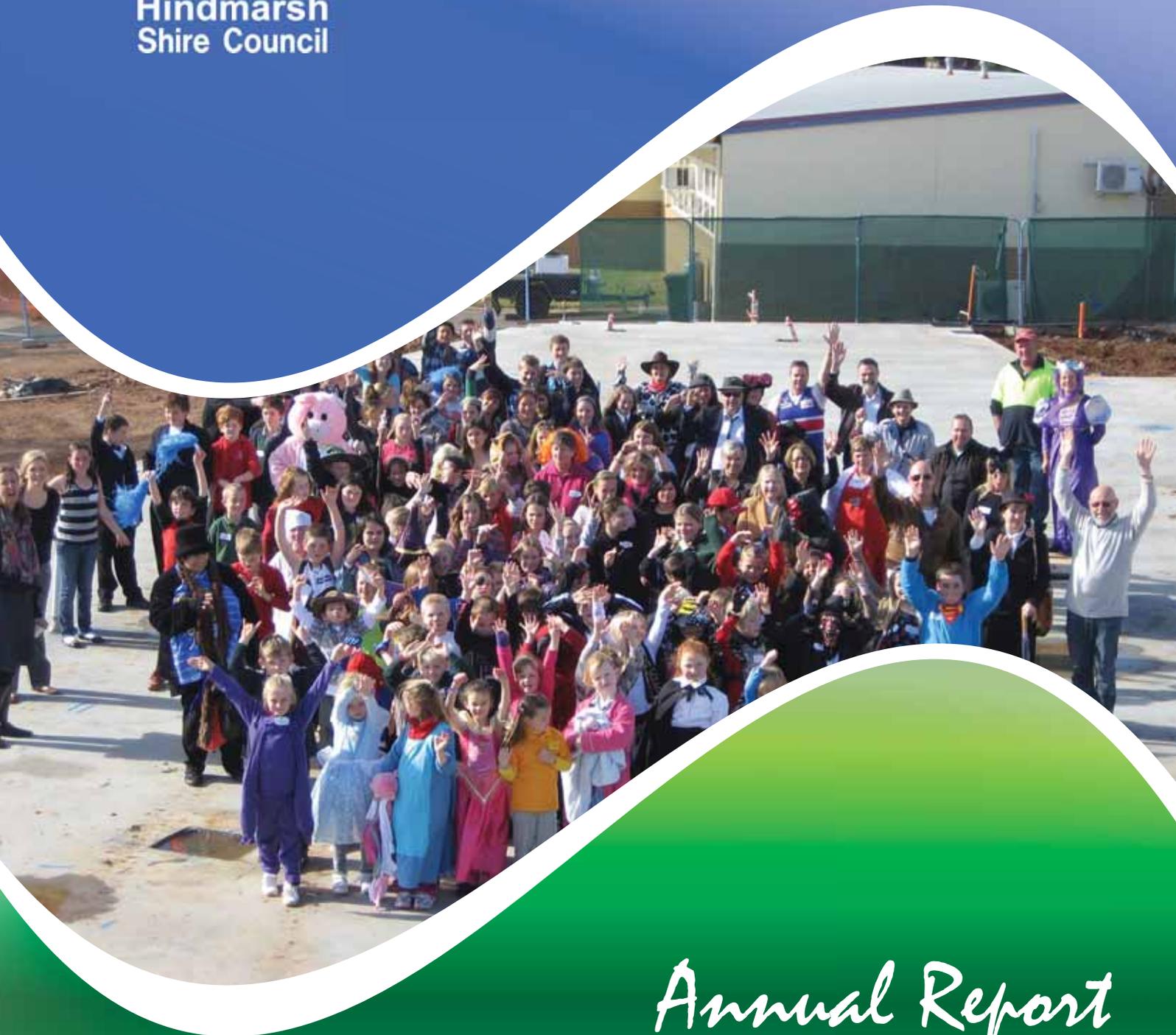




Hindmarsh  
Shire Council



*Annual Report*  
2009 / 2010



SENIOR MANAGEMENT  
Chief Executive Officer  
Dean Miller

Director Infrastructure Services  
Andrew Bainbridge

Director Corporate Services  
Campbell McKenzie

Director Community Development  
Anne Champness



*... the diversity of the  
community ...*

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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

03 5391 4444

### Customer Service Centres

10 Roy Street

Jeparit, 3423

03 5391 4450

101 Lloyd Street

Dimboola, 3414

03 5391 4452

Federal Street,

Rainbow, 3424

03 5391 4451



Jeparit Australia Day celebrations, 2010.

# Shire Profile



## VISION

A caring, active community striving to enhance its environment, economy and liveability.

## MISSION

Our mission is to;

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

## 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).

Prior to European settlement, the Wotjobaluk community lived in the area. Council 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.

## 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.

A very low percentage of native vegetation remains outside the National Park areas, with 97% of 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.

In partnership with the Hindmarsh Landcare Network, Council 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. 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 overutilised source of water in the

upper catchment and in recent years has essentially been dry with the exception of weir pools. A significant rain event brought water to Lake Hindmarsh for the first time in many years, and Lake Albacutya remains dry. The Grampians Wimmera Mallee (GWM) Water storages at September 2010 were 20.8% full (9.1% in 2009). The 2010 year has seen above average rainfall across the region and with the completion of the Wimmera Mallee Pipeline Project, significant improvement in water security and availability over the longer term has been achieved for the environment and commercial purposes.

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.

GWMWater has plans to supply Nhill by pipeline from Dimboola following the completion of the Wimmera Mallee Pipeline. 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 of the channels system 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 a range of economic opportunities not previously available to them. The positive effects of returning water to the rivers and lakes on the environment and the economies of towns and farms will be dramatic to our communities.

## 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

# Shire Profile

continued ...



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.

Major crops include wheat, barley, oats, lupins, field peas, chick peas, canola, vetches, lentils and faba beans. Wool and sheep meat are also significant. Hindmarsh Shire is home to 'Luv-a-Duck Pty Ltd.', the largest fully integrated duck operation in the Southern Hemisphere.

Approximately 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 four 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 Pty Ltd.', Ahrens Sherwell, Campbells, Jaeschke Silos, Blue Lake Milling, the West Wimmera Health Service (which operates campuses at Nhill, Rainbow, Jeparit, Goroke, Natimuk, and Kaniva), Wimmera Health Care Group (Dimboola Hospital), 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 receival 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 Lutheran Church, Pink Lake and native fauna & flora. Major events include 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, and other community service organisations.

## 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 Corporation, which has a collection of approximately 125,000 items, lends nearly 300,000 items annually and employs the equivalent of 12 EFT staff (37 overall staff) with a budget of just under \$2 million.

# Mayor's Report



The past year has been very eventful for Hindmarsh Shire and the Wimmera Mallee region. A return to reasonable spring rains in 2009, coupled with the release of environmental

flows, saw the Wimmera River flow for the first time in 5 years. This attracted many visitors to the shire and created renewed optimism and jubilation. The river once again became the heart of a number of events including the "Dimboola 150th", Dimboola Regatta, and the re-stocking of 50,000 golden perch along the river down to Dimboola. Many communities ran successful events across the shire during the year and they all deserve congratulations. The "Back to Nhill", which included the "Fly-in", and "Dimboola 150th" were joint winners of the Shire Event of the Year. We were also privileged to host a visit by the Governor of Victoria, Professor David de Kretser, and Mrs de Kretser. Perhaps the single biggest event that occurred in the region was the official opening of the Wimmera Mallee Pipeline in Horsham. Hindmarsh Shire was very active in advocating for this project from day one, and the official opening was truly a momentous occasion.

Council continued to advocate extensively during the year on a wide range of subjects. We made submissions to 3 parliamentary enquiries, namely, the extent of disadvantage in rural and regional Victoria; economic benefits to be derived from the Wimmera Mallee Pipeline; and Carbon Sequestration opportunities. Council also made numerous submissions to the Government, including the Essential Services Commission draft report into Local Government, the review into Conflict of Interest legislation, and the review of the electoral representation process. Council continues to be an active member of the MAV, with Cr Rob Gersch chairing Rural Councils Victoria, (RCV) an arm of the MAV consisting of 38 rural councils. It was pleasing that the State Government has agreed to continue to support RCV for

another 4 years.

I would like to thank the State Government for its continued support in the form of grants for capital works projects. Without this support, many projects would not get off the ground. Our level of recurrent funding, however, needs significant improvement. Hindmarsh Shire, along with 17 other rural councils, presented a case to the Government for a greater share of recurrent funding to enable us to deliver services on a par with much larger councils. This report has been well-received by the Minister for Local Government and we will continue to work with the government to explore solutions to this challenge.

Council continues to play a leadership role in environmental matters. We adopted our inaugural Environment Strategy which identifies many areas for action over coming years. I would like to thank the working group and the Port Phillip Environment Group for their solid contribution to the Strategy. We continue to provide strong support to the Hindmarsh Landcare Network, and we have advocated strongly on their behalf for greater funding.

Pleasingly, Council renewed its Friendship Agreement with the City of Port Phillip for a further 5 years. The original 12-month agreement was highly successful, and resulted in numerous activities between the two councils. The alliance operates at three levels: councillor activities, staff activities, and community activities. Its aim is to build stronger country-city relationships and to explore ways of supporting one another and learning from each other.

Desert Fringe Regional Waste Management Group, comprising Hindmarsh and West Wimmera Councils, will cease to exist in June 2011 as a result of government reform. Both councils will become part of a larger regional group comprising 9 councils extending from Bacchus Marsh to the South Australian border. Although we argued against this change, we will support the new organisation to achieve improved waste management outcomes.

Economic activity grew over the last 12 months, particularly in the agricultural and food processing sectors. The former Lowans site in Nhill re-opened with the support of the Shire and the State Government. The

new company, Midwest Milling, plans to return to full-scale operations in the near future. Luv-A-Duck continues to expand, and it deserves congratulations for its innovative approach to sourcing labour. During the year, the company recruited a group of migrants from Burma known as the Karen people. With the support of Council, Luv-A-Duck, Nhill Neighbourhood House and Wimmera Development Association have done a remarkable job of integrating the Karen migrants into the Nhill community.

Throughout 2009/10, Council played an active role in the development of the Wimmera Southern-Mallee Regional Strategic Plan. This plan represents the region's aspirations, and contains a number of actions across a wide range of areas including regional planning and settlement, education, housing, the environment, water, transport, agriculture, health and wellbeing, and economic development. Council was represented on the project control group, and we will continue to play a lead role in its implementation.

I was pleased to be appointed as mayor for a second term, and I thank my fellow councillors for their confidence and support during the year. I would like to acknowledge the work of the Shire's dedicated volunteers over the past 12 months. Our communities and lives are enriched because of their generosity. Often they go unnoticed, but the Council certainly does appreciate their efforts.

In closing, I would like to acknowledge the outstanding achievements of our former CEO John Hicks, who left in September 2009 to take on a senior management role at the City of Port Phillip. I also welcome our new CEO, Dean Miller, who comes to Hindmarsh with extensive experience in local government. I would also take this opportunity to thank Hindmarsh Shire employees for their solid contribution over the year, and for the dedication and enthusiasm with which they go about their work.

**Michael Gawith**  
Mayor

# Chief Executive Officer's Report



If I was asked to describe the past 12 months of Hindmarsh Shire in one word, I would say 'positioning'. The world is an ever-changing place. We are faced with a changed

landscape, changed societal attitudes, new laws, and new technologies. It is critical that Hindmarsh Shire is strategically positioned to respond to these changes. Change presents challenges, but we prefer to see the opportunities. During the year we positioned ourselves to adapt to a changed climate, to respond to new technology, and to ensure that Hindmarsh Shire is well placed to continue to deliver services to its communities well into the future. We did this by restructuring the organisation, implementing new computer systems, preparing new strategies, recognising the need for new corporate accommodation, and taking an active role in regional affairs not least of which was the formation of a Wimmera Southern Mallee Regional Strategic Plan.

In early 2010, I put in place a new organisational structure, modelled around the 3 key areas of infrastructure services, community development and corporate services. The new structure saw the number of second-level positions reduced from 5 to 3. The savings were used to create new positions at the 'coal face' where resources were most needed. The new structure is more efficient, it was achieved with no overall increase in salaries, and it positions the organisation well for the future.

During the year we adopted a new paradigm regarding our long-lived infrastructure. In the past the focus has been on assets, whereas now the focus is on the role of assets in delivering services. We adopted a new infrastructure management policy which has informed a new 5-year asset management strategy. We participated in an MAV program to improve our asset management practices facilitated by new software. We commenced a review of our roads hierarchy – a framework for establishing priorities for the construction

and maintenance of roads. By adopting best practice asset management we have positioned the organisation to ensure that our assets are maintained in optimal condition in the most efficient way possible.

In a fast-changing world, technology is at the heart of everything we do. In addition to asset management systems, we implemented a new records management system that positions us to better respond to customer action requests. We are currently investigating new risk management software for implementation in 2010/11. At a macro level, Hindmarsh Shire, along with other councils in the Grampians region, participated in an ICT study which formed the basis of a submission to the NBN Company for preferential treatment in a national broadband rollout. The tyranny of distance in this region necessitates world-class mobile and broadband connectivity, and we eagerly await the outcome of our submission.

This year our customer satisfaction ratings dropped marginally. We take our customer services responsibilities very seriously, so in response, we adopted a new Customer Service Charter which makes clear our commitment to achieving excellence in customer services. Over the next 12 months every shire employee will undergo customer service training. Our philosophy is that every Council employee, including the CEO, is a customer service officer.

During the year, we joined a group of 17 other small councils to commission a report into our long-term financial sustainability. The Whelan Report, as it has become known, highlights the need for an increase in recurrent grants to enable us to deliver services comparable with larger councils. The State Government has acknowledged the Whelan Report and understands the challenge faced by rural shires with large road lengths and small populations. Notwithstanding the conclusions drawn by Whelan, Hindmarsh Shire is financially healthy, evidenced by a solid operating surplus and cash reserves. The MAV has ranked the Shire in the top ten best performing councils in Victoria. Our rates base is low, but we have lived within our means and managed our limited finances prudently.

In response to a changing climate, we have adopted the Shire's first Environment Strategy which sets out areas for action over the coming years. We are currently exploring opportunities related to renewable energy, and discussions are well underway regarding a possible pyrolysis demonstration plant. During the year, we submitted a proposal to the Federal Government for funding to position our communities to adapt to climate change. The outcome of this application will be known in November.

I would like to thank the Council for giving me a wonderful opportunity to serve the Hindmarsh Shire. This is my first CEO role and the Council has been very supportive in my formative first year. From day one, communities right across the Shire extended a very warm welcome. A personal highlight of the year for me was meeting HRH Prince William at Government House in Melbourne.

A large debt of gratitude goes to the hard-working employees of the Shire. As CEO, I appreciate the efforts of all staff and their wise counsel upon which I rely. I would like to pay tribute to Peter "Smokey" Dawson, a long-serving employee of the Shire. Sadly, Peter passed away in July 2010, and it is appropriate that his contribution to Hindmarsh Shire be acknowledged in this year's annual report.

Finally, I too would like to pay tribute to outgoing CEO, John Hicks, who handed me the baton in October 2009. John left the organisation in very good shape and his legacy will be long-lasting.

The annual report is a snapshot of our achievements over the last 12 months and highlights some of the major projects that came to fruition. The systems, strategies and structure that we have adopted over the past year will position us well as a Shire and a community to take advantage of future opportunities. I commend the annual report to the residents and ratepayers of Hindmarsh Shire.

**Dean Miller**  
**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 Friendship Alliance with Port Phillip, Hindmarsh Environmental Strategy Steering Committee, Jeparit Town Committee, Wimmera Mallee Pioneer Museum Committee, Municipal Association of Victoria, MAV Environment Advisory Group, Wimmera Regional Library Corporation, Desert Fringe Regional Waste Management Group, North West Municipalities Association and GWMWater Wimmera Mallee Customer Consultative Committee. Locally, Cr Gawith is also the chairperson of the Jeparit Community Emergency Response Team and a member of the Friends of Lake Hindmarsh Committee, 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, Nhill State Emergency Service and Hindmarsh Shire Risk Management Committee.



## 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, Friendship Alliance with Port Phillip, Internal Audit Committee, Nhill Duck and Jazz Festival Committee, and Nhill Swimming Pool Advisory Committee. Locally, Cr Gersch is the Vice President of the Nhill & District Football Club, and was a member of the Nhill and District Back To Committee. He is also 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 Visitor Information Centre Committee, Wimmera Development Association – community/industry representative, Wimmera Mallee Tourism Project Steering 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, Dimboola Community Enterprise Centre Committee, Dimboola Sports Stadium Committee, Dimboola Community Centre Reserve Committee, Hindmarsh Landcare Network, Dimboola Memorial Swimming Pool Committee, Western Highway Action Committee, Desert Fringe Regional Waste Management Group, Dimboola State Emergency Service, Rail Freight Alliance, Wimmera Mallee Sustainability Alliance, Wimmera Regional Transport Group, Snape Reserve Committee of Management and Wimmera Volunteers. Locally, Cr Unger is a member of the Dimboola Bowling Club Committee.

# Community Development Report



The Community Development Team is pleased to present this report on its 2009/10 projects and activities. Following a restructure in January 2010, the team has grown to take in the areas of community and economic development, youth, environment, tourism, drought support, aged and disability services, Landcare, Wimmera Mallee Sustainability Alliance, children's services and libraries. At the same time statutory planning moved from community development to

infrastructure services.

Highlights of the past year include the completion of a great number of projects under the Commonwealth Government's Regional and Local Community Infrastructure Program, the implementation of the Active Service Model and significant funding towards Wimmera Mallee Sustainability Alliance projects.

## Grants

Council was successful in obtaining a large number of grants for the development of community infrastructure. In 2009/10 a total of \$1,953,210 funding was approved for projects ranging from the implementation of Urban Design Plan projects (Nhill CBD Revival, Dimboola High Street), to the Wimmera Mallee Sustainability Alliance sustainability action project, upgrades to the Rainbow Caravan Park to a new synthetic surface for the Jeparit Bowling Club. In comparison: in 2008/09 funding approved for community projects totalled \$1,622,965, in 2007/08 \$1,424,212. The increase in funding received in the last two financial years is influenced by the Commonwealth Government's Regional and Local Community Infrastructure Program.

## Regional and Local Community Infrastructure Program (RLCIP)

Announced as part of the Economic Stimulus Package since October 2008 this Commonwealth government program has provided three funding rounds to local governments across Australia. Under the first round, funding of \$410,000 contributed to infrastructure projects across Hindmarsh's major townships and small rural communities. The implementation of the Round 1 projects was completed throughout 2009/2010. A second round of funding was provided in November 2009. Funding of \$159,000 contributed to an upgrade of Nhill's Jaypex Park, upgraded water infrastructure at Dimboola Riverside Caravan Park, an upgrade of the Rainbow swimming pool and of Jeparit's Memorial Hall. In June 2010 the third round of funding was announced and project proposals were prepared for the four major towns in the Shire. (At the time of writing this report the proposals are still awaiting the Government's decision.)

## Tourism

With the support of Tourism Alliance Victoria, and in conjunction with our neighbours, Buloke, West Wimmera and Yarriambiack Shire Councils, Council has completed a study of the Wimmera Mallee tourism product and identified opportunities that

would result from a Regional Tourism Association. The report recommends that if the region wishes to develop a consolidated regional tourism offering, it first needs to develop product and more tourism infrastructure, and find a harmonious way to work with all stakeholders. The first step to this is for each local council to form a functional and robust Local Tourism Association (LTA). The report suggests that these will then lead to the formation of one overarching tourism body or Regional Tourism Association (RTA) to provide a cohesive and collaborative approach to marketing, funding applications, event planning and branding. The report also identified agritourism and voluntourism as having potential for development. The establishment of local tourism bodies in each of the four councils involved is currently underway.

## Environment

After extensive community consultation the Hindmarsh Shire Environmental Strategy 2009 – 2013 was launched on 8 February 2010. It is Hindmarsh Shire Council's key strategic document to guide planning decisions and operational processes towards environmental sustainability. The strategy aims to make the Shire of Hindmarsh a place where Council and the community work in partnership to achieve sustainability.

## Hindmarsh Landcare Network

In 2009/10, the Hindmarsh Landcare Network (HLN) had 15 projects underway with an overall investment in natural resource management of \$490,000. Projects included the Project Hindmarsh Saltbusters Project, Second Generation Landcare Grants and sustainable farming projects. However, changes to federal and state policy have seen overall natural resource management funding to Catchment Management Authorities reduced and as a flow on effect reduced funding to Landcare groups and Networks. Unfortunately 2009/10 marks the last year of government funding for a Hindmarsh Landcare Coordinator.

## Wimmera Mallee Sustainability Alliance

Six local governments, with Hindmarsh Shire Council as the lead agency, and a number of local and state government authorities and educational institutions have joined forces as the Wimmera Mallee Sustainability Alliance (WMSA) to improve sustainability in the Wimmera Mallee. In 2009/10 WMSA embarked on the preparation of a Wimmera Mallee Sustainability Green Paper and was successful in obtaining funding for the "Bringing Sustainability Action to Wimmera and Southern Mallee Households" project. The project will be implemented in 2010/11 and include a future living expo, an educational component and a home composting pilot project in Hindmarsh.

## Aged and Disability Services

2009/10 saw the successful introduction of a number of significant changes in service delivery. Service providers across the Grampians region developed the Grampians Region Personal Care Protocols. Council now works in partnership with West Wimmera Health Service and Wimmera Health Care Group to ensure an appropriate assessment of clients and their homes prior to service delivery and to reduce risk of injury to, and inappropriate tasks being undertaken by, staff. The DAELIBS system was introduced, recording times worked electronically for all community care staff.

# Community Development Report Continued ...

# Corporate Services Report

Council became a designated Home and Community Care (HACC) Assessment Agency and in early 2010 commenced the implementation of Living At Home Assessments (LAHA) and the Active Service Model. Both are a holistic and broad based approach that focuses on a person's individual needs, links them with social activities and health services in their community and minimises duplication of services.

## Business

Council continued its collaboration with Business Nhill, the Dimboola Business Association, Wimmera Development Association and Business Centre Ballarat to further economic development in the shire. One of the year's highlights was the Business Speed Networking Dinner held in February 2010. The dinner was very successful and provided an opportunity for local businesses to share ideas, knowledge and experiences and give and receive business-to-business referrals and leads.

## Skills Match Program

The Skills Match project was instigated as a response to skills shortages and issues raised as part of the shire wide community plans. It aims to develop a program to match people, their skills and available jobs to improve employment and recruitment within the shire. Consultation was undertaken with businesses, individuals, organisations, various stakeholders and other municipalities. The major proposal outlines a 'skills matching' website linked to Council's website that matches businesses posting their job opportunities with individuals posting their qualifications, experience and availability. Tell Us Your Skills – the Hindmarsh Employment Matcher went live in August 2010.

## Youth

Council has continued the facilitation of activities for our young people as part of the Youth Participation and Access (YPA) and FReeZA Programs. The mentoring project at Dimboola Memorial Secondary College, one aspect of the YPA Program, was officially launched during Youth Mentoring Week in October 2009 and received an overwhelming response from prospective mentors.

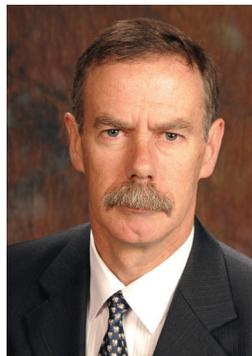
## Next Year – 2009/2010

We will continue our extensive community engagement program, as well as seek funding to support our communities' aspirations. Major infrastructure projects through the Small Towns Development Fund and Regional and Local Community Infrastructure Program will be completed.

The year will also see an intergenerational project with students and HACC clients, the implementation of recommendations from Tourism Study, Skills Match Project and Environmental Strategy and the development of a Cultural Connections Project.

It's been an exciting year, and the year ahead looks just as exciting.

**Anne Champness**  
Director Community Development



This is my first annual report following a staff restructure in February 2010 when I was appointed to this position from my former role as Manager Finance and Customer Service. This has been an interesting and very busy period and I have enjoyed the additional responsibility and input into both Council and management decisions in the running of the Shire.

While many will remember this year for the slowdown caused by the Global Financial Crisis (GFC), the activity for Council has not slowed. Federal funding provided through stimulus package grants were made available and the approved projects were expected to be completed and acquitted in a relatively short time frame. Hence a number of projects in the budget were delayed until the stimulus projects were completed.

August saw the resignation of the former Chief Executive Officer (CEO) John Hicks from Council following his appointment to a management role in the Port Phillip City Council. At the time of his resignation, I was appointed acting CEO for the 8 week period until Dean Miller commenced. This was an extremely busy and challenging time for not only myself, but for the majority of staff in the office, and I thank them for their additional efforts during this time.

Council hosted the Wongan-Ballidu Shire Council from Western Australia in September 2009. The Council visited a number of Victorian and South Australian Councils seeking information of current issues, economic development and council amalgamations being proposed by the West Australian Government.

The Governor of Victoria, Professor David de Kretser AC and Mrs de Kretser visited Council on 17 and 18 September, and it was indeed an honour to be a part of the celebrations. The Governor and Mrs de Kretser met numerous people around the shire during their short visit and thoroughly enjoyed their time in Hindmarsh Shire. A special thank you to Phil King for putting together the itinerary for the Governor's visit and organising the events in each town.

Implementation of a new records system (InfoXpert) commenced in March 2010 which significantly changes the way we handle our electronic records such as correspondence, emails, and storage of our day to day files. All the records since amalgamation have been transferred to the new system which was operational from 1 July 2010.

The Internal Audit Committee met twice in 2010, and has had input into the Financial Statements, Performance Statement, Standard Statements, Risk Register, credit card usage, and internal reporting audits. The audit committee has considered the following projects for the internal auditor to report on in the coming year:

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

The coming year of 2010/2011 is full of challenges with a new 10 year long term financial plan proposed, review of the Local Laws and Council policies and training throughout the organisation in customer services.

There have been several staff changes under the Corporate Services Directorate following the restructure in February and 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 2010.

**Campbell McKenzie**  
Director Corporate Services

# Infrastructure Report



The emphasis this year has been in refining the direction of the department. After the exodus of staff two to three years ago, remaining staff picked up more than their share of the burden to the detriment of some key roles and tasks. Following the organisation restructure earlier this year, staff roles were reviewed and the task set to fill positions that have previously proven difficult to fill. The department adopted a framework to knit together roles, objectives and staff as the rudder for change.

## Asset Management

Both infrastructure management policy and strategy were reviewed, replacing 2006 versions. A new asset management system was purchased and the task of transferring asset data continues. Hindmarsh Shire participated in a MAV sponsored sustainability program as a precursor to the development of a new ten-year financial plan. This work will guide the review of asset management plans in the new financial year as well as assist the development of a new Council Plan. Participation in the regional asset management forum continued through the year. A decision by members of this group to acquire the same asset management software will leverage our asset management work for years to come. Consultants prepared a study on corporate accommodation that led to Council's decision to refurbish and extend the current facility at Nhill.

## Program delivery

Along with the development of the Five Year Capital Improvement Plan, the Manager Capital Works implemented new systems aimed at improving the percentage of projects completed within the financial year. At the core of these systems is the early identification of matters that historically have caused delays to identified projects.

## Works management

A number of key staff undertook training to improve their road maintenance skills. Combined with the review of Council's Road Hierarchy, utilisation of the new asset management system continues to improve the processes and outcomes for our customers with respect to maintenance requests. The difficulty in attracting contractors to undertake capital projects during the year resulted in our works crew completing many of the projects. Casuals were employed to supplement the workforce, however, some maintenance targets slipped as the result of demands placed by funding authorities to complete capital projects.

## Waste Management

Two events combined to underpin the ongoing efforts of volunteers and return funds to the community from the sale of cardboard. Firstly, Desert Fringe Regional Waste Management Group funded a new cardboard recycling facility at Jeparit. Secondly, Council increased the price guaranteed for cardboard collected by the volunteers groups and transported to Melbourne. Officers commenced the development of a Waste Management Strategy in anticipation of the State Government's decision to alter the structure of regional waste management groups.

## Contract Management

Council reviewed its Procurement Policy based on the MAV model which introduced further efficiencies and strengthened probity of Council purchases. System improvements in this area have improved delegation, efficiency, and reporting.

## Building and Facilities management

Changes to State legislation impacted on the requirements to inspect facilities for their ongoing safety to occupants and users. This in turn has placed increased demands on staff time to ensure ongoing compliance.

I wish to acknowledge the support of volunteer groups that are responsible for and manage Council facilities across the shire. There is little doubt that without their support maintenance costs would be significantly higher.

Work began to improve planning for rehabilitation work to be incorporated into the five-year Capital Improvement Plan.

## Town Planning

The number of permits issued during the twelve-month period is again less than the previous year, continuing a five-year trend. Following restructure, Council engaged a planning consultant to provide town planning services two days per week. The time taken for the delivery of planning permits has now reduced with the appointment of an administrative assistant. Effort is now shifting toward compliance and the implementation of the planning scheme review completed last year.

## Building Control

The number of building permits issued remains constant over the past three years, while the value of work has shown an increase on the three year average. During the year, the building surveyor resigned, however, the company providing building-surveying services responded promptly, and service continued with minimal interruption. Council appointed an assistant to complete administrative tasks allowing the building surveyor to devote more time to the consideration of permits and hence shortening the response time.

## Emergency Management

Work on the telephone system to the Nhill SES centre enhanced its capacity as a Municipal Emergency Co-ordination Centre. The centre was not officially activated during the year, however, staff worked through a practice exercise to enhance skills that may be utilised during a real emergency.

Council resolved not to adopt a neighbourhood safer place for Dimboola. The process used a framework adopted by the MAV that will become the template for future consideration of sites as neighbourhood safer places.

Following the welcome return of water to the Wimmera River a Blue-Green algae outbreak threatened the use of the river after more than nine dry years. The outbreak dissipated after a few weeks with no reports of illness.

## Andrew Bainbridge

### Director Infrastructure Services

# Equal Opportunity Policy

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, 2010

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

## WHISTLEBLOWERS PROTECTION ACT 2001

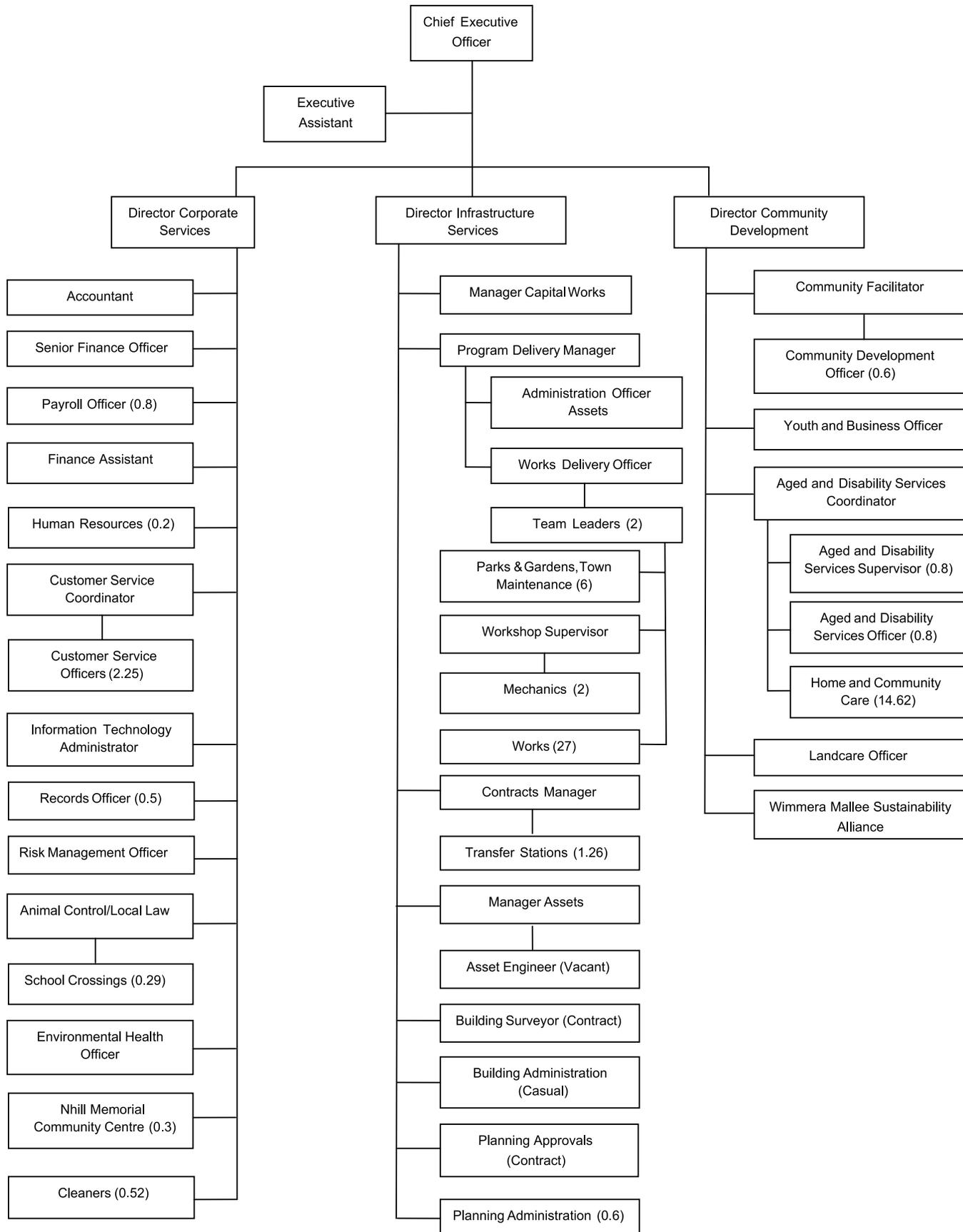
There have been no disclosures, investigations, matters, requests, or recommendations, made or received in connection with this Act, during the financial year 2009/10.

# Staff Numbers

## STAFF NUMBERS AND CLASSIFICATIONS AS AT 30 JUNE 2010

DESIGNATED WORK GROUPS	NUMBER	MALES	FEMALES
Senior Management	4	3	1
Finance, Admin & Customer Service	12	3	9
Building & Planning	2	0	2
Environmental Health	1	1	0
Landcare Co-Ordinator	5	2	3
Engineering Support	4	2	2
Community Development	3	1	2
Technical Services	30	30	0
Town & Property Maintenance	6	6	0
Homecare/Maintenance	33	4	29
Community Centre	5	2	3
School Crossing	3	0	3
Property, Purchasing & Risk Management	2	2	0
Animal Control/Local Laws	1	1	0
Other	14	6	8
<b>TOTAL</b>	<b>125</b>	<b>63</b>	<b>62</b>

# Staff Structure



# 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.

# Council Grants, Contributions & Memberships

## Community Grants:

	\$
Town Committees	2000.00
Scholarship/Cadetship	7,772.00
Community Grants Program	18,075.00
Rural Skills Cadetship	34,136.00
<b>Total:</b>	<b>\$61,983.00</b>

## Council Contributions:

	\$
Dimboola C.W.A	150.00
Jeparit RSL	200.00
Rainbow RSL	200.00
West Wimmera Health Service (Murray to Moyne)	272.73
Dimboola RSL	400.00
Rotary Club - Nhill	400.00
Nhill Dimboola Band	500.00
Family/Community Emergency Relief	1,067.00
Wimmera Development Association	5,000.00
Hindmarsh Landcare Network 10,000.00	
Wimmera Regional Library Corporation	145,016.00
<b>Total:</b>	<b>\$163,205.73</b>

## Council Memberships:

	\$
Wimmera Mallee Rail Association	50.00
Australian Airports Association	385.00
North West Municipalities Association	400.00
Koori Kids Pty Ltd	409.09
Keep Australia Beautiful Victoria Inc	500.00
Tourism Alliance Victoria	700.00
Meerkin & Apel Lawyers	750.00
Livestock Saleyards Association of Victoria	1,225.00
Mildura Rural City Council –	
Rail Freight Development Alliance	2,000.00
Horsham Rural City Council –	
Wimmera Transport Group	2,003.00
Victorian Employers	2,603.00
Municipal Association of Victoria	13,120.77
Wimmera Development Association	32,233.00
<b>Total:</b>	<b>\$56,378.86</b>

## Council Grants:

	\$
Nhill State Emergency Service	17,174.00
Dimboola State Emergency Service	17,174.00
<b>Total:</b>	<b>\$34,348.00</b>

# Performance Statement

## For the year ended 30 June 2010

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 **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 AND TARGET	ACHIEVED	COMMENT
KSA 1 Financial Performance	Achieve an adjusted Operating Surplus (includes 2008/2009 Victoria Grants Commission prepayment) of 80% of the Budgeted Operating Surplus.	Achieved	Council's adjusted operating surplus was 125.9% of the budgeted surplus. This was achieved through: (1) Setting a realistic budget and (2) Strict budget discipline throughout the year.
KSA 2 Risk Management	Quarterly reports to Council throughout 2009/2010 with Audit Committee reviews of the corporate risk register.	Not Achieved	Quarterly reports were not presented to Council, however the audit committee reviewed the risk register during the year. In addition every report that Council considers has a section on risk implications.
KSA 3 Governance	Introduce a staff and councillor training and development scheme to be endorsed by Council by December 2009.	Not Achieved	The training and development scheme commenced, but was not completed due to organisational restructure and departure of key staff. A new training regime commenced in August 2010. Even though a formal scheme has not been introduced, staff are trained throughout the year in their field of expertise.
KSA 4 Asset Management	Availability of a unified asset management database with a single asset system selected by Jan 2010.	Not Achieved	A new asset management system was selected in March 2010 and commissioned following the adoption of an Asset Management Strategy and Policy. Due to the enormity of the task, full implementation and integration with other systems will be ongoing throughout 2010/2011.
KSA 5 Hindmarsh Environment Strategy	Hindmarsh Environmental Strategy to be adopted by Council 30 June 2010.	Achieved	The Hindmarsh Environment Strategy was adopted by Council in November 2009.
KSA 6 Economic Development	Hindmarsh Economic Development Strategy adopted by Council by 30 June 2010.	Not Achieved	No action has been taken on this activity. Council is awaiting the result of a grant application that will inform outcomes in this area.
KSA 7 Capital Works Program	Completion of at least 90% of Council's capital works funds and 90% of Capital works jobs.	Not Achieved	Excluding capital works brought forward, carried forward and unbudgeted, the Council achieved 83.23% in dollar terms and 86.11% in number of capital works jobs. Capital works have been affected by Small Town Development Funds and Regional and Local Community Infrastructure Program jobs taking precedence over other works. A lack of human resources has also contributed to the result.
KSA 8 Tourism	Endorsement of Regional Tourism Association Structure by Council by 30 June 2010.	Achieved	Council adopted a report on the Wimmera Mallee Tourism Project at the November 2009 Council meeting. The report endorsed the formation of a Regional Tourism Association.
KSA 9 Community Planning	Review Community Plans and working group actions by 30 June 2010	Achieved	Senior Officers of Council regularly review community plans throughout the year for grant applications and projects for budgets. Officers participate in monthly community meetings.
KSA 10 Best Value	Identify and report on a Hindmarsh Organisational Improvement program to be approved by Council by 30 September 2009	Not Achieved	This was not achieved due to departure of key staff and organisational restructure. Notwithstanding, the organisation has made improvement throughout the year to systems, processes and policies.

# 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 2009/2010 financial year is presented fairly in accordance with the **Local Government Act 1989**.

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

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

Councillor M.J. Gawith,  
**Mayor**  
23 September 2010



Councillor K. D. Colbert  
23 September 2010



Mr Dean Miller  
**Chief Executive Officer**  
23 September 2010



## VAGO

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

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Level 24, 35 Collins Street, Melbourne Vic. 3000

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*Auditing in the Public Interest*

# Victorian Auditor-General's Report on the Performance Statement

## VAGO

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 Hindmarsh Shire Council in respect of the 30 June 2010 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

MELBOURNE  
24 September 2010

  
D D R Pearson  
Auditor-General

2

Level 24, 35 Collins Street, Melbourne Vic. 3000  
Telephone 61 3 8601 7000 Facsimile 61 3 8601 7010 Email [comments@audit.vic.gov.au](mailto:comments@audit.vic.gov.au) Website [www.audit.vic.gov.au](http://www.audit.vic.gov.au)

*Auditing in the Public Interest*

# Council Plan Strategies

For the year ended 30 June 2010

## OBJECTIVE - ENVIRONMENTAL SUSTAINABILITY:

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
1. Develop best possible outcomes for Hindmarsh Shire Council from the Wimmera Mallee Sustainability Alliance.	a) Have two sustainability projects from WMSA underway by June 2010.	The project "Improving Sustainability in the Wimmera Mallee" is underway and has achieved milestones to date. Another project entitled "Bringing Sustainability Action to Wimmera and Southern Mallee households" has been approved for funding and WMSA is currently negotiating the funding agreement. Funding opportunities under the Climate Community Funds have been discussed with WMSA members and DSE and submissions will be prepared within the next months.
	b) Energy use audit and climate change assessment complete by June 2010.	Energy audit is complete. A sustainability and climate change risk management workshop was held in November 2009. Sustainability Officer also visited three shires unable to attend the workshop. The information collected at the workshops is currently being collated for distribution to members
	c) Have effective information dissemination by WMSA to shire by December 2009.	Monthly report from WMSA officer. WMSA board minutes provided to Council. Ongoing communication between SO and LCO and information dissemination via email.
2. Develop and implement a Hindmarsh Environmental Strategy.	a) Effective community engagement on environmental matters by December 2009.	Community workshops were held during June and July. The draft environmental strategy was published and public comment invited prior to the report being adopted in November. Hindmarsh Shire is working with other groups such as the City of Port Phillip Sustainable Environment Community Reference Committee to build upon and implement the strategy.
	b) Advisory Committee set up by June 2009.	The Advisory Committee was formally established in March 2009. It continues on to inform the implementation of the strategy.
	c) Identify a plan in the Strategy for the development of new industry by December 2009.	The environmental strategy adopted in November 2009 contains actions for the development of new industry.
	d) Ensure Strategy supports industry groups by Dec 2009.	The environmental strategy adopted in November 2009 contains actions to support industry groups.
	e) HES complete and approved by Council by December 2009.	The environmental strategy was adopted in November 2009.
3. Integrated water plans for all towns in the Shire.	a) Nhill Integrated Water Plan underway by June 2009 and complete by June 2011.	Draft plan developed – awaiting community consultation. GWM Water intends to make a presentation to Council on the matter, and to meet with Hindmarsh senior management to progress the plans.
	b) Work with GWMWater to initiate integrated water plans for the other towns by December 2011.	Dependent on completion of pilot plan for Nhill.
	c) Complete public consultation for the Nhill Integrated Water Plan by March 2011.	As above.
	d) Develop a sustainable water program for Nhill including reuse and conservation by December 2011.	As above
4. Establish decentralised renewable energy businesses in the Shire.	a) Renewable energy program for Council infrastructure by December 2010.	Investigating the feasibility of a pyrolysis plant for electricity generation. Reported to council.
	b) Complete locality based renewable energy assessments by December 2011.	Green Light report completed in September 2009. Renewable energy assessments will require external funding.
	c) Identify business opportunities related to renewable energy by June 2011.	The environmental strategy identifies some business opportunities related to renewable energy. Feasibility to be further investigated.

# Council Plan Strategies Continued ...

For the year ended 30 June 2010

## OBJECTIVE - ECONOMIC SUSTAINABILITY:

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
5. Establish a Regional Tourism Association.	a) Tourism assessment and report by September 2009.	The final report provided by Tourism Alliance Victoria was adopted by Hindmarsh Shire Council in November 2009. The report suggests the establishment of Local Tourism Associations prior to a regional one.
	b) Set up a tourism industry governance structure by September 2010.	The final report provided by Tourism Alliance Victoria suggests the setting up of shire based tourism structures (LTAs) prior to the setting up of a regional tourism association (RTA). The process of establishing LTAs has commenced in all 4 shires early 2010. The 4 councils are currently developing statements of purpose and an interim action plan. Following the establishment of the 4 LTAs funding will be sought for the establishment of the RTA.
	c) Obtain funding of sustainable tourism structure by June 2011.	As above.
6. Promote and assist realisation of opportunities from the Wimmera Mallee Pipeline.	a) Continue to work with and liaise with DPI and other government departments and private enterprise to realise opportunities from the Pipeline – ongoing.	Through the WDA and NWMA, Council has provided input into submissions to the Future Directions of Provincial Victoria discussion paper. Council has also made a submission to a Parliamentary Inquiry on the matter.
7. Identify and pursue information technology opportunities for business and the community.	a) Lobby government for information technology infrastructure on an ongoing basis.	Council officers have participated in forums around the State to progress this matter. We are involved in the Grampians ICT study which is part of a lobbying effort by the region. We have rallied the community to participate in a ICT survey, and gained the assistance of local businesses for a case study as part of this study.
	b) Form a working group with government and others by December 2009 to position the Shire well for the pursuit of targeted information technology opportunities.	The Council is a participant in the MAV Shared ICT Service project, to look at ways of implementing shared services across local government.
	c) Identify opportunities for a super broadband hub in the Shire by December 2010.	Refer above
	d) Develop a plan for enhanced remote and distance education capacity within the Shire by June 2010.	The Attraction and Retention of Young People to the Wimmera project has identified this is one of the key actions to be undertaken. The implementation of the Action Plan resulting from the project is currently underway. The Blueprint for Regional and Rural Victoria addresses this in Strategy 1.
8. Support and promote sustainable agriculture.	a) Work with DPI, BCG and HLN and other interested parties on an active ongoing basis.	Regular meetings with Hindmarsh Landcare NetworkLN. Field Day with Birchip Cropping GroupCG. Ongoing contact with DPI, eg. Building the capacity for Local Gov't. Council submission on soil sequestration in February 2010. Support of WDA activities in this area.
	b) Include an active sustainable agriculture program in the Hindmarsh Environmental Strategy by December 2009.	The environmental strategy was adopted in November 2009.
	c) Lobby for funding for the development of sustainable agriculture on an ongoing basis.	Ongoing through Landcare Coordinator's position.

# Council Plan Strategies Continued ...

**For the year ended 30 June 2010**

## OBJECTIVE - ECONOMIC SUSTAINABILITY:

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
9. Support and promote the existing transport industries in the Shire.	a) Work with the transport industry to obtain required infrastructure on an ongoing basis.	Submitted 2 funding proposals under the Local Roads to Market program for road, intersection and bridge upgrades to B-Double capacity. Submitted 2 funding proposals to VicRoads under State Impacted Roads program for improved silo access at Jeparit and Rainbow. Development of a draft local transport plan. Council was successful in gaining funding from proposals under Local Roads to Market program for road, intersection and bridge upgrades to B-Double capacity and under State Impacted Roads program for improved silo access at Jeparit and Rainbow. Development of a draft local transport plan.
10. Match people, their skills and available jobs to improve employment and recruitment within the Shire.	a) Provide a report to Council by December 2009 setting out a proposal for the development of a system to enable the matching of people, skills and jobs within the Shire.	The final report for Skills Match Project was provided to and adopted at the November Council meeting. The "Tell us your skills" website is up and running and the implementation of the report's other recommendations, in particular the setting up of a Welcome to the Community Program is currently underway.
11. Develop and implement an Economic Development Strategy for the Shire.	a) Develop a strategy for Council approval by June 2011.	Delayed due to number of other strategies being developed including Regional Strategic Plan. Will commence in 2011.
12. Advocate for the future of small rural towns.	a) Active involvement in Rural Councils Victoria and the Wimmera Development Association on an ongoing basis.	Council officers and councillors (particularly the Mayor Cr Gawith, and Cr Gersch, Chairman of Rural Councils Victoria and Wimmera Development Association) have actively lobbied Government Ministers, other members of parliament and government bureaucrats on a regular basis. Council participated in the parliamentary enquiry into Rural and Regional Disadvantage. The CEO also represented Council on the project control group for the Wimmera Southern Mallee Regional Strategic Plan which was launched on 6 August 2010. Councillors, staff and community representatives attended the Small Town Summit in Maffra in August 2009.

## OBJECTIVE - COMMUNITY SUSTAINABILITY:

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
13. Actively and vigorously pursue community engagement.	a) Follow up on Community Plans and their working group projects. Annual review to be provided to Council by February 2010.	A number of projects identified in the community plans have been implemented as part of the RLCIP. Three review workshops have been held with the smaller communities. Community planning in the four major towns will be undertaken in September 2010.
	b) Support and assist the Community Plan Working Groups on an ongoing basis.	A number of projects identified in the community plans have been implemented as part of the RLCIP. Signage has been installed in Dimboola as part of the Town Entrance project, the first stage of the Nine Creeks project has been completed, new club rooms built for the Jeparit Tennis and Angling Clubs and some funding for the feasibility study for the Rainbow Community Facility sought.
	c) Work with all communities to assist them realise their aspirations on an ongoing basis.	Town Committees, Back-to-Nhill, Dimboola 150 Years, Wimmera Mallee Pioneer Museum, Yurunga Homestead, FreeZa committees, Jeparit Bowling Club, Rainbow Tennis Club, small rural communities, Business Nhill, Dimboola Business Association, CFA, VFF, TopCrop, Rainbow Archives, Rainbow Playground Committee, Rainbow Recreation Reserve Committee of Management, Rainbow Golf Club, Nhill Golf Club, Jeparit/Rainbow Football/Netball Club, Nhill Golf Club, Nhill & District Historical Society, Rainbow A & P Society, Rainbow & District Historical Society, Nhill Vintage Club. Community meetings were held in each of the towns during May, June, July and August 2010.
14. Promote and enhance the liveability of the Shire.	a) Develop a program to support cultural diversity for approval by Council by December 2010.	The Skills Match project has provided an initial opportunity to connect with the cultural diverse groups in the Shire. The Cultural Connections Program was adopted at the April Council meeting. External funding remains to be secured. A very successful welcome to new residents was held in Jeparit in April 2010.

# Council Plan Strategies Continued ...

For the year ended 30 June 2010

## OBJECTIVE - COMMUNITY SUSTAINABILITY:

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
	b) Use the internet, the media and other promotional outlets to promote the Shire and its lifestyle on an ongoing basis.	Website regularly updated, email signatures including upcoming events, tourism brochures. Welcome kits being developed.
	c) Develop a program to clean up towns and communities to improve the image of the Shire. To be adopted by Council by July 2009.	Council has initiated a program through the installation of mobile signs targeting unsightly premises. This has led to an increased number of inspections of properties following requests from ratepayers for action.
	d) Develop a program to utilise the liveability in the Shire to attract and retain residents for approval by Council by June 2010.	The Attraction and Retention of Young People to the Wimmera project has identified some key actions to be undertaken. The implementation of the Action Plan resulting from the project is currently underway. An initial draft program has been developed.
15. Retain young people in our community.	a) Continue the scheme for cadetships/traineeships (1 per year) to retain young people in our community and promote the Vic Government Rural Skills Cadetship Scheme (5 per year).	Council has accepted another cadet in engineering. The Blueprint for Regional and Rural Victoria continues the Rural Skills Cadetship Scheme under the title of Young Professionals Provincial Cadetship Program. Guidelines for this program are still to be released.
	b) Lead the Attraction and Retention of Young People in the Wimmera project with an action plan completed by July 2009.	The Action Plan was completed in August 2009. Some of the actions identified are already being implemented, others require funding to implement.
	c) Provide for young people to address Council at each meeting -ongoing.	Over the last 12 months, every school in the shire has made a presentation to a Council Meeting. These presentations have been very informative and appreciated by Council.
16. Implement Council's Community Sustainability Strategies.	a) Implement activities and recommendations of the Youth Plan by June 2010.	The Youth Plan has been reviewed and a new Youth Strategy was adopted by Council in June 2010. The implementation of its recommendations is currently underway and supported by the Youth Participation and Access program.
	b) Implement activities and recommendations of the Recreation Strategy. Ongoing	Underway
	c) Implement activities and recommendations of the Positive Ageing Plan. Ongoing.	The actions proposed in the Positive Ageing Plan and structure of steering committee are currently being reviewed.
	d) Implement activities and recommendations of the Disability Access Plan. Ongoing.	Positive Ageing Plan reviewed in July 2009 and report back to Council on priorities for balance of 2009/2010 year.
	e) Develop the special relationship with Port Phillip City to include cultural, technical, business and community interchange by June 2010.	Underway

# Council Plan Strategies Continued ...

For the year ended 30 June 2010

## OBJECTIVE - GOVERNANCE

STRATEGY	ACTIVITIES/TARGETS	PROGRESS
17. Undertake actions to implement the amendments to the Local Government Act 1989.	a) Develop an implementation program for approval of Council.	Meeting held in Jeparit on 20 July 2009 where members of Section 86 Committees were invited. Briefed on new Conflict of Interest rules, Register of Interests and Primary & General Returns. Liaised with East Gippsland Shire regarding status of Section 86 Committees.
18. Undertake an organisational development program to improve teamwork, skills and performance within the Hindmarsh Shire.	a) Complete a Top Teams program for Council and senior management by March 2009.	Completed
	b) Initiate the program to improve teamwork and organisational cohesion through programs across the organisation by September 2009.	Program proposed to utilise the Australian Business Excellence Framework to focus on the need to train staff in all aspects of the organisation, particularly to provide the capability of backfilling positions where necessary. No work on the program since the resignation of the General Manager Organisational Development.
	c) Identify, report on and gain Council approval by September 2009 for a continuous improvement program to be implemented across the organisation.	Australian Business Excellence Framework – focus on continual improvement and innovation through staff enthusiasm, resourcefulness and participation. No work on the program since the resignation of the General Manager Organisational Development.
	d) Implement systems development including asset management by March 2010.	Council has selected Assetic as the preferred asset management software. Work commenced in March 2010 transferring data to the new system.
	e) Implement systems development including customer service, risk management and data logging by March 2010.	Supplier selected for Document Management System, including a customer request system. Installation commenced March 2010. System to be installed by 1 July 2010, including a Customer Request System.
19. Implement an integrated staff and Councillor training development scheme.	a) Implement a staff and Councillor training and development scheme by December 2009.	A training needs analysis for all staff is to be developed – outdoor staff analysis completed and indoor staff analysis nearing completion. No work on the program since the resignation of the General Manager Organisational Development.
20. Maintain and develop risk management processes.	a) Continue to develop and adopt guidelines for audit of Council activities on an ongoing basis.	An updated list of functions was approved by the Audit Committee on 10 September for the Internal Auditor to report on over the next two years and the final audit projects will be discussed on 28 January 2010. Internal risk management audit conducted in March 2010.
	b) Commence risk management reporting to Council on a quarterly basis by March 2009.	Risk Management reports have been provided to the June and September 2009 and February 2010 Council meetings.

# Victoria Local Government Indicators

	2010	2009	2008	2007	2006	
	\$	\$	\$	\$	\$	
<b>Affordability / Cost of Governance</b>						
<b>1</b>	Average Rates and Charges per Assessment	1,037.61	954.08	897.13	858.24	793.74
<b>2</b>	Average Rates and Charges per Residential Assessment	699.26	647.98	625.05	553.63	525.60
<b>Sustainability</b>						
<b>3</b>	Average Liabilities Per Assessment	454.51	488.75	447.00	460.07	637.95
<b>4</b>	Operating Result Per Assessment	115.40	13.83	(42.66)	(133.38)	15.92
<b>Services</b>						
<b>5</b>	Average Operating Expenditure per Assessment	2627.18	2571.30	2394.97	2269.94	2096.41
<b>6</b>	Community Satisfaction Rating for Overall Performance Generally of the Council	62	66	67	65	67
<b>Infrastructure</b>						
<b>7</b>	Average Capital Expenditure Per Assessment	1,133.76	1,133.20	1,104.94	721.92	568.38
<b>8</b>	Renewal Gap Ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)	111%	122%	122%	75%	56%
<b>9</b>	Renewal and Maintenance Gap Ratio of current spending on renewal plus Maintenance to the (AAAC)	107%	113%	113%	85%	74%
<b>Governance</b>						
<b>10</b>	Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues	65	68	68	67	71
<b>11</b>	Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	61	65	65	63	64

# Best Value Victoria Report 2009/10

## 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

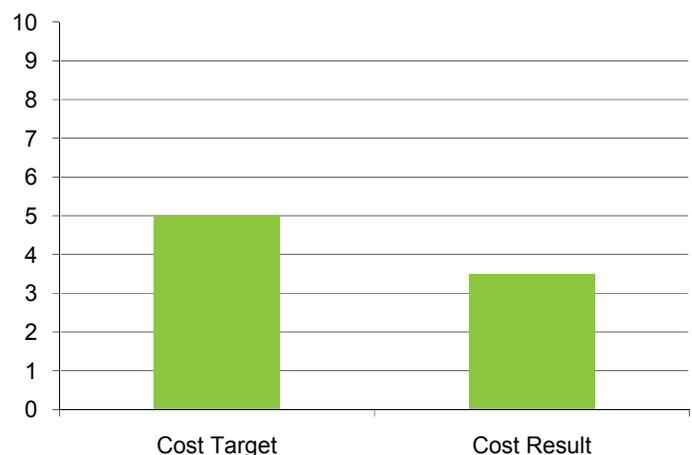
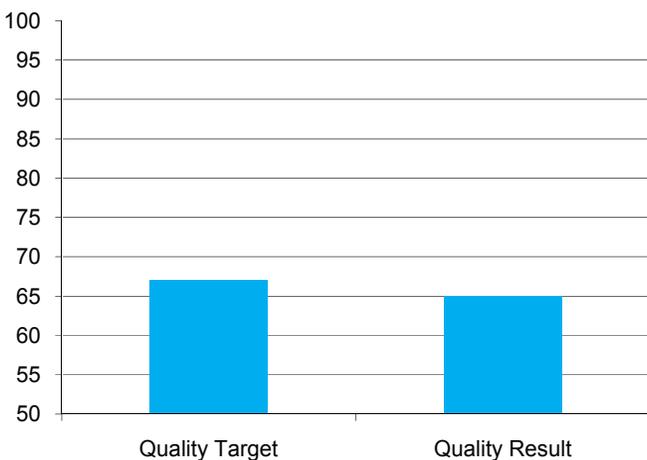
### GOVERNANCE

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

PERFORMANCE	65%
TARGET	67%
DIFFERENCE	-2%
COMMENT	Small variance (unfavourable)

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

PERFORMANCE	3.5%
TARGET	5.0%
DIFFERENCE	+0.1.5%
COMMENT	Small variance (favourable)

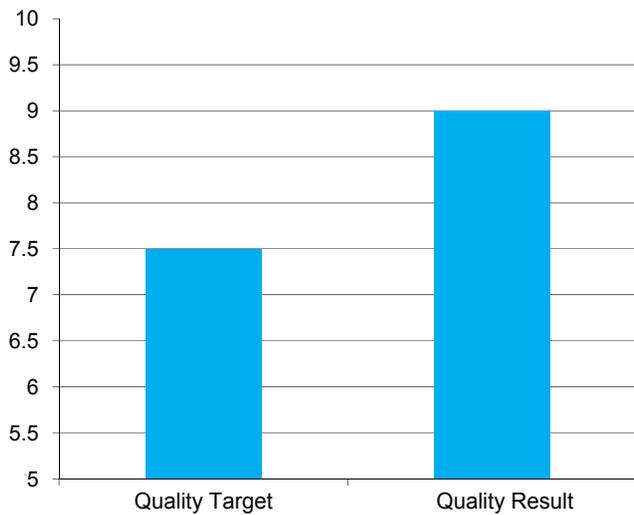


# Best Value Victoria Report 2009/10 Continued ...

## LANDCARE

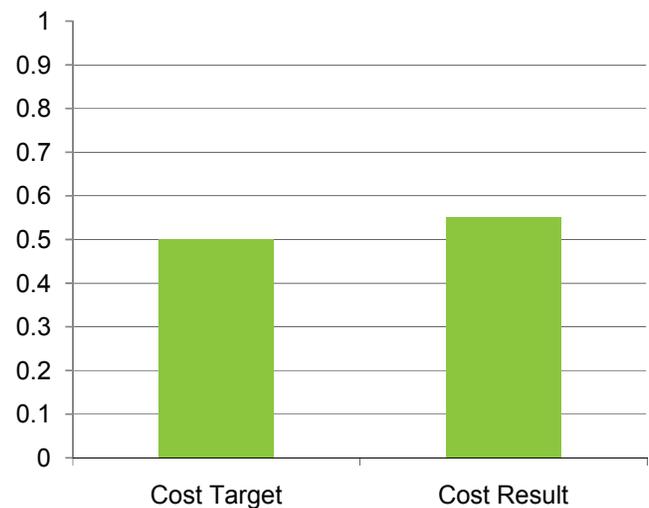
Quality Indicator - assessment (by survey) of satisfaction with the Council's Landcare efforts by local Landcare groups

PERFORMANCE	9%
TARGET	7.5%
DIFFERENCE	+1.5%
COMMENT	Target exceeded (result is based on a small sample only)



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

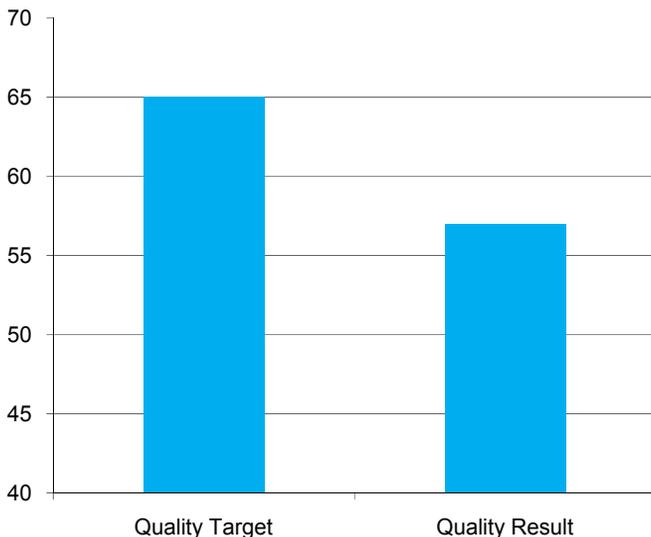
PERFORMANCE	3.5%
TARGET	5.0%
DIFFERENCE	+0.15%
COMMENT	Small variance (favourable)



## TOURISM AND BUSINESS DEVELOPMENT

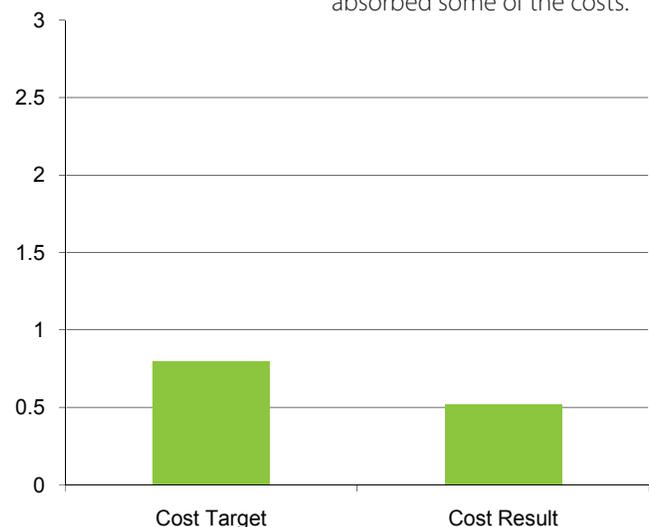
Quality Indicator - Community satisfaction rating for economic development

PERFORMANCE	57%
TARGET	65%
DIFFERENCE	-8%
COMMENT	Council recognises that this is an area for improvement.



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

PERFORMANCE	0.52%
TARGET	0.80%
DIFFERENCE	+0.28%
COMMENT	Community development area has absorbed some of the costs.

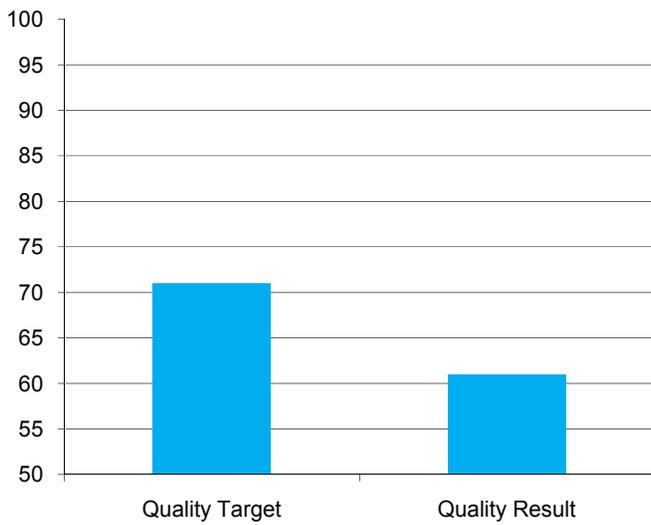


# Best Value Victoria Report 2009/10 Continued ...

## BUILDING AND PLANNING

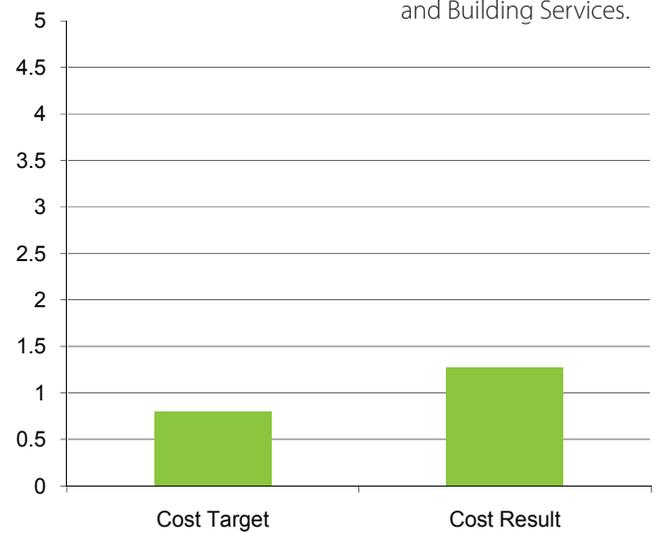
Quality Indicator - Community satisfaction rating for Town Planning Policy and Approvals

PERFORMANCE	61%
TARGET	71%
DIFFERENCE	-10%
COMMENT	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).

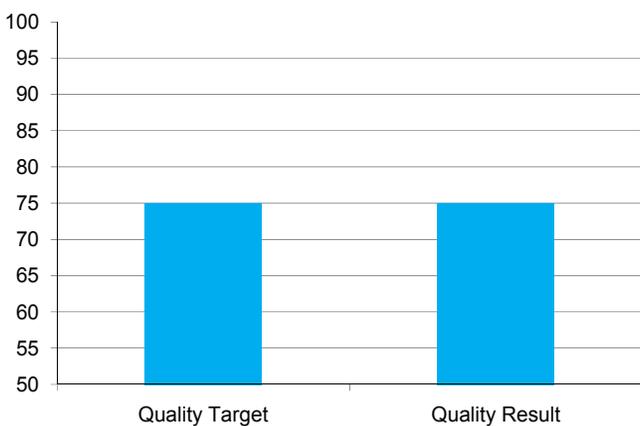
PERFORMANCE	1.28%
TARGET	0.80%
DIFFERENCE	-0.48%
COMMENT	Higher costs due to market conditions in areas such as Development Approvals and Building Services.



## ENVIRONMENTAL HEALTH

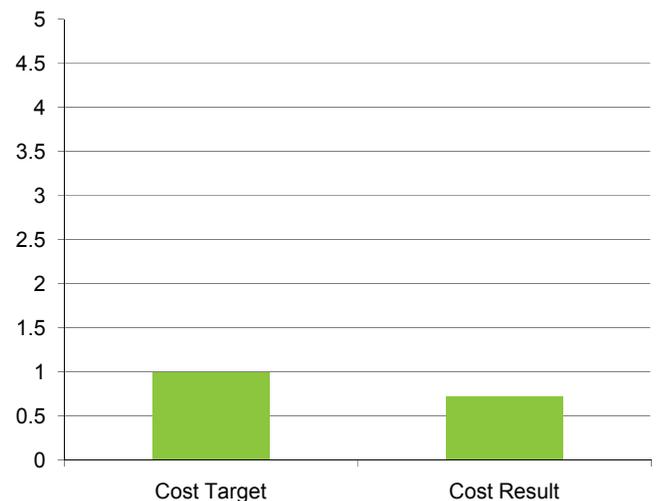
Quality Indicator - Community satisfaction rating for Health and Human Services

PERFORMANCE	75%
TARGET	75%
DIFFERENCE	
COMMENT	Target Achieved



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

PERFORMANCE	0.72%
TARGET	1.00%
DIFFERENCE	+0.28%
COMMENT	Target exceeded

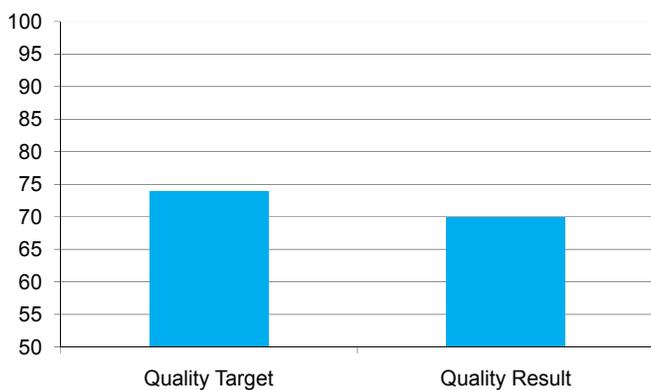


# Best Value Victoria Report 2009/10 Continued ...

## CORPORATE SERVICES

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

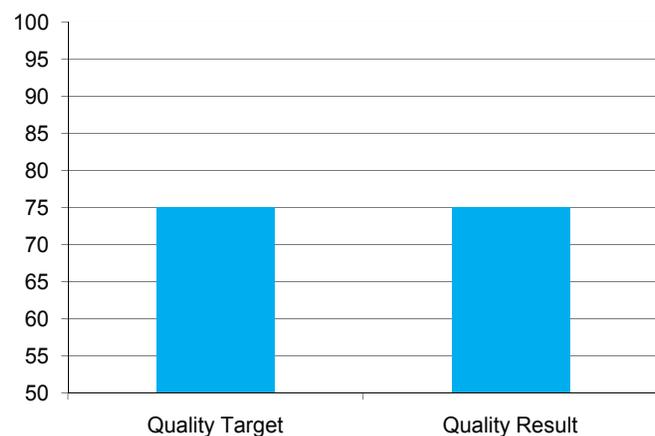
PERFORMANCE	70%
TARGET	74%
DIFFERENCE	-4%
COMMENT	Small variance (unfavourable).



## COMMUNITY SERVICES

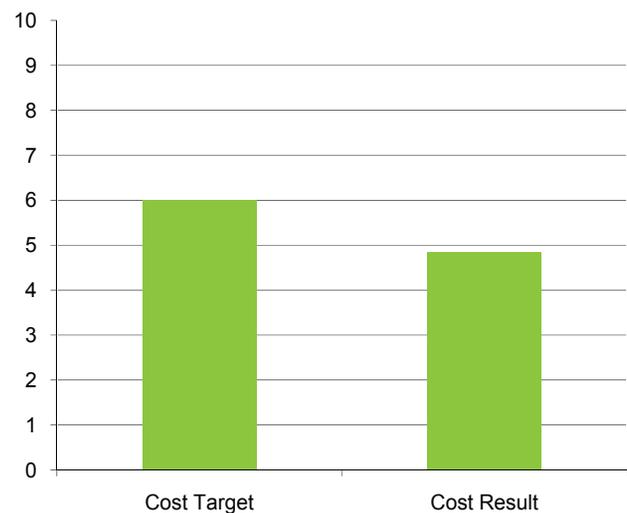
Quality Indicator - Community satisfaction rating for Health and Human Services.

PERFORMANCE	75%
TARGET	70%-80%
DIFFERENCE	-
COMMENT	Target achieved.



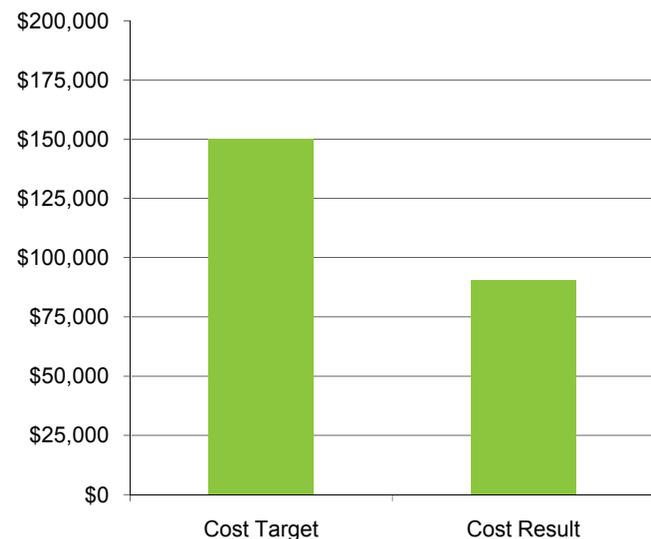
Cost Indicator - cost of Corporate Services as a proportion of total expenditure (including depreciation and capital works).

PERFORMANCE	4.84%
TARGET	7.50%
DIFFERENCE	+2.66%
COMMENT	Target exceeded



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

PERFORMANCE	\$90,496
TARGET	\$150,000
DIFFERENCE	+\$59,504
COMMENT	Target exceeded

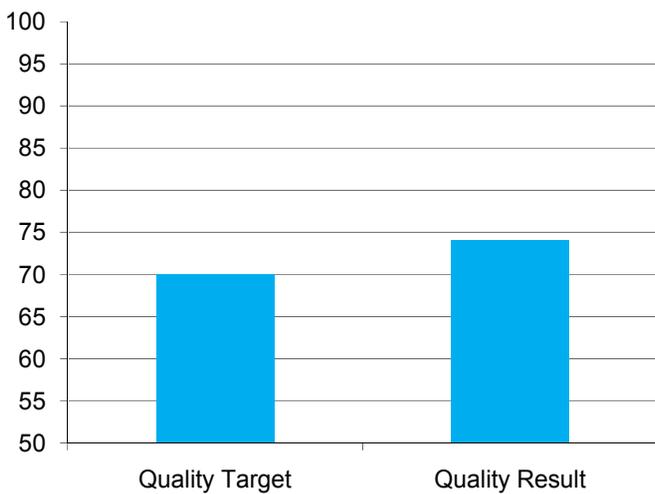


# Best Value Victoria Report 2009/10 Continued ...

## MISCELLANEOUS SERVICES

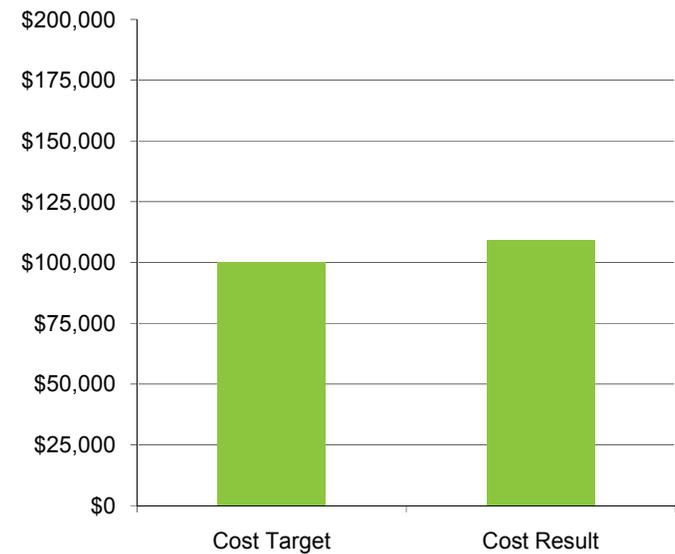
Quality Indicator - Community satisfaction rating for Waste Management.

PERFORMANCE	74%
TARGET	70%
DIFFERENCE	+4%
COMMENT	Target exceeded



Cost Indicator - cost of Animal Control and Local Laws

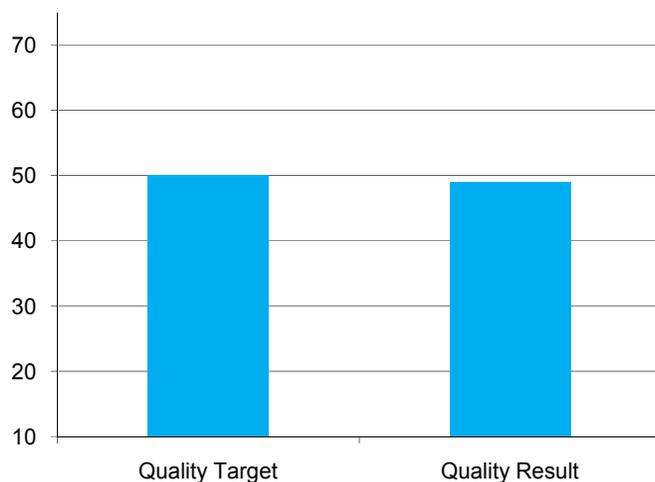
PERFORMANCE	\$108,955
TARGET	\$100,000
DIFFERENCE	-\$8,955
COMMENT	Small variance (unfavourable)



## TECHNICAL SERVICES

Quality Indicator - Community satisfaction rating for roads and footpaths

PERFORMANCE	49%
TARGET	50%
DIFFERENCE	-1%
COMMENT	Small variance (unfavourable)



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

PERFORMANCE	40.40%
TARGET	45%
DIFFERENCE	+4.60%
COMMENT	Small variance (unfavourable)



# Best Value Victoria Report 2009/10

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

### GOVERNANCE

The recent quality results (advocacy) have been:

2004/05 – 71%	2005/06 – 71%
2006/07 – 67%	2007/08 – 68%
2008/09 – 68%	2009/10 – 65%

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

2004/05 - 4.9%	2005/06 – 5.4%
2006/07 – 4.8%	2007/08 – 4.4%
2008/09 - 5.1%	2009/10 - 3.5%

### LANDCARE

The recent quality results (survey) have been:

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).
2009/10 - 9% (Ninth survey of Landcare Groups).

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

2004/05 – 0.52%	2005/06 – 0.57%
2006/07 – 0.49%	2007/08 – 0.39%
2008/09 – 0.37%	2009/10 – 0.55%

### TOURISM AND BUSINESS

#### DEVELOPMENT

The recent quality results (economic development) have been:

2004/05 – 59%	2005/06 – 60%
2006/07 – 59%	2007/08 – 60%
2008/09 – 58%	2009/10 – 57%

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

2004/05 – 0.54%	2005/06 – 0.18%
2006/07 – 0.07%	2007/08 – 0.43%
2008/09 – 0.47%	2009/10 – 0.52%

### BUILDING AND PLANNING

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

2004/05 – 65%
2005/06 – 65%
2006/07 – 63%

2007/08 – 67%

2008/09 – 67%

2009/10 – 61%

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

2004/05 – 0.94%
2005/06 – 1.2%
2006/07 – 1.3%
2007/08 – 1.29%
2008/09 – 1.18%
2009/10 – 1.28%

### ENVIRONMENTAL HEALTH

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

2005 – 74%
2006 – 77%
2007 – 75%
2008 – 77%
2009 – 79%
2010 – 75%

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

2004/05 – 0.57%
2005/06 – 0.72%
2006/07 – 0.78%
2007/08 – 0.66%
2008/09 – 0.69%
2009/10 – 0.72%

### CORPORATE SERVICES

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

2004/05 – 72%
2005/06 – 74%
2006/07 – 73%
2007/08 – 73%
2008/09 – 73%
2009/10 – 70%

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

2004/05 – 4.67%
2005/06 – 5.73%
2006/07 – 5.5%
2007/08 – 4.56%
2008/09 – 4.79%
2009/10 – 4.84%

### COMMUNITY SERVICES

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

2004/05 – 74%
2005/06 – 77%
2006/07 – 75%

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

2007/08 – 77%
2008/09 – 79%
2009/10 – 48%

The cost trends have been:

2004/05 – \$91,650
2005/06 - \$93,652
2006/07 - \$133,523
2007/08 – \$161,397
2008/09 - \$144,608
2009/10 - \$90,496

### MISCELLANEOUS SERVICES

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

2004/05 – 68%
2005/06 – 67%
2006/07 – 75%
2007/08 – 74%
2008/09 – 74%
2009/10 – 74%

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

2004/05 – \$69,768
2005/06 - \$70,656
2006/07 - \$92,262
2007/08 – \$88,855
2008/09 – \$100,959
2009/10 – \$108,955

### TECHNICAL SERVICES

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

2006/07 – 52%
2007/08 – 50%
2008/09 – 52%
2009/10 – 49%

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%
2009/10 – 40.40%



Hindmarsh  
Shire Council



# *Standard Statements*

For the year  
1 July 2009 - 30 June 2010

# Notes to the Standard Statements

For the year ended 30 June 2010

## 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 68 to 112 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 24 June 2009. 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 68 to 112. 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.

## Comparison between Standard Statements and Financial Statements

The Standard Income Statement compares the actual result with the budget for 2009/10, while the Income Statement compares the actual result for 2009/10 with the previous year.

The Standard Statement of Balance Sheet compares actual results with the budget for 2009/10, while the Balance Sheet in the Financial Statements compares the 2009/10 results with the previous year.

The Standard Statement of Cash Flows compares actual results with the budget for 2009/10, while the cash Flow Statement compares the actual result for 2009/10 with the previous year.

The Standard Statements include a Statement of Capital Works and the Financial Statements include a Statement of Changes in Equity.

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

For the year ended 30 June 2010

	Actual 2010 \$	Budget 2010 \$	Variations \$	%	Ref
<b>REVENUE</b>					
Rates and charges	4,685,407	4,662,050	23,357	0.50 %	
Statutory fees and fines	109,481	103,000	6,481	6.29 %	
Garbage and other user fees	1,425,164	1,239,900	185,264	14.94 %	1
Contributions and donations	98,339	65,000	33,339	51.29 %	2
Grants - operating	5,296,993	4,418,800	878,193	19.87 %	3
Grants - capital	992,938	1,934,650	(941,712)	(48.68) %	3
Other revenue	2,056,003	1,337,431	718,572	53.73 %	4
<b>Total revenue</b>	<b>14,664,324</b>	<b>13,760,831</b>	<b>903,494</b>	<b>6.57 %</b>	
<b>EXPENSES</b>					
Employee benefits	4,153,814	4,014,805	139,009	3.46 %	
Materials and Services	4,290,970	4,115,001	175,969	4.28 %	
Depreciation and amortisation	3,459,251	3,136,000	323,251	10.31 %	5
Finance Costs	17,592	16,000	1,592	9.95 %	
Other expenses	1,195,880	1,292,250	(96,370)	(7.46) %	
<b>Total expenses</b>	<b>13,117,507</b>	<b>12,574,056</b>	<b>543,451</b>	<b>4.32 %</b>	
<b>PROFIT RESULT FROM ORDINARY ACTIVITIES</b>					
	<b>1,546,817</b>	<b>1,186,775</b>	<b>360,043</b>	<b>30.34 %</b>	
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	(22,086)	20,000	(42,086)	(210.43) %	6
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	51,226	-	51,226	100.00 %	7
	<b>1,575,957</b>	<b>1,206,775</b>	<b>317,957</b>	<b>26.35 %</b>	

# Standard Income Statement Comparison Report

For the year ended 30 June 2010

## VARIATION EXPLANATION REPORT

Ref	Item	Commentary
1	Garbage and other user fees (revenue)	In 2009-2010 Council supplied sandstone to Recivil Pty Ltd under McKenzie Avenue upgrade project and charged a fee of \$129,956. This was not budget for 2009-2010.
2	Contribution and donations (revenue)	The Contributions are budgeted under Other Revenue but actual contributions are shown here.
3	Grants operating and capital (revenue)	In 2009-2010 Council has re-classified Roads to Recovery grants of \$801,263 as operating.
4	Other (revenue)	Plants operations generated \$764,205 during 2009-2010 as compared to budget of \$450,681 due to increased use of plant and equipment on capital projects. Interest on investments was budgeted on a conservative basis. Due to surplus cash reserves in comparison of budgeted cash reserves Council has generated an extra interest of \$97,841. Other unbudgeted incomes during the year 2009-2010 are Section 86 committees of \$180,344 and sale of revaluation data of \$63,903.
5	Depreciation and amortisation (expense)	Revaluation of buildings effective 30 June 2010 was not budgeted for 2009-2010.
6	Net gain on disposal of property, infrastructure, plant and equipment (revenue)	Council retained several plant items rather than trade them to better utilise the resources.
7	Share of net profit/(loss) of associates and joint ventures accounted for by the equity method.	No allowance in the budget for movement in the library equity.

# Standard Statement of Balance Sheet

As at 30 June 2010

	Actual 2010	Budget 2010	Variance		Ref
	\$	\$	\$	%	
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	4,070,673	2,024,392	2,046,281	101.08 %	8
Trade and other receivables	945,007	771,967	173,040	22.42 %	9
Financial assets	-	289,920	(289,920)	(100.00) %	10
Other assets	388,598	114,755	273,843	238.63 %	10
<b>Total current assets</b>	<b>5,404,278</b>	<b>3,201,034</b>	<b>2,203,244</b>	<b>68.83 %</b>	
<b>NON CURRENT ASSETS</b>					
Trade and other receivables	19,502	8,550	10,952	128.09 %	11
Property, Infrastructure, Plant and Equipment	100,433,858	95,076,369	5,357,489	5.63 %	
Investments in associate entities	288,931	219,624	69,307	31.56 %	12
<b>Total non-current assets</b>	<b>100,742,291</b>	<b>95,304,543</b>	<b>5,437,748</b>	<b>5.71 %</b>	
<b>TOTAL ASSETS</b>	<b>106,146,569</b>	<b>98,505,577</b>	<b>7,640,992</b>	<b>7.76 %</b>	
<b>CURRENT LIABILITIES</b>					
Trade and other payables	894,125	1,075,511	(181,386)	(16.87) %	13
Provisions	1,221,397	1,129,523	91,874	8.13 %	
Other liabilities	12,985	18,419	(5,434)	(29.50) %	14
<b>Total current liabilities</b>	<b>2,128,507</b>	<b>2,223,453</b>	<b>(94,947)</b>	<b>(4.27) %</b>	
<b>NON CURRENT LIABILITIES</b>					
Provisions	153,831	114,094	39,737	34.83 %	15
Other non-current liabilities	-	57,940	(57,940)	(100.00) %	15
Total non current liabilities	153,831	172,034	(18,203)	(10.58) %	
<b>TOTAL LIABILITIES</b>	<b>2,282,338</b>	<b>2,395,487</b>	<b>(113,149)</b>	<b>(4.72) %</b>	
<b>NET ASSETS</b>	<b>103,864,231</b>	<b>96,110,090</b>	<b>7,754,141</b>	<b>8.07 %</b>	
<b>EQUITY</b>					
Accumulated surplus	30,774,511	30,428,750	345,761	1.14 %	
Asset revaluation reserves	73,089,720	65,681,340	7,408,380	11.28 %	16
<b>TOTAL EQUITY</b>	<b>103,864,231</b>	<b>96,110,090</b>	<b>7,754,141</b>	<b>8.07 %</b>	

# Standard Statement of Balance Sheet Comparison Report

For the year ended 30 June 2010

## VARIATION EXPLANATION REPORT

Ref	Item	Commentary
8	Cash and cash equivalents (current)	In June 2010 Council received \$934,191 in advance for the first quarter of 2010-2011 Victoria Grant Commission allocation which was not budgeted for. Council did not complete capital works to the value of \$400k in 2009-2010.
9	Trade and other receivables (current)	Collection of accounts receivables was less than budgeted for 2009-2010.
10	Financial and other assets (current)	In 2009-2010 Council has re-classified the Financial Assets into Other assets in actuals.
11	Trade and other receivables (non-current)	Collection of accounts receivables was less than budgeted for 2009-2010.
12	Investments in associate entities	Share of result from Wimmera Regional Library Corporation of \$50,674 was not budgeted for 2009-2010.
13	Trade and other payables (current)	Based on last year actuals budget for accrued expenses was allowed for \$557,427 as compared to actual accrued expenses of \$374,609. Actual Accrued Expenses for 2008-2009 included \$127,860 for ABS Sports Services for Dimboola Bowling Club maintenance, \$84,801 for Plant purchases from Wilson and Bolton Co., \$51,136 for a Ducted System for Nhill Memorial Community Centre. All these accruals were of non-recurring nature.
14	Other liabilities	Refund of deposits was more than budgeted for 2009-2010 .
15	Provisions and other liabilities (non current)	In 2009-2010 Council has re-classified the Other Liabilities (non current) ie Quarry and Landfill restoration provisions as Provisions (non current).
16	Asset revaluation reserve	Impact of revaluation of land and buildings effective 30 June 2010 was not budgeted for 2009-2010.

# Standard Statement of Cash Flows

For the year ended 30 June 2010

<b>Cash flow from operating activities</b>	<b>Actual 2010</b>	<b>Budget 2010</b>	<b>Variance</b>	<b>%</b>	<b>Ref</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>%</b>	
<b>RECEIPTS</b>					
General rates and charges	4,652,249	4,643,075	9,174	0.20%	
Operating grants and contributions	5,431,662	4,418,800	1,012,862	22.92%	<b>17</b>
Capital grants and contributions	1,074,673	1,949,650	(874,977)	(44.88)%	<b>17</b>
Interest	214,618	116,750	97,868	83.83%	<b>18</b>
User Charges	1,496,769	1,239,900	256,869	20.72%	<b>19</b>
Statutory fees	109,481	103,000	6,481	6.29%	
Other revenue	2,638,341	1,270,681	1,367,660	107.63%	<b>20</b>
<b>Total Receipts</b>	<b>15,617,793</b>	<b>13,741,856</b>	<b>1,875,937</b>	<b>13.65%</b>	
<b>PAYMENTS</b>					
Employee costs	(4,011,832)	(4,102,605)	90,773	(2.21)%	
Materials and consumables	(6,702,110)	(5,286,425)	(1,415,685)	26.78%	<b>21</b>
<b>Total Payments</b>	<b>(10,713,942)</b>	<b>(9,389,030)</b>	<b>(1,324,911)</b>	<b>14.11%</b>	
<b>Net cash provided by operating activities</b>	<b>4,903,851</b>	<b>4,352,826</b>	<b>551,026</b>	<b>12.66%</b>	
<b>Cash Flows from Investing Activities</b>					
Proceeds from Sale of Property, Plant and Equipment	356,910	475,000	(118,090)	(24.86)%	<b>22</b>
Payments for Property, Plant and Equipment	(5,660,871)	(5,700,315)	39,444	(0.69)%	
Other Investing	-	(14,500)	14,500	(100.00)%	<b>23</b>
<b>Net cash provided by investment activities</b>	<b>(5,303,961)</b>	<b>(5,239,815)</b>	<b>-64,147</b>	<b>1.22%</b>	
Net increase /decrease) in cash and cash equivalents	(400,110)	(886,989)	486,879	(54.89)%	<b>24</b>
Cash and cash equivalents at beginning of year	4,470,783	2,278,454	2,192,329	96.22%	<b>25</b>
<b>Cash and cash equivalents at end of year</b>	<b>4,070,673</b>	<b>1,391,465</b>	<b>2,679,208</b>	<b>192.55%</b>	

# Standard Cash Flow Statement Comparison Report

For the year ended 30 June 2010

## VARIATION EXPLANATION REPORT

Ref	Item	Commentary
<b>Operating</b>		
17	Operating and Capital grants and contributions	In 2009-2010 Council has re-classified Roads to Recovery grants of \$801,263 as operating.
18	Interest	Due to surplus cash reserves as compared to budgeted cash we have generated additional interest of \$97,841.
19	User charges	In 2009-2010 Council supplied sandstone to Recivil Pty Ltd under McKenzie Avenue upgrade project and charged a fee of \$129,956. This was not budget for 2009-2010. Budget was not allowed for the GST component of \$71,605.
20	Other revenue	Plants operations generated \$764,205 during 2009-2010 as compared to budget of \$450,681 due to increased use of plant and equipment on capital projects. Other unbudgeted incomes during the year 2009-2010 are Section 86 committees of \$180,344 and sale of revaluation data of \$63,903.
21	Materials and consumables	This variance is due to GST component to the value of \$870,541 not allowed in the budget and more payments to creditors of \$199,805 during 2009-2010 in comparison to budget.
<b>Investing</b>		
22	Proceeds from Sale of Property, Plant and Equipment	Council retained several plant items rather than trade them to better utilise the resources.
23	Other Investing	Budget provided for Other investing activities is on a high side.
24	Net increase /decrease) in cash and cash equivalents	See Reference 17 to 23 above.
25	Cash and cash equivalents at beginning of year	Council started the year with \$2m more in cash than budgeted due largely to various capital works carried forward and \$878,060 received in advance from Victoria Grant Commission in June 2009 for the first quarter of 2009-2010.

# Standard Statement of Capital Works

For the year ended 30 June 2010

	Actual 2010	Budget 2010	Variance		Ref
	\$	\$	\$	%	
<b>CAPITAL WORKS AREA</b>					
Roads	2,506,235	2,169,570	(336,665)	(15.52)%	<b>26</b>
Drains	342,924	25,200	(317,724)	(1,260.81)%	<b>26</b>
Open space/recreation	-	194,430	194,430	100.00%	<b>27</b>
Buildings	533,938	217,990	(315,948)	(144.94)%	<b>28</b>
Plant, equipment and other	800,310	1,085,000	284,690	26.24%	<b>29</b>
Other Infrastructure	1,477,464	2,008,125	530,661	26.43%	<b>26</b>
<b>Total Capital Works</b>	<b>5,660,871</b>	<b>5,700,315</b>	<b>39,444</b>	<b>0.69%</b>	
<b>REPRESENTED BY:</b>					
Asset Renewal	3,526,119	3,497,415	(28,704)	(0.82)%	
Asset Expansion/Upgrade	444,682	469,620	24,938	5.31%	
New Assets	1,222,103	1,733,280	511,177	29.49%	<b>30</b>
Work in progress	467,967	-	(467,967)	100.00%	<b>30</b>
<b>Total Capital Works</b>	<b>5,660,871</b>	<b>5,700,315</b>	<b>39,444</b>	<b>0.69%</b>	

# Standard Statement of Capital Works Comparison Report

For the year ended 30 June 2010

## VARIATION EXPLANATION REPORT

Ref	Item	Commentary
26	Roads, Drains and Other Infrastructure	Budget for some Roads is allowed under Other Infrastructure but actuals are shown under Roads. Similarly budget for some Drains such as High Street and Charles Street is allowed under Other Infrastructure but actuals are shown under Drains.
27	Open space/recreation	Budget for \$127,500 for Nine Creeks Reserve is Carried forward to next year due to delays with Cultural Heritage Management Plan.
28	Buildings	This variance is largely due to the spending \$40,000 on NMCC, \$31,870 Public Toilets - Dimboola and \$28,000 Front of Office Building Paving. All of these projects were not budgeted for in 2009-2010 and brought forward from 2008-2009.
29	Plant, equipment and other	Budget of \$225,500 is allowed under Plant and equipments and actuals are shown under Other Infrastructure.
30	New Assets	A large portion of Work in progress is related to new assets. No budget was allowed in 2009-2010.

# Certification of the Standard Statement

## 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**, the Local Government (Finance and Reporting)

Mr. Campbell McKenzie

**Director Corporate Services**

**Dated:** 23 September 2010

**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 15 September 2010 to certify the standard statements in their final form.

Councillor M.J. Gawith

**Mayor**

**Dated:** 23 September 2010

**Location:** Nhill



Councillor K. D. Colbert

**Dated:** 23 September 2010

**Location:** Nhill



Dean Miller

**Chief Executive Officer**

**Dated:** 23 September 2010

**Location:** Nhill



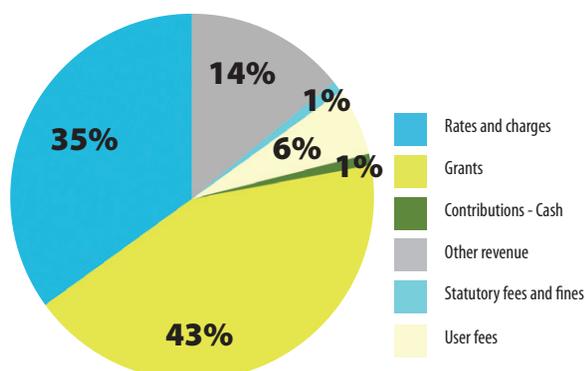
# Description of Financial Position

The end of the 2009/2010 financial year found Hindmarsh Shire Council in a sound and financially stable environment. Council produced a net surplus from operations of \$1,575,957 compared to \$2,421,616 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 and the expansion of Council services to the community, while safeguarding Council's financial position. The forecast operating surplus at the time of the budget was \$1,206,775. A summary of revenue and expenses compared to last year is contained below.

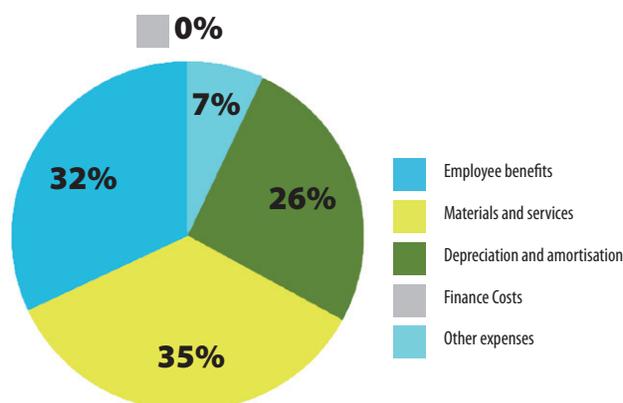
## Comprehensive Income Statement For the Year Ended 30 June 2010

	2010 \$	2009 \$
<b>INCOME</b>		
Rates and charges	5,177,484	4,771,699
Statutory fees and fines	109,481	77,953
User fees	933,086	888,519
Contributions - Cash	98,339	220,399
Grants - Recurrent	5,296,993	5,362,365
Grants - Non-recurrent	992,938	2,248,103
Other revenue	2,056,003	1,626,434
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	(22,086)	(33,872)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	51,226	28,633
<b>Total Income</b>	14,693,464	15,190,233
<b>EXPENSES</b>		
Employee benefits	(4,153,814)	(4,002,165)
Materials and services	(4,542,494)	(4,519,240)
Depreciation and amortisation	(3,459,251)	(3,252,662)
Finance costs	(17,592)	(18,603)
Other expenses	(944,356)	(975,947)
<b>Total expenses</b>	(13,117,507)	(12,768,617)
<b>PROFIT/(LOSS)</b>	1,575,957	2,421,616
<b>Other Comprehensive Income</b>		
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	(552)	-
Net asset revaluation increment	2,052,636	8,036,878
<b>Comprehensive Result</b>	3,628,041	10,458,494

### Recurrent Income



### Recurrent Expenditure



# Description of Financial Position Continued

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 remained debt free in 2009/2010.

The major reason for the decrease in the net surplus from operations compared to last year actual is due to a prepayment of \$878,000 from the Victorian Grants Commission for the 2009/2010 grant allocation in 2008/2009.

Government grants for capital works are a major source of income and in 2009/2010 were \$992,938 or \$1,255,165 less than the 2008/2009 figure of \$2,248,103. The major reason for the variance was

re-classification of grants related to Roads to Recovery as recurrent grants. Other major sources of funding in 2009/2010 were Council Rates and Charges \$5,177,484, Recurrent Grants \$5,296,993, User Fees \$933,086, Contributions \$98,339 and Statutory Fines and Fees \$109,481.

Council rates levied for 2009/2010 were based on a 8% increase on the previous year in accord with Council's long term objectives. 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 \$682,343 for this purpose. The overall cash balance at 30 June 2010 is \$4,070,673 as per the following Table;

	2010 \$	2009 \$
<b>Cash and cash equivalents</b>		
Cash at Bank and On hand	3,989,515	1,048,296
Term Deposits	81,158	3,422,487
Balance as per Statement of Cash Flows	<u>4,070,673</u>	<u>4,470,783</u>
(a) Council has imposed the following restriction on Cash at bank :		
Cash - Restricted (Section 86 Committees)	136,978	132,482
Cash - Restricted ( Deductable gift recipient- Wimmera Mallee Pioneer Museum)	102,032	50,000
Cash - Restricted (Bequest)	-	123,212
Cash - Restricted (Long Service Leave)	<u>682,343</u>	<u>-</u>
	<u>921,353</u>	<u>305,694</u>
(b) Term Deposits carry the following restrictions imposed by regulations or other externally imposed restrictions:		
Investments - Section 86 Committee	-	72,487
Investments - Long Service Leave	<u>-</u>	<u>617,454</u>
	<u>-</u>	<u>689,941</u>

The 2009/2010 Capital Works Program is summarised as follows:

- Total capital works budget was \$5,700,315.
- The total actual capital works expenditure was \$5,660,871 which includes works brought forward from 2008/2009. This was a completion rate of approximately 99.31%.

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

	2010 \$	2009 \$
<b>Capital expenditure Areas</b>		
Roads	2,506,235	1,640,390
Drainage	342,924	49,495
Land and buildings	199,486	1,359,019
Plant and equipment	800,310	838,439
Furniture and equipment	23,268	93,927
Other Infrastructure	1,320,682	674,194
Work in progress	<u>467,967</u>	<u>986,751</u>
	<u>5,660,871</u>	<u>5,642,215</u>
<b>Represented by</b>		
Renewal of infrastructure	3,526,119	3,634,384
Upgrade of infrastructure	439,510	520,547
Expansion of infrastructure	5,172	-
New assets	1,222,103	500,533
Work in progress	<u>467,967</u>	<u>986,751</u>
	<u>5,660,871</u>	<u>5,642,215</u>



Hindmarsh  
Shire Council



# *Financial Statements*

For the year ended  
30 June 2010

# Comprehensive Income Statement

For the year ended 30 June 2010

	Note	2010 \$	2009 \$
<b>INCOME</b>			
Rates and charges	2	5,177,484	4,771,699
Statutory fees and fines	3	109,481	77,953
User fees	4	933,086	888,519
Contributions - Cash	6	98,339	220,399
Grants - Recurrent	5(a)	5,296,993	5,362,365
Grants - Non-recurrent	5(b)	992,938	2,248,103
Other revenue	7	2,056,003	1,626,434
Net gain/(loss) on disposal of property, plant and equipment, infrastructure	14	(22,086)	(33,872)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	15	51,226	28,633
<b>Total Income</b>		<u>14,693,464</u>	<u>15,190,233</u>
<b>EXPENSES</b>			
Employee benefits	8	(4,153,814)	(4,002,165)
Materials and services	9	(4,542,494)	(4,519,240)
Depreciation and amortisation	11	(3,459,251)	(3,252,662)
Finance costs	12	(17,592)	(18,603)
Other expenses	13	(944,356)	(975,947)
<b>Total Expenses</b>		<u>(13,117,507)</u>	<u>(12,768,617)</u>
<b>PROFIT/(LOSS)</b>		1,575,957	2,421,616
<b>Other Comprehensive Income</b>			
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	15	(552)	-
Net asset revaluation increment	26	2,052,636	8,036,878
<b>Comprehensive Result</b>		<u>3,628,041</u>	<u>10,458,494</u>

The above statement should be read with the accompanying notes.

# Balance Sheet

As at 30 June 2010

	Note	2010 \$	2009 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	16	4,070,673	4,470,783
Trade and other receivables	17	945,007	1,081,141
Other assets	18	261,979	196,505
Inventories	19	126,619	116,071
<b>Total current assets</b>		<u>5,404,278</u>	<u>5,864,500</u>
<b>Non-current assets</b>			
Trade and other receivables	17	19,502	24,717
Investments in associates accounted for using the equity method	15	288,931	238,257
Property, plant and equipment, infrastructure	21	<u>100,433,858</u>	<u>96,558,600</u>
<b>Total non-current assets</b>		<u>100,742,291</u>	<u>96,821,574</u>
<b>Total assets</b>		<u>106,146,569</u>	<u>102,686,074</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	22	894,125	1,205,729
Trust funds and deposits	23	12,985	16,414
Provisions	24	<u>1,221,397</u>	<u>1,073,832</u>
<b>Total current liabilities</b>		<u>2,128,507</u>	<u>2,295,975</u>
<b>Non-current liabilities</b>			
Provisions	24	<u>153,831</u>	<u>153,939</u>
<b>Total non-current liabilities</b>		<u>153,831</u>	<u>153,939</u>
<b>Total liabilities</b>		<u>2,282,338</u>	<u>2,449,914</u>
<b>NET ASSETS</b>		<u>103,864,231</u>	<u>100,236,160</u>
<b>EQUITY</b>			
Accumulated surplus		30,774,511	29,199,079
Asset revaluation surplus	26	<u>73,089,720</u>	<u>71,037,081</u>
<b>Total Equity</b>		<u>103,864,231</u>	<u>100,236,160</u>

The above statement should be read with the accompanying notes.

# Statement of Changes in Equity

For the year ended 30 June 2010

	Total	Accumulated Surplus	Asset Revaluation Surplus
<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2010</b>
	\$	\$	\$
Balance at beginning of the financial year	100,236,189	29,199,106	71,037,083
Comprehensive result	3,628,041	1,575,405	2,052,636
<b>Balance at end of the financial year</b>	<b>103,864,230</b>	<b>30,774,511</b>	<b>73,089,719</b>
	Total	Accumulated Surplus	Asset Revaluation Surplus
<b>2009</b>	<b>2009</b>	<b>2009</b>	<b>2009</b>
	\$	\$	\$
Balance at beginning of the financial year	89,777,695	26,777,490	63,000,205
Comprehensive result	10,458,494	2,421,616	8,036,878
<b>Balance at end of the financial year</b>	<b>100,236,189</b>	<b>29,199,106</b>	<b>71,037,083</b>

The above statement should be read with the accompanying notes.

# Cash Flow Statement

For the year ended 30 June 2010

		2010 Inflows/ (Outflows)	2009 Inflows/ (Outflows)
	<b>Note</b>		
<b>Cash flows from operating activities</b>			
Rates		5,144,326	4,703,290
Statutory fees and fines		109,481	77,953
User charges and other fines (inclusive of GST)		1,004,692	963,519
Grants (inclusive of GST)		6,404,554	7,770,546
Contributions (inclusive of GST)		101,781	225,399
Interest		214,618	311,373
Other receipts (inclusive of GST)		2,007,401	1,403,459
Net GST refund/(Payment)		630,940	665,582
Payments to suppliers (inclusive of GST)		(6,684,518)	(6,270,647)
Payments to employees (including redundancies)		(4,011,832)	(3,935,875)
Finance Costs		(17,592)	(18,603)
<b>Net cash flows from operating activities</b>	<b>27</b>	<u>4,903,851</u>	<u>5,895,996</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment, infrastructure	<b>42</b>	(5,660,871)	(5,642,215)
Proceeds from sale of property, plant and equipment, infrastructure	<b>14</b>	356,910	101,091
<b>Net cash flows from investing activities</b>		<u>(5,303,961)</u>	<u>(5,541,124)</u>
<b>Cash flows from financing activities</b>			
Repayment of interest bearing loans and borrowings		-	(45,846)
<b>Net cash flows from financing activities</b>		<u>-</u>	<u>(45,846)</u>
Net increase/(decrease) in cash and cash equivalents		(400,110)	309,026
Cash and cash equivalents at the beginning of the financial year		4,470,783	4,161,757
<b>Cash and cash equivalents at the end of the financial year</b>	<b>16</b>	<u>4,070,673</u>	<u>4,470,783</u>
Financing arrangements	<b>29</b>		
Restrictions on cash assets	<b>30</b>		

The above statement should be read with the accompanying notes.

# Notes to the Financial Report

## For the year ended 30 June 2010

### 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 - Auditor General of Victoria

Internal Auditors - Richmond Sinnott and Delahunty - Bendigo

Bankers - National Australia Bank

Website - [www.hindmarsh.vic.gov.au](http://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(f) 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) 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 Continued ...

For the year ended 30 June 2010

## Note 1 Significant accounting policies (cont.)

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.

### Trade and other receivables

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

## (c) Inventories

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

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

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

Where 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:

### Property

Buildings Up to 75 years

### Plant and Equipment

plant, machinery and equipment 1 to 30 years  
fixtures, fittings and furniture 1 to 50 years

### Infrastructure

#### **Roads**

Substructure 100 years  
Unsealed 11 to 30 years  
Sealed 12 to 16 years  
Sealed Road Pavement 60 years  
Bridges 70 to 100 years

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 1 Significant accounting policies (cont.)

Footpaths and Cycleways	1 to 87 years
Kerb and Channel	1 to 87 years
Drainage	80 years
other infrastructure	10 to 45 years

### (e) Repairs and maintenance

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

### (f) Borrowing costs

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

### (g) Recognition and measurement of assets

#### Acquisition

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

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

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>Property</u>	
Land	\$1,000
Land under roads	\$1,000
Land improvements	\$1,000
Buildings	\$1,000
Buildings	\$1,000
<u>Plant and Equipment</u>	
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

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 1 Significant accounting policies (cont.)

### (h) Recognition and measurement of assets (cont.)

#### 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.

#### Land under roads

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

### (i) 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.

### (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 comprehensive 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).

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 1 Significant accounting policies (cont.)

### (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.

#### *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

#### *Financial 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.

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 1 Significant accounting policies (cont.)

**(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 comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

**(t) Rounding**

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

**(u) Financial guarantees**

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

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

### (v) Pending Accounting Standards

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

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

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

### (w) Contingent assets and contingent liabilities and commitments

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

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

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 2</b>		
<b>Rates and charges</b>		
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 2009/2010 was \$907.574 million (2008/2009 \$842.367million). The 2009/2010 rate on the Capital Improved Value in the dollar 0.0044931 cents, Farm Rate 0.0044931 cents, Cultural/ Recreation 0.0022465 cents (2008/2009, in the CIV dollar was 0.0041605 cents and the Farm Rate was 0.0041605 cents.)		
General rates	4,110,009	3,783,274
Municipal charge	575,398	534,100
Garbage charge	492,077	454,325
	<u>5,177,484</u>	<u>4,771,699</u>
The date of the previous general revaluation of land for rating purposes within the municipal district is 1 January 2008, and the valuation was first applied in the rating year commencing 1 July 2008.		
The date of the latest 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.		
<b>Note 3</b>		
<b>Statutory fees and fines</b>		
Parking, election, fire prevention and animal control fines	9,684	3,215
Building fees	58,104	49,209
Health fees	15,958	13,854
Town planning fees	25,735	11,675
	<u>109,481</u>	<u>77,953</u>
<b>Note 4</b>		
<b>User fees</b>		
Environmental Health services	58,321	52,188
Recreation fees	3,804	4,351
Transfer Station fees	71,667	53,575
Private works	201,493	210,963
Aged services fees	416,571	393,866
Animal registration fees	53,387	53,687
Saleyard fees	4,903	4,585
Other fees and charges	122,940	115,304
	<u>933,086</u>	<u>888,519</u>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

Note 5	Grants	2010	2009
		\$	\$
	Grants were received in respect of the following :		
(a)	<b>Recurrent</b>		
	Childrens Week	1,000	500
	Community Building Initiative	-	72,973
	Community Enterprise Centre	-	6,750
	Delivered Meals	18,661	18,143
	Dimboola Bowling Club - Water Grant	24,000	-
	Dimboola Business Development	5,000	-
	Drought Response Officer	-	75,000
	Drum Muster	-	5,828
	Education and Training Grants	-	9,500
	Fire Control/Prevention	7,690	-
	FReeZA	9,725	9,725
	Home Care Services	376,514	357,767
	Home Maintenance	37,233	36,099
	Immunisation	2,931	8,172
	Landcare - Future Farming	-	10,000
	Landcare Co-Ordinator	91,319	80,000
	Local Road - Natural Disaster Funding	26,913	-
	Nhill Bowling Club - Syntetic Greens	-	33,000
	Nine Creeks Reserve Upgrade	-	47,750
	Other Health, Education & Housing	1,931	-
	Pioneer Museum	40,100	-
	Rainbow - Day on the Lake Project	18,000	2,500
	Rainbow - Living Regions Grant	-	2,500
	Regional Environment Strategy	7,000	23,000
	Rural Skills Cadetship	33,750	12,750
	Rural Skills Match Program	2,400	21,600
	School Crossings Supervisor	2,605	2,605
	Senior Citizens	22,458	21,858
	Seniors Go for Your Life	8,000	25,000
	SES Emergency Relief Centres	-	5,100
	State Emergency Service	23,348	10,780
	Strengthening Basin Communities Program	24,930	-
	Tip Fees	5,000	-
	Roads to Recovery-Normal Program	801,263	-
	Tobacco Grant	-	2,488
	Volunteer Week	494	-
	Victoria Grants Commission - General Purpose Grant	2,194,799	2,635,783
	Victorian Grants Commission-Road Funding	1,370,486	1,701,214
	Western Highway- Median Maintenance	7,544	-
	Wimmera Mallee Sustainability Alliance	100,000	-
	Wimmera Southern Mallee Strategic Plan	-	60,000
	Youth Participation Project	27,900	18,000
	Youth Services	4,000	45,980
		5,296,994	5,362,365

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

(b) Non-Recurrent	2010	2009
	\$	\$
Auslink - Albacutya Bridge	-	241,610
Charles Steet Bus Shelter Works	-	3,000
Community Development - General Location	159,000	-
Davis Park Oval Upgrade	1,510	-
Desert Fringe Regional Waste Management Grant - Wood Chipper	-	30,455
Dimboola Bore	-	14,700
Dimboola Netball Club - All Weather Shelter	3,072	-
Dimboola Pool	23,466	-
Footpath - Contributions	79,091	-
Jeparit Rainbow Netball Club Toilets	47,972	-
Jeparit Skatepark - Sport & Rec - DVC	5,667	-
Nhill Memorial Community Centre Upgrade	80,360	602,700
Rainbow Caravan Park	5,300	-
Rainbow Water harvesting - Treatment Plant	-	18,287
Regional and Local Community Infrastructure Program	-	410,000
Roads to Recovery-Normal Program	-	675,662
SES Building Works	-	38,333
STDF - Federal St - Stage 2	90,000	49,000
STDF - High Street	300,000	23,457
STDF - Jeparit Caravan Park	16,500	-
STDF - King Street	54,500	-
STDF - Nhill Eastern Approach	-	49,000
STDF - Victoria Street	126,500	-
STDF - Wimmera Mallee Pioneer Museum	-	81,900
Youth Program Music Equipment	-	10,000
	992,938	2,248,103

#### Conditions on Grants

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

Auslink-McKenzie Avenue	-	162,098
Bleak House Cemetery	1,600	1,600
Business Continuity / Capacity Building	-	2,500
Community Building Initiative	-	19,252
Community Enterprise Centre	-	4,215
Dimboola Bore	-	14,700
Drought Response Officer	-	33,050
Immunisation	11,103	8,172
Museum - Local History	6,350	-
Nine Creeks Reserve	-	52,685
Other Heritage-Yurunga Homestead	60,000	60,000
Rainbow Caravan Park	5,300	-
Rainbow Water harvesting - Treatment Plant	-	18,287
Regional and Local Community Infrastructure Program	141,000	351,760
Family Grant - Heat Wave	2,000	-
Regional Environmental Strategy	-	19,612
Retention and Attraction of Young People	-	29,325
Rural Skills Cadetship	3,250	3,500
Rural Skills Match Program	-	21,364
Seniors Go For Your Life	21,180	21,686
STDF - Wimmera Mallee Pioneer Museum	-	79,780
STDF - King Street	54,500	-
Sustainable Working Group	10,000	10,000
Victoria Grants Commission - General Purpose Grant	575,209	540,467
Victorian Grants Commission-Road Funding	358,983	377,593
Wimmera Southern Mallee Strategic Plan	7,500	7,500
Youth Services	-	-
Youth Participation Project	8,000	11,386
Youth Program Music Equipment	-	911
	1,265,974	1,851,443

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

		2010	2009
<b>Note 6</b>	<b>Contributions</b>	<b>\$</b>	<b>\$</b>
	Road maintenance, construction and infrastructure	14,346	47,286
	Recreational, leisure and community facilities	20,999	100,727
	Wimmera Mallee Sustainability Alliance	-	45,000
	Other	62,994	27,386
		<u>98,339</u>	<u>220,399</u>
<b>Note 7</b>	<b>Other revenue</b>		
	Plant operations	764,205	441,653
	Interest	214,591	311,373
	Concrete works	140,295	120,786
	Quarry operations	511,869	436,150
	Sale of revaluation data	63,903	-
	Section 86 Committee Revenue	191,594	175,407
	Recoupments	43,670	54,962
	Sales	20,345	15,294
	Hanbury Donation	50,000	50,000
	Other	55,531	20,809
		<u>2,056,003</u>	<u>1,626,434</u>
<b>Note 8</b>	<b>Employee benefits</b>		
	Wages and salaries	3,330,135	3,174,138
	Annual leave, sick and long service leave	437,268	294,334
	Superannuation	360,187	511,481
	Fringe benefits tax	26,224	22,212
		<u>4,153,814</u>	<u>4,002,165</u>

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

		2010	2009
Note 9	Materials and services	\$	\$
	Bituminous Surfacing Works	153,629	105,809
	Administrative Services	64,629	155,713
	Quarry Operations	56,656	132,399
	Swimming Pool Management	140,848	140,258
	Information Technology	179,672	201,080
	Animal Control	11,333	16,986
	Waste Disposal	134,475	174,150
	Business Development	102,661	99,498
	Garbage Collection	191,998	184,326
	Recycling Collection	135,361	129,363
	Audit Expenses - External	30,950	30,000
	Audit Expenses - Internal	8,889	14,440
	Rating and Valuation	124,055	34,034
	Council Election	1,291	53,671
	Engineering services	237,421	150,070
	Building services	105,643	116,302
	Quarry Materials	86,931	181,764
	Delivered Meals	97,967	92,173
	Fuels and Lubricants	429,979	452,156
	Lighting and Power	103,481	104,036
	Parts for Equipment	198,449	222,851
	Vehicle Registrations	77,211	73,078
	Water and Sewage	58,355	53,529
	Section 86 Committees of Council	178,428	169,249
	Concrete Plant	88,416	72,571
	Other Materials and contractors	1,543,766	1,359,734
		<u>4,542,494</u>	<u>4,519,240</u>
<b>Note 10</b>	<b>Bad and doubtful debts</b>		
	Other debtors	-	-
		<u>-</u>	<u>-</u>
<b>Note 11</b>	<b>Depreciation and amortisation</b>		
	<i>Property</i>		
	Buildings	352,613	307,459
	<i>Plant and Equipment</i>		
	Plant, machinery and equipment	412,331	414,238
	Fixtures, fittings and furniture	49,664	43,519
	<i>Infrastructure</i>		
	Roads	2,239,199	2,144,021
	Bridges	30,762	30,575
	Footpaths	87,247	72,324
	Drainage	59,672	43,179
	Kerb and Channel	84,163	80,525
	Other	143,600	116,822
		<u>3,459,251</u>	<u>3,252,662</u>

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

	2010	2009
<b>Note 12</b>		
<b>Finance costs</b>	<b>\$</b>	<b>\$</b>
Interest - Borrowings	-	2,310
Bank Charges	17,592	16,293
	<u>17,592</u>	<u>18,603</u>
<b>Note 13</b>		
<b>Other expenses</b>		
Insurance	211,518	210,097
Subscriptions	59,864	62,132
Council Contributions	253,538	187,092
Landfill charges	76,478	54,158
Legal Costs	3,008	14,731
Telecommunication Costs	74,036	70,281
Lease Payments	29,188	149,386
Advertising	30,913	56,042
Quarry Compensation	50,077	50,760
Councillor/Mayor Allowances	143,103	121,032
Other	12,633	236
	<u>944,356</u>	<u>975,947</u>
<b>Note 14</b>		
<b>Net gain/loss on disposal of property, plant and equipment, infrastructure</b>		
Proceeds from sale of property, plant and equipment	356,910	101,091
Written down value of property, plant and equipment	(378,996)	(134,963)
Net gain/loss on disposal of property, plant and equipment	<u>(22,086)</u>	<u>(33,872)</u>
<b>Note 15</b>		
<b>Investment in associates</b>		
Investments in associates accounted for by the equity method are:		
Wimmera Regional Library Corporation	288,931	238,257
	<u>288,931</u>	<u>238,257</u>
Hindmarsh Shire council in conjunction with Horsham Rural City Council, Buloke Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council, Yarriambiack Shire Council have an interest in the Wimmera Regional Library Corporation. Hindmarsh Shire has a 12.02% equity interest. (12.05% in 2008/2009)		
<i>Council's share of accumulated surplus</i>		
Council's share of accumulated surplus/(deficit) at start of year	72,826	58,686
Reported surplus/ (deficit) for year	51,226	14,752
Transfers to reserves	(8,783)	726
Variation-Change in Equity	(169)	(1,338)
Council's share of accumulated surplus at end of year	<u>115,100</u>	<u>72,826</u>
<i>Council's share of reserves</i>		
Council's share of reserves at start of year	165,431	150,938
Transfers to reserves	8,783	(726)
Variation-Change in Equity	(383)	15,219
Council's share of reserves at end of year	<u>173,831</u>	<u>165,431</u>
<i>Movement in carrying value of specific investment</i>		
Carrying value of investment at start of year	238,257	209,624
Share of surplus/ (deficit) for year	51,226	14,752
Variation-Change in Equity	(552)	13,881
Carrying value of investment at end of year	<u>288,931</u>	<u>238,257</u>

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

	2010	2009
<b>Note 16</b>		
<b>Cash and cash equivalents</b>		
	<b>\$</b>	<b>\$</b>
Cash at Bank and On hand	3,989,515	1,048,296
Term Deposits	81,158	3,422,487
Balance as per Statement of Cash Flows	<u>4,070,673</u>	<u>4,470,783</u>
<b>(a)</b>		
Council has imposed the following restriction on Cash at bank :		
Cash - Restricted (Section 86 Committees)	136,978	132,482
Cash - Restricted (Deductible gift recipient- Wimmera Mallee Pioneer Museum)	102,032	50,000
Cash - Restricted (Bequest)	-	123,212
Cash - Restricted (Long Service Leave) **	682,343	-
	<u>921,353</u>	<u>305,694</u>
<b>(b)</b>		
Term Deposits carry the following restrictions imposed by regulations or other externally imposed restrictions:		
Investments - Section 86 Committee Deposits	-	72,487
Investments - Long Service Leave **	-	617,454
	<u>-</u>	<u>689,941</u>
** These monies are required by legislation to fund employee long service leave entitlements (See Note 30) Users of the financial report should refer to Note30 for details of restrictions on cash assets and Note 32 for details of existing Council commitments		
<b>Note 17</b>		
<b>Trade and other receivables</b>		
<i>Current</i>		
Rates debtors	521,896	488,738
Sundry Debtors	262,349	401,778
Loans and advances to community organisations	-	-
Home Help Debtors	56,186	61,275
State Deficit Levy	2,268	2,268
Net GST receivable	98,455	122,438
Other Debtors	19,242	20,032
Less Provision for Doubtful Debts	(15,389)	(15,388)
	<u>945,007</u>	<u>1,081,141</u>
<i>Non-current</i>		
Street Scheme Debtors	19,502	24,717
	<u>19,502</u>	<u>24,717</u>
<b>Total</b>	<u>964,509</u>	<u>1,105,858</u>
<b>Note 18</b>		
<b>Other assets</b>		
<i>Current</i>		
Accrued Income	240,513	148,598
Prepayments	18,966	47,907
Other Current Assets	2,500	-
	<u>261,979</u>	<u>196,505</u>

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

	2010	2009
<b>Note 19</b>		
<b>Inventories</b>	<b>\$</b>	<b>\$</b>
Inventories for distribution	126,619	116,071
	<u>126,619</u>	<u>116,071</u>
<b>Note 20</b>		
<b>Assets held for sale</b>		
Land held for Resale at Valuation 30 June 2004	-	-
	-	-
<b>Note 21</b>		
<b>Property, plant and equipment and infrastructure</b>		
<i>Summary</i>		
at cost	14,525,845	11,676,602
at Valuation	144,459,849	141,481,549
work in progress	467,966	-
less accumulated depreciation	(59,019,802)	(56,599,551)
	<u>100,433,858</u>	<u>96,558,600</u>
<u>Property</u>		
<b>Land</b>		
at Valuation as at 30 June 2010 (as at 30 June 2008 for 2008-2009)	2,382,400	2,044,200
	<u>2,382,400</u>	<u>2,044,200</u>
<b>Buildings</b>		
at valuation as at 30 June 2010 (as at 30 June 2008 for 2008-2009)	11,469,100	8,829,000
at cost	-	1,386,250
work in progress	337,453	-
less accumulated depreciation	-	(307,459)
	<u>11,806,553</u>	<u>9,907,791</u>
<b>Total Property</b>	<u>14,188,953</u>	<u>11,951,991</u>
<p>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 2010 by a qualified independent valuer Mr Ian Wilson AVLE, Qualified Valuer of Wilson Valuers.</p>		
<u>Plant and Equipment</u>		
<b>Plant, machinery and equipment</b>		
at cost	6,479,963	6,437,577
less accumulated depreciation	(2,432,326)	(2,398,923)
	<u>4,047,637</u>	<u>4,038,654</u>
<b>Fixtures, fittings and furniture</b>		
at cost	499,241	475,973
less accumulated depreciation	(329,056)	(279,392)
	<u>170,185</u>	<u>196,581</u>
<b>Total Plant and Equipment</b>	<u>4,217,822</u>	<u>4,235,235</u>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

		2010	2009
Note 21	Property, plant and equipment and infrastructure (cont)	\$	\$
	<u>Infrastructure</u>		
	<b>Sealed and Unsealed Roads</b>		
	at valuation as at 31 August 2008	113,157,907	113,157,907
	at cost	4,814,727	2,308,493
	less accumulated depreciation	(49,379,940)	(47,140,741)
		<u>68,592,694</u>	<u>68,325,659</u>
	<b>Bridges</b>		
	at valuation as at 30 June 2007	2,683,398	2,683,398
	at cost	376,285	376,285
	less accumulated depreciation	(1,240,061)	(1,209,299)
		<u>1,819,622</u>	<u>1,850,384</u>
	<b>Footpaths</b>		
	at valuation as at 31 August 2008	2,898,537	2,898,537
	at cost	791,079	347,917
	less accumulated depreciation	(1,364,730)	(1,277,483)
		<u>2,324,886</u>	<u>1,968,971</u>
	<b>Kerb and Channels</b>		
	at valuation as at 31 August 2008	4,486,088	4,486,088
	at cost	587,631	207,802
	less accumulated depreciation	(2,187,983)	(2,103,820)
		<u>2,885,736</u>	<u>2,590,070</u>
	<b>Drainage</b>		
	at valuation as at 30 June 2009	4,571,567	4,571,567
	at cost	373,460	30,536
	less accumulated depreciation	(1,483,196)	(1,423,524)
		<u>3,461,831</u>	<u>3,178,579</u>
	<b>Other not classified</b>		
	at valuation as at 30 June 2009	2,810,852	2,810,852
	at cost	603,459	105,769
	work in progress	130,513	
	less accumulated depreciation	(602,510)	(458,910)
		<u>2,942,314</u>	<u>2,457,711</u>
	<b>Total Infrastructure</b>	<u>82,027,083</u>	<u>80,371,374</u>
	<b>Total Property, Plant and Equipment and Infrastructure</b>	<u>100,433,858</u>	<u>96,558,600</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 Continued ...

For the year ended 30 June 2010

## Note 21 Property, plant and equipment and infrastructure (cont)

2010	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26)	Depreciation and amortisation (note 11)	Written down value of	Work in progress	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$
<i>Property</i>							
Land	2,044,200	3,001	335,199	-	-	-	2,382,400
Buildings	9,907,791	196,485	1,717,437	352,613	-	337,453	11,806,553
<b>Total property</b>	<b>11,951,991</b>	<b>199,486</b>	<b>2,052,636</b>	<b>352,613</b>	<b>-</b>	<b>337,453</b>	<b>14,188,953</b>
<i>Plant and equipment</i>							
Plant, machinery and equipment	4,038,654	800,310	-	412,331	378,996	-	4,047,637
Fixtures, fittings and furniture	196,581	23,268	-	49,664	-	-	170,185
<b>Total plant and equipment</b>	<b>4,235,235</b>	<b>823,578</b>	<b>-</b>	<b>461,995</b>	<b>378,996</b>	<b>-</b>	<b>4,217,822</b>
<i>Infrastructure</i>							
Roads	68,325,658	2,506,235	-	2,239,199	-	-	68,592,694
Footpaths	1,968,971	443,162	-	87,247	-	-	2,324,886
Drainage	3,178,579	342,924	-	59,672	-	-	3,461,831
Kerb and channel	2,590,069	379,830	-	84,163	-	-	2,885,736
Bridges	1,850,385	-	-	30,762	-	-	1,819,622
Other	2,457,711	497,690	-	143,600	-	130,513	2,942,314
<b>Total infrastructure</b>	<b>80,371,373</b>	<b>4,169,841</b>	<b>-</b>	<b>2,644,643</b>	<b>-</b>	<b>130,513</b>	<b>82,027,083</b>
<b>Total property, plant and equipment, infrastructure</b>	<b>96,558,599</b>	<b>5,192,905</b>	<b>2,052,636</b>	<b>3,459,251</b>	<b>378,996</b>	<b>467,967</b>	<b>100,433,858</b>
<b>2009</b>							
<i>Property</i>							
Land	2,044,200	-	-	-	-	-	2,044,200
Buildings	8,829,000	1,357,629	-	307,459	-	28,621	9,907,791
<b>Total property</b>	<b>10,873,200</b>	<b>1,357,629</b>	<b>-</b>	<b>307,459</b>	<b>-</b>	<b>28,621</b>	<b>11,951,991</b>
<i>Plant and equipment</i>							
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
<b>Total plant and equipment</b>	<b>3,877,089</b>	<b>932,366</b>	<b>-</b>	<b>457,757</b>	<b>116,463</b>	<b>-</b>	<b>4,235,235</b>
<i>Infrastructure</i>							
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
<b>Total infrastructure</b>	<b>71,498,343</b>	<b>2,365,470</b>	<b>8,036,878</b>	<b>2,487,446</b>	<b>-</b>	<b>958,129</b>	<b>80,371,374</b>
<b>Total property, plant and equipment, infrastructure</b>	<b>86,248,632</b>	<b>4,655,465</b>	<b>8,036,878</b>	<b>3,252,662</b>	<b>116,463</b>	<b>986,750</b>	<b>96,558,600</b>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

		2010 \$	2009 \$
<b>Note 22</b>	<b>Trade and other payables</b>		
	Trade payables	519,516	518,283
	Accrued expenses	374,609	687,446
		<u>894,125</u>	<u>1,205,729</u>
<b>Note 23</b>	<b>Trust funds and deposits</b>		
	Other refundable deposits	12,985	16,414
		<u>12,985</u>	<u>16,414</u>
<b>Note 24</b>	<b>Provisions</b>		
		<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
		<b>Annual leave / T.I.L.</b>	<b>Long service leave</b>
		<b>\$</b>	<b>\$</b>
		<b>Landfill restoration</b>	<b>Quarry restoration</b>
		<b>\$</b>	<b>\$</b>
		<b>Total</b>	<b>Total</b>
		<b>\$</b>	<b>\$</b>
	<b>2010</b>		
	Balance at beginning of the financial year	481,196	649,205
	Additional provisions	43,013	105,989
	Amounts used	-	-
	Balance at the end of the financial year	<u>524,209</u>	<u>755,194</u>
	<b>2009</b>		
	Balance at beginning of the financial year	436,302	595,085
	Additional provisions	44,894	54,120
	Balance at the end of the financial year	<u>481,196</u>	<u>649,205</u>
		<b>2010</b>	<b>2009</b>
		<b>\$</b>	<b>\$</b>
	<b>(a) Employee benefits</b>		
	<b>(i) Current</b>		
	Annual leave	495,156	446,958
	Rostered days off	29,052	34,238
	Long service leave	612,013	576,446
		<u>1,136,221</u>	<u>1,057,642</u>
	<b>(ii) Non-current</b>		
	Long service leave	143,181	72,759
		<u>143,181</u>	<u>72,759</u>
	<b>(iii) Aggregate carrying amount of employee benefits:</b>		
	Current	1,136,221	1,057,642
	Non-current	143,181	72,759
		<u>1,279,402</u>	<u>1,130,401</u>
	<b>The following assumptions were adopted in measuring the present value of employee benefits:</b>		
	Weighted average increase in employee costs	4.48%	4.45%
	Weighted average discount rates	5.16%	5.48%
	Weighted average settlement period	12	12
	<b>(i) Current</b>		
	- 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.		
	<b>(ii) Non-current</b>		
	Long service leave representing less than 10 years of continuous service measured at present value		
	<b>(b) Provisions</b>		
	Current	1,221,397	1,073,832
	Non-current	153,831	153,939
	<b>Total</b>	<u>1,375,228</u>	<u>1,227,771</u>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

Note 25	Interest-bearing loans and borrowings	2010	2009
		\$	\$
	<b>Current</b>		
	Borrowings - secured	-	-
		-	-
	<b>Non-current</b>		
	Borrowings - secured	-	-
		-	-
	Total Interest-bearing loans and borrowings	-	-
	The maturity profile for Council's borrowings is:		
	Not later than one year	-	-
	Later than one year and not later than five years	-	-
	Later than five years	-	-
		-	-
	<b>Finance leases</b>		
	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	-	-
	Non-current	-	-
		-	-

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 26 Asset revaluation surplus

	Balance at beginning of reporting period \$	Increment (decrement) \$	Balance at end of reporting period \$
<b>2010</b>			
<b>Property</b>			
Land	1,327,012	335,199	1,662,211
Buildings	1,901,076	1,717,437	3,618,513
	3,228,088	2,052,636	5,280,725
<b>Infrastructure</b>			
Roads	62,323,053	-	62,323,053
Other	432,841	-	432,841
Footpaths	537,077	-	537,077
Drainage	2,345,377	-	2,345,377
Bridges	568,693	-	568,693
Kerb & Channel	1,601,954	-	1,601,954
	67,808,995	-	67,808,995
	71,037,083	2,052,636	73,089,720
<b>2009</b>			
<b>Property</b>			
Land	1,166,568	-	1,166,568
Land for Resale	160,444	-	160,444
Buildings	1,901,076	-	1,901,076
	3,228,088	-	3,228,088
<b>Infrastructure</b>			
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	2,345,377
Bridges	568,693	-	568,693
Kerb & Channel	2,151,614	(549,660)	1,601,954
	59,772,116	8,036,878	67,808,994
	63,000,204	8,036,878	71,037,082

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

	2010	2009
	\$	\$
<b>Note 27</b>		
<b>Reconciliation of cash flows from operating activities to Comprehensive result</b>		
Comprehensive Result	3,628,041	10,458,494
Depreciation/amortisation	3,459,251	3,252,662
(Profit)/loss on disposal of property, plant and equipment, infrastructure	22,086	33,872
Net asset revaluation (increment)/decrement	(2,052,636)	(8,036,878)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	138,849	(66,422)
(Increase)/decrease in prepayments	28,946	(42,076)
(Increase)/decrease in accrued income	(91,915)	112,991
(Increase)/decrease in investments	(50,674)	(28,633)
(Increase)/decrease in inventories	(10,548)	(11,316)
Increase/(decrease) in trade and other payables	(311,577)	124,288
(Decrease)/increase in provisions	147,457	99,014
(Decrease)/increase in other liabilities	(3,429)	-
Net cash provided by operating activities	<u>4,903,851</u>	<u>5,895,996</u>
<b>Note 28</b>		
<b>Reconciliation of cash and cash equivalents</b>		
Cash and cash equivalents (see note 16)	<u>4,070,673</u>	<u>4,470,783</u>
	<u>4,070,673</u>	<u>4,470,783</u>
<b>Note 29</b>		
<b>Financing arrangements</b>		
Bank overdraft	-	500,000
Unused facilities	-	500,000
<b>Note 30</b>		
<b>Restricted assets</b>		
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)	<u>682,343</u>	<u>617,454</u>
	<u>682,343</u>	<u>617,454</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.

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## 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);

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

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

### Accounting Standard Disclosure

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

	<b>31-Dec-08</b> <b>\$ 000</b>
Net Market Value of Assets	3,630,432
Accrued Benefits	3,616,422
Difference between Assets and Accrued Benefits	<u>14,010</u>
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%

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 31 Post - employment Benefit (continued)

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

	2010	2009
	\$	\$
<b>Defined benefit plan</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	154,216	136,993
<b>Accumulation funds</b>		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	298,500	363,804
Employer contributions to AMP Superannuation Fund	2,008	
Employer contributions to REST Superannuation	3,940	
Employer contributions to HESTA Superannuation Fund	17,074	
Employer contributions to Towerlife Superannuation	6,075	
Employer contributions to Australian Superannuation	19,174	
Employer contributions to Bendigo Superannuation Plan	4,020	
Employer contributions to Health Super	775	
Employer contributions to ING Custodian Superannuation Fund	585	
Employer contributions to Commonwealth Life	4,527	
Employer contributions to LUCRF	3,957	
Employer contributions to Host Plus Superannuation Fund	-	
Employer contributions to LISS Superannuation Fund	1,882	
Employer contributions to Summit Superannuation Fund	837	
Employer contributions to DBP	4,541	
Employer contributions to Yoohoo Retirement Fund	127	
Employer contributions to VicSuper	8,248	
Employer contributions to superannuation funds paid through Clearing House	-	72,956
	<u>376,270</u>	<u>436,760</u>

Due to fluctuations in the value of assets underlying the fund and movements in the liabilities of the fund Council may be required to make an additional contribution to the fund. At this point in time the amount, and the likelihood of payment is not certain. Further detail of this matter is disclosed at note34 - Contingencies.

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 32

### Commitments

The Council has entered into the following commitments

2010	Not later than 1 year	Later than 1 year and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$
<b>Operating</b>				
Recycling collection	137,299	-	-	137,299
Garbage collection	198,494	-	-	198,494
Recyclables-Accept and Sort	52,832	-	-	52,832
Recyclables-Accept and Sort	11,068	-	-	11,068
Cartage of Waste - Dooen landfill	86,093	-	-	86,093
Disposal of Waste - Dooen Landfill	82,597	443,720	1,289,086	1,815,403
Managed Services - IT	117,840	235,680	-	353,520
Meals on Wheels-Wimmera Health Care Group	32,981	68,961	-	101,942
Meals on Wheels-Wimmera Health Service	98,280	211,520	-	309,800
Building Surveyor	121,827	-	-	121,827
Supply of Aggregate	45,109	-	-	45,109
Pre School Services	35,000	35,000	-	70,000
IT Support	40,000	-	-	40,000
Tertiary Cadetship	16,000	24,000	-	40,000
Elections	-	36,452	-	36,452
External Plant Hire	35,000	-	-	35,000
Engineering Services	56,000	-	-	56,000
Cleaning Public Toilets	11,600	-	-	11,600
<b>Total</b>	<b>1,178,019</b>	<b>1,055,334</b>	<b>1,289,086</b>	<b>3,522,439</b>
<b>2009</b>				
<b>Operating</b>				
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
Building Surveying Services	84,013	-	-	84,013
General Valuation	34,546	36,273	-	70,819
Pest Control Services	35,000	70,000	-	105,000
Supply of Aggregate	16,000	24,000	-	40,000
Pre School Services	41,000	41,000	-	82,000
IT Support	435,533	181,618	-	617,151
Tertiary Cadetship	7,105	-	-	7,105
<b>Total</b>	<b>1,421,293</b>	<b>1,092,322</b>	<b>1,100,225</b>	<b>3,613,840</b>
<b>Capital</b>				
Footpath Construction	98,977	0	0	98,977

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

		2010	2009
Note 33	Operating leases	\$	\$
	<b>(a) Operating lease commitments</b>		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as		
	Not later than one year	7,764	7,764
	<b>(b) Operating lease receivables</b>		
	The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually.		
	Future minimum rentals receivable under non-cancellable operating leases are as follows:		
	Not later than one year	41,833	41,434
	Later than one year and not later than five years	144,223	165,860
	Later than five years	149,994	170,190

## 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.

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

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## Note 35

### Financial instruments (a) Accounting Policy, terms and conditions

#### Recognised financial

Financial instruments	Note	Accounting Policy	Terms and Conditions
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#### Financial assets

<b>Cash and cash equivalents</b>	<b>16</b>	<p>Cash on hand and at bank and money market call account are valued at face value.</p> <p>Interest is recognised as it accrues</p> <p>Investments are valued at cost Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they are accrued funds are measured at market value</p>	<p>On call deposits returned a floating interest return of 4.00% to 4.5% (2008/2009 2.75% to 7.1%). The interest rate at balance date was 4.00 to 4.5% (2008/2009 2.75%)</p> <p>Funds returned fixed interest rate of between 1.6% and 5.3% (2008/2009 between 3.9% and 8.2%).</p>
<b>Trade and other receivables Other debtors</b>	<b>17</b>	<p>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.</p> <p>Collectibility of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and interest is charged at 10.50%. (10% in 2008/2009) Credit terms are based on 30 days.</p>

#### Financial Liabilities

<b>Trade and other payables</b>	<b>22</b>	<p>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.</p>	<p>General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.</p>
<b>Interest-bearing loans and borrowings</b>	<b>25</b>	<p>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.</p>	<p>Borrowings are secured by way of mortgages over the general rates of the Council.</p> <p>There are no borrowing during the year 2009/2010. The weighted average rate of interest on borrowing was 6.4% in 2008/2009.</p>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## 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:

2010

	Floating interest rate \$	Fixed interest maturing in:			Non- interest bearing \$	Total \$
		1 year or less \$	Over 1 to 5 years \$	More than 5 years \$		
<b>Financial assets</b>						
Cash and cash equivalents	4,070,673	-	-	-	-	4,070,673
Trade and other receivables	-	260,665	-	-	188,657	449,322
<i>Total financial assets</i>	4,070,673	260,665	-	-	188,657	4,519,995
Weighted average interest rate	4.00%	10.50%	0.00%	0.00%		
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	894,125	894,125
Trust funds and deposits	-	-	-	-	12,985	12,985
<i>Total financial liabilities</i>	-	-	-	-	907,110	907,110
Weighted average interest rate	0.00%	0.00%	0.00%			
<b>Net financial assets (liabilities)</b>	4,070,673	260,665	-	-	(718,453)	3,612,885

2009

<b>Financial assets</b>						
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
<i>Total financial assets</i>	4,470,783	674,119	24,717	-	121,613	5,291,232
Weighted average interest rate	5.12%	9.57%	7.00%	0.00%		
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	1,205,729	1,205,729
Trust funds and deposits	-	-	-	-	16,414	16,414
<i>Total financial liabilities</i>	-	-	-	-	1,222,143	1,222,143
Weighted average interest rate		0.00%	0.00%	0.00%		
<b>Net financial assets (liabilities)</b>	4,470,783	674,119	24,717	-	(1,100,530)	4,069,089

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

## 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	
	2010 \$	2009 \$	2010 \$	2009 \$
<b>(1) Financial assets</b>				
Cash and cash equivalents	4,070,673	4,470,783	4,070,673	4,470,783
Trade and other receivables	449,322	623,944	449,322	623,944
<b>Total financial assets</b>	<b>4,519,995</b>	<b>5,094,727</b>	<b>4,519,995</b>	<b>5,094,727</b>
<b>(2) Financial liabilities</b>				
Trade and other payables	894,125	1,205,729	894,125	1,205,729
Trust funds and deposits	12,985	16,414	12,985	16,414
<b>Total Financial liabilities</b>	<b>907,110</b>	<b>1,222,143</b>	<b>907,110</b>	<b>1,222,143</b>

### (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 2010

### Note 35 Financial instruments (cont.)

#### Credit risk

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 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 Council's 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 4%

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

Market risk exposure	Carrying amount subject to interest	Interest rate risk			
		-1% 100 basis points		2% 200 basis points	
		Profit \$'000	Equity \$'000	Profit \$'000	Equity \$'000
<b>2010</b>					
Financial assets:					
Cash and cash equivalents	4,070,673	(40,707)	(40,707)	81,413	81,413
Trade and other receivables	260,665	(2,607)	(2,607)	5,213	5,213
<b>2009</b>					
Financial assets:					
Cash and cash equivalents	4,470,783	(44,708)	(44,708)	89,416	89,416
Trade and other receivables	502,331	(5,023)	(5,023)	10,047	10,047

### Note 36 Auditors' remuneration

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

	2010	2009
	\$	\$
Audit fee to conduct external audit - Victorian Auditor-General	30,950	30,000
Internal audit fees - Richmond Sinnott and Delahunty	8,889	14,440
	<u>39,839</u>	<u>44,440</u>

### Note 37 Events occurring after balance date

No event occurred after the balance sheet date which provide evidence of conditions that existed at the end of reporting period.

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

**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
- Councillor K.D. Colbert
- Councillor W.I. Lovett
- Mr.J.A. Hicks (CEO 01/07/2009 to 20/09/2009)
- Mr. C.V. McKenzie (Acting CEO 21/09/2009 to 27/10/2009)
- Mr.D.P. Miller (CEO 28/10/2009 to 30/06/2010)

(ii)

**Remuneration of Responsible Persons**

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

	2010 No.	2009 No.
\$000 - \$9,999	1	3
\$10,000 - \$19,999	5	4
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	2	-
\$100,000 - \$109,999	1	-
\$160,000 - 169,999	-	1
	9	7

Total Remuneration for the reporting year for Responsible Persons included above amounted to:

\$	\$
<b>305,555</b>	<b>286,805</b>

(iii)

No retirement benefits have been made by the Council to a Responsible Person. (2008/2009 Nil).

(iv)

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2008/2009, Nil).

(v)

Other Transactions - No transactions other than remuneration payments and/or the reimbursement of approved expenses were entered into by the council with the Responsible Persons or Related Parties of such Responsible Persons during the reporting period (2008/2009 - 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 \$120,000.

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

Income Range:	2010	2009
Under \$100,000	4	2
\$100,000 - \$109,999	-	1
\$120,000 - \$129,999	-	1
	4	4

Total Remuneration for the reporting year for Senior Officers included above, amounted to

\$	\$
<b>305,555</b>	<b>286,805</b>

# Notes to the Financial Report Continued ...

For the year ended 30 June 2010

**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)	
	2010	2009	2010	2009	2010	2009
	\$,000	\$,000	\$,000	\$,000	\$,000	\$,000
Corporate services	2,912	2,888	7,741	7,775	4,829	4,887
Public order and safety	199	164	104	125	(95)	(60)
Community services	1,109	1,088	1,008	1,044	(101)	(44)
Recreation and culture	1,103	1,295	523	981	(580)	(314)
Transport services	5,416	5,405	3,128	3,148	(2,288)	(2,257)
Waste and environment	1,058	847	252	205	(806)	(642)
Economic development	764	544	1,031	1,103	267	559
Economic services	566	527	907	809	341	282
Unclassified	(9)	11	-	-	9	(11)
<b>Total</b>	<b>13,118</b>	<b>12,769</b>	<b>14,694</b>	<b>15,190</b>	<b>1,576</b>	<b>2,400</b>

**Assets by function**

	2010	2009
	\$,000	\$,000
Corporate services	6,397	6,757
Public order and safety	322	282
Community services	1,368	1,112
Recreation and culture	9,012	7,791
Transport services	86,524	84,820
Waste and environment	708	609
Economic development	933	758
Economic services	169	169
Unclassified	714	388
<b>Total</b>	<b>106,147</b>	<b>102,686</b>

**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 Continued ...

For the year ended 30 June 2010

## Note 41 Financial ratios (Performance indicators)

	2010 \$	2010 (%)	2009 \$	2009 (%)	2008 \$	2008 (%)
<b>(a) Debt servicing ratio</b> (to identify the capacity of Council to service its outstanding debt)						
Debt servicing costs	17,592		18,603		38,221	
Total revenue	14,693,464	= 0.12%	15,190,233	= 0.12%	13,433,522	= 0.28%

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

<b>(b) Debt commitment ratio</b> (to identify Council's debt redemption strategy)						
Debt servicing & redemption costs	17,592		64,449		479,388	
Rate revenue	5,177,484	= 0.34%	4,771,699	= 1.35%	4,488,625	= 10.68%

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.

<b>(c) Revenue ratio</b> (to identify Council's dependence on non-rate income)						
Rate revenue	5,177,484		4,771,699		4,488,625	
Total revenue	14,693,464	= 35.24%	15,190,233	= 31.41%	13,433,522	= 33.41%

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

<b>(d) Debt exposure ratio</b> (to identify Council's exposure to debt)						
Total indebtedness	1,599,995		1,832,460		1,659,531	
Total realisable assets	23,148,212	= 6.91%	21,697,245	= 8.45%	19,938,854	= 8.32%

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.

<b>(e) Working capital ratio</b> (to assess Council's ability to meet current commitments)						
Current assets	5,404,278		5,864,500		6,189,363	
Current liabilities	2,128,507	= 253.90%	2,295,975	= 255.43%	1,766,685	= 350.34%

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

<b>(f) Adjusted working capital ratio</b> (to assess Council's ability to meet current commitments)						
Current assets	5,404,278		5,864,500		6,189,363	
Current liabilities	2,098,057	= 257.53%	2,265,975	= 258.81%	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.

# Notes to the Financial Report Continued ...

## For the year ended 30 June 2010

Note 42	Capital expenditure	Note	2010 \$	2009 \$
	Capital expenditure areas			
	Roads		2,506,235	1,640,390
	Drainage		342,924	49,495
	Land and buildings		199,486	1,359,019
	Plant and equipment		800,310	838,439
	Furniture and equipment		23,268	93,927
	Other Infrastructure		1,320,682	674,194
	Work in progress		467,967	986,751
	<b>Total capital works</b>		<b>5,660,871</b>	<b>5,642,215</b>
	Renewal of infrastructure		3,526,119	3,634,384
	Upgrade of infrastructure		439,510	520,547
	Expansion of infrastructure		5,172	-
	New assets		1,222,103	500,533
	Work in progress		467,967	986,751
	<b>Total capital works</b>		<b>5,660,871</b>	<b>5,642,215</b>

### Property, plant and equipment, infrastructure movement

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

Total capital works		5,660,871	5,642,215
Contributions - non-monetary assets			
Asset revaluation movement	26(a)	2,052,636	8,036,878
Depreciation/amortisation	21	(3,459,251)	(3,252,662)
Written down value of assets sold	21	(378,996)	(116,463)
<b>Net movement in property, plant and equipment, infrastructure</b>		<b>3,875,261</b>	<b>10,309,968</b>

#### (a) Renewal

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

#### (b) Upgrade

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

#### (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 2010, the committees listed below had not had their changes in assets and liabilities included in the financial report.

- Diapur Hall Committee

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 Committee

- Rainbow Town Committee

# 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.**

Campbell McKenzie  
**Director Corporate Services**

**Date:** 23 September 2010  
Nhill



In our opinion the accompanying financial statements present fairly the financial transactions of Hindmarsh Shire Council for the year ended 30 June 2010 and the financial position of the Council

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 15 September 2010 to certify the financial statements in their final form.

M. J. Gawith  
**Mayor**

**Date:** 23 September 2010  
Nhill



K. D. Colbert  
**Councillor**

**Date:** 23 September 2010  
Nhill



Dean Miller  
**Chief Executive Officer**

**Date:** 23 September 2010  
Nhill



# Victorian Auditor General's Report

## 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 2010 of Hindmarsh Shire Council which comprises of comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, a summary of significant accounting policies and other explanatory notes to and forming part of the financial report, and the Certification of the Financial Report has been audited.

The accompanying standard statements for the year ended 30 June 2010 of the Council which comprises of standard income statement, standard statement of balance sheet, standard statement of cash flows, standard statement of capital works, the related notes and the Certification of Standard Statements have been audited.

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

The Councillors of 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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*Auditing in the Public Interest*

# Victorian Auditor General's Report

## VAGO

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 Hindmarsh Shire Council for the year ended 30 June 2010. The Councillors of 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 Hindmarsh Shire Council website.

#### *Independence*

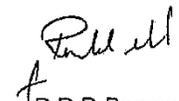
The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with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

#### *Auditor's Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Hindmarsh Shire Council as at 30 June 2010 and its financial performance and cash flows for the year then ended in accordance with applicable Australian Accounting Standards (including the Australian Accounting Interpretations), and the financial reporting requirements of the *Local Government Act 1989*.
- (b) 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  
24 September 2010

  
D D R Pearson  
Auditor-General

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*Auditing in the Public Interest*



Hindmarsh  
Shire Council



*... giving everyone  
a fair go ...*

**For further information or queries:**

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Hindmarsh  
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