

Hindmarsh Shire Council Annual Report



Hindmarsh
Shire Council

2013-2014

Hindmarsh Shire Council

Our Vision

A caring, active community enhanced by its liveability, environment and economy

Our Mission

- To provide accessible services to enable the community to be healthy, active and engaged;
- To provide infrastructure essential to support the community;
- To protect and enhance our natural environment;
- To foster a thriving and diversified local economy where economic growth is encouraged and supported;
- To realise the excellence in our people, processes and systems;

Values

Hindmarsh Shire Council is committed to the following values:

- Leadership and direction;
- Transparency and accountability;
- Honesty and integrity;
- Trust and respect;
- Diversity and equality;
- Justice and fairness;
- Sustainability; and
- Aspiration.

Contact us

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Nhill VIC 3418
P: 03 5391 4444

Customer Service Centres

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The year at a glance



Welcome to our Annual Report

It is with great pleasure and pride in the Hindmarsh Shire that we offer this report on the achievements of Council for the financial year ending 30 June 2014.

Grant Funding:

2013/14 saw us gain approval of a record 15 Putting Locals First grant funded projects, enabling activities totalling \$2.3m to be implemented in the year just gone and the year ahead. Each of these grant applications require a substantial amount of work and Council is pleased that our efforts have been rewarded with approvals that will enable exciting projects across our Shire.

We were also successful in attracting a \$214,000 grant from the Regional Aviation Fund for the Nhill Aerodrome Upgrade, as well as funding of \$50,000 from the Community Facility Funding Program for the development of a Recreation Strategy for the Shire, \$140,000 from the Country Football & Netball Grants Program for the Nhill & District Umpire Change Rooms, \$94,969 from the Seasonal Pools Program, and finally, \$30,000 from the Youth Inclusion Grants Program for the establishment of a Hindmarsh Youth Council. The Victorian Government has proven a supportive ally in our quest to ensure the liveability of our communities.

Council also received approval of a \$50,000 grant that will allow us to commence and undertake a feasibility study for the development of the Hindmarsh Trail, a multi-use walking track that follows the Wimmera River linking Little Desert National Park and Wyperfeld National Park. This is a very exciting development that we are expecting could lead to the development of an iconic tourism product.

Events:

In March 2014, Council hosted our fellow rural councils at Rural Councils Victoria's Rural Summit 2014. It was a fantastic event, showcasing not only our Shire but our community's and Council team's readiness and ability to work together to achieve great things. The Summit provided a significant economic injection to our Shire with over 180 delegates attending the three day event.

In October 2013, Council and community worked together to deliver the Nhill Alive with Business Opportunity Weekend. This weekend promoted the many opportunities for establishing or buying a business in Nhill, and was a joint initiative of Business Nhill, Nhill Town Committee and Hindmarsh Shire Council.

Volunteers:

Council would like to thank the many volunteers that support our operations around the Shire. Council has 28 Section 86 Committees, set up as an extension of Council under the Local Government Act. These groups vary from Town Committees, who undertake an extraordinary amount of work within our towns and perform a valuable role as Council's conduit to our community, through to hall and other facility managers. The contribution that these committees make to our Shire is significant and Council is very grateful for their support.

Community Satisfaction:

Our scores in the Community Satisfaction Survey have improved considerably over the last 12 months, with performance on all five core measures – overall job performance, community consultation, customer service, advocacy and overall council direction – now higher than the Small Rural Shires and State-wide averages.

Performance Measures	Hindmarsh 2012	Hindmarsh 2013	Hindmarsh 2014	Small rural Shires 2014	State wide 2014
Overall Performance	53	59	63	60	61
Community Consultation (community consultation & engagement)	50	54	62	58	57
Advocacy (lobbying on behalf of the community)	50	55	60	57	56
Customer Service	66	69	73	71	72
Overall Council Direction	43	53	62	54	53

Challenges

The closure of the financial year saw a return to “normality” in relation to the many capital works projects that were required to restore infrastructure severely damaged in the 2011 floods, the completion of the Dimboola Weir and Wimmera Street Bridge marking the last of our Flood Recovery Program.

Looking to the future, the greatest challenge Council faces remains dealing with financial sustainability while maintaining levels of service to the community. We will continue to employ the principles of sound financial management to guide Council through this challenge.

The resignation of Councillor Chivell triggered a by-election in November. Councillor Ron Ismay was the successful candidate and will serve for the remainder of this Council’s four year term.

Other:

In December 2013, we moved into the new Council offices which were officially opened in March 2014.

Internally our organisation also has achieved great positive change. We have prepared a ten year financial plan, we have improved our financial management reporting and we have significantly improved our community’s perception of the work we do.

Future

We will continue to work closely with our regional partners to promote the growth and development of the overall region. The Wimmera Mallee municipalities have a long and strong history as collaborators on regional issues such as transportation, sustainability, economic development and so on and we look forward to building on this strength with new projects and activities.

The launch of the Karen Community Plan and the development of Precinct Plans for Dimboola and Nhill, a Hindmarsh Recreation Strategy and an Economic Development Strategy will mark a new level of community engagement and planning for the future of our communities.

We will further pursue the development of an Integrated Early Years Centre in Nhill to help look after the town's young families and implement a multitude of projects across all our towns to improve their liveability.

We have achieved an extraordinary amount over the last 12 months, reforming our business operations to place the organisation on a more robust footing, while laying a strong strategic footprint that will deliver exciting outcomes over the next 5 to 10 years.

We look forward to continuing to improve our administrative and operational practises while maintaining our efforts to work with our community to make the Shire of Hindmarsh the best community for all of us.



Cr Rob Gersch
Mayor



Tony Doyle
Chief Executive Officer

Our Councillors

Cr Rob Gersch, Mayor



Rob has been a lifelong resident of Hindmarsh Shire, and owned and operated businesses in a number of industries, including retail and hospitality. Rob has been a Councillor in the previous Lowan Shire and Hindmarsh Shire for nearly 30 years. Rob is currently Chair of Rural Councils Victoria, and Wimmera Development Association. He is passionate about rural and regional development and maintaining a strong voice for rural issues. Rob's particular interests include political advocacy, economic development, sport and recreation, and emergency management. **M:** 0427 600 122 **E:** rgersch@hindmarsh.vic.gov.au

Cr Wendy Robins



Wendy is a fourth generation Nhill district resident, raised in farming, and until recently owner of a farm machinery business in Nhill. Wendy is past President of Nhill Rotary Club and Business Nhill. She is a graduate of the Wimmera Business Leaders program. Cr Robins is a first term Councillor with a particular interest in supporting volunteers, environment, education, families, and new residents to the Shire. She is passionate about economic growth, and finding innovative solutions to local challenges. **M:** 0459 034 233 **E:** wrobins@hindmarsh.vic.gov.au

Cr Debra Nelson, Deputy Mayor



Debra moved to Dimboola over 10 years ago, and is a first term Councillor currently serving in the role of Deputy Mayor. Debra works in the financial services industry, and is an active community member, as a member of the Dimboola Town Committee, Allambi Committee of Management, and holds a voluntary position of Secretary of the Dimboola Cemetery Trust. Debra is particularly interested in finance, aged care, and town beautification. **M:** 0459 021 802 **E:** dnelson@hindmarsh.vic.gov.au

Cr Tony Schneider



Tony was born and educated in Dimboola and has always lived in the local district. An employee of Horsham Rural City Council for 27 years, currently in the human resources field, he has always been interested in local government. Tony is a board member of the Wimmera Health Care Group Foundation, and was a founding member of the Dimboola Residents Action Group. Tony has a particular interest in the development of natural, cultural and heritage assets, health care, town beautification and supporting small community groups to remain sustainable. **M:** 0459 035 917 **E:** tschneider@hindmarsh.vic.gov.au

Cr Ron Ismay



Ron is a lifelong resident, businessman, and active community member of Rainbow. Ron is the owner and operator of a hardware store in Rainbow opened by his Grandfather 92 years ago. Ron has been CFA captain, Town Committee chair, Councillor and Shire President in the old Dimboola Shire, School Council President, and has spent over 20 years on the board of the local health service. Ron's particular interests include Tourism, Business Development and Health. **M:** 0459 021 745 **E:** rismay@hindmarsh.vic.gov.au

Cr Ron Lowe

Cr. Ron Lowe has lived all his life in what is now the North Ward of Hindmarsh Shire, growing up in the Propodollah area and later establishing his own family on his Lorquon property. Ron is in his second term as councillor. He has been secretary of the Lorquon Fire Brigade, and is currently secretary of the Lorquon Hall and Lorquon Cemetery Trust. Ron's particular interests are in cultural heritage, tourism and the environment.

M: 0427 318 067 **E:** rlope@hindmarsh.vic.gov.au

- * Crs Gersch, Robins, Lowe, Nelson and Schneider elected in October 2012. Cr Ismay elected in November 2013, replacing Cr Elizabeth Chivell who resigned from her position as North Ward Councillor on 27 August 2013.

About the Shire of Hindmarsh Shire Council Location and Features

Hindmarsh Shire is located in the Wimmera region in western Victoria and covers an area of 7,527km². Situated on the Western Highway, 375km west of Melbourne and 350km east of Adelaide, Hindmarsh Shire is alive with business opportunities as it lies on the second-busiest freight corridor in Australia.

Our Shire is bound by two National Parks, the Little Desert in the South and Wyperfeld in the North. Other distinct natural features include the Big Desert Wilderness Area to the West, as well as the Wimmera River and Lakes Hindmarsh and Albacutya. The central part of the Shire is utilised primarily for broad acre cropping and grazing.

The Shire's four main towns are Nhill, Dimboola, Jeparit and Rainbow. Each community has its own spirit and identity, but all towns offer spacious rural living, inclusive small communities, and wonderful natural amenities.

Heritage and History

The first Australians in the Hindmarsh area were the Wotjobaluk people. Communities were located near the Nhill Swamp, the Wimmera River at Dimboola, Lake Hindmarsh near Jeparit and Lake Albacutya near Rainbow, while the majority made their home along the Red Gum lined banks of the Wimmera River and Nine Creeks area in Dimboola.

The first Europeans to take residence in the Shire established stations in 1846, at Antwerp, Nhill, and Lake Hindmarsh with squatters primarily grazing the land. A bush village developed in 1859 at Nine Creeks (now Dimboola) to support the squatters. The closer settlement scheme gradually took back and subdivided lands into portions from the mid-1870's through to late 1880's, with selectors clearing the native vegetation and transitioning to cereal cropping. Settlement growth in the area was such that in 1892 Nhill was the first town in Victoria to be supplied with electricity after Melbourne.

Community Profile

Presently, 5870 people live in Hindmarsh Shire, with a median age of 47 years. 89% of people in Hindmarsh Shire were born in Australia, with English the only language spoken in 93.2% of homes. The median weekly household income is \$789, and most people own their homes outright. Most people are employed in farming, with employment in health care coming a close second, followed by retail, manufacturing, education and transport. Hindmarsh has a very high rate of volunteering, 20% higher than the national average.

Many of the first settlers to the area were German migrants moving across from South Australia. A Chinese community developed in Dimboola, establishing a market garden along the river banks. Irish and Scottish settlers also migrated to the district. Today, Hindmarsh Shire is home to around 27 nationalities. Our most significant group of migrants are Karen refugees from Burma (Myanmar), with approximately 180 calling Nhill home.

A survey in 1853 counted 1200 Indigenous Australians in the area. However, this number reduced to 103 over the following 25 years, as many were relocated to Ebenezer Mission, near Antwerp, the site of the first European station in 1846. Today Hindmarsh is home to 87 Indigenous Australians, primarily in the Dimboola area.

Environment

The Hindmarsh landscape is defined by a string of river, lakes and wetlands that are remnants of the ancient Wimmera River system. Today, the Wimmera River meanders from

its origin in the foothills of the Grampians, through the townships of Dimboola and Jeparit, proceeding through 200km of winding red gum stands and billabongs to its terminus at Lake Hindmarsh.

Only 3% of the native vegetation remain outside the National Park areas, with the majority of this vegetation along Council's roadsides and reserves. Council works collaboratively with landholders and community groups to protect, enhance and extend remnant vegetation.

Economy

The Shire's primary economic activity has always been agriculture. Initially a grazing area, broad acre cropping is now the main industry. Major crops include wheat, barley, oats, lupins, chick peas, lentils, field peas, canola, vetches and fava beans. Lamb and wool remain significant industries, along with intensive poultry farming at processing company Luv-A-Duck, which is the largest single employer in the agricultural sector.

Hindmarsh's industrial specialty is sheet metal fabrication in the form of silos and field bins, with secondary industries including agricultural supplies and merchandise; grocery and retail; banking; hotels and cafes; building, hardware and construction supplies; real estate; hair and beauty; and accommodation providers. Major service industries include health services and aged care, education and children's services, trade services, and local government services.

The Shire is also gaining a reputation for handmade goods and produce. Goods include everything from art, jewellery, clothing, pens, and more. Produce includes delicious preserves, gourmet olive oils and salts, cakes and slices, and coffee roasting.

Transport

Rail arrived in Dimboola in 1882 and was the rail head for the area until the line was extended to Serviceton, passing through Nhill in 1886. A branch line was constructed through Jeparit and Rainbow on the Yaapeet line in 1913, closing in 2011 and reopening to Rainbow in 2012.

The Western Highway provides road access to Melbourne and Adelaide, with daily VLine and interstate bus services. The majority of transport in Hindmarsh is via car, with approximately 3200 kilometres of Council-maintained roads in the Shire.

Tourism and Culture

Hindmarsh has unique natural tourism assets. The biggest inland freshwater lake in Victoria, Lake Hindmarsh, provides ample opportunities for camping, walking and water sports. The Little Desert National Park provides a unique semi-desert landscape with many walks ranging from 30 minutes to three days in length, as well as four-wheel driving opportunities.

The dazzling pink waters of Lochiel (Pink Lake) near Dimboola are a photographer's dream and well known to foodies who enjoy the Pink Lake salt harvested at Lochiel. The Wimmera River is home to swimming spots, walking tracks and many camping, boating and fishing opportunities. Explore the Wyperfeld National Park and Big Desert Wilderness area to experience the most remote, untouched landscape in Victoria.

The small towns in the Hindmarsh Shire are rich with culture and community spirit. Many community groups host events throughout the year including markets, fetes and festivals. Winter sports dominate the social calendar through the middle of the year, whilst outdoor

sports, barbeques and events feature throughout summer. Annual shows in Nhill, Dimboola, Rainbow and Jeparit are highlights of the year, along with annual events such as the Nhill Boxing Day Races, Dimboola Rowing Regatta, Nhill February Friday Fiestas, Jeparit Anglers Competition, Wimmera Mallee Pioneer Museum Rally, Aviation events and town Christmas events in December. Art galleries, cafés, a cinema and retail shopping provide other experiences for visitors.

2011 population by age and sex					
	Females	Males	Total	% total LGA population	% total VIC population
0-14	504	523	1,027	17.5%	18.2%
15-24	271	332	603	10.3%	13.9%
25-44	585	563	1,148	19.6%	29.1%
45-64	813	864	1,677	28.6%	24.8%
65-84	579	573	1,152	19.6%	12.1%
85+	179	84	263	4.5%	1.9%
Total	2,931	2,939	5,870	100%	100%

[Fast Facts]

No of households:	2,410
→ Lone Person households:	741
→ Average household size:	2.3
→ Median total household income (\$/weekly):	\$789
No of private dwellings:	2,411
→ Owned outright:	1,270
→ Owned with a mortgage:	571
→ Rented:	432
(138 not stated or other type of tenure)	
→ Median rent (\$/weekly):	\$120
→ Median mortgage repayment (\$/monthly):	\$800
Persons volunteering (≥ once per month):	50.4%
Participation in citizen engagement (in the last year):	66.6%
Persons who feel safe walking alone at night:	86.9%
Industry of employment - top five:	
→ Agriculture:	628 persons
→ Health care and social assistance:	419 persons
→ Retail trade:	205 persons
→ Manufacturing:	189 persons
→ Education and training:	157 persons
→ Transport, postal and warehousing:	156 persons

*all of the above statistics taken from 2012 VicHealth Indicators Survey and Australian Bureau of Statistics 2011 Census of Population and Housing

Financial overview

Council is in a sound financial position and has performed strongly during the 2013/14 financial year. While the financial management of our Shire is a significant challenge, we have continued to balance the expectations of our community with the need to ensure Council's continued financial sustainability. Overall, Council's financial foundations remain strong and capable of meeting the challenges of the future.

Snapshot of 2013/14 financial position:

- \$15.768 million revenue.
- \$12.057 million Capital Works program delivered.
- Rates and charges comprised \$6.879 million (43.6%) of the total operating revenue.
- Operating deficit of \$742,155 for the year as a result of Council receiving a prepayment in 2012/13 of \$2.023 million Victorian Grants Commission funding for 2013/14 and the write-off of the previous Council offices not being budgeted for.
- Cash holdings of \$5.090 million at year end. This includes grants received in advance and works to be carried forward.
- Council remained debt free and has sufficient cash to meet its budgetary obligations in the 2014/15 year.

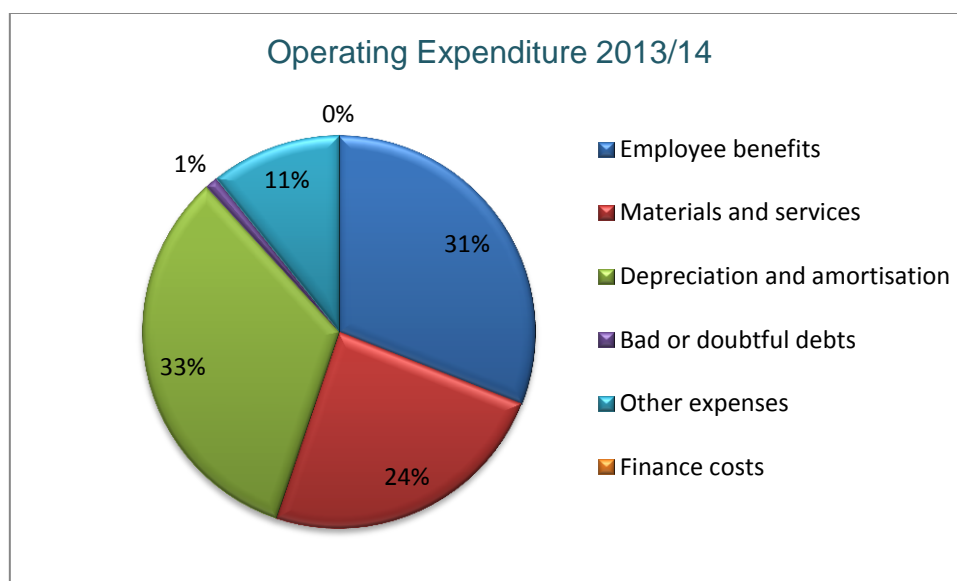
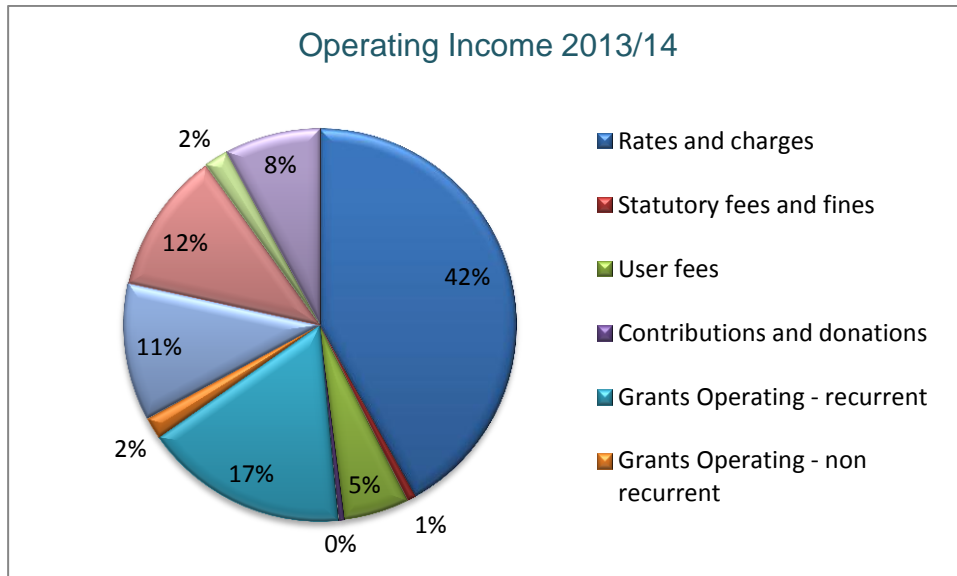
Operating Result

In 2013/14 we achieved an operating deficit of \$742,155. While compared with a \$15.768 million surplus for 2012/13, this appears to be a significant decrease, the 2013/14 result included flood restoration works, in particular the Wimmera Street Bridge in Dimboola and the Dimboola weir, funding for which had been received in advance and contributed to the large operating surplus in 2012/13.

A number of other one-off occurrences also contributed to the 2013/14 result:

- We received \$2 million in Victorian Grants Commission funding in the previous financial year.
- The 2013/14 budget did not include an allowance for disposal of infrastructure. The actual figures show an unfavourable variance of \$632,373 due to the write off on the Nhill Office building as well as a loss on sale of plant.
- The increase in depreciation on plant and equipment reflects the full year depreciation on new plant purchased in the 2012/13 financial year. Depreciation on bridges decreased due to the de-recognition of the Wimmera Street Bridge at 30 June 2013 while road depreciation increased due to the full effect and recognition of the flood recovery works.

A summary of Council's major income and expenditure lines is shown in the following pie charts.

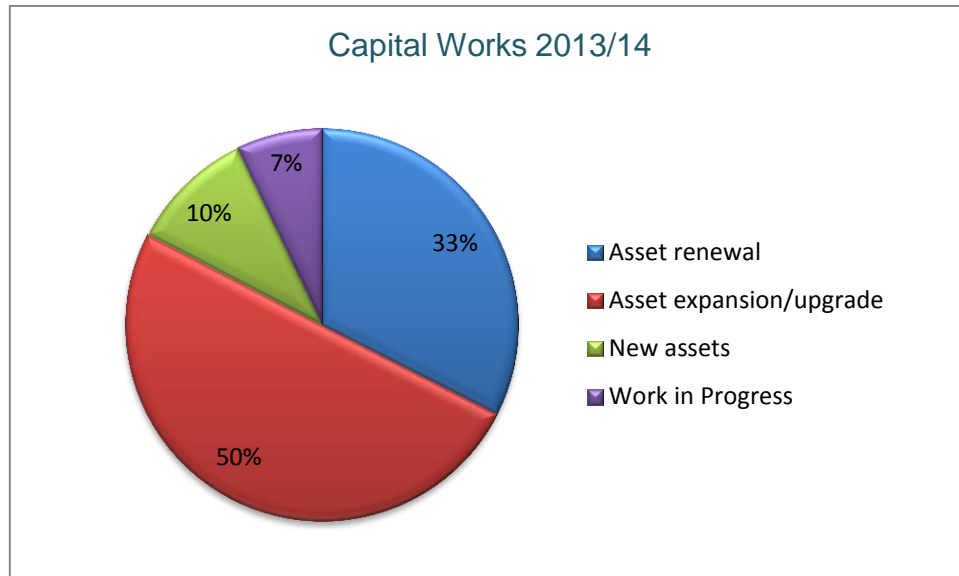


Sustainable Capital Expenditure

The following capital works program summary illustrates that Council is applying significant funds to renew and expand its asset base. We aim to ensure that our assets can be maintained at the expected levels, while at the same time continuing to deliver services needed by our community.

The 2013/14 Capital Works Program can be summarised as follows:

- We spent \$12.057 million on capital works (capital expenditure/ investment) across the Shire. The higher actual expenditure compared to our total capital works budget of \$10.033 million was due to works carried forward from 2012/13 and additional projects, including preparation of Park Street Dimboola for sealing, improvements to the Edward Eyre Walking Track Jeparit, and preparation of Nhill Davis Park for the football finals.
- The total capital works completed are represented by \$3.919 million in asset renewal, \$6.045 million asset expansion/upgrade, \$1.233 million of new assets and \$860,242 works in progress.
- The total actual capital works undertaken in 2013/14 show a completion rate of approximately 81%, largely due to delays in funding approval and staff resourcing issues. A number of capital projects are still in progress and have been scheduled to be completed in 2014/15.



Council's asset network, including roads and bridges, is performing well due to timely and strategically programmed maintenance and renewal expenditure. Council's aim is to ensure that no more than 1.5% of the network requires repair or is in an unacceptable condition. This can be challenged at times by extreme events such as floods or heavy rain.

In 2013/14, the level of capital expenditure continued to deliver on the challenge of renewing our community's assets.

Cash holdings

In total our cash holdings have decreased to \$5.090 million during the 2013/14 financial year. The reduction in cash compared with 2012/13 is a result of flood restoration and some Victorian Grants Commission grants having been received in 2012/13 (in advance). These advance payments were expended in 2013/14.

Our aim is to continue to retain moderate levels of cash holdings to allow Council the flexibility to respond to future opportunities or unexpected events.

Financial Sustainability

Like other small rural councils, we have limited capacity to generate revenue to fund required services. While this may make our financial sustainability in the long term challenging, we will continue to address this challenge innovatively and diligently. 2014/15 will see us further build on our strong, long-term planning and the targeted allocation of resources. The continued development of the Long Term Financial Plan will enable longer-term conversations with our community and the creation of long-term goals that assist in shaping engaged and vibrant communities.

Performance

Community Liveability

An actively engaged community.

A range of effective and accessible services to support the health and wellbeing of our community.

A community that is physically active with access to a wide range of leisure, sporting and recreation facilities.

Services that support this key result area include:

- Community Development
- Maternal and Child Health Services¹
- Kindergarten Services²
- Youth Services
- Aged and Disability Services
- Health Promotion and Environmental Health
- Community Transport
- Libraries³
- Arts, Culture and Community Events
- Recreation Programs
- Public Order and Safety – Animal Control and Local Laws

[Community Satisfaction Survey Results]

	2014	2013	2012
Elderly Support Services	76	72	71
Consultation & engagement	62	54	50
Recreational facilities	71	69	67
Enforcement of Local Laws	68	64	64

Highlights

In 2013/14 we distributed over \$30,000 to local community groups through our small grants program. Successful projects were as diverse as the groups seeking funding and ranged from croquet hoops to computer screens and from a fishing competition to Christmas celebrations.

Our Community Development Team also was very successful in attracting grants from other organisations. Funding approved included funds for the installation of digital projection equipment at the Nhill Memorial Community Centre, funding for streetscape works in Dimboola (Lochiel/Lloyd Street) as well as funding for the preparation of a Recreation Strategy for the Shire of Hindmarsh and precinct plans for Dimboola and Nhill.

In March 2014, we were delighted to be able to host Rural Councils Victoria's Rural Summit and showcase our shire to more than 180 attendees from the local government sector. The Summit was supported by a great number of local community groups and businesses and a great success.

Major Supporting Initiatives

2013/14 saw us review our Municipal Early Years Plan and embark on a stronger involvement in the early years space. We also continued our FreeZa and Engage! funded activities in the youth space and in June prepared our first school holiday program. We

¹ Council provides Maternal and Child Health (MCH) centres in Dimboola and Nhill and prepares the Municipal Early Years Plan. MCH services are provided by West Wimmera Health Service.

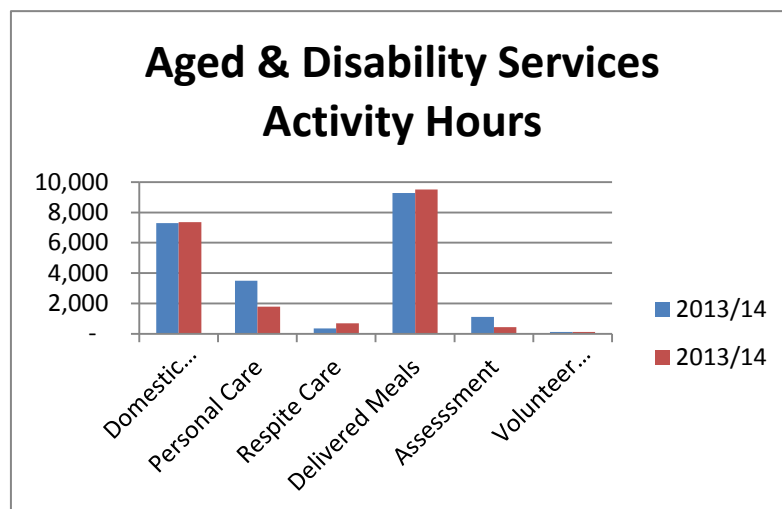
² Council has contracted the provision of Kindergarten Services to Wimmera Uniting Care

³ Council is a member of the Wimmera Regional Library Corporation

were successful in gaining \$30,000 support from the Victorian Government for the establishment of a Youth Council, which will get underway in the coming year.

We reviewed the structure of our Community Development Team to increase our capacity to undertake economic development and become more involved in the early years. To support the implementation of our government funded infrastructure projects we also added a Project Engineer to our Community Development Team, whose expertise has already had a great positive impact on the delivery of projects.

In February 2014, we completed the Community Care Common Standards Quality Review for our Aged and Disability Services. The review demonstrated that our services met 14 of the 18 Community Care Common Standards, with improvements identified in the areas of regulatory compliance, human resources management, service user reassessment and information provision.



In July 2013, Council adopted the Hindmarsh Positive Ageing and Inclusion Plan (PAIP). The Plan provides an integrated framework to respond and set realistic priorities to address our residents’ future needs. It identifies leading practice and the impact of current policies and programs using strategic, multidisciplinary and collaborative research techniques. Building on the previous Positive Ageing Strategy, the PAIP represents further innovation in addressing quality of life and imperative issues for those who are ageing or living with a disability in the Hindmarsh Shire.

Challenges

While we have been very successful in attracting funding for local community projects, delays in funding approval have meant that not all projects were able to be completed in 2013/14. We also experienced staff shortages in the community development area which hindered the provision of youth services and delayed our involvement in the early years.

The Year Ahead

With the establishment of a Youth Council, an Early Years Network and Early Years Reference Group, the proposed development of a Nhill Integrated Early Years Centre (funding dependent), the development of precinct plans in Nhill and Dimboola, our biennial community planning and a new Recreation Strategy across all Shire towns we are looking forward to a very exciting year ahead.

Fast Facts

Libraries					
2013/14		Nhill		Dimboola ⁴	
Number of Patrons			698		670
Number of Loans			9,963		10,238
Collection Size			10,144		7,196
Annual Visitors			10,308		22,405
Average Weekly Visits			198		430
Average Weekly Loans			192		196
Home and Community Care					
Domestic Assistance	7304 hours	Home Maintenance	438 hours	Assessments	1121 hours
Personal Care	3503 hours	Volunteer Coordination	126 hours		
Respite Care	358 hours	Delivered Meals	9269 meals		
Environmental Health					
Food Premises Inspections	65	Tobacco Inspections	30	Accommodation Premises Inspections	11
Beauty Therapist/Hairdresser Inspections	8	Permits to Install Septic Tank	11	Certificates to use Septic Tank	11
Animal Management					
Total no. of animals registered 2011/12	2,032	Dogs	1,455	Cats	577
Total no. of animals registered 2012/13	1,770	Dogs	1,289	Cats	481
Total no. of animals registered 2013/14	1,936	Dogs	1,417	Cats	519

⁴ Jeparit and Rainbow are serviced by a mobile library, no town-by-town data is available for this service

Community Liveability – Council Plan Commitments

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
1.1 An actively engaged community.	1.1.1 Strong community and Council ties between City of Port Phillip and Hindmarsh Shire Council.	At least three community events per year.	Councillors and staff participated in the Project Hindmarsh Tree Planting weekend. The St Kilda Film Festival was held in Nhill in June 2014. A planned community visit to St Kilda had to be cancelled due to lack of numbers.	We will continually review and trial joint activities to ensure the Sister City relationship with the City of Port Phillip remains relevant to all parties.
	1.1.2 Establish stronger links with the indigenous community through the Barengi Gadjin Land Council and Wurega Aboriginal Corporation.	At least one cultural event per year.	Indigenous culture was celebrated as part of the Rural Summit's Welcome Function. Council also supported the NAIDOC week student competition.	We are looking forward to working more closely with the Indigenous community through the participation in cultural awareness training and joint projects like the Hindmarsh Trail.
	1.1.3 Review Community Action Plans for Dimboola, Jeparit, Nhill and Rainbow. Follow up on Community Action Plans and their working group projects.	New Community Action Plans in 2014 and 2016. Six monthly report to Council on progress of Community Action Plans.	Numerous projects identified in the Community Action Plans have been undertaken during 2013/14, including the installation of cabins at Jeparit Caravan Park, an application for funding for a synthetic green at the Rainbow Bowls Club and further development of the Rainbow Community Pavilion plans and funding proposal.	In line with Council's biennial community planning cycle, Community Action Plans will next be reviewed in 2014/15.
	1.1.4 Develop a Community Engagement Strategy.	Community Engagement Strategy adopted by Council.	In progress – preparatory work completed.	The Community Engagement Strategy will be completed in 2014/15.
	1.1.5 Support integration of migrants into the community.	At least two cultural events per year supported by Council.	Karen New Year celebrations were held in January and Harmony Day supported. The development of a Community Plan for the Karen Community commenced.	We are excited about the development of the Karen Community Plan which will be officially launched in September 2014 and assist the settlement of our newest residents.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
	1.1.6 Support and encourage volunteering.	Increased participation in and recognition of volunteering across the Shire.	During Volunteer Week (May) we provided coffee and cake vouchers to volunteers in the Shire as a token of our appreciation of their ongoing efforts. Council has included volunteer leave for all staff in its EBA.	We look forward to continuing our strong relationship with Volunteering Western Victoria.
1.2 A range of effective and accessible services to support the health and wellbeing of our community.	1.2.1 Implement a Youth Action Strategy.	Increased participation in youth driven events and initiatives and stronger links to Council.	Activities include the continuation of FreeZa programs, "Engage" activities including radio workshops, pod casting and establishment of a Youth Centre at Nhill Library, as well as a movie evening at Rainbow and skate demonstrations at Jeparit.	2014/15 will see us increase our efforts and involvement in the youth space. We will establish a Hindmarsh Youth Council and build on the school holiday program instigated in July 2014.
	1.2.2 Implement actions of the State Government's 'Improving Living for Older People' program.	Positive Ageing and Inclusion Plan implemented.	The <i>Positive Ageing and Inclusion Plan</i> was adopted at Council's September 2013 meeting.	We will continue the implementation of our Positive Ageing and Inclusion Plan.
	1.2.3 Review the level of financial support provided to community groups.	Review conducted by Council.	We have reviewed our Community Action Grants program and approved \$30,000 in grants to community groups. We have also increased Town Committee funding to \$7,500.	We will continue to work proactively with our community groups and Town Committees to use our financial contributions as leverage for the attraction of support from other sources.
	1.2.4 Review and implement Municipal Public Health and Community Wellbeing Plan.	Municipal Public Health and Community Wellbeing Plan (MPHWP) reviewed by October 2013.	The MPHWP was reviewed and advertised for public comment, and the final Plan adopted in November 2013.	We will continue to annually review our MPHWP to ensure it best meets our community's needs.
	1.2.5 Adopt and implement Domestic Animal Management Plan.	Domestic Animal Management Plan adopted by Council.	Domestic Animal Management Plan adopted at Council's September meeting.	We will continue to implement our Domestic Animal Management Plan.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
	1.2.6 Review and implement Municipal Early Years Plan.	Municipal Early Years Plan (MEYP) reviewed by Council.	Our new MEYP was adopted in March 2014.	A particular focus in 2014/15 will be our increased involvement in the Early Years space. We will continue to pursue a Nhill Integrated Early Years Centre. We are also looking forward to establishing an Early Years Reference Group and Network.
	1.2.7 Review the feasibility of CCTV in our towns.	Report presented to Council.	A report was presented to Council in June 2014	No further action.
	1.2.8 Establish a training program for S86 committees.	Increased compliance with statutory requirements. Instrument of Delegation reviewed.	Review currently underway of status of all S86 Committees and their levels of compliance, handbook and survey drafted	We look forward to commence the first round of training after committees' AGMs in October 2014. We will also explore alternative governance models.
1.3 A community that is physically active with access to a wide range of leisure, sporting and recreation facilities.	1.3.1 Review Council's Recreation Strategy (including a Skate Park Strategy).	Recreation Strategy adopted by Council.	In progress – the development of the strategy was grant dependent. Funding was approved in January 2014, with the project being able to commence from 1 July 2014.	Recreation Strategy, Precinct Plans for Dimboola and Nhill and our Community Plans will combine to allow the most comprehensive community consultation in Council's history.
	1.3.2 Encourage establishment of community gardens.	Number of community gardens established.	We provided seed funding for a successful grant application by Nhill Community Garden and financial support for the Yurunga Homestead orchard.	
	1.3.3 Create a trail along the Wimmera River and Lake Hindmarsh, subject to a feasibility study.	Project scoped and implemented, subject to funding.	On track.	We anticipate scoping of the project in 2014/15, with an aim for implementation by 2014/16
	1.3.4 Prepare recreation reserve Master Plan for Dimboola.	Master Plan adopted and implementation commenced.	We were successful in gaining funding for the development of a Recreation Strategy and Dimboola Precinct Plan.	We look forward to the development of both, Strategy and Plan, in 2014/2015.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
	1.3.5 Prepare recreation reserve Master Plan for Jeparit.	Master Plan adopted and implementation commenced.	Due to government funding priorities funding for the Jeparit Precinct Plan could not yet be obtained.	We will continue to seek funding for a Jeparit Precinct Plan and anticipate the development occurring in 2015/16
	1.3.6 Prepare recreation reserve Master Plan for Nhill.	Master Plan adopted and implementation commenced.	We were successful in gaining funding for the development of a Recreation Strategy and Nhill Precinct Plan.	We look forward to the development of both, Strategy and Plan, in 2014/2015.
	1.3.7 Review recreation reserve Masterplan for Rainbow.	Masterplan adopted and implementation commenced.	The Masterplan was adopted by the Rainbow Recreation Reserve committee of management.	We will continue our efforts to gain funding for a new Rainbow Community Pavilion.
	1.3.8 Digital projection equipment for NMCC.	Installation of digital technology at Nhill Memorial Community Centre.	The purchase of digital projection equipment was grant dependent.	With our funding application successful, we look forward to completing the installation of digital equipment by November 2014.

Built & Natural Environment

Well-maintained physical assets and infrastructure to meet community and organisational needs.

A community that reduces its reliance on water and manages this resource wisely.

A healthy natural environment.

A community living more sustainably.

Services that support this key result area include:

- Local roads and bridges
- Drainage management
- Paths and trails
- Tree management
- Town Beautification
- Community centres and public halls
- Recreation facilities
- Waste management
- Quarry operations
- Waterway management
- Environmental management
- Fire prevention

[Community Satisfaction Survey Results]

	2014	2013	2012
Appearance of public areas	76	71	71
Environmental sustainability	65	63	62
Local Streets and footpaths	58	53	51
Waste management	73	73	70

Highlights

In June 2014, the construction of the Wimmera Street Bridge, Dimboola, funded under the Federal Government's Natural Disaster Recovery Fund, was completed at a total cost of \$3.3 million (over the 2012/13 and 2013/14 financial years). This bridge is a strategic asset and links community and township with recreation assets like Horseshoe Bend and Dimboola Golf Club. Our ability to renew one of our most valuable assets at this time has improved the overall condition rating of our total road and bridge assets.

In June 2014, Council took ownership of the Dimboola Weir, following the completion of flood restoration works to the value of \$2.35 million. Works were also completed on the Jeparit weir structure, with some embankment works programmed to be completed in the 2014/15 financial year.

Council is very appreciative of the State Government's *Country Roads and Bridges* funding program. The program has provided Council with \$4 million over four years, 2013/14 marking the third year of the program. The program has enabled Council to undertake upgrade works on the Antwerp Warracknabeal Road, Lorquon East Road, Nhill Diapur Road, Rainbow Nhill Road, the Bothes Road Bridge, the Gerang Glenlee Road, High Street in Dimboola and Ramsay Street in Nhill.

The Victorian Government's *Local Government Infrastructure Program* provided a further \$1.7 million over a four year period. Projects undertaken in the 2013/14 year included the Nhill Aviation Heritage Centre development, kerb and channel at Charles Street Jeparit, drainage improvements in Nhill and Dimboola as well as footpath improvements in all four towns.

The Federal Government's continuation of the *Roads to Recovery Program* has enabled us to further renew and upgrade our road network. Highlights for the 2013/14 year include works on Park Street, Ramsay Street and Leahy Street in Nhill.

In partnership with the Victorian Government and the Nhill & District Sporting Club, in June 2014 we completed the construction of umpire change rooms and a multi-purpose room at Nhill Davis Park at a cost of \$145,000. The development provides male and female umpire change facilities and adds to the club's ability to attract major competitions and events.

Major Supporting Initiatives

In 2013/14 Council initiated \$142,454 worth of works at the swimming pools in Rainbow, Jeparit, Nhill and Dimboola. Council was successful in receiving funding of \$94,969 from the Victorian Government's *Seasonal Pools Program 2013/2014* for the works while the remainder was contributed by Council. Works included new shade sails at Dimboola, the re-shaping of the undercover spectator mound and fitting of synthetic turf at Jeparit, new picnic tables and seating at Rainbow along with new lane ropes and storage reels, and new synthetic turf under shelters and installation of new picnic tables and seating at Nhill.

Council also entered into a partnership with Federation University and the Menzies Foundation to redevelop and upgrade Menzies Square in Jeparit. Council purchased the two adjoining blocks to help facilitate this development which will include major landscaping, a play space and interpretive signage. A project proposal was submitted to Regional Development Victoria's Putting Locals First program in June 2014.

Challenges

Due to the high workload resulting from the programming of additional works, especially in relation to street sealing, not all works could be completed in the narrow window of ideal weather conditions and some had to be moved to 2014/15. Another continued challenge to a small rural Council with limited human resources is the major impact even short illness related absences or staff vacancies can have on the completion of work.

The Year Ahead

The further development and implementation of the Menzies Square project will be one of the key projects in 2014/15. With the Open Spaces project, funded jointly by Council, the Town Committees and the Victorian Government, substantial township beautification will occur in all four towns.

In 2013/14, we have undertaken considerable work to reopen our Tarranyurk limestone quarry, which will allow us to use our own material and create significant savings in the construction of roads in 2014/15.

While our team has achieved a tremendous quantum of projects in the last year, we look forward to returning our infrastructure focus to pre-flood "normality" in the year ahead.

Fast Facts

Swimming Pools			
	2013/2014	2012/2013	Variance
Dimboola	6,200	5,826	+374
Jeparit	895	952	-57
Nhill	9,397	8,741	+656
Rainbow	3,458	1,872	+1,586

Built & Natural Environment – Council Plan Commitments

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
2.1 Well-maintained physical assets and infrastructure to meet community and organisational needs.	2.1.1 Re-develop and maintain attractive streetscapes, open spaces and public places.	At least one streetscape project per year.	We have undertaken a redevelopment of High St, Dimboola (kerb and channel, footpath).	We are excited by the range of streetscape projects 'on the cards' for the 2014/15 year, including the proposed development of Menzies Square, Jeparit (grant dependent).
	2.1.2 That Council encourage and support residents and ratepayers to maintain the cleanliness and good order of the properties for which they are responsible.	Two free green waste collection days per year.	We held four green waste days in September/ October 2013.	Building on the success of the 2013/14 free green waste days, September and October 2014 will be free green waste months.
	2.1.3 Redevelop and beautify the Lochiel/Lloyd Streets corner in Dimboola.	Corner of Lochiel/Lloyd Streets redeveloped.	In progress – the project was grant dependent, funding was provided in January 2014.	A tender for the works was awarded in June 2014 and construction of Lochiel Street is now well underway.
	2.1.4 Develop and prioritise detailed plans relating to infrastructure upgrade and renewal (including roads, bridges, drains, footpaths and buildings) for each town.	Capital Improvement Plan developed.	A three year capital improvement plan developed as part of Council's three year capital budget.	
	2.1.5 Review roads and bridges hierarchy.	Roads and Bridges Hierarchy adopted.	In progress - Draft hierarchy presented to Council on 02/10/2013.	The update of our Road Management Plan in 2014/15 will examine and review our asset hierarchies.
	2.1.6 Implement recommendations from drainage studies.	At least three drainage projects undertaken per annum.	Projects carried out in 2013/14 include Dart Street, Park Street and Ramsay Street drainage.	Further projects from the drainage study, including Denham St, Dimboola, have been programmed in 2014/15.
	2.1.7 Prepare a footpath strategy.	Footpath Strategy adopted.	A footpath strategy was first developed in 2008/09. Due to the limited budget available for these works and lack of funding from external sources, completion	The existing footpath strategy will be reviewed in the coming months to include new works.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
			of works identified in this strategy is still underway.	
	2.1.8 Complete Shire Office redevelopment in Nhill.	New building operational.	The office redevelopment achieved practical completion in October 2013. The building was officially opened by the Victorian Governor on 28 March 2014.	
	2.1.9 Undertake Heritage Study, subject to funding.	Heritage Study adopted.		We will continue to seek funding for a Hindmarsh Heritage Study, aiming to complete Stage 1 in 2014/15 (grant dependent).
	2.1.10 Support the community in determining options for the use of the former Rainbow Primary School.	Options for the former Rainbow Primary School identified.	Council has attended meetings with the Rainbow community in relation to potential uses for the former Primary School site. We have also lobbied the Minister of Education for the community's use of the site.	
	2.1.11 Advocate for the co-location of emergency services in Dimboola	Discussions held with emergency services.	We have met with community and emergency services representatives on site and corresponded with stakeholders.	We will continue to work with emergency services to identify a location and advocate to the Victorian Government for funding.
2.2 A community that reduces its reliance on water and manages this resource wisely.	2.2.1 Implement recommendations from the Climate Change Adaptation Strategy, subject to funding.	At least one project implemented per year.	We have undertaken pool leakages repairs (Dimboola and Rainbow pools) and are participating in the <i>Lighting the Regions</i> project. Council approved funds for this project at its February 2014 meeting.	Streetlight upgrade works are programmed for early 2015.
	2.2.2 Implement the Integrated Water Management Plan.	At least one project implemented per year.	Achieved – with a new Pine Street bore and dual reticulation system in Nhill.	Further reductions on our reliance on potable water are planned, including decreased water use at recreation facilities.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking ahead
2.3 A healthy natural environment.	2.3.1 Continue to support local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	A new Memorandum of Understanding between Council and the Hindmarsh Landcare Network was signed on 4 February 2014.	Council aims to continue and strengthen our working relationship with Landcare.
	2.3.2 Review the Minyip Road Revegetation Pilot Project.	Review of the Minyip Road Revegetation Pilot Project completed.	No further action on revegetation project due to lack of funding and reintroduction of roadside cropping.	
	2.3.3 Review and implement Hindmarsh Environmental Strategy, subject to funding.	Two environmental projects completed by June 2014.	We have implemented actions from the Roadside Pest Plants and Animals Plan including rabbit control. Eradication of Khaki weed undertaken within Dimboola Recreation Reserve and Caravan Park along with other weed species throughout the Shire.	We will continue to seek funding for the implementation of environmental projects and pursue the ongoing sustainable improvement of our work practices.
2.4 A community living more sustainably.	2.4.1 Consider distributed energy generation for Shire towns using solar, waste and biomass, wind and geothermal sources, subject to funding.	Report presented to Council of future energy options. Renewable energy trial program.	A report considering distributed energy generation was presented to Council's June 2014 meeting.	No further action.
	2.4.2 Establishment of Pyrolysis Plan	Pyrolysis demonstration plant established in Nhill by 30 June 2015.	Not achieved – the drying up of funding for these types of developments has meant the commencement of this project is now likely to be outside the timeframe of the Council Plan. It has been deleted in the Plan's June revision.	No further action.
	2.4.3 Continue to support Wimmera Mallee Sustainability Alliance.	Wimmera Mallee Sustainability Alliance membership and support continued.	We continue our membership of the Alliance.	We look forward to continue exploring sustainability improvements with our fellow Alliance members in 2014/15.

Competitive & Innovative Economy

A strong rural economy and thriving towns.

A thriving tourism industry.

Modern and affordable information and communication technology throughout the municipality.

Transport solutions that support the needs of our communities and businesses.

Services that support this key result area include:

- Economic development
- Tourism
- Private works
- Caravan parks and camping grounds
- Land use planning
- Building control
- Aerodromes

Community Satisfaction Survey Results			
	2014	2013	2012
Business/community development/tourism	61	57	54
Lobbying	60	55	50

Highlights

In October 2013, Council, Business Nhill, businesses and community groups combined forces to hold the first Nhill Alive with Business Opportunity weekend. In April 2014, Council further promoted business, employment and real estate opportunities in Dimboola, Jeparit, Nhill and Rainbow to metropolitan residents contemplating a “tree change” at the Regional Victoria Living Expo at the Melbourne Exhibition and Convention Centre.

In 2013/14, Council also developed a Ten Year Master Plan for a range of improvements and upgrades to the Dimboola Riverside Caravan Park located adjacent to the picturesque Wimmera River and Recreation Reserve. The Plan proposes upgrades to the surrounds of the park, landscaping, playgrounds, an increase in cabin accommodation and powered caravan sites and improvements to roadways and underground utilities.

Major Supporting Initiatives

In 2013/14, Council constructed two cabins at the Jeparit Caravan Park worth \$120,000. The project was supported by the Victorian Government’s Local Government Infrastructure Program (LGIP) and identified as a priority in Jeparit’s Community Plan.

The construction of the Nhill Aviation Heritage Centre was another major initiative of 2013/14. The development at the Nhill Aerodrome represents the largest investment at the Nhill Aerodrome since WWII. The Ahrens Hangar was made possible by a State Government investment of \$354,198, a Council contribution of \$50,000 and a \$70,000 philanthropic contribution from the Ahrens group. The Centre was officially opened on 23 May 2014, the 500+ people attending the opening testament to the importance of this facility to the community.

Challenges

Reliable broadband and telecommunications infrastructure remain a key challenge for business development in the shire. Changes in Federal Government policy and the implementation of the National Broadband Network have resulted in a delay in the rollout of improved broadband across our towns. Mobile black spots, particular in the Yanac/Broughton and Lorquon/Netherby areas, continue to be an issue. Council continues to advocate on behalf of our community for improvements in these areas and has submitted a priority list of mobile black spots to the Victorian and Federal Governments.

The Year Ahead

In March 2014, the Victorian Government announced \$90,000 funding for a Hindmarsh Economic Development Strategy. The development of this strategy will be the major focus for Council's Economic Development Team in 2014/15. It will create detailed plans and outline activities required to maximise regional output and create opportunities for employment and investment in the Shire.

In May 2014, Dimboola received RV Friendly Town status. The designation as an RV Friendly Town by the Campervan and Motorhome Club Australia encourages RV travellers to stop, shop and enjoy what the town has on offer. Works are underway in Jeparit and Rainbow to allow these towns to also achieve RV friendly status, and with Nhill now having potable water Council will apply for all shire towns to be recognised as RV friendly.

Fast Facts

Tourism				
Caravan Parks	2012/2013 overnight stays	2013/2014 overnight stays	Variance	
4 Mile Beach	705	283	-422	
Jeparit	670	455	-215	
Dimboola	825 (4 months only)	6,163	no comparable data available	
Rainbow	766	578	-188	
Nhill	1,920	no comparable data available		
Building Regulation and Safety				
2011/12	No of permits issued	73	\$\$ value of permits issued	\$13,374,044
2012/13	No of permits issued	79	\$\$ value of permits issued	\$5,981,123
2013/14	No of permits issued	115	\$\$ value of permits issued	\$6,580,662
Private Building Surveyor Permits		63		
Council Issued Permits		52		
Commercial Permits		29		
Domestic Permits		86		
Certificate of Final Inspections or Occupancy Permits issued for 2013/14		41	Domestic	32
			Commercial	9
Town Planning				
Total No of Planning Permit applications received		55 (five of these for dual reasons)		
Keeping of animals		11	(7 of these not requiring planning permit)	
Sheds		16	(11 private, 4 business, 1 farm)	
Houses		10	(2 of these not requiring planning permit)	
Removal of native vegetation		3		
CFA building		1		
Subdivision		6		
Installation of swimming pool		2	(1 private, 1 business)	
Other		2 units, fill in 2 dams, use and parking, removal of silted soil from Nhill Lake, extensions and renovations, shed veranda, grain storage, quarry, overnight accommodation, signage, annual Nhill Motor Sports Club enduro, conversion of garage to dwelling		
Fees received			\$16,192.00	
Estimated value of developments			\$6,121,173.00	
Planning permits completed within statutory timeframe			100%	

Competitive & Innovative Economy – Council Plan Commitments

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking Ahead
3.1 A strong rural economy and thriving towns.	3.1.1 Run “Open for Business” project in Nhill.	Open for Business” in Nhill in October 2013	<i>Nhill Alive with Business Opportunity</i> was held in October 2013	
	3.1.2 Market the Shire’s liveability.	Participation at Regional Victoria Living Expo. Improved website.	Achieved – Council attended the Regional Living Expo in April 2014. Emergency Management information updated on website, commencement of facebook page	Council will again participate in the Expo in 2014/15. Council’s website will be redeveloped and a new tourism website added.
	3.1.3 Promote the Victorian Government’s Young Professionals Provincial Cadetship Program.	Number of cadets employed throughout the municipality	We employed two cadets under the Wimmera Development Association’s internship program (the Young Professionals Program is no longer available).	We believe the WDA’s internship program has immense benefits for both employer and intern. We look forward to continue participating in and promoting the program.
	3.1.4 Develop and implement an economic development strategy with a strong tourism focus.	Economic Development Strategy adopted.	In progress – the development of the Economic Development Strategy was grant dependent. Funding was approved in February 2014.	A Steering Committee was appointed at Council’s July 2014 meeting. The Committee met for the first time on 31 July 2014 and at its next meeting will review tenders for the Strategy.
	3.1.5 Active involvement in RCV and WDA.	Continued membership of Rural Councils Victoria and Wimmera Development Association.	Maintained our membership with both organisations.	We will continue our active involvement in both organisations.
	3.1.6 Work regionally/ collaboratively with other organisations.	Continued support/membership of Western Highway Action Group, Wimmera Regional Transport Group and business associations.	Membership with WHAG and WRTG organisations continues. Attendance by Councillors and officers of Business Nhill and Dimboola Business Ass. meetings.	We will continue our active involvement in these organisations.

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking Ahead
	3.1.7 Review Hindmarsh Planning Scheme, including Municipal Strategic Statement, with a focus on industrial and residential development.	Hindmarsh Planning Scheme and Municipal Strategic Statement (MSS) adopted.	In progress – adoption of a new MSS was delayed due to changes in Victorian planning framework.	
	3.1.8 Facilitate a housing summit and implement actions as appropriate.	Housing Summit conducted	Not achieved – The <i>Housing Investment Opportunities in the Wimmera Southern Mallee Region</i> report completed on behalf of WDA negated the requirement for the Summit.	We will continue our efforts to promote the development of appropriate housing in the Shire.
3.2 A thriving tourism industry.	3.2.1 Develop a Tourism Strategy.	Tourism Strategy adopted.	Not achieved – the development of a Tourism Strategy was dependent on funding and a funding application declined.	We will pursue opportunities for funding following the completion of the Economic Development Strategy.
	3.2.2 Appealing tourism facilities that promote visitation and meet visitor needs.	Increased numbers of visitors through the municipality.	Improvements to the Dimboola Caravan Park and Jeparit Caravan Park implemented.	We look forward to constructing a camp kitchen at Four Mile Beach campground, Jeparit, and to begin implementing the Dimboola Caravan Park master plan.
	3.2.3 Support locally-significant community-driven events and festivals that stimulate tourism growth in the region.	Support of at least three community events per year.	Events supported include. Dimboola Swap Meet, Wimmera Mallee Pioneer Museum Vintage Machinery Rally, Dimboola Rowing Regatta, Wimmera Football League Grand Final.	
	3.2.4 Review and upgrade current caravan and camping accommodation in the Shire.	Improved visitor numbers and customer feedback.	We have developed a master plan for the Dimboola Caravan Park and constructed two new cabins at the Jeparit Caravan Park.	As above.
	3.2.5 Construct the Nhill Aviation Heritage Centre.	Stage 1 completed.	The Nhill Aviation Heritage Centre was officially opened on 23 May 2014	

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking Ahead
	3.2.6 Promote and support local historic assets and heritage groups.	Local historic assets and heritage groups supported financially and in-principle.	We have attended meetings of Dimboola Historical Society, Yurunga and Wimmera Mallee Pioneer Museum and supported heritage groups with Community Action Grants.	We acknowledge the incredible importance our heritage assets have, both to the wellbeing of our communities and to the attraction of visitors to the Shire. We look forward to working with our groups to maximize these benefits.
	3.2.7 Consider provision of RV facilities for an 'RV friendly' town.	Dimboola, Jeparit, Nhill and Rainbow to be 'RV Friendly'.	Dimboola was accredited as an RV friendly town; planning is underway for Rainbow and Jeparit. We have completed community consultation regarding possible locations in these towns.	We will continue to pursue accreditation as RV friendly towns for Jeparit and Rainbow.
3.3 Modern and affordable information and communication technology throughout the municipality.	3.3.1 Advocate for appropriate NBN coverage.	Support the Wimmera Development Association and Wimmera Mallee councils in advocacy efforts.	Multiple meetings have been held by the CEO and Mayor with external stakeholders and a Heads of Agreement entered into with NBN Co.	The planning process for Broadband towers to be installed in Dimboola, Jeparit and Rainbow has commenced.
	3.3.2 Promote the availability and encourage take-up of the NBN.	The number of NBN connections in the Shire.	In progress – delayed due to Federal Government policy and implementation changes.	We will continue to advocate for improved broadband and mobile phone coverage.
	3.3.3 Advocate for appropriate mobile phone coverage.	Number of black spots reduced.	In progress – advocacy to Federal and State Governments has been extensive.	As above.
3.4 Transport solutions that support the needs of our communities and businesses.	3.4.1 Advocate for flexible and responsive public and freight transport.	Active involvement in Western Highway Action Committee and Wimmera Regional Transport Group.	Our membership with WHAC and WRTG organisations continues.	We will continue our active involvement in both organisations.

Our People, Our Processes

Long-term financial sustainability.

Quality customer services.

An engaged, skilled Council and workforce capable of meeting community needs.

Efficient and effective information communications technology.

Support for the community in the areas of emergency preparedness, response and recovery

An organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.

Services that support this key result area include:

- Civic leadership and governance
- Customer service centres
- Council elections
- Financial management
- Rating and valuations
- Records management
- Information technology
- Risk management
- Contract management
- Payroll and human resource services
- Emergency management
- Depots and workshops
- Asset management
- Fleet management
- Accounts payable/receivable

[Community Satisfaction Survey Results]			
	2014	2013	2012
Informing the community	66	59	53
Community decisions	59	n/a	n/a

Highlights

In July 2013, Council adopted its revised Municipal Emergency Management Plan. The document provides a clear plan for Council's role in preparing and responding to an emergency. Council's major role in emergency is to assist the community affected by a disaster. The Plan was put to the test in late January 2014, when a major bushfire impacted on the North of the Shire.

Council continued to improve its OHS performance with several new initiatives introduced seeking to further reduce the frequency of near misses, incidents and injuries. With the goal of staff also taking responsibility for their own safety, Council organised a *Choices Safety Workshop* facilitated by well-known safety campaigner James Wood. In addition to making sure that Council's employees remain safe whilst at work, we introduced a Contractor OHS Management System to ensure all Contractors working on Council sites employ safe work practices and are appropriately qualified and insured.

Council's ongoing Occupational Health and Safety improvements also provided benefits via lower WorkCover premiums. A reduction in major claims (over the \$660 excess) along with carefully managed Return to Work Plans (for major claims) has seen Council's premium drop by more than 25% since 2011/12. Council's current risk premium rate of 1.59% sits well below the industry standard of 1.82%.

In broad terms the improved rating sees Council move from paying 14% more than the industry average in 2010/11 to now paying 13% less than the industry average in 2014/15.

Council also made significant progress with its Risk Management practices throughout 2013/14 with various key actions completed and several new initiatives introduced, including an organisation-wide review of risk which led to more than 50 new risks being identified.

Proactive inspections of Council assets have been further expanded in an effort to minimise risks to public and property.

Major Supporting Initiatives

In 2013/14 Council reviewed its long term financial planning and utilised CT Management's long term financial management software to completely rewrite its ten year financial plan. The Plan was subsequently audited by Council's internal auditors, Richmond, Sinnott and Delahunty, and provides an essential tool in Council's business planning.

Council also reviewed its Rating Strategy and in doing so considered the principles of sustainable financial management, the provision of core functions versus services on behalf of other tiers of government, identification of the cost of service delivery, and openness and transparency.

Challenges

Maintaining the most effective and efficient Information Technology continued to pose a challenge for Council's operations. Over the years Council's IT systems have been added to in an ad hoc fashion as new programs became available and some components have become outdated. In June 2014, a review of the IT systems identified a number of improvements that will ensure the infrastructure can continue to support Council's operations into the future.

The resignation of a Councillor resulted in the need to fund the costs of a by-election in the Shire's North Ward.

The Year Ahead

In 2014/15, Council will review its financial management system to help continually improve our financial reporting. We will also review the cost of service delivery and challenge all of our ongoing cost items to ensure we provide our services as efficiently and cost effectively as possible.

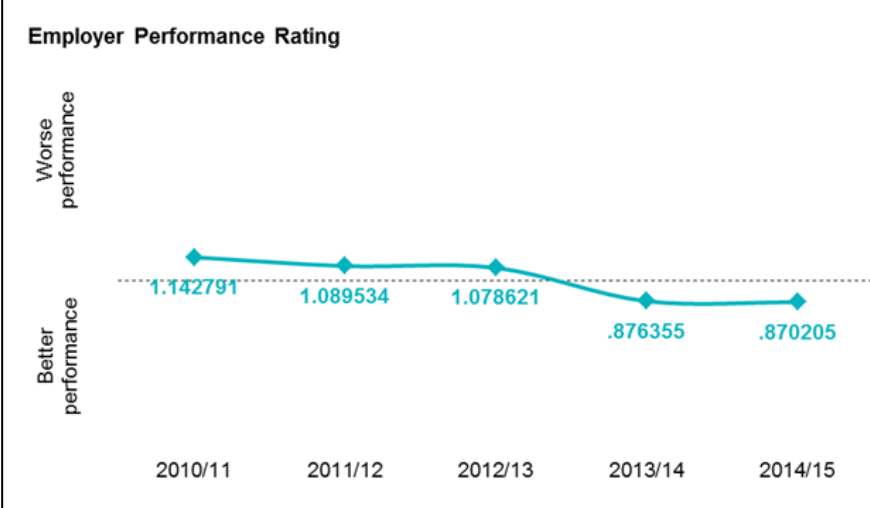
In the year ahead, Council aims to review and update its assets registers which will flow on to our asset plans for each class of assets. This will provide the community with confidence that assets will be sustainably managed for present and future generations.

Fast Facts

Premium Summary



Employer Performance Rating



Our People, Our Processes – Council Plan Commitments

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking Ahead
4.1 Long-term financial sustainability.	4.1.1 An equitable, efficient and transparent rating strategy.	Adoption of Stage 2 of Council's Rating Strategy.	We developed a revised rating strategy for the 2014/15 Budget.	We will review our rating strategy annually as part of the budget process.
	4.1.2 Further develop 10 year financial plan.	Ten Year Plan updated annually.	We have developed a Long Term Financial Plan, which has been reviewed by our internal auditors.	We will continually improve the Plan and build on the data behind it.
	4.1.3 Advocate to State and Federal Governments re Victorian Grants Commission funding.	Maximisation of our Victorian Grants Commission allocation.	Achieved – meetings with Federal and State members as well as Ministers from both Governments.	
	4.1.4 Advocate for the continuation of Local Roads and Bridges and Local Government Infrastructure Program funding.	Continuation of the Local Roads and Bridges Fund, and Local Government Infrastructure Fund.	Achieved – through MAV advocacy efforts and meetings with various State Government Ministers.	
4.2 Quality customer services.	4.2.1 Develop and implement a communications strategy.	Communication Strategy adopted as part of a Customer Services Strategy.	In progress.	The Communications Strategy will be presented to the September 2014 Council meeting.
4.3 An engaged, skilled Council and workforce capable of meeting community needs.	4.3.1 Implement a project management system, including software and training for key staff.	Project Management System in place.	In progress.	
	4.3.2 Develop and implement organisation development plan	Organisational Development Plan implemented.	On track for completion by 30 June 2016.	Completion 2015/16.
	4.3.3 Provide professional development opportunities for staff and Councillors.	Employees and Councillors with newly acquired skills.	Many professional development opportunities taken up by Councillors and staff. Two Councillors have participated in the Diploma of Local Government, staff development plans have also been implemented.	

What we will achieve	How we will achieve this	How we will measure success	Achievements	Looking Ahead
4.4 Efficient and effective information communications technology.	4.4.1 Develop and implement an IT strategy.	IT Strategy completed.	The IT strategy was completed by Fourier Technologies in June 2014.	We will continue to work towards the most efficient and effective IT infrastructure and programs for our organisation.
4.5 Support for the community in the areas of emergency preparedness, response and recovery	4.5.1 Implement recommendations from Community Flood Response study.	Recommendations implemented.	In progress.	
	4.5.2 Review and update the Hindmarsh Municipal Emergency Management Plan.	Hindmarsh Emergency Management Plan (MEMP) updated.	Council's MEMP was reviewed and adopted in July 2013.	
	4.5.3 Maintain and improve the Jeparit levee bank.	Jeparit levee bank improved.	A Jeparit Flood Levee Management Plan was developed in March 2014.	
4.6 An organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.	4.6.1 Include risk management as a standing item of the Leadership Group and Audit Committee agendas.	All Leadership Group and Audit Committee meetings have considered risk management items.	Risk management is included as a standing item on Leadership Group and Audit Committee agendas.	
	4.6.2 Improve our score on the JMAPP audit and LMI audit.	JMAPP audit score and LMI audit score increased.	The LMI audit has been retired, the JMAPP audit is conducted on a biennial basis, next 2014/15.	We will endeavour to improve our JMAPP audit score in the 2014/15 audit.

Our organisation

Organisational Structure

Chief Executive Officer <ul style="list-style-type: none"> ▪ Executive Assistant 	Director Infrastructure Services	Capital Works Manager	-
		Program Delivery Manager	Administration Officer Works Delivery Officer <ul style="list-style-type: none"> ▪ Asset Inspector ▪ Team Leader Nhill <ul style="list-style-type: none"> ▪ Town Maintenance (Nhill) ▪ Nhill Works Depot team ▪ Team Leader Jeparit <ul style="list-style-type: none"> ▪ Workshop Supervisor ▪ Mechanics ▪ Town Maintenance (Rainbow, Dimboola, Jeparit) Works Crew
		Town Planner (contract)	Administration Officer
		Building Surveyor (contract)	Building Inspector (contract) Administration Officer
		Assets Manager	Asset Engineer
		Contracts Manager	Administration Officer Transfer Station Operators Cleaners Council facility caretakers Building, Maintenance, Construction
	Director Corporate & Community Services	Finance & Customer Service Manager	Customer Services Coordinator <ul style="list-style-type: none"> ▪ Customer Service Officers Records Officer Finance Coordinator <ul style="list-style-type: none"> ▪ Finance Officer ▪ Senior Rates Officer ▪ Rates Officer
		IT Administrator	-
		Risk Management Officer	-
		Local Laws Officer	School Crossing Supervisors
		Environmental Health Officer	-
		HR and Payroll Coordinator	-
		Aged & Disability Services Coordinator	Living at Home Assessment Officer Administration Officer Community Care Workers Home Maintenance Workers
		Economic & Community Development Manager	Economic Development Officer Community Development Coordinator <ul style="list-style-type: none"> ▪ Community Development Officer ▪ Youth and Early Years Officer Project Engineer NMCC Coordinator <ul style="list-style-type: none"> ▪ Ushers, projectionist, cleaners

Our Senior Management Team

Tony Doyle, Chief Executive Officer

Tony was appointed Chief Executive Officer in June 2013. He joined Hindmarsh Shire Council in December 2012 as the Director Corporate & Community Services. Tony is responsible for the day-to-day operations of Hindmarsh Shire Council in accordance with the Council Plan and for the implementation of Council decisions.

Anne Champness, Director Corporate & Community Services

Anne first joined Council in 2006. After two years at Southern Grampians Shire Council Anne returned to Hindmarsh Shire Council in September 2013. Anne is responsible for the strategic management of the Corporate and Community Services Department, which includes finance and administration, information technology, governance, human resources, customer services, environmental health, local laws, community and economic development, youth, early years, tourism and aged and disability services.

Douglas Gowans, Director Infrastructure Services

Douglas joined Hindmarsh Shire Council in March 2011 as the Director Infrastructure Services and has more than 12 years experience in Local Government. Douglas manages the operations, assets and development sections of Council. His responsibilities include the construction and maintenance of roads, bridges and buildings, waste management and recycling, parks and gardens, town planning and building services, emergency management and environmental management.

Leadership Group

Our Leadership Group was established in early 2013. The group comprises of the Senior Management Team and six staff selected from Finance, Home & Community Care, Economic & Community Development, Infrastructure Services and Corporate Services. The Leadership Group provides advice and feedback on the direction of the organisation, supporting the Chief Executive Officer and Directors in delivering Council's vision and goals.

Our Workforce Profile

Council's staffing levels have had a slight change over the past 12 months with an 8.8% decrease from 2013/2014. This can be attributed to a combination of staff retirement, vacant positions as at 30 June 2014, and an optimisation of some roles.

In addition to the Chief Executive, we have two directorates within the organisation - Corporate & Community Services and Infrastructure Services. As illustrated in the following table, our staff work in various work groups within each directorate.

Council promotes an equal opportunity work environment for all employees. The gender of our workforce is well balanced with 54.4% of our total staff male and 45.6% female.

Our staff are based in offices, depots and workshops across each of our four towns. While the majority of our staff reside within the Shire, we also attract staff from outside our municipality including people who travel from Kaniva and Horsham.

Directorate	Work Group	Total	Males	Females	Vacant	Effective Full Time
Chief Executive	Senior Management Team	3	2	1	-	3.00
	Administration	1	-	1	-	1.00
Corporate & Community Services	Customer Services & Records	4	-	4	-	3.60
	Finance	5	2	3	-	4.40
	Information Technology	1	1	-	-	1.00
	Risk Management and OH & S	1	1	-	-	1.00
	Animal Control & Local Laws	1	1	-	-	1.00
	School Crossing	2**	-	2	-	0.41
	Human Resources & Payroll	1	-	1	-	1.00
	Environmental Health	1	-	1	-	0.50
	Home & Community Care	19	-	19	-	8.48
	Economic & Community Development	5	2	3	1	5.00
	Community Centres	1	-	1	-	0.40
	Infrastructure Services	Contracts Management	2	1	1	-
Building Maintenance & Construction		1	1	-	-	1.00
Cleaners		3	-	3	-	0.61
Caravan Park & Camping Caretakers		1	-	1	-	0.10
Transfer Stations		4	4	-	-	1.24
Parks & Gardens / Town Maintenance		6	6	-	-	6.00
Asset Management		3	3	-	-	3.00
Technical Services & Works		28	27	1	1	28.00
Workshops & Mechanics		3	3	-	-	3.00
Building & Planning Administration		2	-	2	-	1.00
Infrastructure Administration		3	1	2	-	3.00
Other	Casual Customer Service	2	-	2	-	0.50
	Casual Home & Community Care Staff	4	1*	3	-	0.82
	Casual Community Centres	4	2	2	-	0.33
	Casual Cleaners	2	-	2	-	0.11
	Casual Caravan Park & Camping Caretakers	2	1	1	-	0.38
Total		115	59	56	2	81.63

Our People

The commitment and combined knowledge and skills of our Council staff have played a key role in helping Council reach its achievements in the past 12 months and continue to deliver a range of services and projects to our community.

Our team is a dedicated workforce, striving to make a difference to our local community. We are proud to deliver a huge array of services to Dimboola, Jeparit, Nhill, Rainbow and surrounding communities. These services include areas such as Home and Community Care, Town Maintenance, Infrastructure Works and Maintenance, Sport and Recreation, Economic Development, Tourism, Asset Management, Fire Prevention, Emergency Management, Animal Control, Town Planning, Building Inspection and Surveying, Youth and Early Years, and Customer Service.

We have approximately 114 full-time, part-time and casual employees and contractors who support our Chief Executive Officer to achieve Council's vision and strategic plan.

Developing our People

We are dedicated to providing professional development opportunities for our staff, helping to encourage and support them to achieve their professional and personal aspirations.

During the 2013/14 financial year staff undertook a variety of training to develop their professional skills. Organisation-wide education about privacy was conducted by the Office of the Victorian Privacy Commissioner. Other training activities included staff completing the Certificate III in Local Government (Operational Works), Diploma of Occupational Health & Safety, First Aid and Refresher courses, OHS for Managers and Supervisors, Introduction to Local Government and the Wimmera Development Association's Leadership Wimmera Program.

In 2014/15 Council will continue to support professional development and education programs.

Work Experience and Cadetships

Council provides secondary students from throughout the Shire with an opportunity to participate in work experience in a variety of areas. During 2013/14, two work experience students from Nhill College joined Council for a one week placement in Information Technology and Community & Economic Development. We are also hosting a student from the Dimboola Memorial Secondary College in an ongoing workplace placement at our Jeparit Workshop. We will continue to allow secondary students the opportunity to experience working in a local government environment throughout 2014/15, aiming to further promote the many career opportunities that our sector offers.

Council also offers cadetship opportunities to tertiary students of Engineering, Finance or Community Development, with an aim to provide them with valuable work experience, develop personal connections and open up their views on working and living in a rural community. In early 2014, we hosted a Finance Cadet for a six week period. In 2014/15 we will again offer cadetship opportunities through the Wimmera Development Association's Wimmera Summer Internship Program.

Our Culture

We are proud to provide excellent working conditions and cultivate a positive-team focused culture throughout the organisation. Council is committed to ensuring a work/life balance, including family friendly policies and an active staff social club.

Initiatives in 2103/14 included conducting a staff-wide survey and awareness campaign into bullying, continuing to offer flu vaccinations to all staff, and celebrating the achievements and milestones of our staff and organisation as a whole.

Enterprise Agreement

In 2013/14, the newly negotiated Enterprise Bargaining Agreement (EBA) No. 7 came into effect. This agreement is valid until 30 June 2016.

The agreement provides general terms and conditions of employment for all staff who are not under a fixed term employment contract. The Victorian Local Authorities Award 2001 underpins the EBA.

Volunteer Leave

During the year we recognised the vital role that volunteering plays in our Hindmarsh community. A new initiative introduced in our Enterprise Bargaining Agreement grants all permanent employees one day of paid Volunteer Leave each financial year (pro-rata).

The Volunteer Leave allows staff to carry out volunteer work during business hours for a community-based, non-profit organisation within the Shire. In the first 12 months of the initiative staff have accessed the Volunteer Leave to mentor school students, deliver meals on wheels, facilitate Rhyme Time at the library, help Allambi at their Lochiel rest stop, chaperon a school camp and help to organise various community events.

We will continue to promote Volunteer Leave and volunteering opportunities throughout the organisation in 2014/15.

Appreciating Our People

Council strives to continually strengthen a culture that recognises, encourages and celebrates our employees' achievements.

Council provides annual service awards when our staff reach milestones at 5, 10, 15, 20, 25, 30, 35 and 40 years of service. In 2013/14, the awards were presented to seven staff completing 5 years of service and one staff member each completing 15 years, 20 years and 30 years.

Governance

Council Plan

Council reviewed its Council Plan 2013-2017 in June 2014. The Plan describes, in broad terms, Council's goals and aspirations for the Shire for the medium term. It describes what Council believes is important to the residents of the Shire and what it hopes to achieve in the near future.

Council is pleased to report that nine of the 74 objectives established in the Plan have been fully completed. A further 39 have been achieved for the 2013/14 financial year but are of an ongoing nature for the term of the Council Plan. The implementation of strategic plans or support for volunteering are examples of objectives of this nature. 19 objectives are in progress, one objective is only due for completion in 2016, while a further six have not been achieved or deleted from the revised Council Plan 2013-2017.

Council Election – 2012

Due to the resignation of Councillor Elizabeth Chivell in August 2013, a by-election was held in the Shire's North Ward in October 2013. Councillor Ron Ismay was elected on 23 November 2013 and sworn in at the Statutory Meeting on 27 November 2013.

Mayoral & Councillor Allowances

The Mayoral allowance is currently set at \$55,026, the Councillor allowance is set at \$18,418. Allowances are reviewed annually by the Minister for Local Government.

Councillor remuneration 1 July 2013 – 30 June 2014			
	Allowance (including superannuation)	Travel	Total
Cr Rob Gersch	\$59,104.50		
Cr Wendy Robins	\$19,783.24		
Cr Debra Nelson	\$19,851.88		
Cr Ron Lowe	\$19,851.88	\$3,089.18	\$22,941.06
Cr Tony Schneider	\$19,783.24		
Cr Ron Ismay	\$15,809.33	\$4,102.05	\$19,911.38
Cr Elizabeth Chivell	\$3,192.10	\$1,565.16	\$4,757.26

Council Meetings

Hindmarsh Shire Council meets twice monthly at open, publicly advertised meetings. Ordinary Council meetings are held on the third Wednesday of every month. Special Planning Committee meetings are held on the first Wednesday of the month, except in January. Special Council meetings are also occasionally called to consider specific items and advertised in advance.

Hindmarsh Shire Council encourages residents to attend Council meetings. A public question time is reserved towards the beginning of each Council agenda to encourage participation.

During 2013/14 Council held an ordinary Council meeting and a Special Planning meeting each in Dimboola, Jeparit, and Rainbow, with the remainder held in Nhill in the Council Chambers. Council feels it is important to visit each town in the Shire, to give opportunity for all residents to have access to Council meetings. Council also uses these opportunities to receive visits and deputations from local school groups and organisations.

Councillor Attendance at Council Meetings

During 2013/14, a total of 12 ordinary Council meetings, 11 Special Planning Committee meetings, and two Special Council meetings were held.

The following tables show Councillors meeting attendances during the year. Please note, Cr Elizabeth Chivell resigned from her position as North Ward Councillor on 27 August 2013, and was replaced by Cr Ron Ismay after a by-election on 27 November 2013.

Councillor attendance at Council Special Planning meetings 1 July 2013 – 30 June 2014												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cr Rob Gersch	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Cr Wendy Robins	✓	✓	✓	✓	x	✓	-	✓	x	x	✓	✓
Cr Debra Nelson	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Cr Ron Lowe	✓	x	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Cr Tony Schneider	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	✓	✓
Cr Ron Ismay	x	x	x	x	x	✓	-	✓	✓	✓	✓	✓
Cr Elizabeth Chivell	✓	✓	x	x	x	x	-	x	x	x	x	x

Councillor attendance at Council meetings 1 July 2013 – 30 June 2014												
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Cr Rob Gersch	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Wendy Robins	✓	✓	✓	✓	✓	✓	✓	✓	x	✓	✓	✓
Cr Debra Nelson	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Ron Lowe	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Tony Schneider	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Cr Ron Ismay	x	x	x	x	x	✓	✓	✓	✓	✓	✓	✓
Cr Elizabeth Chivell	✓	✓	x	x	x	x	x	x	x	x	x	x

Code of Conduct

Council has adopted a Code of Conduct to provide guidance to Councillors on ethical conduct and the standard of behaviours expected in relation to other Councillors, Council staff and the community.

The Code of Conduct is reviewed annually and is available upon request from Council.

Committees of Council

The following Special Committees of Council (formed under Section 86 of the *Local Government Act 1989*) and Advisory Committees operated during 2013-14.

Advisory Committees

- Municipal Emergency Management Planning Committee
- Audit Committee
- Risk Management Committee
- Friendship Alliance – City of Port Phillip
- Nhill Aerodrome Master Plan Advisory Committee
- Subcommittees
 - Municipal Fire Management Planning Committee
 - Municipal Recovery Planning Committee

Section 86 Committees

- Minyip Road Revegetation Committee
- Rainbow Town Committee
- Rainbow West Pipeline Extension Committee
- Antwerp Hall Committee
- Nhill Town Committee
- Diapur Hall Committee
- Dimboola Town Committee
- Gerang Hall Committee
- Jeparit Town Committee
- Jeparit Memorial Hall Committee
- Lorquon Memorial Hall Committee

- Nhill Memorial Community Centre Committee
- Rainbow Civic Centre Committee
- Yanac Hall & Recreation Reserve Committee
- Dimboola Memorial Swimming Pool Committee
- Dimboola Sports Stadium Committee
- Rainbow Recreation Reserve Committee
- Hindmarsh Visitor Information Centre Committee
- Nhill Duck and Jazz Festival Committee
- Nhill Sun Moth Reserve Committee of Management
- Wimmera Mallee Pioneer Museum Committee
- Yurunga Homestead Committee
- Dimboola Community Enterprise Centre Committee

Council Representation on Committees

The following table represents the assignments of Councillors to Committees of Council and external organisations following the November 2013 Annual Statutory Meeting.

Councillor	Committees
Cr Rob Gersch	<ul style="list-style-type: none"> ▪ Municipal Association of Victoria ▪ Wimmera Development Association ▪ North West Municipalities Association ▪ Wimmera Regional Transport Group ▪ Rural Councils Victoria ▪ Grampians Central West and Resource Recovery Group (April 2014 -) ▪ Municipal Emergency Management Planning Committee & Subcommittees ▪ Friendship Alliance – City of Port Phillip
Cr Debra Nelson	<ul style="list-style-type: none"> ▪ Audit Committee ▪ Risk Management Committee ▪ Minyip Road Revegetation Committee
Cr Ron Lowe	<ul style="list-style-type: none"> ▪ Desert Fringe Regional Waste Management Group (November 2013 – April 2014) ▪ Jeparit Town Committee ▪ Rainbow Civic Centre Committee ▪ Wimmera Mallee Pioneer Museum Committee
Cr Wendy Robins	<ul style="list-style-type: none"> ▪ Nhill State Emergency Service ▪ Hindmarsh Landcare Network ▪ Volunteering Western Victoria ▪ Local Learning and Employment Network ▪ Friendship Alliance – City of Port Phillip ▪ Nhill Town Committee ▪ Hindmarsh Visitor Information Centre Committee
Cr Tony Schneider	<ul style="list-style-type: none"> ▪ Wimmera Regional Library Corporation ▪ Western Highway Action Committee ▪ Audit Committee ▪ Dimboola Town Committee
Cr Ron Ismay	<ul style="list-style-type: none"> ▪ Wimmera Mallee Sustainability Alliance ▪ Wimmera Mallee Tourism Association ▪ Hindmarsh Tourism Association ▪ Nhill Aerodrome Master Plan Advisory Committee ▪ Rainbow Town Committee ▪ Yurunga Homestead Committee

Internal Audit

The Internal Audit Committee is an Advisory Committee of Council that monitors internal controls, financial management and risk management. Council's Internal Audit Committee is comprised of up to four independent external members and two Councillors. The Committee considered reports from the internal auditor on tender processes, grants management, payroll, IT services, records management, long term financial reporting and management reporting.

Continuous Improvement

As outlined in the Local Government Act, the Best Value provisions require Council to review its services against the following six principles of the Best Value Victoria policy:

1. All services must be responsive to community needs.
2. All services must be accessible to those for whom they are intended.
3. A council must develop a program of regular consultation with its community in relation to the services it provides.
4. All services must meet quality and cost standards.
5. A council must achieve continuous improvement in its provision of services.
6. A council must report regularly, at least once a year, on its achievement to its community in relation to Best Value Principles.

A key focus in 2013/14 was a concerted effort on auditing our operations and services for quality and compliance. This included an audit undertaken by the Victorian Local Government Inspectorate in November 2013, the audit and assessment of our Aged and Disability Services and an internal audit of our Management Reporting and Long Term Financial Plan. The audits completed have led to improvements of our governance and financial reporting processes. Following successful applications for funding for the development of precinct plans for Dimboola and Nhill, a Recreation Strategy for the Shire and Hindmarsh Economic Development in 2013/14, our biennial program of community planning and consultation will also expand significantly in the coming year.

Privacy

Council complies with the Victorian Information Privacy Act 2000. Council staff have attended privacy training to ensure understanding and compliance with the legislation. A copy of Council's policy is available for viewing at the Shire office. Further information can be obtained by contacting Council.

Freedom of Information

The Freedom of Information Act 1982 (FOI Act) promotes government accountability and transparency by providing a legal framework for interested members of the community to request access to government documents. Hindmarsh Shire Council is subject to the FOI Act and must release documents in response to an FOI request unless there is an overriding reason not to do so.

A request for information must be made in writing and be accompanied by a \$26.50 application fee. Applicants may request access to documents dating back as far as 1st January 1989. Where no further clarification of the request is required, Hindmarsh Shire Council has an allowance of 45 days to respond. The Risk Management Officer is the officer responsible for the administration of all FOI requests.

In the 2013/14 period Hindmarsh Shire Council processed two FOI requests. One request was granted access in part, the second was not proceeded with.

Local Laws

At its meeting on 23 June 2014, Hindmarsh Shire Council resolved to adopt *Meeting Procedure and Common Seal Local Law No. 1 (2014)* and *Hindmarsh Municipal Local Law No. 2 (2014)*. These Local Laws replace the previous *Hindmarsh Local Law* adopted on 15 October 2008 and amended on 17 September 2012 and the *Hindmarsh Meeting Procedure and Common Seal Local Law* adopted on 26 April 2007.

Equal Opportunity Employment

Council is committed to the principles of Equal Opportunity. In all policies and practices of the Council, there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, or 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.

Whistleblower Protection / Protected Disclosure

As of 11 February 2013, new legislation implementing recent integrity reforms in Victoria came into effect. In particular, the replacement of the Whistleblowers Protection Act 2001 with the Protected Disclosure Act 2012. The reform includes the creation of the Independent Broad-based Anti-corruption Commission (IBAC), a body established to promote integrity and accountability across the Victorian public sector, the Victorian Inspectorate, whose role is to oversee both the IBAC and the Ombudsman, and the new Accountability and Oversight Parliamentary Committee which has oversight over the Ombudsman.

There have not been any disclosures, as at 30 June 2014. Hindmarsh Shire Council has procedures in place to provide protection from reprisals for persons making disclosures and to provide a framework for investigation.

Carers Recognition Act 2012

The *Carers Recognition Act 2012* was developed to formally recognise, promote and value the role of carers. It provides a legislative framework and principles to support organisations in better understanding and responding to their responsibilities in relation to employees and clients in care relationships. In recognising its responsibilities under the Act, Council has implemented a range of measures to ensure that:

- employees, clients and others in care relationships have an awareness and understanding of care relationship principles, and
- services and care plans are developed and delivered to reflect these principles.

In 2013/14 these measures included a review of Council's community care policies and procedures to ensure the rights and needs of carers are adequately represented and the promotion of care relationship principles to community care staff and clients via newsletters and displays in the Customer Service Area.

Documents Available for Inspection

The following information is available for public inspection at the Nhill Office during normal business hours 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 organisation 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.

Grants and donations

Applicant	Name of Project	Category of Funding	Funds allocated
Allambi Elderly Peoples Home Inc.	"Light Up Allambi" - Replace all existing light globes with LED lights	Minor Facility Upgrades	\$2,000.00
Dimboola & Dist. Financial Services	"Blood Bank Challenge" - Provide bus services from Horsham to Dimboola for community members to donate blood	Community Assistance	\$1,000.00
Dimboola & District Historical Society	"Photographic Project" - Purchase of a mat-cutter to frame the societies own photographs.	Small Equipment	\$500.00
Dimboola Bowls Club	"Medley Fours Tournament" - Conduct a bowls tournament to attract bowlers from throughout the Wimmera.	Event Sponsorship	\$70.00
Dimboola Croquet Club	"New hoop sets" - Purchase of new croquet hoops for the newly reformed club.	Small Equipment	\$1,000.00
Dimboola Rowing Club	"Dimboola Rowing Regatta" - Assisting with the purchase of trophies for the 2013 Rowing Regatta.	Event Sponsorship	\$500.00
Dimboola RSL	"Clubroom refurbishment" - Painting the exterior of the building and purchase of a rainwater tank.	Minor Facility Upgrades	\$2,000.00
Gallery Central Inc.	"Brochures" - Assist with printing costs of newly designed brochures.	Community Assistance	\$800.00
Hindmarsh Equestrian Club	"Horse Yards" - Purchase and installation of new horse yards, closer to clubrooms and amenities.	Minor Facility Upgrades	\$1,203.31
Hindmarsh Landcare	"Lake Hindmarsh Plant Out" - Assist in providing services for volunteers taking part in the planting of 5,000 trees.	Event Sponsorship	\$380.00
Jeparit Anglers Club	"Fishing Competition" - Assisting with the advertising of the fishing competition.	Event Sponsorship	\$500.00
Jeparit/Rainbow Football Netball Club	"Crockery Upgrade" - Purchase of new sets of crockery so the club no longer needs to borrow from other groups.	Small Equipment	\$775.00
Lions Club of Nhill	"Re-carpeting" - New carpet was purchased and laid in the Lion's Club Den.	Minor Facility Upgrades	\$2,000.00
Little Desert Rodders & Collectors Club	"Swap Meet" - Assist with the advertising of the Dimboola Swap Meet.	Event Sponsorship	\$416.65
Lowan Squash & Racquetball Club	"Facility Upgrades" - Repairs to the door, walls and netting required.	Minor Facility Upgrades	\$1,520.00
Nhill & District Historical Society	"Vertical Computer Screen" - Purchase of a new computer screen, allowing documents of all sizes to be available on one screen.	Small Equipment	\$249.00
Nhill & District Sporting Club	"Netball Clubroom Repairs" - Repair, prime and paint the exterior of the netball change rooms.	Minor Facility Upgrades	\$1,520.00
Nhill A&P Society	"Nhill Show" - Assisting with payment for musical entertainment at the 2013 Show Day.	Event Sponsorship	\$416.65
Nhill Bowling Club	"Lawn Bowls" - Purchase of two sets of lawn bowls for 'come and try' events.	Small Equipment	\$990.00

Applicant	Name of Project	Category of Funding	Funds allocated
Nhill Bowling Club Ladies Committee	" Stainless Steel Equipment " - Purchase of a stainless steel kitchen bench for catering of community events.	Small Equipment	\$700.00
Nhill Camera Club	" Wimmera Intraclub Competition " - Assist venue costs for a photographic exhibition and competition.	Event Sponsorship	\$350.00
Nhill Golf Club	" Laser Printer " - Purchase of a Laser Printer to assist with printing our tournament documents.	Small Equipment	\$1,000.00
Nhill Lawn Tennis Club	" Wimmera Junior Tournament " - Assist with the purchase of trophies for the Junior Tennis Tournament.	Event Sponsorship	\$500.00
Nhill Men's Shed	" Defibrillator " - Purchase of a defibrillator that can be used in case of emergencies.	Small Equipment	\$1,000.00
Nhill Neighbourhood House	" Outdoor Furniture " - Purchase of outdoor furniture that allows for an outdoor break area.	Small Equipment	\$796.00
Nhill RSL Sub-branch	" New refrigerator " - Purchase of a new refrigerator for the safe storage of food and drinks.	Small Equipment	\$929.00
Nhill SES	" Front lighting of SES building " - Lighting purchased to increase visibility of the SES building at night.	Small Equipment	\$1,212.00
Rainbow Archive & Historical Society	" Computer " - A new computer was purchased for the digitalisation of film and photographs.	Small Equipment	\$945.00
Rainbow Bowls Club Inc.	" Bowls Night Pennant " - Assist with the purchase of trophies and barbeque meat for the event.	Event Sponsorship	\$100.00
Rainbow Kindergarten	" Landscaping Playground " - Purchase and installation of watering system and instant turf.	Minor Facility Upgrades	\$1,500.00
Rainbow Senior Citizens	" Christmas Party " - Assist with the payment of meals for the Rainbow Senior Citizens Christmas luncheon.	Event Sponsorship	\$416.65
Snape Reserve Committee	" Access to Snape Reserve " - Provide gate access for walking visitors.	Minor Facility Upgrades	\$400.00
West Wimmera Health Service	" Loop the Lodge " - Assist with the purchase of refreshments for the event.	Event Sponsorship	\$380.00
Woorak Hall Committee	" Christmas Celebrations " - Assist with the purchase of meat for the Woorak community Christmas Party.	Event Sponsorship	\$80.00
Woorak West Fire Fighting	" Fire Pump " - A new fire fighting water pump was purchased in case of emergencies.	Small Equipment	\$985.00
Yanac Public Hall & Recreation Reserve	" Painting Store Room " - Works completed to patch cracks and paint the Yanac Hall store room.	Minor Facility Upgrades	\$1,080.00
		TOTAL	\$30,214.26

Council memberships and subscriptions

Council Memberships for 2013/14:	\$
Wimmera Development Association	39,920
Municipal Association of Victoria	20,468
FOI Assist Pty Ltd	1,062
Commstrat Excellence in Media (Renewal Roads Magazine)	177
Database Consultants Australia (Connecting Care)	125
Keep Australia Beautiful	500
Australian Airports Association	520
Victorian Municipal Building Surveyors	400
North West Municipalities Association	600
Rail Freight Development Alliance	2,000
IPWEA membership	250
Informed Decisions	275
Wimmera Mallee Sustainability Alliance	2,500
LGPro membership	1,631
Local Government Finance Professionals	600
SAI Global	424
Victoria Inc. (LSAV membership)	738
	71,129

Victorian Local Government Indicators

		2014	2013	2012	2011	2010
	Affordability / Cost of Governance	\$	\$	\$	\$	\$
1	Average Rates and Charges per Assessment	1,359	1,287	1,216.10	1,120.28	1,037.61
2	Average Rates and Charges per Residential Assessment	990	880	824.36	749.21	699.26
	Sustainability					
3	Average Liabilities Per Assessment	764	928	1,177.94	498.26	454.51
4	Operating Result Per Assessment	(146.67)	3,069	(446.22)	(109.18)	115.40
	Services					
5	Average Operating Expenditure per Assessment	3,263	4,010	3,788.03	3,042.99	2,627.18
6	Community Satisfaction Rating for Overall Performance Generally of the Council*	63	59	53	59	62
	Infrastructure					
7	Average Capital Expenditure Per Assessment	2,383	3,980	1,305.30	792.66	1,133.76
8	Renewal Gap	72%	320.7%	129%	93%	111%
	Ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)					
9	Renewal and Maintenance Gap	103%	129%	112%	96%	107%
	Ratio of current spending on renewal plus Maintenance to the (AAAC)					
	Governance					
10	Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues*	60	55	50	61	65
11	Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues*	62	54	50	56	61

*In response to feedback from local councils, Local Government Victoria introduced methodological and content changes to the Community Satisfaction Survey (CSS) in 2012 to provide the sector with more reliable and meaningful results to inform decision making and support strategic planning. The survey provides core questions as well as optional questions which councils can pick and choose from, depending on their particular information and reporting needs. Councils are also able to include their own tailored questions and sampling requirements.

Methodological improvements to the CSS in 2012 included increasing the sample size from the previous minimum of 350 respondents per municipality up to 400 respondents and ensuring that the sample reflects the demographic composition of a municipality. The survey also allows for respondents to be "resident over 18 years of age" instead of restricting respondents to "head of household". These changes together with revisions to the performance scale and scoring have improved the useability of the survey.

For these reasons, direct comparison with previous CSS results is not possible.

Financial performance

Understanding the financial report

The Financial Report shows how Council performed financially during the 2013/2014 financial year and the overall position at the end (30 June 2014) of that year. The report comprises of the **Financial Statements** and the **Standard Statements**. The Standard Statements provide a comparison of actual results for the year against the annual adopted budget and explain major variances.

The **Financial Statements** comply with the requirements of the Local Government Act 1989 and Australian Accounting Standards and are based on the Model Financial Report published by the Department of Transport Planning and Local Infrastructure. The Statements are audited by the Victorian Auditor-General before being presented to Council's Audit Committee and to Council for in-principle approval.

The financial report is made up of two main sections: the four Financial Statements and 48 explanatory Notes.

The Notes to the accounts provide important information to enable the reader to understand the basis on which the values shown in the Statements are established. They may provide more detail about summarised figures appearing in the Statements, disclose information that could not be incorporated into the Statements, provide breakdowns of expense or revenue items etc. They should be read in conjunction with the other sections of the Financial Statements to provide a clear picture of Council's financial position.

The Financial Statements comprise four key financial reports and explanatory notes supporting each report.

The four reports are:

1. Comprehensive Income Statement;
2. Balance Sheet;
3. Statement of Changes in Equity; and
4. Cash Flow Statement.

The Comprehensive Income Statement

The Income Statement is sometimes referred to as a 'Profit and Loss Statement'. It shows Council's revenue sources under various income headings and the expenses incurred in running the organisation. These expenses relate only to the "operations"; that is, they include wear and tear or use of Council assets in depreciation but do not include costs of building or replacing assets.

The key figure to look at is the surplus (or deficit) for the year which is equivalent to the profit (or loss) of Council for the year. A surplus means that the revenue was greater than the expenses.

The Balance Sheet

The Balance Sheet summarises Council's net accumulated worth as at 30 June 2014 in a one-page snapshot. It shows the assets Council owns and the liabilities or claims against these assets. Both are shown as either current or non-current. "Current" means that the relevant assets or liabilities are expected to be settled within the next 12 months.

Statement of Changes in Equity

The Statement of Changes in Equity summarises the change in Council's net-worth.

The main reasons for a change in equity stem from:

- "Profit or loss" from operations, described in the Statement as Operating Surplus or (Deficit) for the year;
- Use of monies from Council's reserves; or
- Revaluation of assets or existing assets being taken up in the books for the first time.

Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. Here it comprises two sections:

- Cash flows from operating activities – summarises all income and expenses in relation to Council's ongoing operations.
- Cash flows from investing activities – refers to Council's capital works budget expenditure and receipts for sale of assets and interest earned on investment.

(A third section, cash flows from financial activities, would set out financing activities. As Council has no borrowings, this section does not show in the statement.)

Standard Statements

The Standard Statements allow Council to present its financial information in a format that is consistent with other councils, the same format as its Annual Budget, and shows explanations of variations to the Budget. The Standard Statements provide three of the four statements mentioned above (Income Statement, Balance Sheet and Cash Flow Statement) together with a further statement, the Statement of Capital Works.

The Statement of Capital Works sets out the expenditure related to creating or buying property, infrastructure, plant and equipment assets by each category of asset. It also shows how much has been spent on renewing, upgrading, expanding or creating new assets of this type.

Financial Report

Financial Statements for the year ended 30 June 2014

Comprehensive Income Statement

Balance Sheet

Statement of Changes in Equity

Cash Flow Statement

Notes to Financial Statements

Introduction

- Note 1 Significant accounting policies
- Note 2 Rates and charges
- Note 3 Statutory fees and fines
- Note 4 User fees
- Note 5 Grants
- Note 6 Contributions
- Note 7 Net gain / (loss) on disposal of property plant and equipment
- Note 8 Other income
- Note 9 Employee costs
- Note 10 Materials and services
- Note 11 Bad and doubtful debts
- Note 12 Depreciation and amortisation
- Note 13 Other expenses
- Note 14 Investments in associates
- Note 15 Cash and cash equivalents
- Note 16 Trade and other receivables
- Note 17 Inventories
- Note 18 Other assets
- Note 19 Property, infrastructure, plant, and equipment
- Note 20 Trade and other payables
- Note 21 Trust funds and deposits
- Note 22 Provisions
- Note 23 Reserves
- Note 24 Reconciliation of cash flows from operating activities to surplus (deficit)
- Note 25 Reconciliation of cash and cash equivalents
- Note 26 Restricted assets
- Note 27 Superannuation
- Note 28 Commitments
- Note 29 Operating leases
- Note 30 Contingent liabilities and contingent assets
- Note 31 Financial Risk Management
- Note 32 Auditors' remuneration
- Note 33 Events occurring after balance date
- Note 34 Related party transactions
- Note 35 Income, expenses and assets by functions/activities
- Note 36 Financial ratios (Performance indicators)
- Note 37 Capital expenditure
- Note 38 Special committees and other activities

Comprehensive Income Statement for the year ended 30 June 2014

	Note	2014 \$	2013 \$
Income			
Rates and charges	2	6,878,919	6,528,386
Statutory fees and fines	3	118,001	126,599
User fees	4	883,219	898,685
Contributions - cash	6	72,420	6,129
Grants - Operating (recurrent)	5	2,762,600	4,459,914
Grants - Operating (non-recurrent)	5	293,920	353,947
Grants - Capital (recurrent)	5	1,855,430	1,870,285
Grants - Capital (non-recurrent)	5	1,912,699	19,507,532
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	7	(632,373)	(43,671)
Other income	8	1,587,121	2,012,919
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	14	36,546	7,008
Total income		15,768,501	35,727,733
Expenses			
Employee costs	9	(5,114,024)	(5,247,662)
Materials and services	10	(3,997,685)	(8,318,727)
Bad and doubtful debts	11	(172,910)	(72,911)
Depreciation and amortisation	12	(5,453,284)	(4,897,883)
Other expenses	13	(1,772,753)	(1,681,711)
Total expenses		(16,510,656)	(20,218,894)
Surplus/(deficit) for the year		(742,155)	15,508,839
Total comprehensive result		(742,155)	15,508,839

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

Balance Sheet As at 30 June 2014

	Note	2014 \$	2013 \$
Assets			
Current assets			
Cash and cash equivalents	15	5,090,018	12,470,965
Trade and other receivables	16	2,290,899	2,553,856
Inventories	17	101,062	86,630
Other assets	18	47,280	37,081
Total current assets		7,529,259	15,148,532
Non-current assets			
Trade and other receivables	16	4,449	5,294
Investments in associate entities	14	403,750	325,869
Property, infrastructure, plant and equipment	19	105,346,913	99,407,851
Total non-current assets		105,755,112	99,739,014
Total assets		113,284,371	114,887,546
Liabilities			
Current liabilities			
Trade and other payables	20	2,337,082	3,167,309
Trust funds and deposits	21	42,168	39,874
Provisions	22	1,354,774	1,390,167
Total current liabilities		3,734,024	4,597,350
Non-current liabilities			
Provisions	22	134,298	131,990
Total non-current liabilities		134,298	131,990
Total liabilities		3,868,322	4,729,340
Net Assets		109,416,049	110,158,206
Equity			
Accumulated surplus		57,399,443	58,141,599
Reserves	23	52,016,606	52,016,607
Total Equity		109,416,049	110,158,206

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

Statement of Changes in Equity For the Year Ended 30 June 2014

	Note	Total	Accumulated	Revaluation	Other
		2014	Surplus	Reserve	Reserves
2014		\$	\$	\$	\$
Balance at beginning of the financial year		110,158,204	58,141,598	52,016,606	-
Comprehensive result		(742,155)	(742,155)	-	-
Balance at end of the financial year		109,416,049	57,399,443	52,016,606	-
<hr/>					
		2013	Accumulated	Revaluation	Other
		2013	Surplus	Reserve	Reserves
2013		\$	\$	\$	\$
Balance at beginning of the financial year		94,651,155	42,634,549	52,016,606	-
Comprehensive result		15,507,049	15,507,049	-	-
Balance at end of the financial year		110,158,204	58,141,598	52,016,606	-

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

Statement of Cash Flows For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$	2013 Inflows/ (Outflows) \$
Cash flows from operating activities			
Rates and charges		6,843,444	6,557,265
Statutory fees and fines		37,973	328,540
User fees		1,217,098	894,822
Contributions		72,420	6,129
Grants		6,785,101	26,104,526
Interest		334,553	658,825
Other receipts		1,236,762	654,779
Net GST refund / (payment)		(97,858)	-
Employee costs		(6,406,788)	(5,385,921)
Material, consumables and other expenses		(6,566,377)	(10,404,459)
Net cash provided by (used in) operating activities	24	3,456,328	19,414,506
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(10,950,685)	(19,884,591)
Proceeds from sale of property, infrastructure, plant and equipment		125,546	505,327
Net movement in trust funds and deposits		2,294	(12,174)
Inventories		(14,429)	-
Net cash provided by (used in) investing activities		(10,837,274)	(19,391,438)
Net increase (decrease) in cash and cash equivalents		(7,380,947)	23,067
Cash and cash equivalents at the beginning of the financial year		12,470,965	12,447,898
Cash and cash equivalents at the end of the financial year	25	5,090,018	12,470,965
Restrictions on cash assets	26		

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

Notes to the Financial Report For the Year Ended 30 June 2014

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 Street, 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 Auditor - Auditor-General of Victoria

Internal Auditor - Richmond Sinnott and Delahunty - Bendigo

Bankers - National Australia Bank

Website address - www.hindmarsh.vic.gov.au

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cashflows, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Planning and Reporting) Regulations 2014.

Note 1

Significant accounting policies

(a) Basis of accounting

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

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.

(b) Change in accounting policies

AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

Significant accounting policies (cont.)

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

AASB 119 Employee benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits.

These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

This change in classification has not materially altered Council's measurement of the annual leave provision.

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

Significant accounting policies (cont.)

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

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

User fees and fines

User fees and fines (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.

Rental

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

Interest

Interest is recognised as it is earned.

Other Income

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

(d) Trade and other receivables and inventories

Trade 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 has occurred.

Inventories held for distribution are measured at cost adjusted when applicable for any loss of service potential.

Other inventories are measured at the lower of cost and net realisable value.

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

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

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

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Land and Artworks are not considered depreciable asset classes.

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

Significant accounting policies (cont.)
Period

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

Property
Buildings

buildings	5 to 75 years
fixtures, fittings and furniture	2 to 50 years

Plant and Equipment
Plant

plant, machinery and equipment	2 to 20 years
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Infrastructure
Roads

road substructure	100 years
roads - unsealed	11 to 30 years
roads - sealed	12 to 16 years
roads - sealed road pavement	60 years

Bridges

bridges	70 to 100 years
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Footpaths & cycleways

footpaths and cycleways	20 to 40 years
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Drainage

drainage	80 years
kerb and channel	50 to 60 years
other infrastructure	10 to 45 years

(f) Repairs and maintenance

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

(g) Borrowing costs

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

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

(h) Recognition and measurement of assets
Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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 19.

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:

Significant accounting policies (cont.)

The threshold limits for Property, Plant & Equipment and Infrastructure is \$1,000.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. 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.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practical highest and best use of the asset. More details about the valuation techniques and inputs used in determining the fair value of non-financial physical assets are discussed in Note 19 Property Plant and Equipment.

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 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) 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.

(k) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 21).

(l) Employee costs

The calculation of employee benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Significant accounting policies (cont.)

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 7 years is disclosed as a current liability even when the council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at :

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within 12 months.

Classification of employee costs

Non-current liability - conditional LSL representing less than 7 years is disclosed as a non - current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value.

Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

Employee benefits on-costs

Employee benefits on-costs (workers compensation, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

(m) Leases

Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

(n) Allocation between current and non-current

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

(o) Agreements equally proportionately unperformed

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

(p) Web site costs

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

Significant accounting policies (cont.)

(q) Goods and Services Tax (GST)

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

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

(r) Impairment of assets

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

(s) Rounding

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

(t) 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.

(u) Contingent assets and contingent liabilities and commitments

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

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

(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.

Note 1 (v) (cont.)			
Pronouncement	Summary	Application Date	Impact on Council
AASB 9 Financial Instruments	<p>AASB 9 standard is one of a series of amendments that are expected to eventually completely replace AASB 139. During 2010-11, the standard will be expanded to include new rules on measurement of financial liabilities and hedge accounting. Currently the existing provisions of AASB 139 will continue to apply in these areas.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value – the ‘available for sale’ and ‘held-to-maturity’ categories no longer exists. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> • Amortised cost – those assets with ‘basic’ loan features’. • Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable). • Fair Value through profit and Loss - everything that does not fall into the above two categories. <p>The following changes also apply:</p> <ul style="list-style-type: none"> • Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine a fair value. • There is no longer any requirement to consider whether ‘significant or prolonged’ decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal. 	1-Jul-15	<p>The impact is not likely to be extensive in the local government sector. Although it will vary considerably between entities. While the rules are less complex than those of AASB 139, the option to show equity instruments at cost has been largely removed, which is likely to lead to greater volatility within the income statement. However it may also lead to an improved financial position for some entities.</p> <p>This will also create a requirement to measure some instruments annually that has not previously existed.</p>

Note 1 (v) (cont.)			
Pronouncement	Summary	Application Date	Impact on Council
	Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.		
AASB 10 Consolidated Financial Statements	<p>This Standard forms the basis for determining which entities should be consolidated into an entity's financial statements. AASB 10 defines 'control' as requiring exposure or rights to variable returns and the ability to affect those returns through power over an investee, which may broaden the concept of control for public sector entities.</p> <p>The AASB has issued an exposure draft ED 238 Consolidated Financial Statements – Australian Implementation Guidance for Not-for-Profit Entities that explains and illustrates how the principles in the Standard apply from the perspective of not-for-profit entities in the private and public sectors.</p>	1-Jul-14	The AASB have finalised deliberations on ED 238 and any modifications made to AASB 10 for not-for-profit entities, Council will need to re-assess the nature of its relationships with other entities, including those that are currently not consolidated.
AASB 11 Joint Arrangements	<p>This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.</p>	1-Jul-14	The AASB have finalised deliberations and any modifications made to AASB 11 for not-for-profit entities, Council will need to assess the nature of arrangements with other entities in determining whether a joint arrangement exists in light of AASB 11.
AASB 12 Disclosure of Interests in Other Entities	<p>This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.</p>	1-Jul-14	Impacts on the level and nature of the disclosures will be assessed based on the eventual implications arising from AASB 10, AASB 11 and AASB 128 Investments in Associates and Joint Ventures.

Note 1 (v) (cont.)			
Pronouncement	Summary	Application Date	Impact on Council
AASB 127 Separate Financial Statements	This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 128 Investments in Associates and Joint Ventures	This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.	1-Jul-14	The impact of this standard will need to be assessed in line with the final deliberations by the AASB on the application of this standard to not for profit entities.
AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounts Standard arising from Reduced Disclosure Requirements	These standards set out the tiers of financial reporting and the reduced disclosure framework.	1-Jul-14	Council has yet to determine the impact of this standard

Note 2
Rates and charges

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.

The valuation base used to calculate general rates for 2013/14 was \$1.039 million (2012/13 \$1.037 million). The 2013/14 general rate in the dollar on CIV was 0.0057308 cents, business/industrial/commercial rate was 0.0051577 cents, farm rate was 0.0051577 cents, cultural/recreation rate was 0.0028654 cents, urban vacant land was 0.011467 cents, (2012/13 general rate in the dollar on the CIV was 0.0051763 cents, business/industrial/commercial rate was 0.0049175 cents, farm rate was 0.0049175 cents, cultural/recreation was 0.0025882 cents, urban vacant land was 0.0077645 cents).

	2014	2013
	\$	\$
General rates	5,517,287	5,169,128
Municipal charge	661,232	669,358
Garbage charge	700,400	689,900
	<u>6,878,919</u>	<u>6,528,386</u>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014, and the valuation will be first applied in the rating year commencing 1 July 2014.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation first applied to the rating period commencing 1 July 2012.

Note 3
Statutory fees and fines

Building fees	63,053	37,547
Land use planning fees	16,975	22,642
Parking, election, fire prevention and animal control fines	37,973	66,410
	<u>118,001</u>	<u>126,599</u>

Note 4
User fees

Aged services fees	306,760	289,920
Private works	106,264	325,179
Aerodrome fees	8,063	11,352
Lease Income	25,144	-
Transfer station fees	44,457	64,724
Health fees	22,810	21,347
Animal registration fees	69,166	58,638
Caravan Parks and camping fees	166,607	59,654
Rural Summit Fees	59,988	-
Commercial garbage collection fees	35,337	22,000
Saleyard fees	7,225	8,065
Other fees and charges	31,398	37,806
	883,219	898,685

Note 5

Grants were received in respect of the following :

Capital - Recurrent

	2014 \$	2013 \$
Commonwealth Government - Roads to recovery	855,430	870,285
Country Roads and Bridges Fund	1,000,000	1,000,000
	1,855,430	1,870,285

Operating - Recurrent

Delivered meals	33,294	19,157
Home care service	421,315	401,955
Home maintenance	37,709	40,620
Other	44,394	13,461
School crossings	4,370	4,265
Senior Citizens	38,143	38,391
State Emergency Service	25,706	25,078
Victoria Grants Commission - General purpose	1,259,131	2,272,736
Victoria Grants Commission - Local roads	750,684	1,515,158
Volunteer Week	9,270	9,287
Wimmera Regional Library	88,984	80,006
Youth Participation Project	49,600	39,800
Total recurrent	2,762,600	4,459,914

Capital - Non-recurrent

Community War Memorial	-	8,200
Dimboola Drainage Improvements	150,000	250,000
Dimboola Visitor Amenities Improvement	90,000	50,000
Fairway Sprinkler Irrigation	-	14,583
Flood Recovery Grants	1,100,000	17,956,231
Jeparit Boat Ramp	17,926	-
Jeparit Memorial Hall Refurbishment	-	71,500

Note 5 (cont.)

	2014	2013
Grants were received in respect of the following (cont.):	\$	\$
Jeparit Rainbow Netball Club	-	7,989
Jeparit Visitor Amenities Improvement	80,000	80,000
Living Libraries Infrastructure	-	31,443
Lochiel Street Redevelopment	88,000	-
Nhill Aviation Heritage Centre	100,000	254,198
Nhill Memorial Community Centre Digital Equipment	67,500	-
Nhill Road Seal Widening	-	54,000
Nhill Sporting Club	-	61,085
Other	11,301	47,029
Rainbow Recreation Reserve Facility Redevelopment	-	250,000
Roads to Market Program	-	75,000
Seasonal Pools	85,472	-
Town Access Pathways	30,000	200,000
Transfer Station Upgrade	92,500	55,000
Victoria Floods Disaster Relief Fund	-	24,500
Wimmera River Navigational Aids	-	16,774
	1,912,699	19,507,532

Operating - Non-recurrent

Information and lifelong learning	-	20,000
Karen Community Capacity Building	25,000	-
Kindergarten	-	10,000
Municipal Emergency Resourcing Program	121,750	120,000
Nhill Alive with Business Opportunity	30,500	-
Other	13,126	-
Recreation Strategic Plan	27,000	-
Regional Victoria Living Expo	10,000	10,000
Road Management Strategy	-	40,000
Roadside Weeds and Pest Management	50,000	45,455
Streetlife Program	9,000	-
Strengthening Basin Communities	-	61,948
Western Highway - median maintenance	7,544	7,544
WDA Street life Program	-	39,000
Total non-recurrent	293,920	353,947

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:

Flood recovery grants	-	5,115,526
HACC minor capital	-	47,029
Information and Lifelong Learning	-	20,000

Note 5 (cont.)

	2014	2013
	\$	\$
Grants were received in respect of the following (cont.)		
Town Access Pathways	-	200,000
Karen Community Capacity Building	25,000	-
Recreation Strategic Plan	27,000	-
Flood recovery grants	440,000	-
Lochiel Street Redevelopment	88,000	-
Nhill Memorial Community Centre Digital Upgrade	67,500	-
	<u>647,500</u>	<u>5,382,555</u>
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Flood recovery grants	5,115,526	-
Town Access Pathways	162,878	-
	<u>5,278,404</u>	<u>-</u>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>(4,630,904)</u>	<u>-</u>

Note 6

	2014	2013
	\$	\$
Contributions		
Cash		
Gypsum Roads	5,061	3,743
Nhill Aviation Heritage Centre	50,000	-
Tobacco Activity	7,808	2,386
Jeparit Playground	4,680	-
Rainbow MECCA Lighting	2,000	-
FreeZa Fundraising	2,871	-
Total	<u>72,420</u>	<u>6,129</u>

Note 7

	2014	2013
	\$	\$
Net gain/(loss) on disposal of property, infrastructure, plant and equipment		
Proceeds of sale - Plant	125,546	505,327
Write down value of assets disposed - Plant	(126,239)	(548,998)
Write down value of assets disposed - Building (Nhill Office)	(631,680)	-
Total	<u>(632,373)</u>	<u>(43,671)</u>

Note 8

	2014	2013
	\$	\$
Other income		
Fire Services Levy Administration	56,521	-
Interest	334,553	658,825
Plant operations	693,186	748,466
Quarry operations	237,610	405,831
Concrete works	-	56,233
Recoupments	8,711	60,730
Reimbursement Bush Fire Works	59,879	-
Scrap Metal and Transfer Station Sales	60,676	-
Other	135,985	82,834
Total other income	1,587,121	2,012,919

Note 9

	2014	2013
	\$	\$
Employee costs		
Wages and salaries	3,722,434	3,734,170
WorkCover	130,296	122,850
Protective Clothing	16,315	19,109
Annual leave, sick leave and long service leave	620,548	757,357
Superannuation	450,537	425,256
Training	159,010	149,768
Fringe benefits tax	14,884	39,152
Total employee costs	5,114,024	5,247,662

Note 10

	2014	2013
	\$	\$
Materials and services		
Administrative Services	48,937	57,569
Animal Control	9,823	16,837
Building Maintenance	131,114	82,962
Building Services	163,474	218,703
Caravan Parks and Camping Grounds	116,775	53,102
Climate Change Adaptation Initiatives	50,000	-
Community Development & Youth Activities	60,761	-
Concrete Plant	-	22,165
Delivered Meals	90,468	86,120
Depots and Workshops	27,465	96,993
Emergency Assistance	99,178	-
Fire Prevention	28,259	40,304
Flood Recovery Expenditure	4,748	3,885,914
Garbage Collection	200,597	236,713
Guide Posts	22,355	-
Health Promotion	95,452	90,164
Home & Community Care	70,405	-
Information Technology	236,159	233,760

Note 10 Materials and services (cont.)

	2014	2013
	\$	\$
Land Use Planning	77,029	82,561
Materials and Contractors	230,589	572,887
Other	78,004	22,404
Parks and Reserves	35,225	168,872
Plant & Fleet Operations	763,142	901,436
Printing, Stationery & Postage	83,546	-
Quarry Operations	169,585	164,321
Rating and Valuation	69,941	-
Recycling Collection	191,902	197,590
Roads and Drainage Management	286,484	388,527
Rural Summit	89,044	-
Street Beautification	18,824	31,300
Swimming pool maintenance and management	252,512	254,224
Tools & Traffic Signs	31,602	-
Tree Lopping and Replacement	27,852	-
Vehicle Registrations	78,598	84,620
Waste Disposal	57,839	105,831
Waterway Management	-	222,848
Total materials and services	3,997,685	8,318,727

Note 11

	2014	2013
	\$	\$
Bad and doubtful debts		
Infringements	37,294	-
Other debtors	135,616	72,911
Total bad and doubtful debts	172,910	72,911

Note 12

	2014	2013
	\$	\$
Depreciation and amortisation		
Property		
Buildings	515,864	474,106
Plant and Equipment		
Plant, machinery and equipment	593,790	457,512
Fixtures, fittings and furniture	68,654	71,974
Infrastructure		
Roads	3,639,058	3,132,128
Bridges	25,174	188,994
Footpaths and cycleways	144,142	142,449
Drainage	68,703	63,873
Kerb and Channel	132,079	129,861
Other Infrastructure	265,820	236,986
Total depreciation and amortisation	5,453,284	4,897,883

Note 13

	2014	2013
	\$	\$
Other expenses		
Advertising	28,919	40,003
Audit Expenses - External	31,700	30,900
Audit Expenses - Internal	32,585	8,597
Bank Charges	24,559	21,296
Community Action Grants	28,871	-
Council Election	25,448	63,964
Council Contributions - Other	19,442	19,215
Councillor / Mayoral Allowance	152,988	141,915
Fire Services Levy	22,800	-
Hindmarsh Landcare Network Contribution	10,500	35,000
Insurance	199,626	157,897
Kindergartens	33,063	-
Landfill Charges	222,000	114,016
Legal Costs	38,596	68,800
Nhill Medical Centre Contribution	-	77,175
Other	101,753	143,870
Postage	15,674	14,429
Quarry Compensation	-	34,798
Regional Library Contribution	219,250	231,274
State Emergency Service Contribution	38,000	37,000
Subscriptions	75,213	71,075
Telecommunications	67,441	69,112
Town Committees	17,000	6,471
Tourism Association	20,000	25,150
Utilities	272,325	265,754
Wimmera Emergency Management Coordination	75,000	-
Total other expenses	1,772,753	1,681,711

Note 14
Investment in associates

Investments in associates accounted for by the equity method are:

	2014 \$	2013 \$
- Wimmera Regional Library Corporation	364,524	325,869
- Wimmera Development Association	39,226	-
	403,750	325,869

Wimmera Regional Library Corporation
Background

Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Buloke Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council, and Yarriambiack Shire Council, have an interest in the Wimmera Regional Library Corporation. Hindmarsh Shire has a 12.18% equity in interest (12.20% in 2012/13)

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	161,255	155,738
Reported surplus(deficit) for year	10,409	5,218
Transfers (to) from reserves	(2,702)	(1,491)
Distributions for the year	-	1,790
Council's share of accumulated surplus(deficit) at end of year	168,962	161,255

Council's share of reserves

Council's share of reserves at start of year	164,614	163,123
Transfers (to) from reserves	2,702	1,491
Share of asset revaluation	28,246	-
Council's share of reserves at end of year	195,562	164,614

Movement in carrying value of specific investment

Carrying value of investment at start of year	325,869	318,861
Share of surplus(deficit) for year	10,409	5,218
Share of asset revaluation	28,246	-
Variation - change in equity	-	1,790
Carrying value of investment at end of year	364,524	325,869

Wimmera Development Association
Background

Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Northern Grampians Shire Council, West Wimmera Shire Council, and Yarriambiack Shire Council, have an interest in the Wimmera Development Association.

Hindmarsh Shire has a 10.34% equity in interest.

Equity in Wimmera Development Association has been recognised for the first time at 30 June 2014.

Note 14 Investment in associates (cont.)

	2014	2013
	\$	\$
Council's share of accumulated surplus(deficit)		
Council's share of accumulated surplus(deficit) at start of year	30,535	
Reported surplus(deficit) for year	(2,109)	
Transfers (to) from reserves	(2,399)	
Council's share of accumulated surplus(deficit) at end of year	<u>26,027</u>	
Council's share of reserves		
Council's share of reserves at start of year	10,800	
Transfers (to) from reserves	2,399	
Council's share of reserves at end of year	<u>13,199</u>	

	2014	2013
	\$	\$
Note 15		
Cash and cash equivalents		
Cash at bank and on hand	2,534,746 #	2,617,901
Short term deposits	2,555,272	9,853,064
	<u>5,090,018</u>	<u>12,470,965</u>
Council has imposed the following restrictions on cash at bank:		
Cash - restricted (long service leave)	-	1,159
Cash - restricted (Twigg family appeal trust account)	22,366	26,955
Cash - restricted (deductable gift recipient - Wimmera Mallee Pioneer Museum)	-	518
Cash - other trust funds and deposits	19,802	-
Restricted Funds	<u>42,168</u>	<u>28,632</u>
Investments - Long Service Leave	-	802,565
	<u>-</u>	<u>802,565</u>
Total unrestricted cash and cash equivalents	<u>5,047,850</u>	<u>11,639,768</u>

Note 16
Trade and other receivables
Current

Rates debtors	568,729	654,293
Fines & infringements	28,904	43,006
Sundry debtors	1,414,348	1,641,517
Provision for doubtful debts	(45,227)	(7,458)
GST receivable	266,072	168,214
Other debtors	58,073	54,284
	<u>2,290,899</u>	<u>2,553,856</u>

Non-current

Street scheme debtors	4,449	5,294
	<u>4,449</u>	<u>5,294</u>

Total

2,295,348	2,559,150
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Note 17
Inventories

Inventories held for distribution	101,062	86,630
Total inventories	101,062	86,630

Note 18
Other assets

Prepayments	44,291	22,604
Accrued income	2,989	14,477
Total	47,280	37,081

Note 19

	2014	2013
	\$	\$
Property, infrastructure, plant and equipment		
(a) Summary		
at cost	39,557,742	22,973,227
Work in progress	938,301	5,628,161
	40,496,043	28,601,388
at fair value as at 30 June 2010	15,661,532	16,896,556
at fair value as at 30 June 2011	22,532,151	22,532,151
at fair value as at 30 June 2012	101,636,854	101,636,854
Less accumulated depreciation	(74,979,667)	(70,259,098)
	64,850,870	70,806,463
Total	105,346,913	99,407,851
Property		
Land		
at cost	10,711	-
at fair value as at 30 June 2010	2,382,400	2,382,400
	2,393,111	2,382,400
Total Land	2,393,111	2,382,400
Buildings		
at cost	6,801,013	1,098,946
Work in progress	7,130	3,923,931
	6,808,143	5,022,877
at fair value as at 30 June 2010	10,477,100	11,149,100
Less accumulated depreciation	(1,869,899)	(1,394,355)
	8,607,201	9,754,745
Total Buildings	15,415,344	14,777,622
Total Property	17,808,455	17,160,022
Plant and Equipment		
Plant, machinery and equipment		
at cost	9,017,394	8,123,213
Less accumulated depreciation	(2,802,757)	(2,336,709)
	6,214,637	5,786,504
Fixtures, fittings and furniture		
at cost	797,568	693,891
Less accumulated depreciation	(560,728)	(492,074)
	236,840	201,817

Note 19 Property, infrastructure, plant and equipment (cont.)

	2014 \$	2013 \$
Total Plant and Equipment	6,451,477	5,988,321
Infrastructure		
Sealed and unsealed roads		
at cost	15,053,164	11,799,307
Work in progress	179,501	1,015,049
	15,232,665	12,814,356
at fair value as at 30 June 2012	101,636,854	101,636,854
Less accumulated depreciation	(59,299,439)	(55,660,380)
	42,337,415	45,976,474
Bridges		
at cost	3,574,298	104,652
Work in progress	116,948	477,813
	3,691,246	582,465
at fair value as at 30 June 2010	2,802,032	3,365,056
Less accumulated depreciation	(688,152)	(1,226,002)
	2,113,880	2,139,054
Footpaths		
at cost	393,050	155,061
Work in progress	16,934	58,457
	409,984	213,518
at fair value as at 30 June 2011	5,582,983	5,582,983
Less accumulated depreciation	(2,711,513)	(2,569,000)
	2,871,470	3,013,983
Drainage		
at cost	449,574	234,244
Work in progress	154,180	88,914
	603,754	323,158
at fair value as at 30 June 2011	5,046,612	5,046,612
Less accumulated depreciation	(1,772,603)	(1,703,900)
	3,274,009	3,342,712
Kerb and channel		
at cost	431,955	281,931
Work in progress	11,709	10,182
	443,664	292,113
at Fair value as at 30 June 2011	7,304,936	7,304,936
Less accumulated depreciation	(3,716,289)	(3,584,210)
	3,588,647	3,720,726

Note 19 Property, infrastructure, plant and equipment (cont.)

	2014 \$	2013 \$
Other infrastructure		
at cost	3,029,015	481,982
Work in progress	451,899	53,815
	3,480,914	535,797
at Fair value as at 30 June 2011	4,597,620	4,597,620
Less accumulated depreciation	(1,558,288)	(1,292,468)
	3,039,332	3,305,152
Total Infrastructure	81,086,981	76,259,508
Total property, infrastructure, plant and equipment	105,346,913	99,407,851

(b) Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1	Level 2	Level 3
Land - Non specialised	-	-	-
Land - Specialised	-	-	2,382,400
Buildings - Specialised	-	-	8,496,787
Heritage Buildings	-	-	110,414
Roads	-	-	42,337,415
Bridges	-	-	2,113,880
Footpaths and Cycleways	-	-	2,871,470
Drainage	-	-	3,274,009
Kerb & Channel	-	-	3,588,647
Other Infrastructure	-	-	3,039,332
Total at fair value	-	-	68,214,354

(b) **Reconciliation of Level 3 fair value**

2014	Opening Balance	Depreciation	Acquisitions (Disposals)	Transfers	Closing Balance
Land - Specialised	2,382,400	-	-	-	2,382,400
Buildings - Specialised	9,640,409	(511,643)	(631,680)	-	8,497,086
Heritage Buildings	114,336	(4,221)	-	-	110,115
Roads	45,976,474	(3,639,059)	-	-	42,337,415
Bridges	2,139,054	(25,174)	-	-	2,113,880
Footpaths & Cycleways	3,013,983	(142,513)	-	-	2,871,470
Drainage	3,342,712	(68,703)	-	-	3,274,009
Kerb & Channel	3,720,726	(132,079)	-	-	3,588,647
Other Infrastructure	3,305,152	(265,820)	-	-	3,039,332
Total	73,635,246	(4,789,212)	(631,680)	-	68,214,354

Note 19 Property, infrastructure, plant and equipment (cont.)
(c) Description of significant unobservable inputs to Level 3 valuations

	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Specialised Land	Market approach	Community Service Obligation (CSO) adjustment	20% CSO	A significant increase or decrease in the CSO adjustment would result in a significantly lower (higher) fair value.
Specialised Buildings	Depreciated replacement cost	Direct cost Useful life of specialised buildings	\$5k to \$5m (\$113.5k average) 5 to 75 years	A significant increase or decrease in direct cost adjustment would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Heritage Assets	Depreciated replacement cost	Direct cost per square metre Useful life of heritage assets	\$14k per square metre 5 to 75 years	A significant increase or decrease in direct cost per square metre adjustment would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Roads	Depreciated replacement cost	Direct cost per square metre Useful life of the infrastructure	\$1 to \$22 per square metre (\$5 average) 11 to 100 years	A significant increase or decrease in cost per square metre would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Bridges	Depreciated replacement cost	Direct cost Useful life of the infrastructure	\$180k to \$3m (\$2m average) 70 to 100 years	A significant increase or decrease in cost would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Footpaths	Depreciated replacement cost	Direct cost per square metre Useful life of the infrastructure	\$120 to 200 per square metre (\$150 average) 20 to 40 years	A significant increase or decrease in cost per square metre would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Drainage	Depreciated replacement cost	Direct cost Useful life of the infrastructure	\$5 to \$5k (\$200 average) 80 years	A significant increase or decrease in cost would result in a significantly higher or lower fair value A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

Note 19 Property, infrastructure, plant and equipment (cont.)
(c) Description of significant unobservable inputs to Level 3 valuations (cont.)

	Valuation Technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of fair value measurement to changes in significant unobservable inputs
Kerb & Channel	Depreciated replacement cost	Direct cost per metre	\$80 to \$150 per metre (\$90 average)	A significant increase or decrease in cost per metre would result in a significantly higher or lower fair value
		Useful life of the infrastructure	20 to 60 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.
Other Infrastructure	Depreciated replacement cost	Direct cost	\$1k to \$2.35m (\$43k average)	A significant increase or decrease in cost would result in a significantly higher or lower fair value
		Useful life of the infrastructure	10 to 45 years	A significant increase or decrease in the estimated useful life of the asset would result in a significantly higher or lower valuation.

(d) Valuation basis
Non-specialised land

Non-specialised land is valued using the market based direct comparison method. Under this valuation method, the assets are compared to recent comparable sales or sales of comparable assets which are considered to have nominal or no added improvement value.

For non-specialised land, an independent valuation was performed by **Mr Ian Wilson AVLE, qualified valuer of Wilson Valuers** to determine the fair value using the market based direct comparison method. Valuation of the assets was determined by analysing comparable sales and allowing for share, size, topography, location and other relevant factors specific to the asset being valued. From the sales analysed, an appropriate rate per square metre has been applied to the subject asset. The effective date of the valuation is 30 June 2010.

To the extent that non-specialised land does not contain significant, unobservable adjustments, these assets are classified as Level 2 under the market based direct comparison approach.

Specialised land and specialised buildings

The market based direct comparison method is also used for specialised land although is adjusted to reflect the specialised nature of the assets being valued. For Council specialised buildings, the depreciated replacement cost method is used, adjusting for the associated depreciations. Specialised assets contain significant, unobservable adjustments, therefore these assets are classified as Level 3 fair value measurements.

An adjustment is made to reflect a restriction on the sale or use of an asset by Council. The adjustment is an allowance made to reflect the difference in value between unrestricted assets and those held by the Council which are impacted by external restraints on their use.

An independent valuation of Council's specialised land and specialised buildings was performed by **Mr Ian Wilson AVLE, qualified valuer of Wilson Valuers**. The valuation was performed using either the market based direct comparison method or depreciated replacement cost, adjusted for restrictions in use. The effective date of the valuation is 30 June 2010.

Note 19 Property, infrastructure, plant and equipment (cont.)

Land Under Roads

Land under roads is valued at fair value using site values adjusted for undeveloped and/or unserviced characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Infrastructure

Infrastructure is valued using the depreciated replacement cost method. This cost represents the replacement cost of the building/component after applying depreciation rates on a useful life basis. Replacement costs relate to costs to replace the property to an “as new” standard. Economic obsolescence has also been factored into the depreciated replacement cost calculation.

Where it has not been possible to examine hidden works such as structural frames and floors, the use of reasonable materials and methods of construction have been assumed bearing in mind the age and nature of the building. The estimated cost of reconstruction including structure services and finishes, also factors in any heritage classifications as applicable.

Infrastructure assets contain significant unobservable adjustments, therefore these assets are classified as Level 3.

A valuation of Council's, infrastructure assets was performed by **Mr Douglas Gowans**. The valuation was performed based on the depreciated reproduction cost of the assets.

There were no changes in valuation techniques throughout the period to 30 June 2014.

For all assets measured at fair value, the current use is considered the highest and best use.

Note 19 Property, plant and equipment, infrastructure (cont.)

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 23)	Depreciation and amortisation (note 12)	Written down value of disposals	WIP Movement	
Property							
Land	2,382,400	10,711	-	-	-	-	2,393,111
Total land	2,382,400	10,711	-	-	-	-	2,393,111
Buildings	10,853,690	1,814,034	-	(515,864)	(631,680)	3,888,034	15,408,214
Total buildings	10,853,690	1,814,034	-	(515,864)	(631,680)	3,888,034	15,408,214
Total property	13,236,090	1,824,745	-	(515,864)	(631,680)	3,888,034	17,801,325
Plant and Equipment							
plant, machinery and equipment	5,786,504	1,148,163	-	(593,790)	(126,239)	-	6,214,638
fixtures, fittings and furniture	201,816	21,387	-	(68,654)	-	82,290	236,839
Total plant and equipment	5,988,320	1,169,550	-	(662,444)	(126,239)	82,290	6,451,477
Infrastructure							
roads	57,782,307	2,238,808	-	(3,639,058)	-	1,008,522	57,390,579
bridges	2,243,706	2,991,833	-	(25,174)	-	477,812	5,688,177
footpaths	3,169,043	162,868	-	(144,142)	-	76,752	3,264,521
drainage	3,576,956	170,509	-	(68,703)	-	44,822	3,723,584
kerb and channel	4,002,657	150,024	-	(132,079)	-	-	4,020,602
other	3,780,611	2,487,980	-	(265,820)	-	65,578	6,068,349
Total infrastructure	74,555,280	8,202,022	-	(4,274,976)	-	1,673,486	80,155,812
Works in progress							
buildings	3,923,931	7,130	-	-	-	(3,923,931)	7,130
roads	1,015,049	179,501	-	-	-	(1,015,049)	179,501
footpaths	58,457	16,934	-	-	-	(58,457)	16,934
drainage	88,914	110,088	-	-	-	(44,822)	154,180
kerb and channel	10,182	1,527	-	-	-	-	11,709

Note 19 Property, plant and equipment, infrastructure (cont.)

2014	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	WIP Movement	
bridges	477,813	116,948	-	-	-	(477,813)	116,948
other	53,815	428,112	-	-	-	(30,029)	451,898
Total works in progress	5,628,161	860,240	-	-	-	(5,550,101)	938,300
Total property, plant and equipment, infrastructure	99,407,851	12,056,557	-	(5,453,284)	(757,919)	93,709	105,346,914

(a) Impairment losses

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

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

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Transfers	
			(note 29)	(note 12)			
Property							
land	2,382,400	-	-	-	-	-	2,382,400
Total land	2,382,400	-	-	-	-	-	2,382,400
buildings	10,898,156	429,640	-	(474,106)	-	-	10,853,690
Total buildings	10,898,156	429,640	-	(474,106)	-	-	10,853,690
Total property	13,280,556	429,640	-	(474,106)	-	-	13,236,090
Plant and Equipment							
plant, machinery and equipment	4,651,718	2,141,296	-	(457,512)	(548,998)	-	5,786,504
fixtures, fittings and furniture	244,277	29,513	-	(71,974)	-	-	201,816
Total plant and equipment	4,895,995	2,170,809	-	(529,486)	(548,998)	-	5,988,320

Note 19 Property, plant and equipment, infrastructure (cont.)

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Transfers	
Infrastructure							
roads	49,113,978	11,800,457	-	(3,132,128)	-	-	57,782,307
bridges	2,432,700	-	-	(188,994)	-	-	2,243,706
footpaths	3,231,254	80,238	-	(142,449)	-	-	3,169,043
drainage	3,514,445	126,384	-	(63,873)	-	-	3,576,956
kerb and channel	4,016,329	116,189	-	(129,861)	-	-	4,002,657
other	3,623,824	393,773	-	(236,986)	-	-	3,780,611
Total infrastructure	65,932,530	12,517,041	-	(3,894,291)	-	-	74,555,280
Works in progress							
buildings	626,247	3,297,684	-	-	-	-	3,923,931
roads	-	1,015,049	-	-	-	-	1,015,049
footpaths	-	58,457	-	-	-	-	58,457
drainage	-	88,914	-	-	-	-	88,914
kerb and channel	-	10,182	-	-	-	-	10,182
bridges	-	477,813	-	-	-	-	477,813
other	8,882	44,933	-	-	-	-	53,815
Total works in progress	635,129	4,993,032	-	-	-	-	5,628,161
Total property, plant and equipment, infrastructure	84,744,210	20,110,522	-	(4,897,883)	(548,998)	-	99,407,851

(a) Impairment losses

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

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

	2014	2013
	\$	\$
Note 20		
Trade and other payables		
Trade payables	1,925,047	1,662,211
Accrued expenses	397,442	230,826
Additional defined benefit call	-	1,259,679
Amounts received in advance	14,593	14,593
	<u>2,337,082</u>	<u>3,167,309</u>

Note 21		
Trust funds and deposits		
Refundable deposits	16,435	14,457
Fire Services Levy	3,368	-
Twigg Family Appeal Trust	22,365	25,417
	<u>42,168</u>	<u>39,874</u>

Note 22
Provisions

	Annual leave	Long service leave	Landfill restoration	Other	Total
2014					
Balance at beginning of the financial year	470,323	770,138	19,260	83,459	1,343,180
Additional provisions	463,778	94,317	-	-	558,095
Amounts used	(373,583)	(59,365)	-	-	(432,948)
Balance at the end of the financial year	560,518	805,090	19,260	83,459	1,468,327
2013					
Balance at beginning of the financial year	566,703	832,357	19,260	83,459	1,501,780
Additional provisions	391,111	132,565	-	-	523,676
Amounts used	(487,491)	(194,784)	-	-	(682,275)
Balance at the end of the financial year	470,323	770,138	19,260	83,459	1,343,181

	2014 \$	2013 \$
(a) Employee provisions		
(i) Current provisions - expected to be settled within 12 months		
Annual leave	498,821	503,568
Long service leave	31,300	39,720
Rostered days off	20,746	20,380
Oncosts	65,924	67,305
	616,791	630,973
Current provisions - expected to be settled after 12 months		
Long service leave	554,350	570,177
Oncosts	104,508	90,631
	658,858	660,808
Total Current Provisions	1,275,649	1,291,781
(ii) Non-current provisions		
Long service leave	110,705	127,659
Total Non-current provisions	110,705	127,659
Aggregate carrying amount of employee provisions:		
Current	1,275,649	1,291,781
Non-current	110,705	127,659
	1,386,354	1,419,440

Note 22 Provisions (cont.)

	2014	2013
(i) Current provisions expected to be settled within 12 months	\$	\$
<p>All annual leave and the long service entitlements representing 7 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.</p>		
(ii) Non-current		
<p>Long service leave representing less than 7 years of continuous service measured at present value. Other long-term employee benefits that do not fall due within 12 months after the end of the period measured at present value.</p>		
(b) Quarry restoration		
Current	79,126	79,126
Non-current	4,333	4,333
	<u>83,459</u>	<u>83,459</u>
(c) Land fill restoration		
Current	19,260	19,260
	<u>19,260</u>	<u>19,260</u>
(d) Provisions		
Current	1,354,774	1,390,167
Non-current	134,298	131,990
	<u>1,489,072</u>	<u>,522,157</u>

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

Weighted average increase in employee costs	4.380%	4.50%
Weighted average discount rates	3.571%	3.790%
Weighted average settlement period	12	12

Note 23
Reserves

	Balance at beginning of reporting period	Increment (decrement)	Share of increment (decrement) on revaluation	Balance at end of reporting period
Asset revaluation reserves				
2014				
Property				
Land	1,662,210	-	-	1,662,210
Buildings	3,298,513	-	-	3,298,513
	4,960,723	-	-	4,960,723
Infrastructure				
Roads	38,857,458	-	-	38,857,458
Footpaths	1,479,166	-	-	1,479,166
Drainage	2,415,701	-	-	2,415,701
Bridges	978,437	-	-	978,437
Kerb and channel	2,722,683	-	-	2,722,683
Other	602,438	-	-	602,438
	47,055,883	-	-	47,055,883
Total asset revaluation reserves	52,016,606	-	-	52,016,606
2013				
Property				
Land	1,662,210	-	-	1,662,210
Buildings	3,298,513	-	-	3,298,513
	4,960,723	-	-	4,960,723
Infrastructure				
Roads	38,857,458	-	-	38,857,458
Footpaths	1,479,166	-	-	1,479,166
Drainage	2,415,701	-	-	2,415,701
Bridges	978,437	-	-	978,437
Kerb and channel	2,722,683	-	-	2,722,683
Other	602,438	-	-	602,438
	47,055,883	-	-	47,055,883
Total asset revaluation reserves	52,016,606	-	-	52,016,606

	2014	2013
	\$	\$
Note 24		
Reconciliation of cash flows from operating activities to surplus (deficit)		
Surplus/(deficit) for the year	(742,155)	15,508,839
Depreciation/amortisation	5,453,284	4,897,883
(Profit)/loss on disposal of property, plant and equipment, infrastructure	693	43,671
Share of (profit) / loss on investments in associates accounted for using equity method	(49,634)	(5,218)
Increase in Doubtful Debts	172,910	-
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	260,000	263,825
(Increase)/decrease in prepayments	(29,814)	121,338
(Increase)/decrease in accrued income	19,615	45,151
Increase/(decrease) in trade and other payables	(1,534,451)	(1,340,066)
(Increase)/decrease in inventories	-	4,539
Increase/(Decrease) in provisions	(33,087)	(138,261)
Increase/(Decrease) in accrued expenses	(32,788)	-
Increase/(Decrease) in income in advance	-	14,593
Net cash provided by/(used in) operating activities	3,484,574	19,416,294
Note 25		
Reconciliation of cash and cash equivalents		
Cash and cash equivalents (see note 15)	5,090,018	12,470,965
	5,090,018	12,470,965
Note 26		
Restricted assets		
Council has cash and cash equivalents that are subject to restrictions.		
Trust funds and deposits	42,168	39,874
Long service leave	-	831,197
	42,168	871,071

Note 27**Superannuation**

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and the Council's legal or constructive obligation is limited to these contributions.

Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are due.

Accumulation

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 (for the year ended 30 June 2014, this was 9.25% 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.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.50%, and will progressively increase to 12% by 2022.

Defined Benefit Plan

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

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 2011, Council makes employer contributions to the Funds Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of member's salaries (9.25% in 2012/13).

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Funding arrangements

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. The Fund's employer funding arrangement comprise of three components (which are detailed below):

1. Regular contributions - which are ongoing contributions needed to fund the balance of benefits for current members and pensioners;
2. Funding calls - which are contributions in respect of each participating employer's share of any funding shortfalls that arise; and
3. Retrenchment increments - which are additional contributions to cover the increase in liability arising from retrenchments.

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

Note 27 Superannuation (cont.)
Unfunded Superannuation Liability
Funding calls

The fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standards SPS 160, The Fund is required to target full funding of its vested benefits. There may be circumstances where:

1. A fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
2. A fund's VBI is below its shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the fund has a shortfall for the purposes of SPS 160 and the fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013 the VBI has been in excess of 100%. The 31 March estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

Council made contributions to the following funds:

	2014	2013
	\$	\$
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	96,123	142,148
	<u>96,123</u>	<u>142,148</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	213,884	276,259
Employer contributions to other superannuation funds	163,921	163,400
	<u>377,805</u>	<u>439,659</u>

Note 28
Commitments

The Council has entered into the following commitments:

2014	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Operating					
Meals on Wheels - Wimmera Health Care Group	23,862	33,824	-	-	57,686
Meals on Wheels - West Wimmera Health Service	81,630	115,711	-	-	197,341
Swimming Pool Management - Dimboola	72,450	94,389			166,839
Swimming Pool Management - Jeparit	58,995	76,859			135,854
Swimming Pool Management - Nhill	56,051	73,024			129,075
Swimming Pool Management - Rainbow	67,793	88,320			156,113
Total	360,781	482,127	-	-	842,908
Capital					
Lochiel Street Redevelopment	209,590	-	-	-	209,590
Total	209,590	-	-	-	209,590
2013	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
Operating					
Recycling collection	157,955	-	-	-	157,955
Garbage collection	67,456	-	-	-	67,456
Recyclables - accept and sort	225,548	-	-	-	225,548
Cartage of waste - Dooen landfill	42,895	-	-	-	42,895
Managed service - IT	147,994	38,293	-	-	186,287
Meals on Wheels - Wimmera Health Care Group	18,738	-	-	-	18,738
Meals on Wheels - West Wimmera Health Service	79,034	-	-	-	79,034
Building surveying services: MBS Building	201,983	34,674	-	-	236,657
Town planning services: Jewell Partnership	102,818	-	-	-	102,818
Total	1,044,421	72,967	-	-	1,117,388
Capital					
Nhill office refurbishment: Behmer & Wright P/L	1,462,394	-	-	-	1,462,394
Wimmera Street Bridge: North Vic Construction	3,026,763	-	-	-	3,026,763
Contract management of Wimmera Street Bridge: Phoenix Project Management	111,694	-	-	-	111,694
Nhill Aviation Hangar: Ahrens Group P/L	270,493	-	-	-	270,493
Total	4,871,344	-	-	-	4,871,344

Note 29
Operating leases
Operating lease commitments

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

	2014	2013
	\$	\$
Not later than one year	35,405	44,179
Later than one year and not later than five years	101,164	80,847
Later than five years	68,708	63,630
	<u>205,277</u>	<u>188,656</u>

Note 30
Contingent liabilities

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 volatility in financial markets the likelihood of making such contributions in future periods exists. At this point in time it is not known if additional contributions will be required, their timing or potential amount.

Council operates 13 quarry sites and will have to carry out site restoration works in the future. Council has a provision of \$83,459 as detailed in note 22 to undertake these restoration works.

Note 31
Financial Risk Management
(a) Accounting Policy, terms and conditions

	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	15	<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.</p> <p>Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>	<p>On call deposits returned a floating interest rate of 2.0% to 2.75% (2.75% to 4.70% 2012/13). The interest rate at balance date was 2.0% (2.75% to 4.70% in 2012/2013).</p> <p>Funds returned fixed interest rate of between 3.0% to 4.35% (3.50% to 4.70% in 2012/2013).</p>
Trade and other receivables			
Other debtors	16	<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. Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and do not attract an interest rate. Rates arrears attract an interest rate of 10.5% (Rates arrears 10.5% in 2012/2013). Credit terms are based on 30 days.</p>
Financial Liabilities			
Trade and other payables	20	<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 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:

2014	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
Financial assets						
Cash and cash equivalents	5,090,018	-	-	-	-	5,090,018
Trade and other receivables	-	-	-	-	2,024,827	2,024,827
<i>Total financial assets</i>	5,090,018	-	-	-	-	7,114,845

Note 31 Financial Risk Management (cont.)

Weighted average interest rate	2.50%	-				
Financial liabilities						
Trade and other payables	-	-	-	-	2,337,082	2,337,082
<i>Total financial liabilities</i>	-	-	-	-	2,337,082	2,337,082
Weighted average interest rate		0.00%	0.00%	0.00%		
Net financial assets (liabilities)	5,090,018	-	-	-	(2,337,082)	4,777,763

2013	Floating Interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	Total
Financial assets						
Cash and cash equivalents	2,617,901	9,853,064	-	-	-	12,470,965
Trade and other receivables	168,214	-	5,294	-	2,231,206	2,572,928
<i>Total financial assets</i>	2,786,115	9,853,064	5,294	-	2,231,206	15,043,893
Weighted average interest rate	4.00%	10.50%				
Financial liabilities						
Trade and other payables	-	-	-	-	3,167,309	3,167,309
<i>Total financial liabilities</i>	-	-	-	-	3,167,309	3,167,309
Weighted average interest rate	0.00%	0.00%	0.00%	0.00%		
Net financial assets (liabilities)	2,786,115	9,853,064	5,294	-	(936,103)	11,876,584

(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	
	2014	2013	2014	2013
Financial assets	\$	\$	\$	\$
Cash and cash equivalents	5,090,018	12,470,965	5,090,018	12,470,965
Trade and other receivables	2,290,899	2,572,928	2,290,899	2,572,928
Total financial assets	7,380,917	15,043,893	7,380,917	15,043,893
Financial liabilities				
Trade and other payables	2,337,082	3,167,309	2,337,082	3,167,309
Trust funds and deposits	42,168	39,874	42,168	39,874
Total financial liabilities	2,379,250	3,207,183	2,379,250	3,207,183

Note 31 Financial Risk Management (cont.)

(d) Credit Risk

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

(e) Risks and mitigation

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

Market risk

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

Interest rate risk

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

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

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

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

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on 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.

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 30.

	2014	2013
	\$	\$
Movement in Provisions for Doubtful Debts		
Balance at the beginning of the year	7,458	7,458
New Provisions recognised during the year	37,769	-
Amounts already provided for and written off as uncollectible	-	-
Amounts provided for but recovered during the year	-	-
Balance at end of year	45,227	7,458

Note 31 Financial Risk Management (cont.)
Ageing of Trade and Other Receivables

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

	2014	2013
	\$	\$
Current (not yet due)	232,538	369,026
Past due by up to 30 days	1,118,405	1,187,723
Past due between 31 and 180 days	20,080	174,599
Past due between 181 and 365 days	21,479	-
Past due by more than 1 year	34,692	-
Total Trade & Other Receivables	1,427,194	1,731,348

Ageing of individually impaired Trade and Other Receivables

At balance date, other debtors representing financial assets with a nominal value of \$45,227 (2013: \$7,458) were impaired. The amount of the provision raised against these debtors was \$37,769 (2013: \$7,458). The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.

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

	2014	2013
	\$	\$
Past due by more than 1 year	45,227	7,458
Total Trade & Other Receivables	45,227	7,458

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

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

The table below lists the contractual maturities for Financial Liabilities

These amounts represent undiscounted gross payments including both principal and interest amounts

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
2014						
Trade and other payables	2,337,082	-	-	-	-	-
Trust funds and deposits	42,168	-	-	-	-	-
Total financial liabilities	2,379,250	-	-	-	-	-

Note 31 Financial Risk Management (cont.)

	6 mths or less	6-12 months	1-2 years	2-5 years	>5 years	Contracted Cash Flow
2013						
Trade and other payables	3,167,309	-	-	-	-	-
Trust funds and deposits	39,874	-	-	-	-	-
Total financial liabilities	3,207,183	-	-	-	-	-

(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 + 2.0% and -1.0% in market interest rates (AUD) from year-end rates of 2.0%.

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

		Interest rate risk			
		-1.0%		+2.0%	
2014	Carrying amount subject to interest	100 basis points Profit	Equity	200 basis points Profit	Equity
Financial assets:					
Cash and cash equivalents	5,090,018	(50,900)	(50,900)	101,800	101,800
Trade and other receivables	568,729	(5,687)	(5,687)	11,375	11,375
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

		Interest rate risk			
		-1.0%		+2.0%	
2013	Carrying amount subject to interest	100 basis points Profit	Equity	200 basis points Profit	Equity
Financial assets:					
Cash and cash equivalents	12,470,965	(124,710)	(124,710)	249,419	249,419
Trade and other receivables	173,508	(1,735)	(1,735)	3,470	3,470
Financial liabilities:					
Interest-bearing loans and borrowings	-	-	-	-	-

(g) Fair Value Hierarchy

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

	2014	2013
	\$	\$
Note 32		
Auditors' remuneration		
Audit fee to conduct external audit - Victorian Auditor-General	31,700	30,900
Internal audit fees - Richmond Sinnott and Delahunty	32,585	8,597
	<u>64,285</u>	<u>39,497</u>

Note 33

Events occurring after balance date

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

Note 34

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 R.L Gersch
	Councillor R.E. Lowe
	Councillor E. Chivell (1 July 2013 to 27 August 2013)
	Councillor D. Nelson
	Councillor W. Robins
	Councillor T. Schneider
	Councillor R. Ismay (23 November 2013 to 30 June 2014)
Chief Executive Officer	A. Doyle

(ii) Remuneration of Responsible Persons

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

	2014 No.	2013 No.
\$1 - \$9,999	1	3
\$10,000 - \$19,999	5	6
\$20,000 - \$29,999	-	1
\$40,000 - \$49,999	-	1
\$50,000 - \$59,999	1	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	1	-
	<u>8</u>	<u>12</u>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	\$ 334,209	\$ 339,285

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

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

(v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year.

(vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- a) has management responsibilities and reports directly to the Chief Executive; or
- b) whose total annual remuneration exceeds \$133,000

	2014 No.	2013 No.
Income Range:		
< \$133,000	2	2
\$180,000 - \$189,999	-	1
	<u>2</u>	<u>3</u>

Note 34 Related party transactions (cont.)

Total Remuneration for the reporting year for Senior Officers included above, amounted to:	\$ 203,274	\$ 363,701
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Variation in Remuneration for Senior Officers is due to vacancy in role from July to September 2013.

Note 35
Income, expenses and assets by function / activities

	Income		Expenses		Surplus / (Deficit)		Assets attributed to functions / activities	
	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$	2014 \$	2013 \$
Community Liveability	1,285,988	1,485,727	1,882,334	1,744,127	(596,346)	(256,609)	11,548,141	11,711,567
Built and Natural Environment	4,667,465	23,722,094	9,309,628	13,204,137	(4,642,163)	10,517,957	81,509,883	82,663,394
Competitive and Innovative Economy	787,001	695,165	969,610	1,029,479	(182,609)	(334,314)	1,010,040	1,024,334
Our People, Our Processes	8,866,240	9,118,161	4,425,487	3,687,175	4,440,754	5,430,986	18,816,469	19,082,756
Unclassified	238,209	150,819	-	-	238,209	150,819	399,837	405,495
	15,844,903	35,171,966	16,587,059	19,664,918	(742,155)	15,508,839	113,284,370	114,887,546

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

Community Liveability

The Community Liveability section is responsible for:

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

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

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

Built and Natural Environment

The Built and Natural Environment section is responsible for:

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

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

Competitive and Innovative Economy

The Competitive and Innovative Economy section is responsible for:

Administration of the town planning schemes and implementation of building controls, tourism, industrial business and area promotion, caravan parks and camping grounds. Operation of quarrying activities and private works for other parties.

Our People, Our Processes

The Our People, Our Processes section is responsible for:

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

Unclassified

Other services and activities.

Note 36 Financial ratios (Performance indicators)

	2014 \$	2014 (%)	2013 \$	2013 (%)	2012 \$	2012 (%)
(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
<u>Debt servicing costs</u>	0	= 0.00%	0	= 0.00%	0	= 0.00%
Total revenue	<u>15,768,501</u>		<u>35,725,943</u>		<u>30,413,681</u>	

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

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

<u>Debt servicing & redemption costs</u>	0	= 0.00%	0	= 0.00%	0	= 0.00%
Rate revenue	<u>15,768,501</u>		<u>35,725,943</u>		<u>30,413,681</u>	

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

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

<u>Rate revenue</u>	6,878,919	= 43.62%	6,528,386	= 18.27%	6,109,573	= 20.09%
Total revenue	<u>15,768,501</u>		<u>35,725,943</u>		<u>30,413,680</u>	

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council. The total revenue was increased by flood recovery grants of \$12,305,781 in 2011/12 and \$17,956,231 in 2012/13. This decreased the revenue ratio for 2011/12 and 2012/13.

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

<u>Total indebtedness</u>	3,826,154	= 27.36%	4,689,466	= 22.18%	5,921,479	= 28.95%
Total realisable assets	<u>13,985,185</u>		<u>21,142,147</u>		<u>20,457,606</u>	

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

Any liability represented by a restricted asset 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 associates.

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.

Note 36 Financial ratios (Performance indicators) (cont.)

	2014 \$		2014 (%)		2013 \$		2013 (%)		2012 \$		2012 (%)
(e) Adjusted working capital ratio (to assess Council's ability to meet current commitments)											
Current assets	7,529,259	=	203.34%		15,148,532	=	338.36%		15,553,184	=	407.70%
Current liabilities	3,702,724				4,469,691				3,814,899		

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

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

Note 37

Capital expenditure	Note	2014	2013
		\$	\$
Capital expenditure areas			
Roads		2,238,808	11,800,457
Footpaths		162,868	80,238
Drainage		170,509	126,384
Kerb and Channel		150,024	116,189
Bridges		2,991,833	-
Other Infrastructure		2,487,978	393,773
Land and Buildings		492,982	429,640
Plant, Machinery & Equipment		1,148,163	2,141,296
Furniture & Equipment		21,387	29,513
Work in Progress		2,192,005	4,993,032
Total capital works		12,056,557	20,110,522
Represented by:			
Renewal of Infrastructure	(a)	4,183,401	12,488,514
Upgrade of Infrastructure	(b)	6,623,559	78,225
Expansion of Infrastructure	(c)	-	378,792
New assets	(d)	1,249,597	2,170,809
Work in Progress		-	4,993,032
Total capital works		12,056,557	20,109,372

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		12,056,557	20,110,522
Depreciation/amortisation	12	(5,453,284)	(4,897,883)
Written down value of assets sold	7	(757,919)	(548,998)
Net movement in property, plant and equipment, infrastructure	19	5,845,354	14,663,641

(a) Asset renewal expenditure

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) Asset upgrade expenditure

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) Asset expansion expenditure

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 37 Capital expenditure (cont.)

(d) New asset expenditure

Expenditure which creates a new asset that provides a new service that did not previously exist. New asset expenditure does not have any element of renewal, expansion or upgrade of existing assets. New capital expenditure may or may not result in additional revenue for council and will result in an additional burden for future operation, maintenance and capital renewal.

Note 38

Special committees and other activities

Council has control of the following special committees whose financial transactions are not material:

Minyip Road Revegetation Committee, Rainbow West Pipeline Extension Committee, Dimboola Town Committee, Jeparit Town Committee, Nhill Town Committee, Rainbow Town Committee, Antwerp Hall Committee, Diapur Hall Committee, Gerang Hall Committee, Jeparit Memorial Hall Committee, Lorquon Hall Committee, Nhill Memorial Community Centre Committee, Rainbow Civic Centre Committee, Yanac Hall & Recreation Reserve Committee, Dimboola Memorial Swimming Pool Committee, Dimboola Sports Stadium Committee, Rainbow Recreation Reserve Committee, Hindmarsh Visitor Information Centre Committee, Nhill Duck and Jazz Festival Committee, Nhill Sun Moth Reserve Committee of Management, Wimmera Mallee Pioneer Museum Committee, Yurunga Homestead Committee, and Dimboola Community Enterprise Centre Committee (Dim-e-shop).

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 (Planning and Reporting) Regulations 2014, Australian Accounting Standards and other mandatory professional reporting requirements.



Mrs Anne Champness

Director Corporate & Community Services

Date : 17-Sep-14

Location: Nhill

In our opinion the accompanying financial statements present fairly the financial transactions of Hindmarsh Shire Council for the year ended 30 June 2014 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 17 September 2014 to certify the financial statements in their final form.

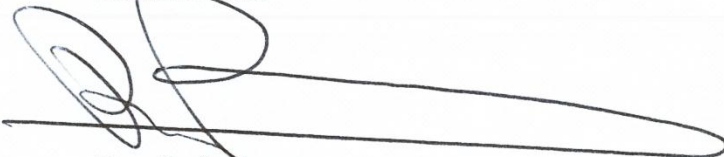


Councillor Wendy Robins

Councillor

Date : 17-Sep-14

Location: Nhill



Councillor Ron Ismay

Councillor

Date : 17-Sep-14

Location: Nhill



Mr Anthony Doyle

Chief Executive Officer

Date : 17-Sept - 14

Location: Nhill

Standard Statements for the year ended 30 June 2014

Comparison between Standard Statements and Financial Statements:

The Standard Income Statement compares the actual result with the annual budget 2013/14, while the Comprehensive Income Statement compares the actual result for 2013/14 with the previous year result.

The Standard Statement of Balance Sheet compares actual results with the annual budget 2013/14, while the Balance Sheet in the Financial Statements Compares the actual result for 2013/14 with the previous year.

The Standard Statement of Cash Flows compares actual results with the annual budget 2013/14, while the cash Flow Statement compares the actual result for 2013/14 with the previous year.

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

Standard Income Statement for the year ended 30 June 2014

	Actual 2014	Budget 2014	Variances		Ref
	\$	\$	\$	%	
Income					
Rates and charges	6,878,919	6,891,000	(12,081)	(0.18)	
Statutory fees and fines	118,001	143,870	(25,869)	(17.98)	1
User fees	883,219	727,224	155,995	21.45	2
Contributions and donations	72,420	-	72,420	100.00	3
Grants Operating - recurrent	2,762,600	4,664,037	(1,901,437)	(40.77)	4
Grants Operating - non recurrent	293,920	170,000	123,920	72.89	5
Grants Capital - recurrent	1,855,430	1,801,000	54,430	3.02	6
Grants capital - non recurrent	1,912,699	3,751,756	(1,839,057)	(49.02)	7
Interest Received	334,553	204,500	130,053	63.60	8
Other revenue	1,289,114	1,443,847	(154,733)	(10.72)	9
Net gain/(loss) on disposal of property, plant and equipment and infrastructure	(632,373)	-	(632,373)	100.00	10
Total Income	15,768,501	19,797,234	(4,028,733)	(20.35)	
Expenses					
Employee benefits	5,114,024	5,437,840	(323,816)	(5.95)	11
Materials and services	3,997,685	8,263,716	(4,266,031)	(51.62)	12
Depreciation and amortisation	5,453,284	4,871,299	581,985	11.95	13
Bad or doubtful debts	172,910	-	172,910	100.00	14
Other expenses	1,772,753	1,430,697	342,056	23.91	15
Finance costs	-	20,350	(20,350)	(100.00)	
Total Expenses	16,510,656	20,023,902	(3,513,246)	(17.55)	
Surplus/(deficit) for the year	(742,155)	(226,668)	(515,487)	227.42	
Other: Net revaluation increment	-	960,191	(960,191)	(100.00)	16
Total comprehensive result	(742,155)	733,523	(1,475,678)	(201.18)	

Standard Income Statement Comparison Report for the year ended 30 June 2014

Variation Explanation Report

Ref	Item	Commentary
1	Statutory fees and fines	Council budgeted to receive \$143,870 in revenue from Statutory fees and fines during 2013/14. This included Building fees, Land use planning fees, parking fines, election fines, fire prevention fines and animal control fines. The variance in revenue is due to a decreased number of fire prevention fines, and reduction in building and land use planning fees against budget.
2	User fees	During 2013/14 Council received increased user fees, the favourable variance is due to increased Caravan Park and camping fees, animal registration fees and rural summit fees.
3	Contribution and donations	Council received contributions for the Nhill Aviation Heritage Centre of \$50,000, Jeparit Playground of \$4,680, Rainbow MECCA lighting of \$2,000, FreeZa program of \$2,871, Gypsum Roads of \$5,061 and Tobacco activity of \$7,808 which were not in the 2013/14 budget.
4	Grants Operating - recurrent	Council budgeted to receive \$3.982m the Victorian Grants Commission 2013/14. Council received a prepayment in 2012/13 of \$2.023m.
5	Grants Operating - non recurrent	Council was successful in obtaining grants for Nhill Alive with Business Opportunities; Karen Community Capacity Building; Training grant; Volunteer grant and Workhealth grant which were not in the 2013/14 budget.
6	Grants Capital - recurrent	Council budgeted to receive \$1.801m in 2013/14 for Local Roads and Bridges, and Roads to Recovery Funding. Council received a higher payment totalling \$1.855m.
7	Grants Capital - non recurrent	Council budgeted to receive funding for the CBD Revival, Rainbow Recreation Reserve Facility Redevelopment which were not received in 2013/14. Flood funding received during 2013/14 totalled \$1.1m, against a budget of 2m.
8	Interest Received	Interest shows a favourable variance of \$130k. This is a result of Council investing at a higher than anticipated rate and surplus funds being available.
9	Other Revenue	Other Revenue shows an unfavourable variance of \$71k. This is a result of Quarry materials not being used from Council managed Quarries.
10	Net gain/(loss) on disposal of property, plant and equipment and infrastructure	Council did not budget for disposal of property, plant and equipment, and infrastructure in 2013/14. The unfavourable variance is due to the write off on the Building (Nhill Office), and loss on sale of plant.
11	Employee Benefits	Employee benefits were lower than budgeted due to a number of positions being vacant during 2013/14.
12	Materials and Services	Major variances for materials and services were the expenditure on Dimboola and Jeparit weirs totalling \$2.35m has been capitalised as Council has taken ownership of the Weirs at 30 June 2014, this expenditure was previously budgeted for as a recurrent expense in materials and services.

Variation Explanation Report (cont.)

13	Depreciation	Increase in Depreciation on plant and equipment reflects the full year depreciation on new plant purchased in the 2012/13 financial year. Depreciation on bridges has decreased in 2014/15 due to the derecognition of the Wimmera Street Bridge at 30 June 2013. Road depreciation has increased due to the full effect and recognition of the flood recovery works.
14	Bad or Doubtful Debts	Rates, Infringements and Sundry Debtor provisions for Bad or Doubtful Debts have been increased which were not budgeted for in 2013/14.
15	Other expenses	Other expenses show a favourable variance due to Council contributions to various organisations being less than budgeted.
16	Net revaluation increment	Council did not undertake a revaluation of their non-current assets during 2013/14.

Standard Balance Sheet
 as at 30 June 2014

	Actual 2014	Budget 2014	Variance		Ref
	\$	\$	\$	%	
Current Assets					
Cash and cash equivalents	5,090,018	2,251,066	2,838,952	126.12	1
Trade and other receivables	2,290,899	1,177,140	1,113,759	94.62	2
Other assets	47,280	345,661	(298,381)	(86.32)	3
Inventories	101,062	97,663	3,399	3.48	
Total current assets	7,529,259	3,871,530	3,657,729	94.48	
Non - current assets					
Trade and other receivables	4,449	7,427	(2,978)	(40.10)	4
Property, plant and equipment and infrastructure	105,346,913	108,393,012	(3,046,099)	(2.81)	5
Investments in associate entities	403,750	351,544	52,206	14.85	6
Total non-current assets	105,755,112	108,751,983	(2,996,871)	(2.76)	
Total Assets	113,284,370	112,623,513	660,858	0.59	
Current liabilities					
Trade and other payables	2,337,082	1,377,286	959,796	69.69	7
Provisions	1,354,773	1,671,604	(316,831)	(18.95)	8
Trust funds and other deposits	42,168	52,047	(9,879)	(18.98)	9
Total current liabilities	3,734,023	3,100,937	633,086	20.42	
Non - current Liabilities					
Provisions	134,298	128,627	5,671	4.41	10
Total non-current liabilities	134,298	128,627	5,671	4.41	
Total Liabilities	3,868,321	3,229,564	638,757	19.78	
Net assets	109,416,049	109,393,949	22,100	0.02	
Equity					
Accumulated surplus	57,399,443	55,193,403	2,948,195	5.34	11
Asset revaluation reserves	52,016,606	54,200,546	(2,183,940)	(4.03)	12
Total Equity	109,416,049	109,393,949	764,255	0.70	

Standard Balance Sheet Comparison Report for the year ended 30 June 2014

Variation Explanation Report

Ref	Item	Commentary
1	Cash and cash equivalents	The variance in cash balance is primarily due to the bank balance at commencement of the 2013/14 financial year being \$12.47m which was \$10.21m more than the \$2.251m forecasted at 30 June 2013.
2	Trade and other receivables (current)	The variance in trade and other receivables was due to outstanding Country Roads and Bridges payment of \$1.1m.
3	Other assets	Other assets have decreased due to a reduction in prepayments and accrued income as at June 30, 2014.
4	Trade and other receivables (non current)	Trade and other receivables (non current) relates to the Street Construction Debtors. No additional street construction debtors were incurred during 2013/14.
5	Property, plant and equipment, and Infrastructure	The variance in Property, plant and equipment, and infrastructure is due to various capital works not completed at 30 June 2014.
6	Investments in associate entities	The variance is due to the first time recognition of the Wimmera Development Association.
7	Trade and other payables (current)	The variance in Trade and other payables is due to invoice timing and late delivery of a few items of plant and equipment, and weir payments to GWM Water.
8	Provisions (current)	The variance in provisions is due to a reduction in staff leave entitlements.
9	Trust funds and other deposits	The variance in trust funds and other deposits is due to Council making payments on behalf of the Twigg Family Appeal Trust during 2013/14 in line with the trust guidelines.
10	Provisions (non current)	The variance in provision is due to a reduction in staff long service leave entitlements.
11	Accumulated surplus	The significant variation in accumulated surplus is largely due to the expenditure on the Dimboola and Jeparit weirs totalling \$2.35m being capitalised as Council has taken ownership of the Weirs at 30 June 2014. This expenditure was previously budgeted for as an operating expense in the standard income statement.
12	Asset revaluation reserves	Council did not undertake a revaluation of their assets during 2013/14.

Standard Cash Flow Statement for the year ended 30 June 2014

Cash Flows from Operating Activities	Actual 2014	Budget 2014	Variance		
Receipts	\$	\$	\$	%	Ref
General rates and charges	6,843,444	6,852,254	8,810	0.13	
Statutory fees	37,973	144,196	106,223	73.67	1
User fees	1,217,098	801,987	(415,111)	(51.76)	2
Grants - recurrent	4,099,003	6,465,037	2,366,034	36.60	3
Grants - non recurrent	2,686,099	3,921,756	1,235,657	31.51	3
Contributions	72,420	-	(72,420)	100.00	4
Interest	334,553	204,500	(130,053)	(63.60)	5
Other revenue	1,236,762	1,564,124	327,362	20.93	5
Net GST refund / (payment)	(97,858)	1,862,443	1,960,301	105.25	6
	16,429,494	21,816,297	5,386,803	24.69	
Payments					
Employee costs	(6,406,788)	(5,359,482)	1,047,306	(19.54)	7
Materials, consumables and other expenses	(6,566,377)	(10,900,311)	(4,333,934)	39.76	8
	(12,973,165)	(16,259,793)	(3,286,628)	20.21	
Net cash provided by operating activities	3,456,328	5,556,504	2,100,175	37.80	
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment	125,546	-	(125,546)	100.00	9
Other investing activities	-	13,260	13,260	(100.00)	
Payments for property, plant and equipment	(10,950,685)	(10,786,165)	164,520	1.50	10
Inventories	(14,430)	-	14,430	100.00	11
Net cash used in investment activities	(10,839,569)	(10,772,905)	66,664	(0.62)	
Cash Flows from Financing Activities					
Trust	2,294	-	2,294	100.00	
Net cash provided by (used in) financing activities	2,294	-	2,294	100.00	
Net increase/(decrease) in cash and cash equivalents	(7,380,947)	(5,216,401)	(2,162,164)	29.33	
Cash and cash equivalents at beginning of year	12,470,965	7,427,843	5,043,122	40.44	
Cash and cash equivalents at end of year	5,090,018	2,211,442	2,878,576	130.17	

Standard Cash Flow Statement Comparison Report for the year ended 30 June 2014

Variation Explanation Report

Ref	Item	Commentary
1	Statutory fees	The variation in Statutory fees was due to over estimating income in the 2013/14 budget.
2	User fees	The increase in user fees is due to higher income from Caravan Parks and Camping Grounds, Lease Income and Aged care service fees.
3	Grants	The variation in Grants income is due to the prepayment of \$2.023m from the Victorian Grants Commission. Council budgeted to receive funding for the CBD Revival, Rainbow Recreation Reserve Facility Redevelopment which were not received. Flood funding received was lower than the 2013/14 budgeted amount.
4	Contributions	Council received contributions for the Nhill Aviation Heritage Centre of \$50,000, Jeparit Playground of \$4,680, Rainbow MECCA lighting of \$2,000, FreeZa program of \$2,871, Gypsum Roads of \$5,061 and Tobacco activity of \$7,808 which were not in the 2013/14 budget.
5	Interest and other revenue	Interest shows a variance due to Council investing at a higher than anticipated rate and surplus funds being available. Other revenue shows an unfavourable variance due to quarry materials not being available from Council managed Quarries.
6	Net GST refund / (payment)	Income and Expenditure patterns during 2013/14 differed from the 2013/14 budgeted cash flow. This resulted in the variance of the GST refund / payment.
7	Employee Costs	The variance in Employee costs is largely due to the payment of the Defined Benefit Superannuation call of \$1.259m.
8	Materials, consumables and other expenses	The variation in materials, consumables and other expenses is largely due to the expenditure on the Dimboola and Jeparit weirs totalling \$2.35m being capitalised as Council has taken ownership of the Weirs at 30 June 2014. This expenditure was previously budgeted for as an expense in materials and services, and under budget.
9	Proceeds from sale of property, plant and equipment	The variance in proceeds from sale of property, plant and equipment is due to the item not being budgeted in 2013/14.
10	Payments for property, plant and equipment	At balance date there were a number of capital projects incomplete, this has resulted in the variance to property, plant and equipment
11	Inventories	Movement in inventories was not budgeted for in 2013/14.

Standard Capital Works Statement for the year ended 30 June 2014

Capital works:	Actual 2014	Budget 2014	Variance		Ref
	\$	\$	\$	%	
Roads	2,238,808	2,458,570	219,762	8.94	
Bridges	2,991,833	1,800,000	(1,191,833)	(66.21)	1
Footpaths	162,868	196,900	34,032	17.28	2
Drains	170,509	195,000	24,491	12.56	3
Kerb and channel	150,024	125,000	(25,024)	(20.02)	4
Other infrastructure	2,487,978	1,368,020	(1,119,958)	(81.87)	5
Land and Buildings	1,824,745	2,387,152	562,407	23.56	6
Plant, machinery and equipment	1,148,163	1,485,910	337,747	22.73	7
Furniture and equipment	21,387	17,090	(4,297)	(25.14)	8
Work in progress	860,242	-	(860,242)	100.00	9
	12,056,557	10,033,642	(2,022,915)	(20.16)	
Represented by:					
Asset renewal	3,918,732	7,018,209	3,099,477	44.16	10
Asset expansion/upgrade	6,044,781	1,027,620	(5,017,161)	(488.23)	10
New assets	1,232,802	1,987,813	755,011	37.98	10
Work in Progress	860,242	-	(860,242)	100.00	
	12,056,557	10,033,642	(2,022,915)	(20.16)	
Reconciliation of net movement in property, infrastructure, plant and equipment					
	Actual 2014	Budget 2014	Variance		
	\$	\$	\$	%	
Total capital works	12,056,557	10,033,642	(2,022,915)	(20.16)	
Asset revaluation increment / (decrement)	-	960,191	960,191	100.00	
Depreciation and amortisation	(5,453,284)	(4,871,299)	581,985	(11.95)	
Written down value of assets sold	757,919	-	(757,919)	100.00	
Net movement in property, plant and equipment	7,361,192	6,122,534	(1,238,658)	(20.23)	

Standard Capital Works Statement Comparison Report for the year ended 30 June 2014

Variation Explanation Report

Ref	Item	Commentary
1	Bridges	Capital works on the Wimmera Street bridge were carried over from 2012/13, expenditure in 2013/14 totalled \$2.9m. Works on the Bothe Road Bridge were not completed at 30 June 2014.
2	Footpaths	A number of projects were yet to commence or were incomplete at balance date.
3	Drains	A number of projects were yet to commence or were incomplete at balance date.
4	Kerb & Channel	A number of projects totalling \$37k were not completed in 2012/13. These were completed with carry over funds during 2013/14.
5	Other infrastructure	Ownership for the Dimboola and Jeparit Weirs was transferred to Council on 30 June 2014.
6	Land and Buildings	Work on the Nhill Office Redevelopment was completed in 2013/14, works were carried forward in 2012/13. Council purchased Land in Jeparit to develop in future years. This land will form part of Menzies Square. Council budgeted to receive money for the Rainbow Recreation Reserve Facility Redevelopment, this grant was unsuccessful in 2013/14, as such the works did not commence.
7	Plant, equipment and other	At June 30 2014 Council had not received delivery of the Street Sweeper and Premix Loader. These items will be carried forward into 2014/15.
8	Work in progress	Council budgeted for all capital works to be completed in 2013/14.
9	Furniture and equipment	The variance is due to the additional purchases of furniture and equipment during 2013/14.
10	Asset renewal/expansion/upgrade and new assets	The variance is accounted for by the completion of works on the Wimmera Street Bridge, Nhill Office Redevelopment and the Dimboola & Jeparit Weirs. Carry over funds from 2012/13 including \$1.5m to complete the Wimmera Street Bridge.

Notes to the Standard Statements for the year ended 30 June 2014

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 (Planning and Reporting) Regulations 2014.

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 Report.

The Standard Statements are not a substitute for the General Purpose Financial Statements.

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, i.e. more than 10% and \$10,000.

The budget figures included in the Statements are those adopted by Council on 14 May 2013.

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.

The detailed budget can be obtained by contacting Council or through the Council's website.

The Standard Statements must be read with reference to the Annual Budget 2013/14.

Certification of the Standard Statements

In my opinion the accompanying Standard Statements have been prepared on accounting basis consistent with the Financial Statements, and in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.



Ms Anne Champness
Director Corporate & Community Services
Dated: 17-Sep-14
Location: Nhill

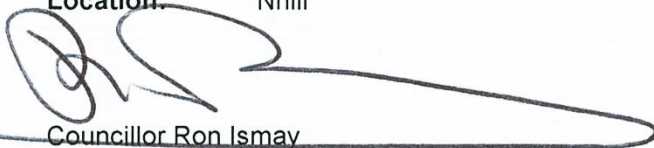
In our opinion the accompanying Standard Statements have been prepared on accounting basis consistent with the Financial Statements, and in accordance with the Local Government Act 1989 and the Local Government (Planning and Reporting) Regulations 2014.

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 17 September 2014 to certify the Standard Statements in their final form.



Councillor Wendy Robins
Councillor
Dated: 17-Sep-14
Location: Nhill



Councillor Ron Ismay
Councillor
Dated: 17-Sep-14
Location: Nhill



Mr Anthony Doyle
Chief Executive Officer
Dated: 17-Sep-14
Location: Nhill

Independent Auditor's Report - Financial & Standard Statements

VAGO

Victorian Auditor-General's Office

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Melbourne VIC 3000
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Facsimile 61 3 8601 7010
Email comments@audit.vic.gov.au
Website www.audit.vic.gov.au

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 2014 of the Hindmarsh Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flow, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Hindmarsh Shire Council which comprises standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of standard statement have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

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

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

Auditor's Responsibility

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

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Hindmarsh Shire Council as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (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 the requirements of the *Local Government Act 1989*.


Basis of Accounting for Standard Statements

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

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

This auditor's report relates to the financial report and standard statements of the Hindmarsh Shire Council for the year ended 30 June 2014 included both in the Hindmarsh Shire Council's annual report and on the website. The Councillors of the Hindmarsh Shire Council are responsible for the integrity of the Hindmarsh Shire Council's website. I have not been engaged to report on the integrity of the Hindmarsh Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
18 September 2014


Dr Peter Frost
Acting Auditor-General

Performance Statement for the year ended 30 June 2014

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.

Key Strategic Activity	Strategic Objective	Performance Measure	Performance Target	Performance	Comments
Community Liveability	An actively engaged community.	Community Engagement Strategy adopted by Council.	Community Engagement Strategy developed and implemented by 30 June 2014.	Not Achieved	In progress – preparatory work completed and discussion held at Council Retreat.
	A range of effective and accessible services to support the health and wellbeing of our community.	Review and implement the Municipal Public Health and Community Wellbeing Plan.	Municipal Public Health and Community Wellbeing Plan to be reviewed in 2013/14.	Achieved	MPHWP reviewed and advertised for public comment, final adopted in November 2013.
		Implement the 2013-2016 Municipal Early Years Plan.	Municipal Early Years Plan adopted by 30 July 2013 and implemented by 30 June 2014.	Achieved	MEYP adopted March 2014.
	A community that is physically active with access to a wide range of leisure, sporting and recreation facilities.	Undertake a review Council's Recreation Strategy.	Review Council's Recreation Strategy completed and adopted by June 2014.	Not Achieved	In progress – the development of the strategy was grant dependent. Funding was approved in January 2014, with the project being able to commence from 1 July 2014.
Built and Natural Environment	Well-maintained physical assets and infrastructure to meet community and organisational needs.	Re-develop and maintain attractive streetscapes, open spaces and public places.	At least one streetscape project by 30 June 2014.	Achieved	High St Dimboola redevelopment (kerb and channel, footpath).
		Re-develop and beautify the Lochiel/Lloyd Streets corner in Dimboola.	Redevelopment and beautification of the Lochiel/Lloyd Streets corner in Dimboola by 30 June 2014.	Not Achieved	In progress – the project was grant dependent, funding for the Lloyd/Lochiel Street project was provided in January 2014. Construction underway (tender awarded 23 June 2014).
		Implement recommendations from drainage studies.	Completion of at least three drainage projects per annum.	Achieved	Projects carried out in 2013/14 include Dart St, Park St and Ramsay St drainage.
		Adopt a footpath strategy.	Adopt footpath strategy by 30 June 2014.	Not Achieved	A footpath strategy was developed in 2008/09. Due to the limited budget available for these works and lack of funding from external

Key Strategic Activity	Strategic Objective	Performance Measure	Performance Target	Performance	Comments
					sources, completion of works identified in this strategy is still underway.
		Complete redevelopment of the Shire Office in Nhill.	Completion and occupation of the Shire Office redevelopment by 31 March 2014.	Achieved	Office redevelopment practical completion October 2013. Building officially opened on 28 March 2014.
Built and Natural Environment	A healthy natural environment	Continue to support Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	Achieved	MOU signed 4 February 2014.
		At least two environmental projects completed per year.	Two environmental projects completed by 30 June 2014.	Achieved	Roadside Management Plan developed, actions from the Roadside Pest Plant and Animals Plan implemented including rabbit control. Eradication of Khaki weed undertaken within Dimboola Recreation Reserve and Caravan Park along with other weed species throughout the Shire.
	A community living more sustainably.	Establishment of Pyrolysis Plan	Pyrolysis demonstration plant established in Nhill by 30 June 2015.	Not Achieved	The drying up of funding for these types of developments has meant the commencement of this project is now likely to be outside the timeframe of the Council Plan. It has been deleted in the recent revision of the Plan.
Support for the community in the areas of emergency preparedness, response and recovery		Implement recommendations from Community Flood Response study.	Recommendations implemented.	Not Achieved	In progress.
		Review and update the Hindmarsh Municipal Emergency Management Plan.	Hindmarsh Emergency Management Plan updated.	Achieved	MEMP reviewed and adopted in July 2013.
		Maintain and improve the Jeparit levee bank.	Jeparit levee bank improved.	Achieved	Jeparit Flood Levee Management Plan developed March 2014.
Competitive and Innovative Economy	A strong rural economy and thriving towns.	Develop and implement an economic development strategy with a strong tourism focus.	Complete and adopt an Economic Development Strategy by 30 June 2014.	Not Achieved	In progress – the development of the Economic Development Strategy was dependent on funding. Grant approval in February 2014, Steering Committee appointed at July 2014 Council

Key Strategic Activity	Strategic Objective	Performance Measure	Performance Target	Performance	Comments
					meeting, first meeting held 31 July 2014.
Competitive and Innovative Economy	A thriving tourism industry.	Develop a Tourism Strategy.	Adopt a Tourism Strategy by 30 June 2014.	Not Achieved	The development of a Tourism Strategy was dependent on funding and a funding application declined. Future opportunities to fund this program will be sought.
		Support locally-significant community-driven events and festivals that stimulate tourism growth in the region.	Support of at least three community events per year.	Achieved	Events supported include: Dimboola Swap Meet, Wimmera Mallee Pioneer Museum Vintage Machinery Rally, Dimboola Rowing Regatta, Wimmera Football League Grand Final.
	Modern and affordable information and communication technology throughout the municipality.	Advocate for appropriate NBN coverage.	Support the Wimmera Development Association and Wimmera Mallee councils in advocacy efforts.	Achieved	Multiple meetings held by the CEO and Mayor with external stakeholders. Heads of Agreement entered into with NBN Co.
	Transport solutions that support the needs of our communities and businesses.	Advocate for flexible and responsive public and freight transport.	Active involvement in Western Highway Action Committee and Wimmera Regional Transport Group.	Achieved	Membership with WHAG and WRTG continues.
Our People, Our Processes	An engaged, skilled Council and workforce capable of meeting community needs.	Implement a project management system, including software and training for key staff.	A Project Management System in place by 30 June 2014.	Not Achieved	In progress.
		Develop and implement organisation development plans.	Organisational Development Plan implemented by 30 June 2016 .	Not Achieved	On track for completion by 30 June 2016.
		Provide professional development opportunities for staff and Councillors.	Employees and Councillors with newly acquired skills.	Achieved	Many professional development opportunities taken up by Councillors and staff. Two Councillors undertook the Diploma of Local Government, staff development plans implemented.

Key Strategic Activity	Strategic Objective	Performance Measure	Performance Target	Performance	Comments
	Efficient and effective information communications technology.	Develop and implement an IT strategy.	IT Strategy completed 30 June 2014.	Achieved	IT strategy completed by Fourier in June 2014.
Our People, Our Processes	An organisation that takes its risk management responsibilities seriously and embeds a culture of risk management throughout the organisation.	Include risk management as a standing item of the Leadership Group and Audit Committee agendas.	All Leadership Group and Audit Committee meetings have considered risk management items.	Achieved	Included on leadership Group and Audit committee agendas.

Certification of the Performance Statement

Hindmarsh Shire Council Performance Statement for the year ending 30 June 2014

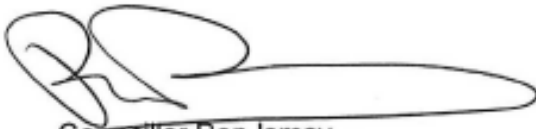
In our opinion the accompanying Performance Statement of the Hindmarsh Shire Council in respect of the 2013/14 financial year is presented fairly in accordance with the Local Government Act 1989.

The Statement outlines the performance targets and measures set out in Appendix A of the Council Budget and describes the extent to which these measures were met in the 2013/14 year.

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 Wendy Robins
Dated: 17-Sept-2014



Councillor Ron Ismay
Dated: 17-Sept-2014



Mr Anthony Doyle
Chief Executive Officer
Dated: 17-Sept-2014

Independent Auditor's Report - Performance Statement

VAGO

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INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hindmarsh Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2014 of the Hindmarsh Shire Council which comprises the statement, the related notes and the certification of performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Hindmarsh Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from 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. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about 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.

Independent Auditor's Report (continued)

Independence

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


Auditor's Opinion

In my opinion, the performance statement of the Hindmarsh Shire Council in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Hindmarsh Shire Council for the year ended 30 June 2014 included both in the Hindmarsh Shire Council's annual report and on the website. The Councillors of the Hindmarsh Shire Council are responsible for the integrity of the Hindmarsh Shire Council's website. I have not been engaged to report on the integrity of the Hindmarsh Shire Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
18 September 2014


Dr Peter Frost
Acting Auditor-General

