage of stormwater in Dimboola	Works completed in June 2009
--	------------------------------

Status: Status: Construction of works completed by June 2009.

Strategy 1C: Work with GMMWater to have sustainable overall water plans for each town developed . Plans to include potable, recreational, environmental, recyclable and underground water as well as stormwater.	First meeting held with GMM Water to develop initial brief for project
---	--

Status: Discussions held with GMMWater to have integrated water plan pilot project for Nhill underway by June 2009.

Strategy 1D: Develop a strategy in conjunction with Hindmarsh Landcare Network for the control of pest plants and pest animals within the Shire by June 2009.	Funding approved in November 2008
--	-----------------------------------

Status: Work underway on Pilot Project.

Strategic Objective 2 - Actively pursue the development of all Hindmarsh towns as environmentally wise towns.

Strategy 2A: Work with the state government and energy suppliers to change all streetlights to energy efficient globes by June 2010.	State committee investigating types of globes and funding possibilities
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Status: Continuing.

Strategy 2B: Work with town committees to establish an environmentally wise culture and resulting work program. Work Program – Community Plans to include actions by June 2009.	Initiate action by Wimmera Development Association to promote renewable energy opportunities
--	--

Status: Wimmera Mallee Sustainability Alliance and Environmental Strategy workplans to integrate with Community Planning. Expression of interest for regional solar power station underway through WDA.

Strategic Objective 3 - Encourage and assist programs for environmental responsibility and realise opportunities arising.

Strategy 3A: Promote carbon offsets programs and possibilities arising.	Monitor developments and report to Council
--	--

Status: Carbon Workshop held.

Council Plan Strategies Cont. . .

OBJECTIVE – ENVIRONMENTAL SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategy 3B: Facilitate education and the promotion of opportunities from environmentally responsible agriculture.	Promote Birchip Cropping Group and Landcare Outcomes - ongoing
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Status: Organised meetings between Birchip Cropping Group and HLN as well as meeting with Woody Yaloak Landcare Network (one of Victoria's premier Landcare Networks). Working groups being established to assist HLN. Meeting with BCG for Caring for our country grants. Looking to support them in projects, or develop joint project. Attended Climate Change forum at BCG. Working groups taking shape.

Strategy 3C: Be a leading player in the formation of a regional sustainability group.	Wimmera Mallee Sustainability Alliance formed and Sustainability Officer position filled
--	--

Status: Implement project milestones until 2010.

Strategic Objective 4 - Protect groundwater resources in the Shire

Strategy 4: Seek information from GWMWater in regard to sustainability of groundwater reserves.	First meeting held
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Status: Continuing.

OBJECTIVE – ECONOMIC SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategic Objective 5 - Establish a Regional Tourism Association based on a Pioneer/Outback theme.

Strategy 5A: Have the RTA in place and operating.	Funding from Tourism Victoria received Tourism Alliance Victoria supportive
--	---

Status: Continuing.

Strategic Objective 6 - Develop and adopt an Economic Development Strategy.

Strategy 6A: Funding obtained for the development of the Strategy.	Steering Committee set up
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Status: Regional Strategy input to Provincial Victoria report by December 2009.

Strategy 6B: Complete the Economic development Strategy.	Hindmarsh part underway.
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Status: Continuing.

Strategy 6C: Assist the development of business and industry associations on an ongoing basis.	Assist Business Nhill Work toward other town associations - ongoing
---	--

Status: Business Nhill established and active. Dimboola Business Association Inc. formed. Working with Rainbow & Jeparit Groups toward formation this year.

Strategy 6D: Conduct regular communication sessions with industry.	Preparation of Shop Local program with business groups and WDA.
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Status: Attending meetings with Business Nhill & Dimboola Business Association Inc.

OBJECTIVE – ECONOMIC SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
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Strategic Objective 7 - Advocate for the future of small rural towns.

Strategy 7A: Active involvement in Rural Councils Victoria.	Council continue to support via delegate.
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Status: Continuing.

Strategy 7B: Foster leadership activities in the region through the Wimmera Development Association.	Council continue to support via delegate.
--	---

Status: Continued involvement with WDA and attendance at board meetings.

Strategy 7C: Complete the Business Vitality Initiative in Dimboola	BVI completed.
--	----------------

Status: Town entrance designs finalised and a set of priority actions developed to attract new residents.

Strategy 7D: Market the liveability of Hindmarsh Shire and its towns.	Council's Website completed.
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Status: Business and Tourism brochure completed.

Strategic Objective 9 - Implement best practice asset planning and management.

Strategy 9A: Include building and all assets within a unified asset management database.	Discussions with Northern Grampians Shire Council and MAV.
--	--

Status:

- Road Management Plan reviewed.
- MAV Advanced Step action list addressed.
- Working group reviewed best Asset Management package.
- Preferred package identified.
- Funding assistance from MAV confirmed.
- Work continuing to introduce an Asset Management System for region by December 2009 with expression of interest being prepared.

OBJECTIVE – COMMUNITY SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
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Strategic Objective 10 - Advocate for the future of small rural towns.

Strategy 10A: Continue active involvement in the Community Building Initiative through to the end of the program and its successors.	Progress CBI projects in line with work plan
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Status: Program extended to 4 years. Community Plans developed for Dimboola, Rainbow, Nhill and Jeparit. Used in development of Council Plan.

Strategy 10B: Support and assist the Town Committees on an ongoing basis.	Support and assist the Town Committees on an ongoing basis.
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Status: Continuing.

Council Plan Strategies Content . . .

OBJECTIVE – COMMUNITY SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES		ACHIEVEMENT INDICATORS
Strategy 10C: Facilitate community organisations involved in the development and holding of events.		Ongoing
Status: Working with: <ul style="list-style-type: none"> Local A&P groups Nhill Memorial Community Centre Jeparit Events Friends of Albacutya Friends of Hindmarsh Duck and Jazz Iris Festival German Festival Wimmera Mallee Pioneer Museum 		<ul style="list-style-type: none"> Rainbow Day on the Lake Nhill Frolic and Frolic Broughton Hall Nhill Arts Council Back to Nhill Jeparit Golf Club Regional Festival Conference
Strategy 10D: Develop and implement an effective sustainable website.		Completed
Status: Website live and continuing to be developed.		
Strategy 10E: Continue to hold monthly community meetings with all members of our community on an ongoing basis.		Ongoing communication with community.
Status: Taken over by Community Planning meetings.		
Strategic Objective 11 - Advocate, promote and assist community groups achieve their aims.		
Strategy 11A: Provide community groups with linkages or referrals to representatives (government and other), funding sources and other resources.		Ongoing assistance
Status: Groups assisted include: <ul style="list-style-type: none"> Wimmera Mallee Pioneer Museum Jeparit Golf Club Broughton Hall Committee Nhill Duck and Jazz Nhill Motors Sports Nhill Memorial Community Centre Dimboola Bowling Club Town committees Nhill Tennis Club Rainbow Tennis Club 		<ul style="list-style-type: none"> Jeparit/Rainbow Football Club Jeparit and Dimboola Netball Clubs. Jeparit Tennis Club Nhill Historical Society Dimboola Historical Society Secondary colleges Rainbow, Dimboola and Nhill Bowling clubs Nhill Rotary Rainbow K12 Committee
Strategy 11B: Lobby and advocate on behalf of the community.		Ongoing assistance.
Status: As above. Australia 2020 Summit.		
Strategy 11C: Provide technical assistance to the community groups.		Ongoing assistance.
Status: Ongoing.		

OBJECTIVE – COMMUNITY SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategy 11D: Promote and recognise the achievements of the community and its many groups.	Ongoing assistance.
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Status: Community planning workshops.

Strategic Objective 12 - Retain young people in our community.

Strategy 12A: Continue the scheme for cadetships/traineeships to retain young people in our community.	Hindmarsh Shire Council Accountancy cadetship awarded Submitted 5 nominations for the State Cadetships
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Status: Legal agreement in place. 6 Victorian Government cadetships awarded.

Strategy 12B: Continue to provide a cadetship/traineeship at Council.	Awarded 1 Engineering cadetship – 2009
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Status: One application received. Engineering cadetship awarded to Shane O'Toole.

Strategy 12C: Promote a culture of valuing, looking after and working with our youth.	Work with youth groups, schools and businesses on ongoing basis
--	---

Status: Application for FReeZA funding for 2008-2009 to hold youth events successful. FReeZA Committees supported and Regional Retention and Attraction of young people project funded under Youth Participation and Access Program and underway. Youth Forum held May 2009.

Strategy 12E: Provide for young people to address Council at each meeting.	Young people address Council at each meeting.
---	---

Status: Students addressing Council each school month on particular activities they have been involved in.

Strategy 12F: Implement the Youth Options Guarantee program.	Ongoing activity.
---	-------------------

Status: Ongoing.

Strategic Objective 13 - Implement Council's Community Sustainability Strategies.

Strategy 13A: Implement the activities and recommendations of the Youth Plan.	Report to Council – June 2010
--	-------------------------------

Status: Re-appointment of a Youth & Business Officer enabling regular planning meetings with youth to resume. Networks include RYAN, schools etc. Youth summit remains to be conducted - anticipated as part of one Shire wide FReeZA event.

Strategy 13B: Implement the activities and recommendations of the Recreation Strategy.	Report to Council – June 2010
---	-------------------------------

Status: Water recycling programs for recreation reserves in Rainbow and Dimboola. Works on footpaths to encourage exercise undertaken. Dimboola Netball timekeeper facilities project completed. Jeparit Skatepark funding received. The first stage of the Rainbow multi-purpose tennis/netball facility has been completed.

Council Plan Strategies Content . . .

OBJECTIVE – COMMUNITY SUSTAINABILITY

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategy 13C: Implement the activities and recommendations of the Positive Ageing Plan.	Report to Council – June 2010
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Status: Ongoing.

Strategy 13D: Implement the activities and recommendations of the Disability Access Plan.	Report to Council – June 2010
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Status: Ongoing.

Strategy 13E: Lobby for increased resources for HACC Services	Report to Council – June 2010
--	-------------------------------

Status: Ongoing.

Strategy 13F: Set up special relationship with a Metropolitan Council to develop cultural, technical and community interchange	Agreement signed by Council
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Status: Friendship Alliance established with Port Phillip Council.

Strategy 13G: Review of Planning Scheme	Review completed and adopted by Council
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Status: Completed.

OBJECTIVE – GOVERNANCE

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategic Objective 14 - Promote good governance through active training programs.

Strategy 14A: Implement a program of governance training for Councillors and staff.	Organisational Development Program commenced and Top Teams program completed.
--	---

Status: Program to be designed with Audit Committee program on Corporate Governance. Councillor Induction program underway.

Strategic Objective 15 - Initiate a regional skills structure to address the shortage of regional council officer skill sets.

Strategy 15A: Promote, develop and work with regional councils and the Municipal Association of Victoria to implement a regional regulatory services body.	Further development with Municipal Association of Victoria regarding a regulatory services body.
---	--

Status: Overtaken by other regional staffing activities – Asset Management

Strategic Objective 16 - Develop community governance structures.

Strategy 16A: Advocate, source funding and promote a program of meeting process training for community groups.	Workshops negotiated with Wimmera Regional Sports Assembly but not successful.
---	--

Status: Alternative providers too expensive and funding applications unsuccessful.

OBJECTIVE – GOVERNANCE

STRATEGIC OBJECTIVES & STRATEGIES	ACHIEVEMENT INDICATORS
-----------------------------------	------------------------

Strategy 16B: Advocate, source funding and promote a program of treasury function training for community groups.	Workshops negotiated with Wimmera Regional Sports Assembly but not successful.
---	--

Status: Alternative providers too expensive and funding applications unsuccessful.

Strategic Objective 17 - Maintain and develop risk management processes.

Strategy 17A: Continue to develop and adopt best practice for audit of Council activities.	Audit Committee Terms of Reference and Charter reviewed - complete by 2009/2010
---	---

Status: Self analysis tool based on Deloitte model to be considered at next meeting.

Strategy 17B: Continue to develop and adopt best practice for risk management of Council activities.	Adopt Risk Management process for Council activities.
---	---

Status: Corporate Risk Register and Risk Management Committee reviewed and quarterly reports presented to Council.

Strategy 17C: Develop and adopt best practice for emergency management.	Adopt guidelines for emergency management. Municipal Association of Victoria Emergency Management team undertaking program to advocate EM on behalf of Councils
--	---

Status: Municipal Emergency Management Plan reviewed and Municipal Association of Victoria actively promoting capacity building within Local Government.

Strategy 18A: Develop and implement human resources practices that lead to Hindmarsh Shire being an employer of preference.	Develop a training and development program for all staff.
--	---

Status: Program delayed pending recruitment of administrative staff.

Strategy 18B: Develop and implement human resources practices that lead to Hindmarsh Shire being an employer of preference.	Implement systems development including asset management, customer service, risk management and data logging.
--	---

Status: Presentations on Asset Management made to senior management but deferred as Asset Officer position vacant. Municipal Association of Victoria Shared service unlikely before 2011.

Strategy 18C: Develop and implement human resources practices that lead to Hindmarsh Shire being an employer of preference.	Implement organisation wide performance improvement system
--	--

Status: Continuing with budget funding secured and target to improve teamwork and organisational cohesion through programs across the organisation.

Victoria Local Government Indicators

	2009 \$	2008 \$	2007 \$	2006 \$	2005 \$
AFFORDABILITY / COST OF GOVERNANCE					
1 Average Rates and Charges per Assessment	954.08	897.13	858.24	793.74	771.94
2 Average Rates and Charges per Residential Assessment	647.98	625.05	553.63	525.60	498.10
SUSTAINABILITY					
3 Average Liabilities Per Assessment	488.75	447.00	460.07	637.95	589.37
4 Operating Result Per Assessment	13.83	(42.66)	(133.38)	15.92	(137.51)
SERVICES					
5 Average Operating Expenditure per Assessment	2,571.30	2,394.97	2,269.94	2,096.41	2,321.56
6 Community Satisfaction Rating for Overall Performance Generally of the Council	66	67	65	67	66
INFRASTRUCTURE					
7 Average Capital Expenditure Per Assessment	1,133.20	1,104.94	721.92	568.38	543.01
8 Renewal Gap Ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)	122%	122%	75%	56%	37%
9 Renewal and Maintenance Gap Ratio of current spending on renewal plus Maintenance to the (AAAC)	113%	113%	85%	74%	62%
GOVERNANCE					
10 Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues	68	68	67	71	71
11 Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	65	65	63	64	63

GUIDING PRINCIPLES

The following guiding principles relate to best value reviews at the Hindmarsh Shire Council;

- all services must meet quality and cost standards;
- all services must be responsive to community needs;
- all services must be accessible for service users;
- all services must achieve continuous improvement; and
- all services must be subject to a program of regular community consultation.

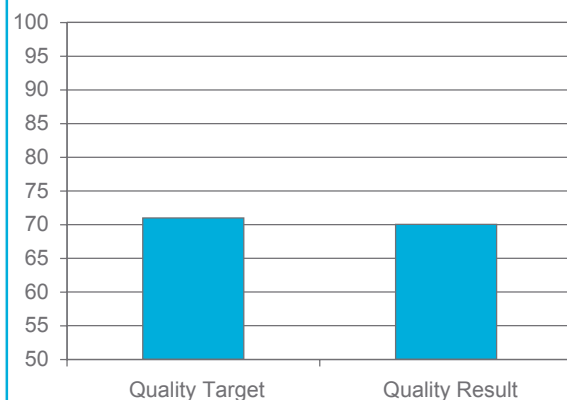
The Council reviewed governance in 2000/2001 and in 2001/2002 the Council reviewed small units (Landcare, Tourism and Engineering Support) and regulatory (Building/ Planning and Environmental Health). In 2002/2003 Council reviewed corporate services (Corporate, administration and finance) and community services (Home care and home maintenance and other human/community services including immunisation, M&CH, kindergartens, MOH, senior citizens, meals on wheels, library, school crossing supervision). In 2003/2004 Council reviewed miscellaneous - local laws, animal control, fire prevention, waste collection, landfills, halls, community centres, town committees, museums, caravan parks, camping areas, emergency management, Property and Risk Management. The Technical Services Best Value Review was completed in the 2006/2007 year.

ACTUAL PERFORMANCE AGAINST THE PERFORMANCE IMPROVEMENT TARGET SET FOR THE YEAR; AND THE DIFFERENCE; AND EXPLANATION FOR ANY DIFFERENCES BETWEEN TARGETED AND ACTUAL PERFORMANCE

ENGINEERING SUPPORT

Quality Indicator - Community satisfaction rating for traffic management and parking facilities

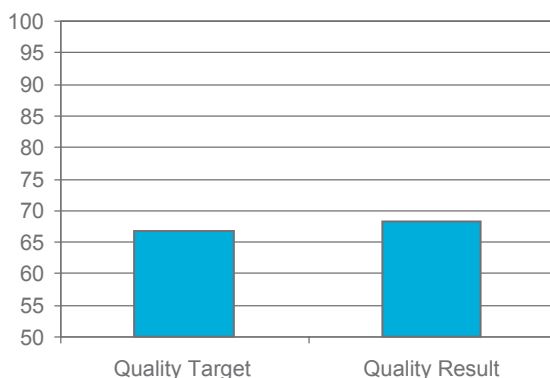
PERFORMANCE	70%
TARGET	71%
DIFFERENCE	-1 %
EXPLANATION	Small variance (unfavourable)



GOVERNANCE

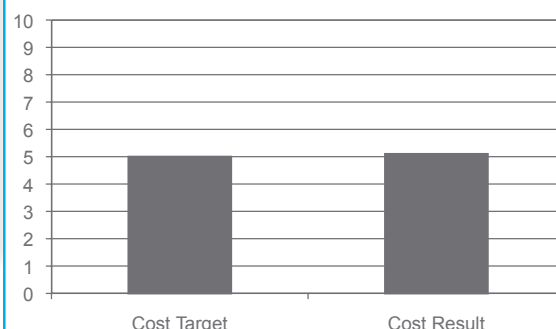
Quality Indicator - Community satisfaction rating for Council's advocacy and community representation on key local issues.

PERFORMANCE	68%
TARGET	67%
DIFFERENCE	1%
EXPLANATION	Target exceeded

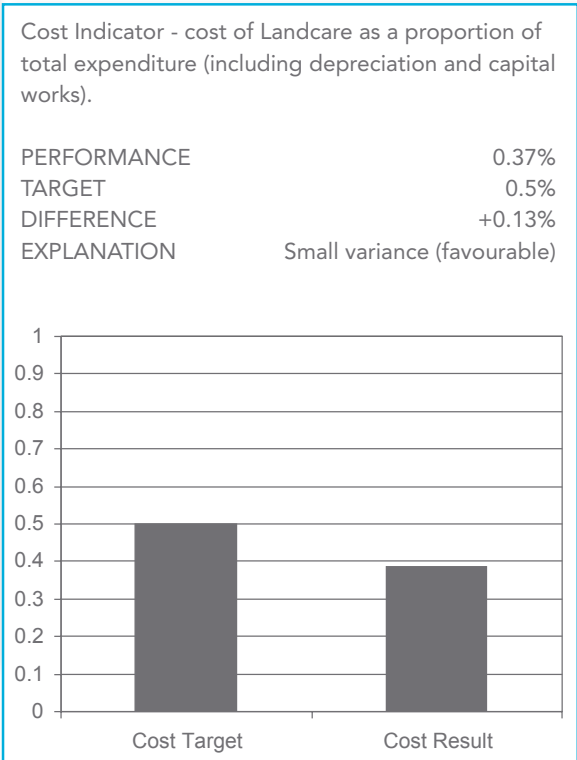
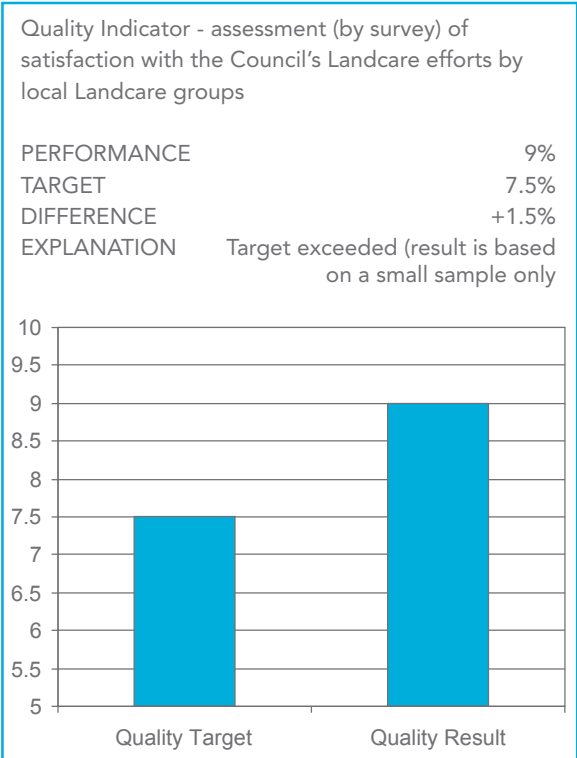


Cost Indicator - cost of governance as a proportion of total expenditure (including depreciation and capital works).

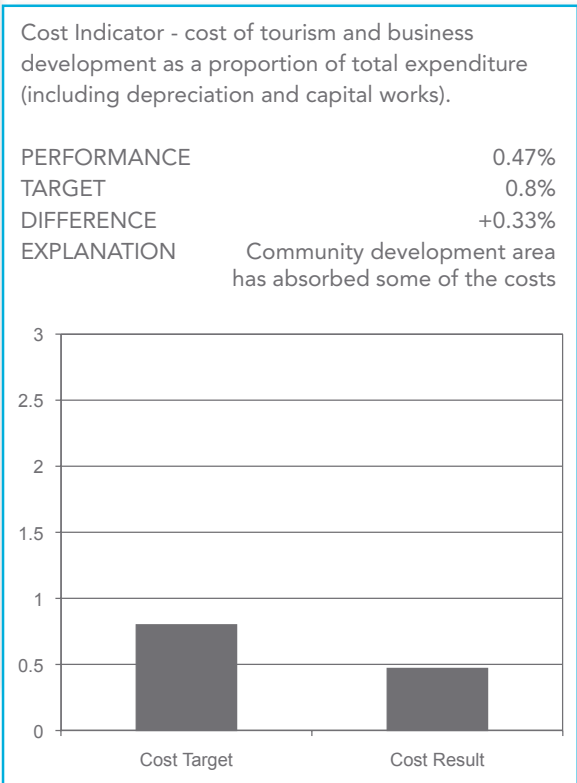
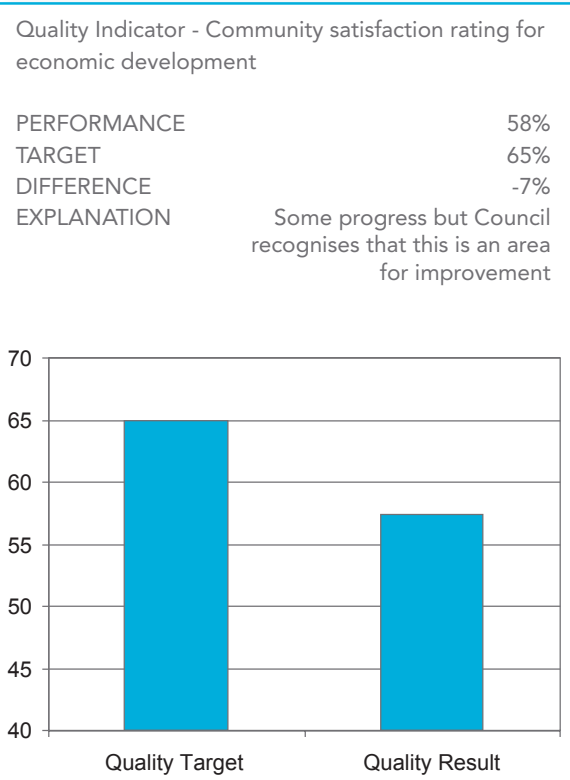
PERFORMANCE	5.1%
TARGET	5.0%
DIFFERENCE	-0.1%
EXPLANATION	Small variance (unfavourable)



LANDCARE



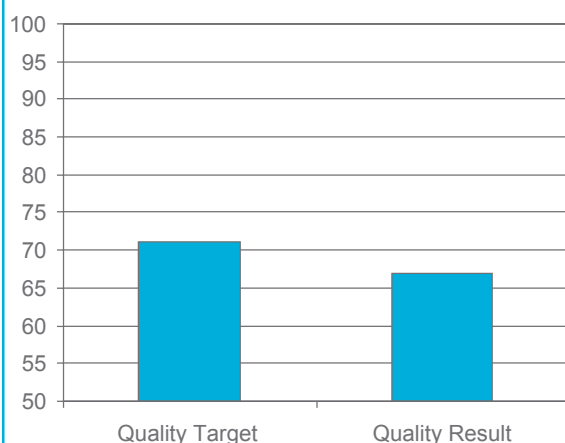
TOURISM AND BUSINESS DEVELOPMENT



BUILDING AND PLANNING

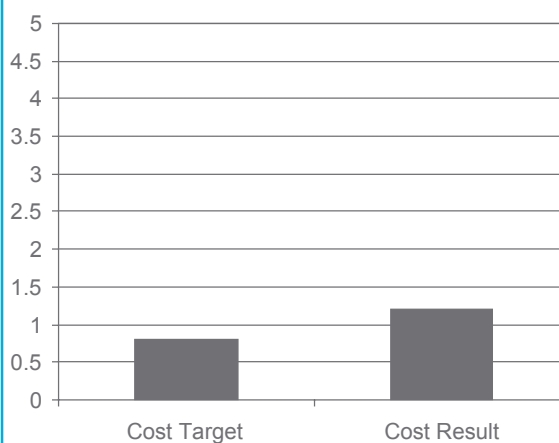
Quality Indicator - Community satisfaction rating for Town Planning Policy and Approvals

PERFORMANCE	67%
TARGET	71%
DIFFERENCE	-4%
EXPLANATION	Some progress but Council recognises that this is an area for improvement



Cost Indicator - cost of Building/Planning Services as a proportion of total expenditure (including depreciation and capital works).

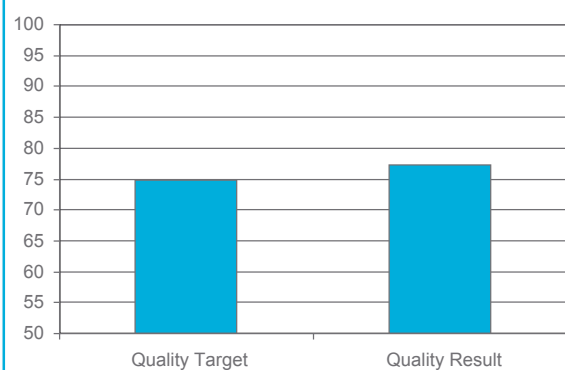
PERFORMANCE	1.18%
TARGET	0.8%
DIFFERENCE	-0.389%
EXPLANATION	Higher costs due to market conditions in areas such as Development Approvals and Building Services



ENVIRONMENTAL HEALTH

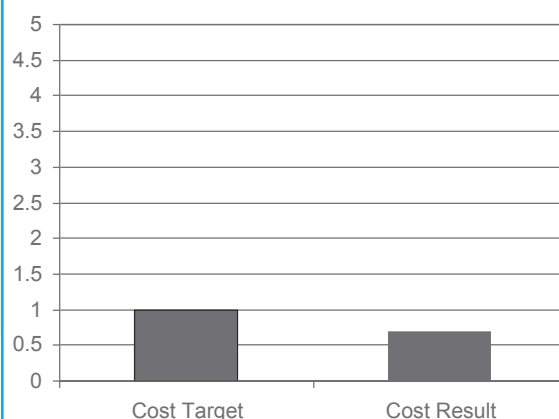
Quality Indicator - Community satisfaction rating for Health and Human Services

PERFORMANCE	79%
TARGET	75%
DIFFERENCE	+4%
EXPLANATION	Target exceeded



Cost Indicator - cost of Environmental Health Services as a proportion of total expenditure (including depreciation and capital works).

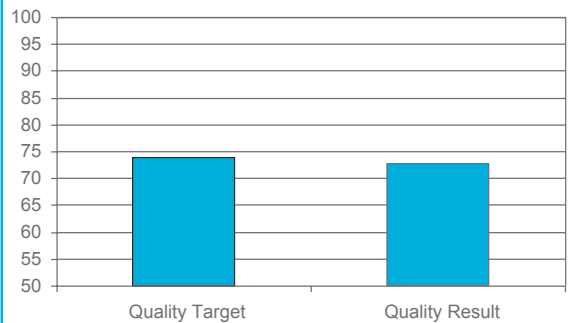
PERFORMANCE	0.69%
TARGET	1.0%
DIFFERENCE	+0.31%
EXPLANATION	Target exceeded



CORPORATE SERVICES

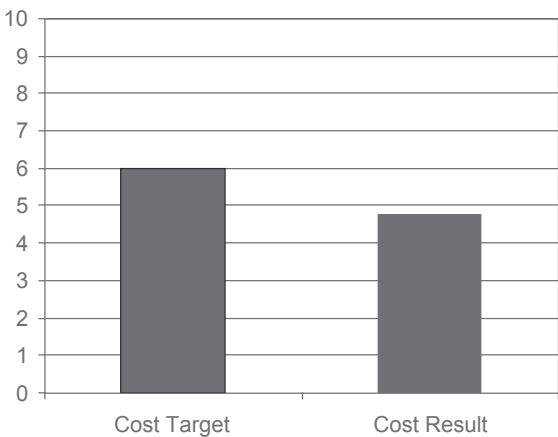
Quality Indicator - Community satisfaction rating with Council's interaction and responsiveness in dealing with the public.

PERFORMANCE	73%
TARGET	74%
DIFFERENCE	-1%
EXPLANATION	Small variance (unfavourable)



Cost Indicator - cost of Corporate Services as a proportion of total expenditure (including depreciation and capital works).

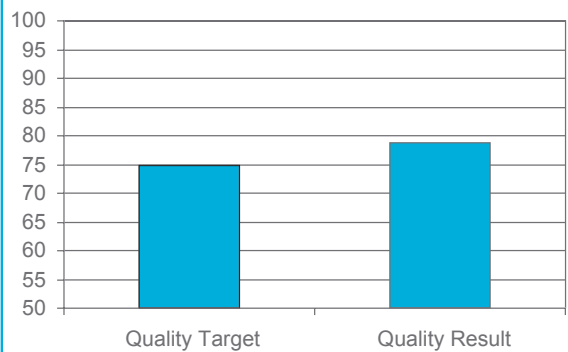
PERFORMANCE	4.79%
TARGET	7.5%
DIFFERENCE	+ 2.71%
EXPLANATION	Target exceeded



COMMUNITY SERVICES

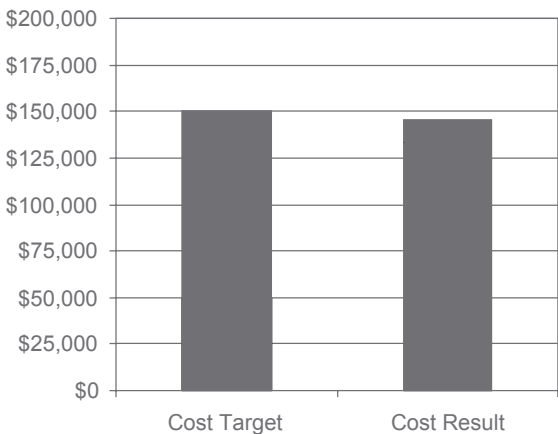
Quality Indicator - Community satisfaction rating for Health and Human Services

PERFORMANCE	79%
TARGET	70%-80%
DIFFERENCE	-
EXPLANATION	On target



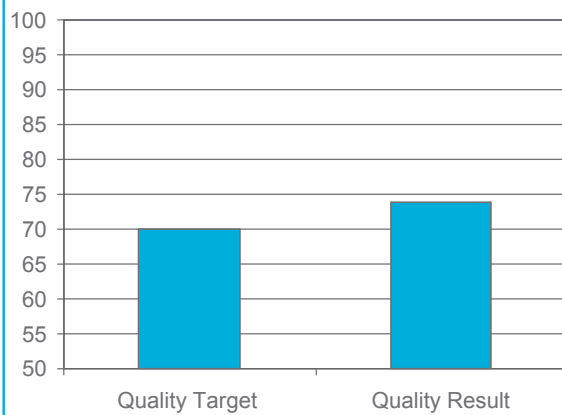
Cost Indicator - nett cost of Community Services (including depreciation and capital works) based on a three year moving average.

PERFORMANCE	\$144,608
TARGET	\$150,000
DIFFERENCE	-\$5,392
EXPLANATION	Small variance (favourable)

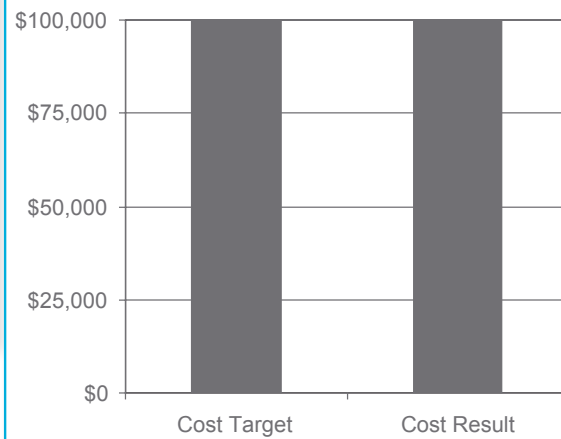


MISCELLANEOUS SERVICES

Quality Indicator - Community satisfaction rating for Waste Management	
PERFORMANCE	74%
TARGET	70%
DIFFERENCE	+4%
EXPLANATION	Target exceeded

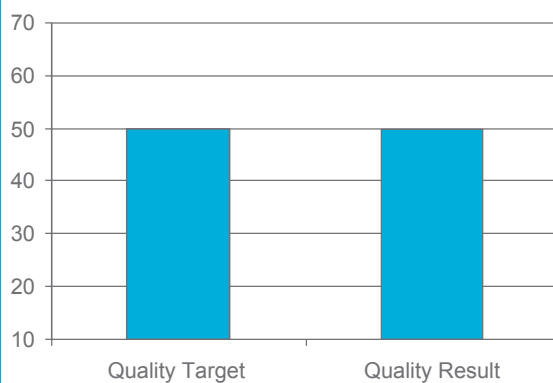


Cost Indicator - cost of Animal Control and Local Laws	
PERFORMANCE	\$100,959
TARGET	\$100,000
DIFFERENCE	+\$959
EXPLANATION	On Target



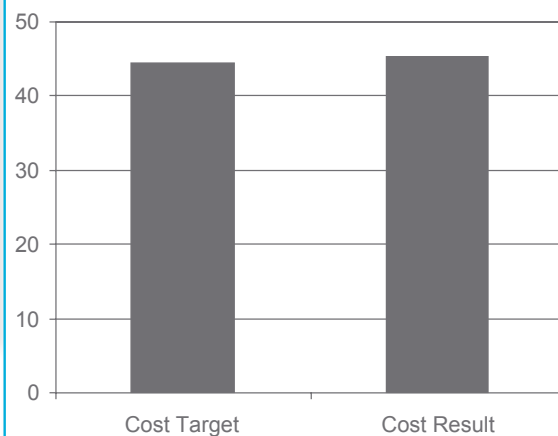
TECHNICAL SERVICES

Quality Indicator - Community satisfaction rating for roads and footpaths	
PERFORMANCE	50%
TARGET	50%
DIFFERENCE	-
EXPLANATION	Target met



Cost Indicator - cost of Technical Services as a proportion of total Council expenditure (excluding depreciation and capital).

PERFORMANCE	45.62%
TARGET	45%
DIFFERENCE	-0.62%
EXPLANATION	Target met



TRENDS IN PERFORMANCE AS COMPARED WITH STANDARDS AND TARGETS FOR THE PREVIOUS YEAR(S).

GOVERNANCE

The recent quality results (advocacy) have been:

2004 – 68%	2007 – 67%
2005 – 71%	2008 – 68%
2006 – 71%	2009 – 68%

The recent cost trends (cost of governance as a proportion of total expenditure, including depreciation and capital works). have been:

2003/04 - 5.17%	2006/07 – 4.8%
2004/05 - 4.9%	2007/08 – 4.4%
2005/06 – 5.4%	2008/09 - 5.1%

LANDCARE

The recent quality results (survey) have been:

2003/04 - 8.2% (3rd survey of Landcare Groups).
 2004/05 - 8.67% (fourth survey of Landcare Groups).
 2005/06 - 5.67% (fifth survey of Landcare Groups).
 2006/07 - 8.5% (sixth survey of Landcare Groups).
 2007/08 - 8.53% (seventh survey of Landcare Groups).
 2008/09 - 9% (eighth survey of Landcare Groups).

The recent cost trends (cost of landcare as a proportion of total expenditure (including depreciation and capital works).have been:

2003/04 – 0.47%	2006/07 – 0.49%
2004/05 – 0.52%	2007/08 – 0.39%
2005/06 – 0.57%	2008/09 – 0.37%

TOURISM AND BUSINESS DEVELOPMENT

The recent quality results (economic development) have been:

2004 – 59%	2007 – 59%
2005 – 59%	2008 – 60%
2006 – 60%	2009 – 58%

The recent cost trends (cost of tourism and business development as a proportion of total expenditure, including depreciation and capital works) have been:

2003/04 – 0.02%	2006/07 – 0.07%
2004/05 – 0.54%	2007/08 – 0.43%
2005/06 – 0.18%	2008/09 – 0.47%

ENGINEERING SUPPORT

The recent quality results (traffic management and parking) have been:

2004 – 68%	2007 – 67%
2005 – 68%	2008 – 70%
2006 – 69%	2009 – 70%

The recent cost results (cost of engineering support as a proportion of total expenditure, including depreciation and capital works) have been:

2003/04 – 0.96%
2004/05 – 1.06%
2005/06 – 0.84%
2006/07 – 0.94%
2007/08 – 0.79%
2008/09 – N/A

BUILDING AND PLANNING

The recent quality results (planning policy and approvals) have been:

2004 – 65%	2007 – 63%
2005 – 65%	2008 – 67%
2006 – 65%	2009 – 67%

The cost trends (cost of building/ planning services as a proportion of total expenditure, including depreciation and capital works) have been:

2003/04 – 0.74%	2006/07 – 1.3%
2004/05 – 0.94%	2007/08 – 1.29%
2005/06 – 1.2%	2008/09 – 1.18%

ENVIRONMENTAL HEALTH

The recent quality results (health & human services) have been:

2004 – 72%	2007 – 75%
2005 – 74%	2008 – 77%
2006 – 77%	2009 – 79%

The recent cost results (cost of environmental health services as a proportion of total expenditure, including depreciation and capital works).have been:

2003/04 – 0.58%	2006/07 – 0.78%
2004/05 – 0.57%	2007/08 – 0.66%
2005/06 – 0.72%	2008/09 – 0.69%

CORPORATE SERVICES

The recent quality results (Community satisfaction to Council's interaction and responsiveness in dealing with the public) have been:

2004 – 75%	2007 – 73%
2005 – 72%	2008 – 73%
2006 – 74%	2009 – 73%

The recent cost trends (cost of corporate services as a proportion of total expenditure, including depreciation and capital works) have been:

2003/04 – 4.83%	2006/07 – 5.5%
2004/05 – 4.67%	2007/08 – 4.56%
2005/06 – 5.73%	2008/09 – 4.79%

COMMUNITY SERVICES

The recent quality results (health & human services) have been:

2004 – 72%	2006 – 77%
2005 – 74%	2007 – 75%

The recent quality results ((HACC target for quality from the annual client survey) have been:

2008 – 77%	2009 – 79%
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The cost trends have been:

2003/04 – \$58,000
2004/05 – \$91,650
2005/06 – \$93,652
2006/07 – \$133,523
2007/08 – \$161,397
2008/09 - \$144,608

MISCELLANEOUS SERVICES

The recent quality results (community satisfaction rating for waste management) have been:

2004 – 68%	2007 – 75%
2005 – 68%	2008 – 74%
2006 – 67%	2009 – 74%

The cost trends (cost of animal control and local laws) have been:

2003/04 – \$51,974
2004/05 – \$69,768
2005/06 – \$70,656
2006/07 – \$92,262
2007/08 – \$88,855
2008/09 – \$100,959

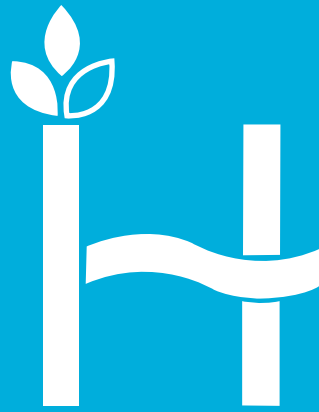
TECHNICAL SERVICES

The quality target results (community satisfaction rating for roads and footpaths) have been:

2007 – 52%
2008 – 50%
2009 – 52%

The cost target results (cost of technical services as a proportion of total expenditure, excluding depreciation and capital works) have been:

2006/07 – 44.4%
2007/08 – 45.62%
2008/09 – 38.29%



Hindmarsh
Shire Council



Y Happin Youth Festival



Yurunga Homestead

S T A N D A R D S T A T E M E N T S

For the year
1 July 2008 - 30 June 2009

Notes to the Standard Statement

1(a). Basis of preparation of Standard Statements

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements, which are included on pages 52 to 90 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 not adopted a materiality threshold, however an explanation has been provided if the variance is considered to be material because of its nature, ie more than 10%

The budget figures included in the Statements are those adopted by Council on 25 June 2008. The budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this budget in order to meet Council's business plan and financial performance targets for both the short and long term.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements on pages 52 to 90. The detailed budget can be obtained by contacting Council or through the Council's website. The Standard Statements must be read with reference to these documents.

1(b). Basis of preparation of Standard Statements (cont.)

The Standard Income Statement compares actual result with the Budget for 2008/09, while the Income Statement has been prepared to give a comparison with the previous year. Consequently some line items have the same description while actual figures in one statement may not agree with the other. Major Variances are listed below:

Standard Statement	Financial Statement	Variance
\$	\$	\$

This note also applies to the Standard Statement of Cash Flows. The other major variance in the Standard Statement of Cash Flows, is that GST has not been included on the relevant items on the Standard Statement. This is included as part of Government Receipts.

Standard Income Statement

	Actual 2009 \$	Budget 2009 \$	Variances \$	%	Ref
REVENUE					
Rates and charges	4,771,699	4,301,700	469,999	10.93	1
Statutory fees and fines	77,953	98,200	(20,247)	(20.62)	2
User fees	888,519	1,235,400	(346,881)	(28.08)	3
Contributions	220,399	221,550	(1,151)	(0.52)	
Grants Operating	5,362,365	4,197,000	1,165,365	27.77	4
Grants Capital	2,248,103	2,161,600	86,503	4.00	
Other revenue	1,626,434	1,226,100	400,334	32.65	5
Total revenue	15,195,472	13,441,550	1,753,922	13.05	
EXPENSES					
Employee benefits	4,002,165	3,864,450	137,715	3.56	
Materials and Services	4,519,240	3,833,900	685,340	17.88	6
Depreciation and amortisation	3,252,662	2,722,500	530,162	19.47	7
Finance Costs	18,603	17,200	1,403	8.16	
Other expenses	975,947	1,130,450	(154,503)	(13.67)	8
Total expenses	12,768,617	11,568,500	1,200,117	10.37	
PROFIT RESULT FROM ORDINARY ACTIVITIES	2,426,855	1,873,050	553,805	29.57	
Net gain on disposal of property, infrastructure, plant and equipment	(33,872)	25,000	(58,872)	(235.49)	9
Share of net profit of associates and joint ventures accounted for by the equity method	28,633	-	28,633	-	10
	2,421,616	1,898,050	494,933	26.08	

Standard Income Statement Comparison Report

Ref	Item	Commentary
1	Rates and charges (revenue)	The budget allowed for garbage charges of \$449,110 to be shown under user fees, whereas the actuals of \$454,325 are included in Rates and charges.
2	Statutory fees and fines (revenue)	The budget allowed for animal registration fees to be shown here, but the actuals figure has been included under user fees.
3	User fees	The budget for garbage charges of \$449,110 is included here but the actual of \$454,325 is shown under rates and charges.
4	Grants operating (revenue)	Unbudgeted grants and prepayment of the Victorian Grants Commission allocation of \$878,060 are the reasons for the variance.
5	Other (revenue)	The main areas of variance are additional interest on investment of \$85,330, unbudgeted income from Section 86 Committees of Council of \$175,406, and a \$50,000 donation for work at the Wimmera Mallee Pioneer Museum in Jeparit.
6	Materials and services (expense)	Council incurred additional costs due to unbudgeted expenditure incurred by Section 86 Committees of Council of \$149,399, and additional contractor costs for engineering services due to difficulties in employing engineering staff.
7	Depreciation (expense)	Revaluation of land and buildings in 2008 and construction of infrastructure assets in recent years had not been fully allowed for in the budget figure.
8	Other expenses (expense)	The budget allowed for an increase in councillor allowances, but this did not occur in 2009. Other savings in insurance and council contributions has contributed to the favourable variance.
9	Net gain on disposal of property, infrastructure, plant and equipment (revenue)	Council retained several plant items rather than trade them to better utilised plant resources.
10	Share of net profit/(loss) of associates and joint ventures accounted for by the equity method.	No budget was allowed for movement in the library equity.

Standard Statement of Balance Sheet

	Actual 2009	Budget 2009	Variance		Ref
	\$	\$	\$	%	
CURRENT ASSETS					
Cash and cash equivalents	4,470,783	2,237,166	2,233,617	99.84	11
Trade and other receivables	1,081,141	506,278	574,863	113.55	12
Financial assets	116,071	103,965	12,106	11.64	13
Other financial assets	196,505	44,516	151,989	341.43	14
Total current assets	5,864,500	2,891,925	2,972,575	102.79	
NON CURRENT ASSETS					
Trade and other receivables	24,717	173,142	(148,425)	(85.72)	15
Investments in associates	238,257	259,502	(21,245)	(8.19)	
Property, Infrastructure, Plant and Equipment	96,558,600	94,974,947	1,583,653	1.67	
Total non-current Assets	96,821,574	95,407,591	1,413,983	1.48	
TOTAL ASSETS	102,686,074	98,299,516	4,386,558	4.46	
CURRENT LIABILITIES					
Trade and other payables	1,205,729	882,366	323,363	36.65	16
Interest-bearing liabilities	-	-	-	-	
Trust funds and deposits	16,414	-	16,414	-	
Provisions	1,073,832	1,057,057	16,775	1.59	
Total current liabilities	2,295,975	1,939,423	356,552	18.38	
NON CURRENT LIABILITIES					
Interest bearing loans and borrowings	-	-	-	-	
Provisions	153,939	115,126	38,813	33.71	17
Other non-current liabilities	-	81,700	(81,700)	(100.00)	18
Total non current liabilities	153,939	196,826	(42,887)	(21.79)	
TOTAL LIABILITIES	2,449,914	2,136,249	313,665	14.68	
NET ASSETS	100,236,160	96,163,267	4,072,893	4.24	
EQUITY					
Accumulated surplus	29,199,079	28,690,804	508,275	1.77	
Asset revaluation reserves	71,037,081	67,472,463	3,564,618	5.28	
Other Reserves					
TOTAL EQUITY	100,236,160	96,163,267	4,072,893	4.24	

Standard Statement of Balance Sheet Comparison Report

Ref	Item	Commentary
11	Cash and cash equivalents (current)	The amount of \$878,060 received from the Victorian Grants Commission for prepayment of the 2010 allocation and delays in completion of capital works in 2009 has assisted in maintaining a better than expected cash position.
12	Trade and other receivables (current)	At end of year the claim for pensioner concessions and exceptional circumstances totalling \$88,000 was outstanding as well as debtors being raised for grant projects completed in 2009. These were not included in the budget.
13	Financial assets (current)	The purchase of 50 asbestos disposal kits into stock prior to end of year has created part of the budget variance.
14	Other financial assets (current)	The accrued income at end of year included unbudgeted items for Community Building Initiative and the sale of two utilities. These were not allowed in the budget.
15	Trade and other receivables (non-current)	The majority of debtors under special rates and charges scheme have paid in full rather than under arrangements as allowed in the budget.
16	Trade and other payables (current)	No budget was allowed for the accrual of employee costs at the end of the financial year, as well as additional costs associated with the completion of the Nhill Memorial Community Centre upgrade works and other capital works.
17	Provisions (non current)	The budget for provisions was insufficient to meet the cost of additional staff entitlements.
18	Other liabilities (non current)	At end of year Council had paid out all of its other non current liabilities

Standard Statement of Cash Flows

	Actual 2009 \$	Budget 2009 \$	Variance \$	%	Ref.
Receipts					
General rates and charges	5,666,809	5,531,171	135,638	2.5	
Operating grants and contributions	5,442,443	4,300,250	1,142,193	26.6	19
Capital grants and contributions	2,328,103	2,279,900	48,203	2.1	
Interest	311,373	199,000	112,373	56.5	20
Statutory fees	77,953	98,200	(20,247)	(20.6)	21
Other revenue	2,294,440	1,020,100	1,274,340	124.9	22
Total Receipts	16,121,121	13,428,621	2,692,500	20.1	
Payments					
Employee costs	(3,935,875)	(3,919,450)	(16,425)	0.4	
Materials and consumables	(6,270,647)	(4,829,920)	(1,440,727)	29.8	23
Finance costs	(18,603)	-	(18,603)	-	
Total Payments	(10,225,125)	(8,749,370)	(1,475,755)	16.9	
Net cash provided by operating activities	5,895,996	4,679,251	1,216,745	26.0	
Cash Flows from Investing Activities					
Proceeds from Sale of Property, Plant and Equipment	101,091	146,500	(45,409)	(31.0)	24
Payments for Property, Plant and Equipment	(5,642,215)	(6,772,611)	1,130,396	(16.7)	25
Other	-	-	-	-	
Net cash provided in investment activities	(5,541,124)	(6,626,111)	1,084,987	(16.4)	
Cash Flows from Financing Activities					
Proceeds from Borrowings	-	-	-	-	
Repayment of Borrowings	(45,846)	(45,700)	(146)	0.3	
Net cash outflow from financing activities	(45,846)	(45,700)	(146)	0.3	
Net Increase/(Decrease) in cash and cash equivalents	309,026	(1,992,560)	2,301,586	(115.5)	26
Cash and cash equivalents at beginning of year	4,161,757	3,654,211	507,546	13.9	27
Cash and cash equivalents at end of year	4,470,783	1,661,651	2,809,132	169.1	27

Standard Cash Flow Statement Comparison Report

Ref	Operating	Item	Commentary
19		Operating grants and contributions (inflow)	A prepayment of \$878,060 was received from the Victorian Grants Commission for relief for bushfire affected Councils. This was not allowed for in the budget.
20		Interest (inflow)	Additional interest has been raised due to Council being in a stronger cash position than budgeted throughout the year due largely to grant funds carried forward from 2008.
21		Statutory fees (inflow)	Animal registration fees were budgeted under Other Revenue.
22		Other Revenue (inflow)	The budget did not include the net GST claimed by Council of \$665,582, income from Section 86 committees of Council of \$175,406, and a donation of \$50,000 for the Wimmera Mallee Pioneer Museum.
23		Materials and consumables (outflow)	The budget allowed for 40% of engineering services contractors to be capitalised, but this percentage was not achieved due to other staff issues. No budget was allowed for expenditure of \$149,399 for Section 86 committees of Council.
	Investing		
24		Proceeds from sale of property, plant and equipment (inflow)	Several items budgeted to be sold during the year were not traded in, but retained for utilisation by Council to suit workforce requirements.
25		Payments for property, plant and equipment (outflow)	A number of projects on the capital works program have been delayed and will be carried forward to 2010. These have predominately been works associated with Small Town Development Funding grants.
	Cash at end of year		
26		Net increase (decrease) in cash and cash equivalents	The carry over or deferral of a number of capital projects has seen an increase in cash used for the year, but the budget anticipated a reduction in cash of \$1,992,560.
27		Cash and cash equivalents at the end of the year	Council started the year with \$507,000 more in cash than budgeted due largely to capital works carried forward and certain grant funds received in advance. This has also been responsible for the higher than budgeted cash at the end of the financial year.

Standard Statement of Capital Works

	Actuals 2009	Budget 2008/2009	Variance		
	\$	\$	\$	%	Ref
CAPITAL WORKS AREA					
Roads	2,308,492	3,346,695	1,038,203	31.02	28
Drains	80,031	159,900	79,869	49.95	29
Open space	192,136	275,229	83,093	30.19	30
Buildings	1,386,250	1,539,067	152,817	9.93	
Plant, equipment and other	932,366	1,214,000	281,634	23.20	31
Other Infrastructure	742,940	237,720	(505,220)	(212.53)	32
Total Capital Works	5,642,215	6,772,611	1,130,396	16.69	
Represented by :					
Renewal	3,634,384	2,295,660	(1,338,724)	(58.32)	33
Expansion	520,547	3,964,722	3,444,175	86.87	34
Upgrade	500,533	512,229	11,696	2.28	
Work in progress	986,751	-	(986,751)	-	35
Total Capital Works	5,642,215	6,772,611	1,130,396	16.69	

Standard Statement of Capital Works Comparison Report

Ref	Item	Commentary
28	Roads	Work in progress. These items total \$748,317.
29	Drains	Works on drainage in High St Dimboola has been delayed waiting approval of funding approval through the Small Town Development Fund.
30	Open space	Works on the Nine Creeks Reserve were included in the Capital Budget, but the land is not controlled by Council. The costs associated with the development have been classified as recurrent expenditure.
31	Plant, equipment and other	The budget allowed for additional plant items to be purchased, but better utilisation has occurred by modifying several items of plant rather than trade these on new equipment.
32	Other infrastructure	A number of smaller items of infrastructure have been capitalised due to grant funding received during the year for specific purposes. This includes a proportion of the RLCIP stimulus funds of \$410,000 received from the Federal Government and to be expended by 30 September 2009.
33	Renewal	Following completion of the capital works a revised breakup of these categories has produced the variance to budget.
34	Expansion	Following completion of the capital works a revised breakup of these categories has produced the variance to budget.
35	Work in progress	Following completion of the capital works a revised breakup of these categories has produced the variance to budget. The category of Work in progress was not included in the budget.

HINDMARSH SHIRE COUNCIL

CERTIFICATION OF STANDARD STATEMENTS

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

Mrs Amy Schnaars
Principal Accounting Officer
Dated: 24 September 2009
Location - Nhill



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

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

We have been authorised by the Council on 16 September 2009 to certify the standard statements in their final form.

Councillor R.L. Gersch
Dated: 24 September 2009
Location - Nhill



Councillor K.D. Colbert
Dated: 24 September 2009
Location - Nhill



Mr. Campbell McKenzie
Acting Chief Executive Officer
Dated: 24 September 2009
Location - Nhill



Description of Financial Position

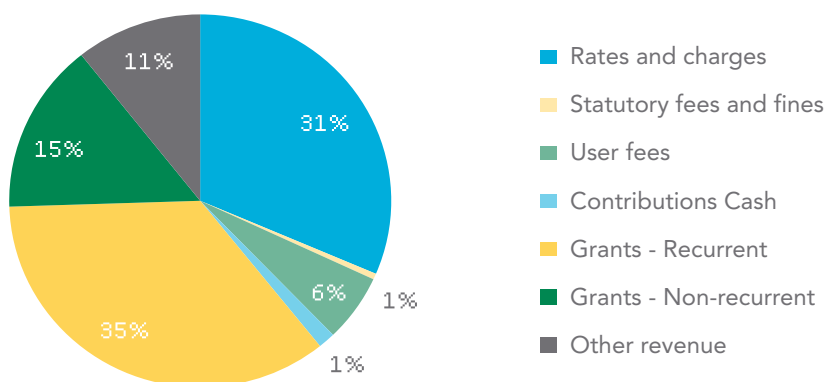
The end of the 2008-2009 financial year found Hindmarsh Shire Council in a sound and financially stable environment. Council produced a net surplus from operations of \$2,421,616 compared to \$1,535,589 for the previous year. A net surplus from operations is similar to a net profit in the private sector. It is used to fund the renewal and expansion of Council's asset base, the repayment of loans and the expansion of Council services to the community, while safeguarding Council's financial position. The forecast operating result for the year at the time of the budget was \$1,898,050. A summary of revenue and expenses compared to last year is contained below.

Income Statement For the Year Ended 30 June 2009

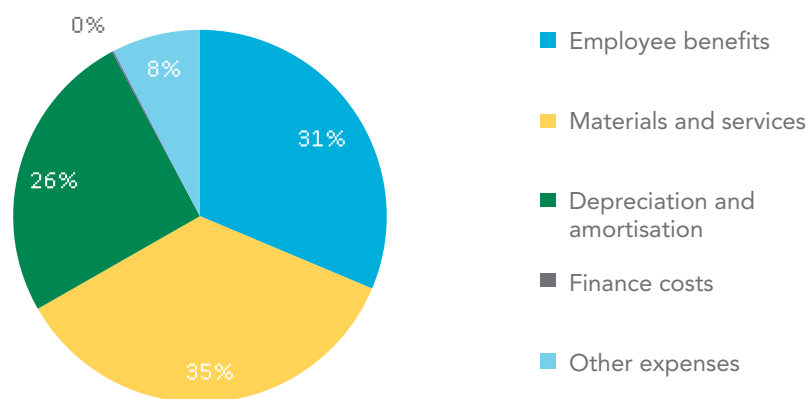
	Note	2009 \$	2008 \$
Revenue			
Rates and charges	2	4,771,699	4,488,625
Statutory fees and fines	3	77,953	99,134
User fees	4	888,519	824,767
Contributions - Cash	6	220,399	380,011
Grants - Recurrent	5	5,362,365	4,272,794
Grants - Non-recurrent	5	2,248,103	1,474,732
Other revenue	7	1,626,434	1,893,459
Total revenue		<u>15,195,472</u>	<u>13,433,522</u>
Expenses			
Employee benefits	8	(4,002,165)	(3,854,545)
Materials and services	9	(4,519,240)	(4,096,257)
Bad and doubtful debts	10	-	(1,274)
Depreciation and amortisation	11	(3,252,662)	(3,040,840)
Finance costs	12	(18,603)	(38,221)
Other expenses	13	(975,947)	(941,332)
Total expenses		<u>(12,768,617)</u>	<u>(11,972,469)</u>
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	14	(33,872)	124,414
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	15	28,633	(49,878)
Surplus for the year		<u>2,421,616</u>	<u>1,535,589</u>

Description of Financial Position

Recurrent Income



Recurrent Expenditure



Council remains reliant on government grants for financial support with only approximately one third of its total income coming from rate and charges revenue. Council has paid out all loan borrowings during the year, and is debt free going in to the 2009/2010 year. Insurance costs, interest costs and investment returns all improved this year, but depreciation costs increased due to revaluations in infrastructure assets.

The major reason for the increase in the net surplus from operations compared to budget was due to a prepayment of \$878,000 from the Victorian Grants Commission for the 2009/2010 grant allocation.

Description of Financial Position Continued

Government Grants for capital works are a major source of income and in 2008/2009 were \$2,248,103 or \$773,371 more than the 2008 figure of \$1,474,732. The major reasons for the variance was the grant for refurbishment of the Nhill Memorial Community Centre of \$602,700 received in 2009 and the unbudgeted funds of \$410,000 from for the Federal Government Stimulus Package of \$410,000 under the Regional and Local Community Infrastructure Program. Other major sources of funding in 2008/2009 were Council Rates and Charges \$4,771,699, Recurrent Grants \$5,362,365, User Fees \$888,519, Contributions \$220,399 and Statutory Fines and Fees \$77,953.

Council rates levied for 2008/2009 were based on a 5.65% increase on the previous year which is lower than the average increase applied elsewhere in Victoria and is in accord with Council's long term objectives, especially in the current uncertain economic environment. Interest Bearing Liabilities (borrowings) decreased by \$45,846. Council has a 12.05% or \$238,259 equity in the Wimmera Regional Library Corporation. Long Service Entitlements payable to employees are fully funded and identified through a separate bank account of \$617,454 for this purpose. The overall cash balance at 30 June 2009 is \$4,470,783 as per the following Table;

	2009	2008
Cash on hand	125,147	3,221,035
Cash at Bank-Bequest	123,212	117,351
Investments	3,350,000	-
Long Service Leave	617,454	612,927
Deductable Gift Recipient - Wimmera Mallee Pioneer Museum	50,000	-
Section 86 Committees of Council	204,969	210,444
	<u>4,470,782</u>	<u>4,161,757</u>

The 2008/2009 Capital Works Program is summarised as follows:

- Total capital works budget was \$6,772,611.
- The total actual capital works expenditure was \$5,642,215. This was a completion rate of approximately 83%. The balance of the works carried forward have been delayed in part due to completion of other works such as the Federal Government Stimulus Package and delays in completion of works at the McKenzie Avenue truck bypass, works at the Nhill Memorial Community Centre and Small Town Development Fund projects caused by external issues out of the Council's control.

The following capital works program summary illustrates that Council is applying significant funds to renew and expand its asset base;

Capital expenditure areas	2009 \$	2008 \$
Roads	1,640,390	2,212,609
Drainage	49,495	50,764
Land and buildings	1,359,019	389,729
Plant and equipment	838,439	1,482,362
Furniture and equipment	93,927	88,868
Other Infrastructure	674,194	1,127,196
Work in progress	986,751	172,049
Total capital works	<u>5,642,215</u>	<u>5,523,577</u>
Renewal of infrastructure	3,634,384	3,424,547
Upgrade of infrastructure	520,547	1,055,019
Expansion of infrastructure	-	241,084
New assets	500,533	630,878
Work in progress	986,751	172,049
Total capital works	<u>5,642,215</u>	<u>5,523,577</u>

Expenditure on infrastructure maintenance and renewal is increasing. This is in keeping with Council's strategic objectives and will ensure that Council can keep the infrastructure gap under control.



Hindmarsh
Shire Council



Four Mile Beach,
Lake Hindmarsh



Albacutya Homestead,
Wimmera Mallee Pioneer Museum - Jeparit

FINANCIAL STATEMENTS

For the year
1 July 2008 - 30 June 2009

Financial Report Table of Content

FINANCIAL REPORT	Page
Financial Statements	
Income Statement	53
Balance Sheet	54
Statement of Changes in Equity	55
Cash Flow Statement	56
Notes to Financial Statements	
Introduction	57
Note 1 Significant accounting policies	57
Note 2 Rates and charges	62
Note 3 Statutory fees and fines	62
Note 4 User fees	62
Note 5 Grants	63
Note 6 Contributions	65
Note 7 Other revenue	66
Note 8 Employee benefits	66
Note 9 Materials and services	66
Note 10 Bad and doubtful debts	66
Note 11 Depreciation and amortisation	67
Note 12 Finance costs	67
Note 13 Other expenses	67
Note 14 Net gain/(loss) on disposal of property, plant and equipment, infrastructure	67
Note 15 Investments in associates	67
Note 16 Cash and cash equivalents	68
Note 17 Trade and other receivables	68
Note 18 Other assets	68
Note 19 Inventories	68
Note 20 Assets held for resale	68
Note 21 Property, plant and equipment, infrastructure	69
Note 22 Trade and other payables	72
Note 23 Other refundable deposits	72
Note 24 Provisions	72
Note 25 Interest bearing loans and borrowings	73
Note 26 Reserves	74
Note 27 Reconciliation of cash flows from operating activities to surplus or deficit	74
Note 28 Reconciliation of cash and cash equivalents	75
Note 29 Financing arrangements	75
Note 30 Restricted assets	75
Note 31 Superannuation	31
Note 32 Commitments	77
Note 33 Operating leases	78
Note 34 Contingent liabilities	78
Note 35 Financing instruments	78
Note 36 Auditors remuneration	81
Note 37 Events occurring after balance date	81
Note 38 Related party transactions	82
Note 39 Joint venture information	83
Note 40 Income, expenses and assets by function	83
Note 41 Financial ratios/Performance indicators	84
Note 42 Capital expenditure	85
Note 43 Special committees and other activities	86
Note 44 Change in accounting policy	87
Certification of the financial report	88
Auditors General's report on the financial statement	89

Income Statement

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Revenue			
Rates and charges	2	4,771,699	4,488,625
Statutory fees and fines	3	77,953	99,134
User fees	4	888,519	824,767
Contributions - Cash	6	220,399	380,011
Grants - Recurrent	5	5,362,365	4,272,794
Grants - Non-recurrent	5	2,248,103	1,474,732
Other revenue	7	1,626,434	1,893,459
Total revenue		<u>15,195,472</u>	<u>13,433,522</u>
Expenses			
Employee benefits	8	(4,002,165)	(3,854,545)
Materials and services	9	(4,519,240)	(4,096,257)
Bad and doubtful debts	10	-	(1,274)
Depreciation and amortisation	11	(3,252,662)	(3,040,840)
Finance costs	12	(18,603)	(38,221)
Other expenses	13	(975,947)	(941,332)
Total expenses		<u>(12,768,617)</u>	<u>(11,972,469)</u>
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	14	(33,872)	124,414
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	15	28,633	(49,878)
Surplus for the year		<u>2,421,616</u>	<u>1,535,589</u>

The above statement should be read with the accompanying notes.

Balance Sheet

For the year ended 30 June 2009

	Note	2009 \$	2008 \$
Assets			
Current assets			
Cash and cash equivalents	16	4,470,783	4,161,757
Trade and other receivables	17	1,081,141	1,030,886
Other assets	18	196,505	267,420
Inventories	19	116,071	104,755
Non-current assets classified as held for sale	20	-	18,500
Total current assets		5,864,500	5,583,318
Non-current assets			
Trade and other receivables	17	24,717	8,550
Investments in associates accounted for using the equity method	15	238,257	209,624
Property, plant and equipment, infrastructure	21	96,558,600	86,248,632
Total non-current assets		96,821,574	86,466,806
Total assets		102,686,074	92,050,124
Liabilities			
Current liabilities			
Trade and other payables	22	1,205,729	1,059,936
Trust funds and deposits	23	16,414	37,919
Provisions	24	1,073,832	986,723
Interest-bearing loans and borrowings	25	-	45,846
Total current liabilities		2,295,975	2,130,424
Non-current liabilities			
Provisions	24	153,939	142,034
Interest-bearing loans and borrowings	25	-	-
Total non-current liabilities		153,939	142,034
Total liabilities		2,449,914	2,272,458
Net Assets		100,236,160	89,777,666
Equity			
Accumulated surplus		29,199,079	26,777,463
Reserves	26	71,037,081	63,000,203
Total Equity		100,236,160	89,777,666

The above statement should be read with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2009

	Note	Total 2009 \$	Accumulated Surplus 2009 \$	Asset Revaluation Reserve 2009 \$	Other Reserves 2009 \$
2009					
Balance at beginning of the financial year		89,777,666	26,777,463	63,000,203	-
Surplus for the year		2,421,616	2,421,616	-	-
Net asset revaluation increment	26	8,036,878	-	8,036,878	-
Balance at end of the financial year		100,236,160	29,199,079	71,037,081	-
		Total 2008 \$	Accumulated Surplus 2008 \$	Asset Revaluation Reserve 2008 \$	Other Reserves 2008 \$
2008					
Balance at beginning of the financial year		87,446,991	25,241,874	62,205,117	-
Surplus for the year		1,535,589	1,535,589	-	-
Net asset revaluation increment	26	795,086	-	795,086	-
Balance at end of the financial year		89,777,666	26,777,463	63,000,203	-

The above statement should be read with the accompanying notes.

Cash Flow Statement

		2009 Inflows/ (Outflows)	2008 Inflows/ (Outflows)
Cash flows from operating activities	Note		
Rates		4,703,290	4,458,364
Statutory fees and fines		77,953	99,134
User charges and other fines (inclusive of GST)		963,519	899,767
Grants (inclusive of GST)		7,770,546	5,907,604
Contributions (inclusive of GST)		225,399	390,011
Interest		311,373	335,228
Other receipts (inclusive of GST)		1,403,459	1,098,327
Net GST refund		665,582	593,839
Payments to suppliers (inclusive of GST)		(6,270,647)	(5,534,681)
Payments to employees (including redundancies)		(3,935,875)	(3,833,691)
Net cash flows from operating activities	27	5,914,599	4,413,902
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure	42	(5,642,215)	(5,523,577)
Proceeds from sale of property, plant and equipment, infrastructure	14	101,091	455,320
Repayment of loans and advances from community organisations		-	-
Net cash flows from investing activities		(5,541,124)	(5,068,257)
Cash flows from financing activities			
Finance costs		(18,603)	(38,221)
Repayment of interest bearing loans and borrowings		(45,846)	(441,167)
Net cash flows from financing activities		(64,449)	(479,388)
Net increase/(decrease) in cash and cash equivalents		309,026	(1,133,743)
Cash and cash equivalents at the beginning of the financial year		4,161,757	5,295,500
Cash and cash equivalents at the end of the financial year	16	4,470,783	4,161,757
Financing arrangements	29		
Restrictions on cash assets	30		

The above statement should be read with the accompanying notes.

Notes to the Financial Report

Introduction

- (a) The Hindmarsh Shire Council was established by an Order of the Governor in Council on 20 January 1995 and is a body corporate. The Council's main office is located at 92 Nelson St, Nhill, Victoria .
- (b) The purpose of the Council is to:
- provide for the peace, order and good government of its municipal district;
 - to promote the social, economic and environmental viability and sustainability of the municipal district;
 - to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
 - to improve the overall quality of life of people in the local community;
 - to promote appropriate business and employment opportunities;
 - to ensure that services and facilities provided by the Council are accessible and equitable;
 - to ensure the equitable imposition of rates and charges; and
 - to ensure transparency and accountability in Council decision making.

External Auditors - Victorian Auditor General's Office

Internal Auditors - Richmond Sinnott and Delahunty - Bendigo

Bankers - National Australia Bank

Website - www.hindmarsh.vic.gov.au

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(i), and 1(k).

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full. Details of entities not included in this financial report based on their materiality are detailed in note 43.

(b) Change in accounting policies

In respect to land under roads acquired before 30 June 2008, AASB1051 allows a Council to elect to recognise or not recognise an asset. Council formally elected not to recognise the value of these assets at a Council meeting held on 21 May 2008.

Land under roads acquired after 30 June 2008 is to be accounted for under AASB 116, provided the value of the asset is above the threshold in Note 1(h).

(c) Revenue recognition

Rates, grants and contributions

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

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

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.

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

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 (including parking 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.

Interest and rents

Interest and rents are recognised as revenue on a proportional basis when the payment is due, the value of the payment is notified, or the payment is received, whichever first occurs.

Dividends

Dividend revenue is recognised when the Council's right to receive payment is established.

(d) 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.

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

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

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

Road earthworks are not depreciated.

Artworks are not depreciated.

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

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

	Period
<u>Property</u>	
Buildings	Up to 75 years
<u>Plant and Equipment</u>	
plant, machinery and equipment	1 to 30 years
fixtures, fittings and furniture	1 to 50 years
<u>Infrastructure</u>	
Roads	
Substructure	100 years
Unsealed	11 to 30 years
Sealed	12 to 16 years
Sealed Road Pavement	60 years
Bridges	70 to 100 years
Footpaths and Cycleways	1 to 87 years
Kerb and Channel	1 to 87 years
Drainage	80 years
other infrastructure	10 to 45 years

(f) 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.

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

(g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

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

(h) **Recognition and measurement of assets**

Acquisition

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

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

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

	<u>Threshold Limit</u>	<u>T</u>
<u>Property</u>		
land	\$1,000	
land under roads	\$1,000	
land improvements	\$1,000	
<u>Buildings</u>	\$1,000	
buildings	\$1,000	
<u>Plant and Equipment</u>	\$1,000	
plant, machinery and equipment	\$1,000	
fixtures, fittings and furniture	\$1,000	
<u>Infrastructure</u>		
Roads	\$1,000	
Bridges	\$1,000	
Footpaths and cycleways	\$1,000	
Drainage	\$1,000	
Kerb and channel	\$1,000	

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant, furniture and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 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.

For the year ended 30 June 2009

Land under roads

The Council has elected at the meeting of 21 May 2008, not to recognise land under roads as an asset in accordance with AASB 1045 "Land under Roads", which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2008.

Land under roads acquired after 30 June 2008 is brought to account on the basis of cost.

(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) Other financial assets

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

(j) Investments

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

(k) 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 income statement.

(l) 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).

(m) Employee benefits

Wages and salaries

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

Annual leave

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

Long service leave

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

Classification of employee benefits

An employee benefit liability is classified as a current liability if the Council does not have an unconditional right to defer settlement 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.

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65 %.

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

(n) Leases

Finance leases

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

Operating leases

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

(o) 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.

(p) 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.

(q) Web site costs

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

(r) 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.

(s) Impairment of assets

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

(v) Non-current assets held for sale

Non-current assets held for sale are measured at the lower of its carrying amount and fair value less costs to sell.

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 2 Rates and charges

Council uses Capital Improved Value as the basis of valuation of all properties within the municipal district. The Capital Improved Value of a property is its estimated value of the property including improvements at the date of valuation.

The valuation base used to calculate general rates for 2007/2008 was \$842.367 million (2006/2007 \$836,981million). The 2007/2008 rate on the Capital Improved Value in the dollar 0.0046155 cents, Farm Rate 0.0041537 cents, Cultural/Recreation 0.0023077 cents (2006/2007, in the CIV dollar was 0.004525 cents and the Farm Rate was 0.0040723 cents.)

	2009 \$	2008 \$
General	3,783,274	3,607,971
Municipal charge	534,100	460,680
Garbage charge	454,325	419,974
	<u>4,771,699</u>	<u>4,488,625</u>

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

The date of the next revaluation of land for rating purposes within the municipal district is 1 January 2010 and the valuation will be first applied in the rating year commencing 1 July 2010.

Note 3 Statutory fees and fines

Parking, election, fire prevention and animal control fines	3,215	6,647
Building fees	49,209	61,804
Health fees	13,854	15,088
Town planning fees	11,675	15,595
	<u>77,953</u>	<u>99,134</u>

Note 4 User fees

Environmental Health services	52,188	47,312
Recreation fees	4,351	4,146
Transfer Station fees	53,575	85,238
Private works	210,963	157,667
Aged services fees	393,866	376,301
Animal registration fees	53,687	39,912
Saleyard fees	4,585	14,926
Other fees and charges	115,304	99,265
	<u>888,519</u>	<u>824,767</u>

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Note 5 Grants

Grants were received in respect of the following :

Recurrent

	2009 \$	2008 \$
Ageing Population Plan	-	5,000
Black House Cemetery - Fencing	-	11,000
Building Resilient Communities	-	50,000
Charles St Bus Shelter Works	-	30,000
Charles St Bus Shelter Works - Vis Roads	-	8,500
Childrens Week	500	500
Community Building Initiative	72,973	70,700
Community Enterprise Centre	6,750	3,750
Delivered Meals	18,143	16,944
Dimboola Bowling Club - Water Grant	-	93,455
Dimboola Reserve - Water Carting - SRV	-	693
Drought Response Officer	75,000	37,500
Drum Muster	5,828	10,354
DVC - Community Project Officer	-	12,500
Education and Training Grants	9,500	-
FReeZA	9,725	-
Home Care Services	357,767	366,413
Home Maintenance	36,099	35,082
Immunisation	8,172	1
Landcare - Future Farming	10,000	-
Landcare Co-Ordinator	80,000	75,000
Local Government Improvement Incentive Program	-	7,883
Nhill Bowling Club - Syntetic Greens	33,000	93,479
Nhill Duck & Jazz	-	5,000
Nhill Golf Club - Water Grant	-	45,455
Nine Creeks Reserve Upgrade	47,750	33,229
Property Addressing	-	2,273
Rainbow - Day on the Lake Project	2,500	-
Rainbow - Living Regions Grant	2,500	-
Rainbow Golf Club - Machinery Shed etc	-	4,418
Regional Arts Victoria	-	1,500
Regional Enviroment Strategy	23,000	5,000
Rural Skills Cadetship	12,750	-
Rural Skills Match Program	21,600	-
School Crossings Supervisor	2,605	2,605
Senior Citizens	21,858	19,979
Seniors Go for Your Life	25,000	-
SES Emergency Relief Centres	5,100	5,500
State Emergency Service	10,780	10,460
STDF - Broughton Hall	-	2,500
Tobacco Grant	2,488	4,495
Victoria Grants Commission - General Purpose Grant	2,635,783	1,931,929
Victorian Grants Commission-Road Funding	1,701,214	1,257,291
Western Highway- Median Maintenance	-	7,544
Wimmera Southern Mallee Strategic Plan	60,000	-
Youth Participation Project	18,000	-
Youth Services	45,980	4,862
	5,362,365	4,272,794

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

	2009 \$	2008 \$
Non-recurrent		
Desert Fringe Regional Waste Management Grant - Wood Chipper	30,455	-
Auslink - Albacutya Bridge	241,610	140,700
Charles Steet Bus Shelter Works	3,000	-
Regional and Local Community Infrastructure Program	410,000	-
Davis Park Oval Upgrade	-	93,455
Davis Park Upgrade - Stage 2	-	12,500
Jeparit Pool - Drought Relief - SRV	-	1,302
DFRWMG - 2 Cardboard Bale Process	-	38,404
Dimboola Child Care Project	-	9,091
Dimboola Netball Club - All Weather Shelter	-	12,286
Jeparit Rainbow Netball Club Toilets	-	12,836
Jeparit Skatepark - Sport & Rec - DVC	-	22,668
Jeparit Transfer Stations Construction	-	22,500
Local Areas Acces Program	-	184,545
Youth Program Music Equipment	10,000	-
Nhill Memorial Community Centre Upgrade	602,700	120,540
Rainbow Pool - Drought Relief - SRV	-	3,480
Roads to Recovery-Normal Program	675,662	688,173
SES Building Works	38,333	51,666
Dimboola Bore	14,700	-
STDF - Federal St - Stage 2	49,000	25,000
STDF - Wimmera Mallee Pioneer Museum	81,900	-
STDF - High Street	23,457	-
STDF - Jeparit Caravan Park	-	16,500
STDF - Nhill Eastern Approach	49,000	-
Rainbow Water harvesting - Treatment Plant	18,287	-
Water Initiative - Federal St Gardens - Stage 2	-	19,086
	<hr/> 2,248,103	<hr/> 1,474,732

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

	2009 \$	2008 \$
<i>Conditions on Grants</i>		
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:		
Auslink-McKenzie Avenue	162,098	830,200
Bleak House Cemetery	1,600	1,600
Business Continuity / Capacity Building	2,500	10,000
Community Building Initiative	19,252	-
Community Enterprise Centre	4,215	-
Davis Park Upgrade	-	93,455
Dimboola Bore	14,700	-
Dimboola Bowling Club	-	93,455
Dimboola Netball Club Shelter	-	12,286
Drought Response Officer	33,050	19,250
DSE-Jaypex Park tree removal	-	7,000
Immunisation	8,172	-
Jeparit Skatepark	-	22,668
Local Area Works Program	-	184,545
Nhill Memorial Community Centre Refurbishment	-	120,540
Nine Creeks Reserve	52,685	33,229
Other Heritage-Yurunga Homestead	60,000	60,000
Rainbow Rainwater Harvesting - Stage 2	-	4,414
Rainbow Water harvesting - Treatment Plant	18,287	-
Rainbow Urban Design Footpath Works	-	25,000
Regional and Local Community Infrastructure Program	351,760	-
Regional Environmental Strategy	19,612	5,000
Retention and Attraction of Young People	29,325	-
Roads to Recovery	-	296,845
Rural Skills Cadetship	3,500	-
Rural Skills Match Program	21,364	-
Seniors Go For Your Life	21,686	-
State Emergency Relief Centres	-	4,031
State Emergency Service Building Upgrade	-	38,169
STDF - Wimmera Mallee Pioneer Museum	79,780	-
Sustainable Working Group	10,000	10,000
Victoria Grants Commission - General Purpose Grant	540,467	-
Victorian Grants Commission-Road Funding	377,593	-
Wimmera Southern Mallee Strategic Plan	7,500	-
Youth Participation Project	11,386	-
Youth Program Music Equipment	911	-
	<u>1,851,443</u>	<u>1,871,687</u>

Note 6 Contributions

Road maintenance, construction and infrastructure	47,286	201,337
Recreational, leisure and community facilities	100,727	95,282
Wimmera Mallee Sustainability Alliance	45,000	-
Other	27,386	83,392
	<u>220,399</u>	<u>380,011</u>

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

	2009 \$	2008 \$
Note 7 Other revenue		
Plant operations	441,653	439,162
Interest	311,373	335,228
Concrete works	120,786	237,600
Quarry operations	436,150	523,694
Sale of revaluation data	-	60,924
Section 86 Committee Revenue	175,407	191,818
Recoupments	54,962	36,930
Sales	15,294	17,871
Hanbury Donation	50,000	-
Other	20,809	50,232
	<u>1,626,434</u>	<u>1,893,459</u>
Note 8 Employee benefits		
Wages and salaries	3,174,138	2,902,057
Annual leave, sick and long service leave	294,334	274,847
Superannuation	511,481	656,037
Fringe benefits tax	22,212	21,604
	<u>4,002,165</u>	<u>3,854,545</u>
Note 9 Materials and services		
Bituminous Surfacing Works	105,809	143,910
Administrative Services	155,713	-
Quarry Operations	132,399	173,801
Swimming Pool Management	140,258	168,101
Information Technology	201,080	219,398
Animal Control	16,986	8,756
Waste Disposal	174,150	62,330
Business Development	99,498	19,315
Garbage Collection	184,326	204,023
Recycling Collection	129,363	154,553
Audit Expenses - External	30,000	25,700
Audit Expenses - Internal	14,440	17,647
Rating and Valuation	34,034	96,582
Council Election	53,671	2,073
Engineering services	150,070	71,358
Building services	116,302	112,145
Quarry Materials	181,764	151,096
Delivered Meals	92,173	79,323
Fuels and Lubricants	452,156	487,538
Lighting and Power	104,036	92,234
Parts for Equipment	222,851	205,272
Vehicle Registrations	73,078	82,634
Water and Sewage	53,529	49,969
Section 86 Committees of Council	169,249	172,165
Concrete Plant	72,571	110,356
Other Materials and contractors	1,359,734	1,185,978
	<u>4,519,240</u>	<u>4,096,257</u>
Note 10 Bad and doubtful debts		
Other debtors	-	1,274
	<u>-</u>	<u>1,274</u>

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 11 Depreciation and amortisation

<u>Property</u>		
Buildings	307,459	276,440
<u>Plant and Equipment</u>		
Plant, machinery and equipment	414,238	367,000
Fixtures, fittings and furniture	43,519	33,084
<u>Infrastructure</u>		
Roads	2,144,021	2,044,410
Bridges	30,575	27,933
Footpaths	72,324	58,374
Drainage	43,179	42,736
Kerb and Channel	80,525	94,588
Other	116,822	96,275
	<u>3,252,662</u>	<u>3,040,840</u>

Note 12 Finance costs

Interest - Borrowings	2,310	28,914
Bank Charges	16,293	9,307
	<u>18,603</u>	<u>38,221</u>

Note 13 Other expenses

Insurance	210,097	231,501
Subscriptions	62,132	63,772
Council Contributions	187,092	233,119
Landfill charges	54,158	52,920
Legal Costs	14,731	13,786
Telecommunication Costs	70,281	85,486
Lease Payments	149,386	38,654
Advertising	56,042	48,331
Quarry Compensation	50,760	78,204
Councillor/Mayor Allowances	121,032	95,000
Other	236	559
	<u>975,947</u>	<u>941,332</u>

Note 14 Net gain/(loss) on disposal of property, plant and equipment, infrastructure

Proceeds from sale of plant and equipment	101,091	455,320
Written down value of plant and equipment	<u>(134,963)</u>	<u>(330,906)</u>
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	<u>(33,872)</u>	<u>124,414</u>

Note 15 Investment in associates

Investments in associates accounted for by the equity method are:
Wimmera Regional Library Corporation

238,257	209,624
<u>238,257</u>	<u>209,624</u>

Council's share of accumulated surplus

Council's share of accumulated surplus at start of year	58,686	108,935
Reported surplus/ (deficit) for year	14,752	(37,928)
Transfers to reserves	726	(5,627)
Variation-Change in Equity	<u>(1,338)</u>	<u>(6,694)</u>
Council's share of accumulated surplus at end of year	<u>72,826</u>	<u>58,686</u>

Council's share of reserves

Council's share of reserves at start of year	150,938	150,567
Transfers to reserves	(726)	5,627
Council's share of asset revaluation	-	4,007
Variation-Change in Equity	<u>15,219</u>	<u>(9,263)</u>
Council's share of reserves at end of year	<u>165,431</u>	<u>150,938</u>

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

<i>Council's share of reserves</i>			
Council's share of reserves at start of year	150,938	150,567	
Transfers to reserves	(726)	5,627	
Council's share of asset revaluation	-	4,007	
Variation-Change in Equity	15,219	(9,263)	
Council's share of reserves at end of year	165,431	150,938	
<i>Movement in carrying value of specific investment</i>			
Carrying value of investment at start of year	209,624	259,502	
Share of surplus/ (deficit) for year	14,752	(37,928)	
Council's share of asset revaluation	-	4,007	
Distributions received	-	-	
Variation-Change in Equity	13,881	(15,957)	
Carrying value of investment at end of year	238,257	209,624	
Note 16 Cash and cash equivalents			
Cash on hand	125,147	3,221,035	
Cash at Bank-Bequest	123,212	117,351	
Investments	3,350,000	-	
Long Service Leave	617,454	612,927	
Deductable Gift Recipient - Wimmera Mallee Pioneer Museum	50,000	-	
Section 86 Committees of Council	204,969	210,444	
	4,470,783	4,161,757	
Note 17 Trade and other receivables			
<i>Current</i>			
Rates debtors	488,738	420,329	
Sundry Debtors	401,778	461,820	
Loans and advances to community organisations	-	8,077	
Home Help Debtors	61,275	47,669	
State Deficit Levy	2,268	2,268	
Net GST receivable	122,438	68,970	
Other Debtors	20,032	39,343	
Less Provision for Doubtful Debts	(15,388)	(17,590)	
	1,081,141	1,030,886	
<i>Non-current</i>			
Street Scheme Debtors	24,717	8,550	
	24,717	8,550	
Total	1,105,858	1,039,436	
Note 18 Other assets			
<i>Current</i>			
Accrued Income	148,598	261,589	
Prepayments	47,907	5,831	
	196,505	267,420	
Note 19 Inventories			
Inventories for distribution	116,071	104,755	
	116,071	104,755	
Note 20 Assets held for sale			
Land held for Resale at Valuation 30 June 2004	-	18,500	
	-	18,500	

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

		2009 \$	2008 \$
Note 21	Property, plant and equipment and infrastructure		
	Summary		
	at cost	11,676,602	12,165,878
	at Valuation	141,481,549	122,621,716
	Less accumulated depreciation	(56,599,551)	(48,538,962)
		<u>96,558,600</u>	<u>86,248,632</u>
	<u>Property</u>		
	Land		
	at Valuation as at 30 June 2008	2,044,200	2,044,200
		<u>2,044,200</u>	<u>2,044,200</u>
	Buildings		
	at valuation as at 30 June 2008	8,829,000	8,829,000
	at cost	1,386,250	
	Less accumulated depreciation	(307,459)	-
		<u>9,907,791</u>	<u>8,829,000</u>
	Total Property	<u>11,951,991</u>	<u>10,873,200</u>
	The valuation of land and buildings is based on Fair Value of the asset where the fair value of the asset is reliably determined using market based methods. Where this method is not able to be reliably measured, Depreciated Replacement Cost is used. The Valuation of land and buildings was undertaken as at 30 June 2008 by a qualified independent valuer Mr Ian Wilson AVLE, Qualified Valuer of Wilson Valuers.		
	<u>Plant and Equipment</u>		
	Plant, machinery and equipment		
	at cost	6,437,577	5,786,068
	Less accumulated depreciation	(2,398,923)	(2,055,152)
		<u>4,038,654</u>	<u>3,730,916</u>
	Fixtures, fittings and furniture		
	at cost	475,973	382,046
	Less accumulated depreciation	(279,392)	(235,873)
		<u>196,581</u>	<u>146,173</u>
		<u>4,235,235</u>	<u>3,877,089</u>

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

		2009 \$	2008 \$
Note 21	Property, plant and equipment, infrastructure (cont'd)		
	<u>Infrastructure</u>		
	Sealed and Unsealed Roads		
	at valuation as at 31 August 2008	113,157,907	96,662,863
	at cost	2,308,493	4,154,016
	Less accumulated depreciation	(47,140,741)	(40,006,115)
		<u>68,325,659</u>	<u>60,810,764</u>
	Bridges		
	at valuation as at 30 June 2007	2,683,398	2,683,398
	at cost	376,285	373,526
	Less accumulated depreciation	(1,209,299)	(1,178,724)
		<u>1,850,384</u>	<u>1,878,200</u>
	Footpaths		
	at valuation as at 31 August 2008	2,898,537	2,120,655
	at cost	347,917	328,354
	Less accumulated depreciation	(1,277,483)	(1,088,457)
		<u>1,968,971</u>	<u>1,360,552</u>
	Kerb and Channels		
	at valuation as at 31 August 2008	4,486,088	5,420,810
	at cost	207,802	28,196
	Less accumulated depreciation	(2,103,820)	(2,436,553)
		<u>2,590,070</u>	<u>3,012,453</u>
	Drainage		
	at valuation as at 30 June 2009	4,571,567	3,359,132
	at cost	30,536	96,146
	Less accumulated depreciation	(1,423,524)	(1,178,544)
		<u>3,178,579</u>	<u>2,276,734</u>
	Other not classified		
	at valuation as at 30 June 2006	2,810,852	1,501,658
	at cost	105,769	1,017,526
	Less accumulated depreciation	(458,910)	(359,544)
		<u>2,457,711</u>	<u>2,159,640</u>
	Total Infrastructure	<u>80,371,374</u>	<u>71,498,343</u>
	Total Property, Plant and Equipment, Infrastructure	<u>96,558,600</u>	<u>86,248,632</u>

The valuation of roads were performed at 31 August 2008 based on estimates of full replacement cost less accumulated depreciation. The valuations were performed by Mr.Peter Moloney, Dip CE, CE, EWS. MIEAust, of Moloney Asset Management Systems. There has been no material movement in unit rates since revaluation.

The valuations of footpath, kerb and channel assets were performed at 31 August 2008 based on estimates of full replacement cost less written down replacement value. The valuations were performed by Mr.Peter Moloney, Dip CE, CE, EWS. MIEAust, of Moloney Asset Management Systems. There has been no material movement in unit rates since revaluation.

The valuations of drainage and other infrastructure assets excluding bridges, were performed at 30 June 2009 based on estimates of full replacement cost less written down replacement value. The valuations were performed by Mr.Peter Cowie, Acting Director of Assets, Hindmarsh Shire Council. The valuations are at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

The valuation of bridges, was performed at 30 June 2007 based on estimates of full replacement cost less accumulated depreciation. The valuations were performed by Mr.Lyle Tune, CE, Local Government Engineer, Director of Technical Services, Hindmarsh Shire Council. The valuations are at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Note 21 Property, plant and equipment, infrastructure (cont'd)

2009	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26)	Depreciation and amortisation (note 11)	Written down value of disposals	Impairment losses recognised in profit or loss	Work in progress	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	2,044,200	-	-	-	-	-	-	2,044,200
Total land	2,044,200	-	-	-	-	-	-	2,044,200
Buildings	8,829,000	1,357,629	-	307,459	-	-	28,621	9,907,791
Total buildings	8,829,000	1,357,629	-	307,459	-	-	28,621	9,907,791
Total property	10,873,200	1,357,629	-	307,459	-	-	28,621	11,951,991
Plant and Equipment								
Plant, machinery and equipment	3,730,916	838,439	-	414,238	116,463	-	-	4,038,654
Fixtures, fittings and furniture	146,173	93,927	-	43,519	-	-	-	196,581
Total plant and equipment	3,877,089	932,366	-	457,757	116,463	-	-	4,235,235
Infrastructure								
Roads	60,810,764	1,640,390	7,350,423	2,144,021	-	-	668,102	68,325,658
Footpaths	1,360,553	315,137	292,364	72,324	-	-	32,779	1,928,509
Drainage	2,276,734	8,736	864,993	43,179	-	-	71,295	3,178,579
Kerb and channel	3,012,453	121,930	(549,660)	80,525	-	-	85,871	2,590,069
Bridges	1,878,200	2,760	-	30,575	-	-	-	1,850,385
Other	2,159,639	276,517	78,758	116,822	-	-	100,082	2,498,174
Total infrastructure	71,498,343	2,365,470	8,036,878	2,487,446	-	-	958,129	80,371,374
Total property, plant and equipment, infrastructure	86,248,632	4,655,465	8,036,878	3,252,662	116,463	-	986,750	96,558,600

2008	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26)	Depreciation and amortisation (note 11)	Written down value of disposals	Impairment losses recognised in profit or loss	Work in Progress	Balance at end of financial year
	\$	\$	\$	\$	\$		\$	\$
Property								
land	1,905,900	-	138,300	-	-	-	-	2,044,199
Total land	1,905,900	-	138,300	-	-	-	-	2,044,199
buildings	7,966,200	389,729	656,786	276,440	-	-	92,725	8,829,000
Total buildings	7,966,200	389,729	656,786	276,440	-	-	92,725	8,829,000
Total property	9,872,100	389,729	795,086	276,440	-	-	92,725	10,873,199
Plant and equipment								
Plant, machinery and equipment	2,734,717	1,482,362	-	367,000	330,906	- 1,400	-	3,520,573
Fixtures, fittings and furniture	90,417	88,868	-	33,084	-	28	-	146,173
Leased plant and equipment	210,343	-	-	-	-	-	-	210,343
Total plant and equipment	3,035,477	1,571,230	-	400,084	330,906	- 1,372	-	3,877,089
Infrastructure								
Roads	60,642,565	2,212,609	-	2,044,410	-	-	-	60,810,764
Footpaths	1,126,073	292,854	-	58,374	-	-	-	1,360,553
Drainage	2,267,686	50,764	-	42,736	-	-	1,020	2,276,734
Kerb and channel	3,087,935	-	-	94,588	-	-	19,106	3,012,453
Bridges	1,532,607	373,526	-	27,933	-	-	-	1,878,200
Other	1,735,900	460,816	-	96,275	-	-	59,198	2,159,639
Total infrastructure	70,392,766	3,390,569	-	2,364,316	-	-	79,324	71,498,343
Total property, plant and equipment, infrastructure	83,300,343	5,351,528	795,086	3,040,840	330,906	- 1,372	172,049	86,248,631

(a) Impairment losses

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

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

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

		2009 \$	2008 \$			
Note 22	Trade and other payables					
	Trade payables	518,283	512,509			
	Accrued expenses	687,446	547,427			
		<u>1,205,729</u>	<u>1,059,936</u>			
Note 23	Other refundable deposits	<u>16,414</u>	<u>37,919</u>			
		<u>16,414</u>	<u>37,919</u>			
Note 24	Provisions					
		Annual leave / T.I.L.	Long service leave	Landfill restoration	Quarry restoration	Total
2009		\$	\$	\$	\$	\$
	Balance at beginning of the financial year	436,302	595,085	12,610	84,760	1,128,757
	Additional provisions	44,894	54,120	-	-	99,014
	Amounts used	-	-	-	-	-
	Balance at the end of the financial year	<u>481,196</u>	<u>649,205</u>	<u>12,610</u>	<u>84,760</u>	<u>1,227,771</u>
2008						
	Balance at beginning of the financial year	370,301	623,501	12,610	112,500	1,118,912
	Additional provisions	66,001	-	-	-	66,001
	Amounts used	-	(28,416)	-	(27,740)	(56,156)
	Balance at the end of the financial year	<u>436,302</u>	<u>595,085</u>	<u>12,610</u>	<u>84,760</u>	<u>1,128,757</u>
					2009 \$	2008 \$
(a) Employee benefits						
Current	(i)					
	Annual leave				446,958	436,302
	Rostered days off				34,238	23,240
	Long service leave				576,446	510,991
					<u>1,057,642</u>	<u>970,533</u>
Non-current	(ii)					
	Long service leave				<u>72,759</u>	<u>84,094</u>
					<u>72,759</u>	<u>84,094</u>
	Aggregate carrying amount of employee benefits:					
	Current				1,057,642	970,533
	Non-current				<u>72,759</u>	<u>84,094</u>
					<u>1,130,401</u>	<u>1,054,627</u>
	The following assumptions were adopted in measuring the present value of employee benefits:					
	Weighted average increase in employee costs				4.45%	4.75%
	Weighted average discount rates				5.48%	6.57%
	Weighted average settlement period				12	12
	(i) Current					
	- All annual leave and the long service leave entitlements representing 10 or more years of continuous service					
	- Short-term employee benefits, that fall due within 12 months after the end of the period measured at nominal value					
	- Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.					
	(ii) Non-current					
	Long service leave representing less than 10 years of continuous service measured at present value					
	(b) Provisions					
	Current				1,073,832	986,723
	Non-current				<u>153,939</u>	<u>142,034</u>
	Total				<u>1,227,771</u>	<u>1,128,757</u>

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

	2009 \$	2008 \$
Note 25 Interest-bearing loans and borrowings		
Current		
Borrowings - secured	-	45,846
	-	45,846
Non-current		
Borrowings - secured	-	-
	-	-
Total Interest-bearing loans and borrowings	-	45,846
The maturity profile for Council's borrowings is:		
Not later than one year	-	45,846
Later than one year and not later than five years	-	
Later than five years	-	
	-	45,846
Finance leases		
Council had no obligations under finance leases for the lease of equipment as at this reporting period.		
Aggregate carrying amount of interest-bearing loans and borrowings:		
Current	-	45,846
Non-current	-	-
	-	45,846

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 26 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
2009			
Property			
Land	1,166,568	-	1,166,568
Land for Resale	160,443	-	160,443
Buildings	1,901,076	-	1,901,076
	<u>3,228,087</u>	<u>-</u>	<u>3,228,087</u>
Infrastructure			
Roads	54,972,630	7,350,423	62,323,053
Other	354,083	78,758	432,841
Footpaths	244,713	292,364	537,077
Drainage	1,480,383	864,993	2,345,376
Bridges	568,693	-	568,693
Kerb & Channel	2,151,614	(549,660)	1,601,954
	<u>63,000,203</u>	<u>8,036,878</u>	<u>71,037,081</u>
Total Asset revaluation reserves			
	<u>63,000,203</u>	<u>8,036,878</u>	<u>71,037,081</u>
2008			
Property			
Land	1,028,268	138,300	1,166,568
Land for Resale	160,443	-	160,443
Buildings	1,244,290	656,786	1,901,076
	<u>2,433,001</u>	<u>795,086</u>	<u>3,228,087</u>
Infrastructure			
Roads	54,972,630	-	54,972,630
Other	354,083	-	354,083
Footpaths	244,713	-	244,713
Drainage	1,480,383	-	1,480,383
Bridges	568,693	-	568,693
Kerb and channel	2,151,614	-	2,151,614
	<u>59,772,116</u>	<u>-</u>	<u>59,772,116</u>
Total Asset revaluation reserves			
	<u>62,205,117</u>	<u>795,086</u>	<u>63,000,203</u>

	2009 \$	2008 \$
Note 27 Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus for the year	2,421,616	1,535,589
Depreciation/amortisation	3,252,662	3,040,840
(Profit)/loss on disposal of property, plant and equipment, infrastructure	33,872	(124,414)
Impairment losses	-	(1,373)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	(66,422)	(273,261)
(Increase)/decrease in prepayments	(42,076)	(849)
(Increase)/decrease in accrued income	112,991	(226,055)
(Increase)/decrease in investments	(28,633)	49,878
(Increase)/decrease in inventories	(11,316)	(29,290)
Increase/(decrease) in trade and other payables	124,288	416,695
(Decrease)/increase in provisions	99,014	(15,126)
(Decrease)/increase in other liabilities	-	3,047
Financing costs	18,603	38,221
Net cash provided by operating activities	<u>5,914,599</u>	<u>4,413,902</u>

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 28 Reconciliation of cash and cash equivalents

Cash and cash equivalents (see note 16)	4,470,783	4,161,757
Less bank overdraft	-	-
	<u>4,470,783</u>	<u>4,161,757</u>

Note 29 Financing arrangements

Bank overdraft	500,000	500,000
Bank Loan facilities	-	-
	<u>500,000</u>	<u>500,000</u>

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).

Long service leave (note 24)	617,454	612,927
	<u>617,454</u>	<u>612,927</u>

- * Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 24 due to a different basis of calculation prescribed by the regulation.

Note 31 Post - employment Benefit

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

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

Defined Benefit Plan

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

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

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

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

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 31 (continued)

Accounting Standard Disclosure

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

	31-Dec-08 \$ 000
Net Market Value of Assets	3,630,432
Accrued Benefits	3,616,422
Difference between Assets and Accrued Benefits	14,010
Vested Benefits (Minimum sum which must be paid to members when they leave the fund)	3,561,588

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

Net Investment Return	8.50%
Salary Inflation	4.25%
Price Inflation	2.75%

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

	2009 \$	2008 \$
Defined benefit plan		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	136,993	151,058
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	363,804	387,825
Employer contributions to AMP Superannuation Fund		1,442
Employer contributions to REST Superannuation		941
Employer contributions to HESTA Superannuation Fund		7,879
Employer contributions to Towerlife Superannuation		3,848
Employer contributions to Australian Superannuation		3,590
Employer contributions to Bendigo Superannuation Plan		3,067
Employer contributions to Health Super		924
Employer contributions to MLC Masterkey Superannuation Fund		752
Employer contributions to ING Custodian Superannuation Fund		3,274
Employer contributions to Commonwealth Life		2,535
Employer contributions to LUCRF		2,328
Employer contributions to Host Plus Superannuation Fund		777
Employer contributions to LISS Superannuation Fund		926
Employer contributions to Prime Superannuation Fund		1,411
Employer contributions to Dominion Superannuation Fund		1,050
Employer contributions to Summit Superannuation Fund		709
Employer contributions to superannuation funds paid through Clearing House	72,956	-
	436,760	423,278

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 32 Commitments

The Council has entered into the following commitments

2009	Not later than 1 year \$	Later than 1 year and not later than 5 years \$	Later than 5 years \$	Total \$
Operating				
Recycling collection	133,890	69,288	-	203,178
Garbage collection	191,717	198,427	-	390,144
Recyclables-Accept and Sort	41,188	21,212	-	62,400
Recyclables-Accept and Sort	11,068	5,700	-	16,768
Cartage of Waste - Dooen landfill	82,803	85,701	-	168,504
Disposal of Waste - Dooen Landfill	58,492	245,103	1,100,225	1,403,820
Managed Services - IT	114,000	114,000	-	228,000
Meals on Wheels-Wimmera Health Care Group	22,430	-	-	22,430
Meals on Wheels-Wimmera Health Service	72,508	-	-	72,508
General Valuation	84,013	-	-	84,013
Supply of Aggregate	34,546	36,273	-	70,819
Pre School Services	35,000	70,000	-	105,000
IT Support	40,000	-	-	40,000
Tertiary Cadetship	16,000	24,000	-	40,000
External Plant Hire	41,000	41,000	-	82,000
Engineering Services	435,533	181,618	-	617,151
Cleaning Public Toilets	7,105	-	-	7,105
Total	1,421,293	1,092,322	1,100,225	3,613,840
Capital				
Footpath Construction	98,977	-	-	98,977
Total	98,977	-	-	98,977

2008	Not later than 1 year \$	Later than 1 year and not later than 5 years \$	Later than 5 years \$	Total \$
Operating				
Recycling collection	123,779	194,766	-	318,545
Garbage collection	209,691	329,343	-	539,034
Recyclables-Accept and Sort	36,128	56,376	-	92,504
Recyclables-Accept and Sort	10,746	16,768	-	27,514
Cartage of Waste - Dooen landfill	63,880	134,546	-	198,426
Disposal of Waste - Dooen Landfill	56,000	235,963	984,365	1,276,328
Managed Services - IT	96,000	192,000	-	288,000
Meals on Wheels-Wimmera Health Care Group	15,000	17,000	-	32,000
Meals on Wheels-Wimmera Health Service	68,495	70,550	-	139,045
Building Surveying Services	114,000	57,000	-	171,000
General Valuation	-	94,060	-	94,060
Pest Control Services	8,487	-	-	8,487
Supply of Aggregate	45,644	98,248	-	143,892
Pre School Services	32,400	97,200	-	129,600
IT Support	40,000	40,000	-	80,000
Tertiary Cadetship	8,000	8,000	-	16,000
Total	928,250	1,641,820	984,365	3,554,435
Capital				
Sealing Works	661,500	-	-	661,500
Total	661,500	-	-	661,500

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

			2009 \$	2008 \$
Note 33	Operating leases			
	(a) Operating lease commitments			
	Operating lease payable			
	I.T. Hardware		224	6,191
	Office Equipment - Photocopier		7,764	8,022
Note 34	Contingent liabilities			
	Council undertook legal action following the purchase of a property in 1969 for historical purposes, where a contract was signed, the purchase price was paid and Council has occupied and maintained the property since, but the title was never transferred to Council. Successful action has been taken against the vendor to sign transfer papers and issue a new title to Council. The transfer of land and issue of the new title was not complete at balance date. Once this is complete, Council will pursue the recovery of legal costs from the vendor.			
Note 35	Financial Instruments			
	(a) Accounting Policy, terms and conditions			
	Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
	Financial assets			
	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 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 a floating interest return of 2.75% to 7.1% (2007/2008 6.5%). The interest rate at balance date was 2.75% (2007/2008 6.75%) Funds returned fixed interest rate of between 3.9% and 8.20% (2007/2008 between 6.50% and 7.85%).
	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. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured and interest is charged at 10%. (12% in 2007/2008) Credit terms are based on 30 days.
	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 6.4% during 2008/2009 (2007/2008 6.4%).
	Bank overdraft	29	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. The interest rate as at balance date was 9.83% (12.78 in 2007/2008)

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 35 Financial instruments (cont.)

(b) Interest Rate Risk

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

2009

	Floating interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	Total \$
Financial assets						
Cash and cash equivalents	4,470,783	-	-	-	-	4,470,783
Trade and other receivables	-	477,614	24,717	-	121,613	623,944
Other assets	-	196,505	-	-	-	196,505
Total financial assets	4,470,783	674,119	24,717	-	121,613	5,291,232
Weighted average interest rate		9.57%	7.00%	0.00%		
Financial liabilities						
Trade and other payables	-	-	-	-	1,205,729	1,205,729
Trust funds and deposits	-	-	-	-	16,414	16,414
Interest-bearing loans and borrowings	-	-	-	-	-	-
Total financial liabilities	-	-	-	-	1,222,143	1,222,143
Weighted average interest rate		0.00%	0.00%	0.00%		
Net financial assets (liabilities)	4,470,783	674,119	24,717	-	(1,100,530)	4,069,089

2008

	Floating Interest rate \$	1 year or less \$	Over 1 to 5 years \$	More than 5 years \$	Non-interest bearing \$	Total \$
Financial assets						
Cash and cash equivalents	4,161,757	-	-	-	-	4,161,757
Other financial assets	-	-	57,040	57,040	153,340	267,420
Trade and other receivables	-	547,862	8,550	-	81,738	638,150
Total financial assets	4,161,757	547,862	65,590	57,040	235,078	5,067,327
Weighted average interest rate		10.87%	7.00%	7.00%		
Financial liabilities						
Trade and other payables	-	-	-	-	1,059,936	1,059,936
Trust funds and deposits	-	-	-	-	37,919	37,919
Interest-bearing loans and borrowings	-	45,846	-	-	-	45,846
Total financial liabilities	-	45,846	-	-	1,097,855	1,143,701
Weighted average interest rate		6.40%	0.00%	0.00%		
Net financial assets (liabilities)	4,161,757	502,016	65,590	57,040	(862,777)	3,923,626

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 35 Financial instruments (cont.)

(c) Net Fair Values

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

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2009	2008	2009	2008
	\$	\$	\$	\$
<i>(1) Financial assets</i>				
Cash and cash equivalents	4,470,783	4,161,757	4,470,783	4,161,757
Other financial assets	196,505	267,420	196,505	267,420
Trade and other receivables	623,944	638,150	623,944	638,150
Other assets				
<i>Total financial assets</i>	<u>5,291,232</u>	<u>5,067,327</u>	<u>5,291,232</u>	<u>5,067,327</u>
<i>(2) Financial liabilities</i>				
Trade and other payables	1,205,729	1,059,936	1,205,729	1,059,936
Trust funds and deposits	16,414	37,919	16,414	37,919
Interest-bearing loans and borrowings	0	45,846	0	45,846
<i>Total Financial liabilities</i>	<u>1,222,143</u>	<u>1,143,701</u>	<u>1,222,143</u>	<u>1,143,701</u>

(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) Risk and mitigation

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

Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices.

The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

Interest rate risk

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

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

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

We manage the interest rate exposure on our net debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Australian Loan Council each year.

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

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

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

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Credit risk

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

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

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

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

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.

(f) Sensitivity disclosure analysis

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

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

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

Market risk exposure

2009

Financial assets:

Cash and cash equivalents
Other assets
Trade and other receivables

Financial liabilities:

Interest-bearing loans and borrowings

Interest rate risk				
Carrying amount subject to interest	-1% 100 basis points		2% 200 basis points	
	Profit	Equity	Profit	Equity
\$'000	\$'000	\$'000	\$'000	\$'000
4,470,783	(44,708)	(44,708)	89,416	89,416
196,505	(1,965)	(1,965)	3,930	3,930
502,331	(5,023)	(5,023)	10,047	10,047
-	-	-	-	-

2008

Financial assets:

Cash and cash equivalents
Other assets
Trade and other receivables

Financial liabilities:

Interest-bearing loans and borrowings

Interest rate risk				
Carrying amount subject to interest	-1% 100 basis points		2% 200 basis points	
	Profit	Equity	Profit	Equity
\$'000	\$'000	\$'000	\$'000	\$'000
4,161,757	(41,618)	(41,618)	83,235	83,235
114,080	(1,141)	(1,141)	2,282	2,282
556,412	(5,564)	(5,564)	11,128	11,128
45,846	(458)	(458)	917	917

Note 36 Auditors' remuneration

Audit fee to conduct external audit - Victorian Auditor-General
Internal audit fees - Richmond Sinnott and Delahunty

2009	2008
\$	\$
30,000	25,700
14,440	17,647
44,440	43,347

Note 37 Events occurring after balance date

Council was advised on 28 July 2009, that John Hicks, Chief Executive Officer had accepted a position with the Port Phillip City Council and will finish his contract with Hindmarsh Shire Council on 20 September 2009.

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

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 M.J.Gawith (Mayor)
Councillor R.L. Gersch
Councillor C.F.Unger
Councillor R.E. Lowe (29/11/2008 to current)
Councillor K.D. Colbert (29/11/2008 to current)
Councillor W.I. Lovett (29/11/2008 to current)
Councillor D.L. Argall (1/7/2008 to 28/11/2008)
Councillor R.W.Heinrich (1/7/2008 to 28/11/2008)
Councillor E.J.Bennett (1/7/2008 to 28/11/2008)

Mr.J.A.Hicks (CEO 27/1/2005 to current)

(ii) Remuneration of Responsible Persons

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

	2009 No.	2008 No.
\$000 - \$9,999	3	-
\$10,000 - \$19,999	4	5
\$20,000 - \$29,999	1	-
\$30,000 - \$39,999	1	1
\$160,000 - 169,999	1	1
	<u>10</u>	<u>7</u>
	\$	\$
Total Remuneration for the reporting year for Responsible Persons included above	286,805	256,986

(iii) No retirement benefits have been made by the Council to a Responsible Person. (2007/2008 Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2007/2008, Nil).

(v) Other Transactions -Nil

(vi) Senior Officers Remuneration

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

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

Mr.P.C.Smith - General Manager Organisational Development

Mr.C.V. McKenzie - Manager Finance and Customer Service (24/12/2008 to 30/6/2009)

Mr.G.R. Marsom - Director Assets (1/7/2008 to 18/5/2009)

Income Range:

	2009	2008
Under \$100,000	2	2
\$100,000 - \$109,999	1	
\$110,000 - \$129,999		1
	<u>3</u>	<u>3</u>
	\$	\$
Total Remuneration for the reporting year for Senior Officers included above, amounted to	270,489	217,528

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Note 39 Joint venture information

Council has not entered into any Joint Ventures at balance date.

Note 40 Income, expenses and assets by function/activities

	Expenses		Income		Surplus / (Deficit)	
	2009	2008	2009	2008	2009	2008
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Corporate services	2,888	2,615	7,775	6,919	4,887	4,304
Public order and safety	164	145	125	159	(39)	14
Community services	1,088	906	1,044	935	(44)	29
Recreation and culture	1,295	1,088	981	842	(314)	(246)
Transport services	5,405	5,221	3,148	2,992	(2,257)	(2,229)
Waste and environment	847	847	205	242	(642)	(605)
Economic development	544	522	1,103	359	559	(163)
Economic services	527	642	809	986	282	344
Unclassified	11	36	-	124	(11)	88
Total	12,769	12,022	15,190	13,558	2,421	1,536

Assets by function

	2009	2008
	\$,000	\$,000
Corporate services	6,757	6,435
Public order and safety	282	201
Community services	1,112	1,135
Recreation and culture	7,791	6,760
Transport services	84,820	75,616
Waste and environment	609	617
Economic development	758	773
Economic services	169	149
Unclassified	388	364
Total	102,686	92,050

The activities of the Council are categorised into the following broad functions

Corporate Services

Operation and maintenance of Council Chambers and administration offices, administration of Council finances, preparation of budgets and raising and collection of rates.

Public Order and Safety

Services to control animals, local laws, parking, fire hazards and supporting emergency services.

Community Services

Operation and maintenance of maternal and child health service, senior citizens centres, meals on wheels, home care, pre schools, youth services and voluntary services.

Environment

Operation and maintenance of sanitation services, street cleaning, trade waste, rubbish collection and disposal, environmental and agricultural services.

Recreation and Culture

Operation and maintenance of parks and gardens, sporting and natural reserves and other recreation facilities, library services and swimming facilities.

Transport Services

Construction, maintenance and clearing of roads, footpaths, drainage, bridges, parking facilities, aerodrome, traffic signs and street furniture.

Economic Development

Administration of the town planning schemes and implementation of building controls, tourism, industrial business and area promotion, caravan parks and camping grounds.

Economic Services

Operation of concrete plant and quarrying activities and private works for other parties.

Unclassified

Other services and activities provided or operated by the Shire.

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Note 41 Financial ratios (Performance indicators)

	2009 \$	2009 (%)	2008 \$	2008 (%)	2007 \$	2007 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u> Total revenue	$\frac{18,603}{15,195,472}$	= 0.12%	$\frac{38,221}{13,433,522}$	= 0.28%	$\frac{63,071}{13,006,715}$	= 0.48%
The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b) Debt commitment ratio (to identify Council's debt redemption strategy)						
<u>Debt servicing & redemption costs</u> Rate revenue	$\frac{64,449}{4,771,699}$	= 1.35%	$\frac{479,388}{4,488,625}$	= 10.68%	$\frac{457,972}{4,243,150}$	= 10.79%
The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
(c) Revenue ratio (to identify Council's dependence on non-rate income)						
<u>Rate revenue</u> Total revenue	$\frac{4,771,699}{15,195,472}$	= 31.40%	$\frac{4,488,625}{13,433,522}$	= 33.41%	$\frac{4,243,150}{13,006,715}$	= 32.62%
The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d) Debt exposure ratio (to identify Council's exposure to debt)						
<u>Total indebtedness</u> Total realisable assets	$\frac{1,832,460}{21,697,245}$	= 8.45%	$\frac{1,659,531}{19,938,854}$	= 8.32%	$\frac{1,733,494}{18,787,719}$	= 9.23%
For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
Any liability represented by a restricted asset (note 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.						

Notes to the Financial Report C ontinued . . .

For the year ended 30 June 2009

Note 41 Financial ratios (Performance indicators) (cont.)

	2009 \$	2009 (%)	2008 \$	2008 (%)	2007 \$	2007 (%)
(e) Working capital ratio (to assess Council's ability to meet current commitments)						
Current assets	5,864,500		5,583,318		6,189,363	
Current liabilities	2,295,975	= 255.43%	2,130,424	= 262.08%	1,766,685	= 350.34%

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

(f) **Adjusted working capital ratio** (to assess Council's ability to meet current commitments)

Current assets	5,864,500		5,583,318		6,189,363	
Current liabilities	2,265,975	= 258.81%	2,100,424	= 265.82%	1,736,685	= 356.39%

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.

	Note	2009 \$	2008 \$
Note 42 Capital expenditure			
Capital expenditure areas			
Roads		1,640,390	2,212,609
Drainage		49,495	50,764
Land and buildings		1,359,019	389,729
Plant and equipment		838,439	1,482,362
Furniture and equipment		93,927	88,868
Other Infrastructure		674,194	1,127,196
Work in progress		986,751	172,049
Total capital works		5,642,215	5,523,577
Renewal of infrastructure		3,634,384	3,424,547
Upgrade of infrastructure		520,547	1,055,019
Expansion of infrastructure		-	241,084
New assets		500,533	630,878
Work in progress		986,751	172,049
Total capital works		5,642,215	5,523,577
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		5,642,215	5,523,577
Contributions - non-monetary assets			
Asset revaluation movement	26(a)	8,036,878	795,086
Depreciation/amortisation	21	(3,252,662)	(3,040,840)
Written down value of assets sold	21	(116,463)	(330,906)
Net movement in property, plant and equipment, infrastructure		10,309,968	2,946,917

(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.

For the year ended 30 June 2009

(b) Upgrade

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

(c) Expansion

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

Note 43 Special committees and other activities

In 2009, the committees listed below had not had their changes in assets and liabilities included in the financial report.

- Gerang Hall Committee
- Diapur Hall Hall Committee
- Rainbow Town Committee

In 2008, the committees listed below had not had their changes in assets and liabilities included in the financial report.

- Diapur Hall Committee
- Antwerp Hall Committee
- Dimboola Memorial Swimming Pool Advisory Committee

Notes to the Financial Report Continued . . .

For the year ended 30 June 2009

Note 44

Change in Accounting Policy

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

AASB amendment	Standards affected	Outline of amendment	Application date of Standard	Application date for Council
AASB 2008 - 11	AASB 3 Business Combinations	Amends an earlier version of AASB 3 issued in July 2004. However before the mandatory application of this Standard the Australian Accounting Standards Board will consider the suitability of this Standard for combinations in the not for profit sector. This may result in further amendments to this Standard or an additional scope exclusion. Consequently it is not possible to assess the likely impact of this Standard on Council.	1/7/09	1/7/09
AASB 2007 - 06	AASB 101 Presentation of Financial Statements	Amends an earlier version of AASB101 issued in July 2006. This Standard introduces the concept of a "complete set of financial statements" and amends the title of some statements in the accounts. The other change of some relevance to Council relates to reporting owner changes in equity and comprehensive income. No significant impacts are expected to arise from this Standard.	1/1/09	1/1/09
AASB 2007 - 8	AASB 123 Borrowing Costs	Amends an earlier version of AASB 123 issued in July 2004. This Standard requires borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset to be capitalised. Previously, entities had the option to of expensing such costs. Subject to the existence of borrowings for the purpose of funding capital expenditure, this Standard will require related borrowing costs to be capitalised rather than expensed. It is not expected that this will have a material impact on the reported financial performance or position of Council.	1/1/09	1/1/09
AASB 2008 - 5	AASB 127 Consolidation and Separate Financial Statements	Amends an earlier version of AASB 127 issued in July 2004. This Standard makes various relatively minor changes. This Standard is not expected to have any impact on Council.	1/7/09	1/7/09
AASB 2008 - 1 AASB 2008 - 2 AASB 2008 - 3 AASB 2008 - 5 AASB 2008 - 6A AASB 2008 - 7	Various	These Standards make revisions, which are generally minor, to a range of accounting standards. It is not expected that these Standards will have any significant impact on Council.	1/1/09	1/1/09

Certification of the Financial Report

HINDMARSH SHIRE COUNCIL
2008/2009 Financial Report

Certification of the Financial Report

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

Mrs Amy Schnaars
Principal Accounting Officer



Date: 24 September 2009
Nhill

In our opinion the accompanying financial statements present fairly the financial transactions of Hindmarsh Shire Council for the year ended 30 June 2009 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 16 September 2009 to certify the financial statements in their final form.

R.L. Gersch
Councillor



Date : 24 September 2009
Nhill

K.D. Colbert
Councillor



Date : 24 September 2009
Nhill

Campbell McKenzie
Acting Chief Executive Officer



Date : 24 September 2009
Nhill

VAGO

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

To the Councillors, Hindmarsh Shire Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2009 of Hindmarsh Shire Council which comprises of an income statement, balance sheet, cash flow statement, statement of changes in equity, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2009 of the Council which comprises of a standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

This responsibility includes:

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

Auditor's Responsibility

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

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

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Victorian Auditor-General's Office Independent Auditor's Report (continued)

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

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

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

Independence

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

Auditor's Opinion

In my opinion:

- the financial report presents fairly, in all material respects, the financial position of Hindmarsh Shire Council as at 30 June 2009 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- The standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE
29 September 2009


D D R Pearson
Auditor-General



Back Page Photos
Federal Street Gardens - Rainbow, Sportsman Night - Nhill

Hindmarsh S hire
always bringing people
together

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