



An aerial view of Jeparit – Andrew Kube



Hindmarsh
Shire Council

2012-2013

Annual Report



► Sheep grazing near Pink Lake

Senior Management

Chief Executive Officer
Mr Tony Doyle

Director Infrastructure Services
Mr Douglas Gowans

Acting Director Community
and Corporate Services
Mr Stephen Kerrigan

Council Offices

Main Office
Nhill
92 Nelson Street
Nhill, Victoria 3418
Phone 03 5391 4444

Customer Service Centres
Jeparit
10 Roy Street
Jeparit, Victoria 3423
Phone 03 5391 44450

Dimboola
101 Lloyd Street
Dimboola, Victoria 3414
Phone 03 5391 4452

Rainbow
Federal Street
Rainbow, 3424
Phone 03 5391 4451

Contents

Shire Profile	2
Mayor's Report	4
Chief Executive Officer's Report	6
Councillors	9
Corporate and Community Services Report	10
Community Development Report	10
Corporate Services Report	13
Infrastructure Services Report	14
Equal Opportunity, Local Laws and Whistleblowers	15
Staff Numbers	16
Staff Structure	17
Information to be made available to the public	18
Council Grants, Contributions and Memberships	19
Performance Statement	20
Certification of Performance Statement	22
Victorian Auditor-General's Report on the Performance Statement	23
Council Plan Strategies	25
Victoria Local Government Indicators	34

Financial Statements

Comprehensive Income Statement	36
Balance Statement	40
Statement of Changes in Equity	41
Cash Flow Statement	42
Notes to the Financial Report	43
Certification of Financial Report	80

Standard Statements

Notes to Standard Statements	82
Standard Income Statement	83
Standard Income Statement Comparison Report	84
Standard Balance Sheet	85
Standard Balance Sheet Comparison Report	86
Standard Statement of Cash Flow	87
Standard Statement of Cash Flow Comparison Report	88
Standard Statement of Capital Works	89
Standard Statement of Capital Works Comparison Report	90
Certification of the Standard Statements	91
Auditor General's Report on Financial and Standard Statements	92



► Nhill Enduro motorbike riders



► Jeparit Rainbow netball



► Nhill vs. Dimboola senior footballers

Vision

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

Mission

Our mission is to;

- > provide accessible services to enable the community to be healthy, active and engaged;
- > provide infrastructure essential to support the community;
- > protect and enhance our natural environment;
- > foster a thriving and diversified local economy where economic growth is encouraged and supported; and
- > 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.

Background

Hindmarsh Shire is located in the Wimmera and covers an area of 7,527 square kilometres. The shire shares its boundaries with West Wimmera Shire Council, Yarriambiack Shire Council, Horsham Rural City Council and Mildura Rural City Council.

Some key features of the Shire are Lake Hindmarsh, Lake Albacutya, Little Desert National Park, Big Desert National Park and the Wimmera River.

The Shire comprises 7,500 square kilometres, a population of 5,800 with 80% living in the towns of Dimboola, Jeparit, Nhill and Rainbow. There are 5,050 rateable properties for 2013/14

Location

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

History

The Hindmarsh Shire Council was created in January 1995 as part of state-wide local government reform program. The Hindmarsh Shire consists of the former Shire of Dimboola (created 1885), and the Shire of Lowan (created 1875). Prior to European settlement, the Wotjobaluk community lived in the area. Council acknowledges them as the first owners of the land. Prior to all civic ceremonies the following statement is made – "Welcome to Hindmarsh Shire. We acknowledge the Indigenous community as the first owners of this country. We recognise the important ongoing role that indigenous people have in our community."

In 2005, the native title of the Wotjobaluk was recognised by the High Court of Australia at an historic hearing in Dimboola. This was a joyous and significant day for all in the Shire and the first recognition of native title in Victoria.

Governance

Six elected Councillors represent three wards with two Councillors in each of the wards.

Councillors elected in November 2008 for a four-year term were Mick Gawith (Mayor), David Colbert, Rob Gersch, Wayne Lovett, Ron Lowe and Cliff Unger.

Council elections were held on 27 October 2012 and the following Councillors were elected for a four year term: Rob Gersch (Mayor), Elizabeth Chivell, Ron Lowe, Debra Nelson, Wendy Robins and Tony Schneider.

Note: Elizabeth Chivell resigned from the position of Councillor on 27 August 2013.

Landform and Vegetation

The Hindmarsh Shire has an area of 7,527 square kilometres and is gently undulating. It averages an elevation equivalent to sea level. Large areas of the local soils are well suited to dry land agriculture. A very low percentage of native vegetation remains outside the National Park areas, with 97% of native vegetation cleared. A major focus is to preserve the indigenous vegetation remnants, protect bio-diversity via planted corridors (bio-links) linking the Big Desert and Little Desert, and to generally increase the amount of cover by revegetation on private land. Council considers it of the utmost importance to preserve and enhance our biodiversity. Council is committed to an environmental overlay of bio-link corridors. In partnership with the Hindmarsh Landcare Network, Council has been very successful in the implementation of landcare projects throughout the Shire linking up the Little Desert and Big Deserts, and facilitating improved agricultural and land use practices.

Population

According to the Australian Bureau of Statistics, the Shire's estimated residential population at 30 June 2011 was 5,798. From the 2011 census the major towns and their approximate district populations were Nhill 2,278, Dimboola 1,662, Rainbow 734, Jeparit 632, Gerang Gerung 251 and Netherby 266. The majority of population loss has occurred in the rural areas as a result of farm amalgamation and the



use of modern technology. On census night 2011 there were 2,882 males and 2,916 females in the Shire. There were 89 people of indigenous origin. There were 2,578 married people (54.1%), 506 separated and divorced people (10.7%), 498 widowed people (10.4%) and 1,187 never married (24.9%). The median age in Hindmarsh is 47 years compared with Australia's median of 37 years. 89% stated that they were Australian-born. English was the only language spoken in 93.2% of homes.

Water

The Wimmera River is a major lifeline for our towns and communities. Significant rains in recent years brought water to Lake Hindmarsh but Lake Albacutya remains dry. The Wimmera Mallee Pipeline Project has seen a significant improvement in water security and availability throughout the region.

Agriculture and Animal Husbandry

Agricultural land covers a large part of the Shire and as a major source of employment and wealth, is one of its most valuable assets. Hindmarsh is essentially 'broad acre' dry land farming. The current and future prosperity of the Shire depends heavily on the health and productivity of the land. Major crops include wheat, barley, oats, lupins, field peas, chick peas, canola, vetches, lentils and faba beans. Wool and sheep meat are also significant.

Hindmarsh Shire is home to Luv a Duck Pty Ltd, the largest fully integrated duck operation in the Southern Hemisphere. Approximately 60% of all business enterprises in Hindmarsh are in the agriculture sector.

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

Other Industry and Tourism

The Shire has an 'industry cluster' in silo and grain handling equipment. The silo and field bin producers in Hindmarsh Shire have a large market share of the South East Australian market.

Major businesses include 'Luv-a-Duck', Ahrens Sherwell, Campbells, Blue Lake Milling, the West Wimmera Health

Service (which operates in Nhill, Rainbow and Jeparit), Wimmera Health Care Group (Dimboola Hospital), Hindmarsh Shire Council and Department of Education and Early Childhood Development.

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

The estimated number of visitors to the Shire is between 85,000 and 110,000 per year. Major tourist attractions include the Little Desert National Park, Wyperfeld National Park, Big Desert Wilderness Park, Little Desert Nature Lodge, Wimmera River, Lake Hindmarsh, Lake Albacutya, Ebenezer Mission, Wimmera Mallee Pioneer Museum, John Shaw Neilson Cottage, Yurunga Homestead, Pella Lutheran Church, Pink Lake and native fauna and flora. Major events include the Dimboola Rowing Regatta, Dimboola Swap Meet and Wimmera Mallee Pioneer Museum Vintage Rally. Tourism information is provided at visitor information centres.

The return of water to the rivers and lakes following drought-breaking rains coupled with the construction and operation of the Wimmera Mallee Pipeline has seen a renaissance in water sports such as skiing, sailing, swimming, canoeing, fishing, camping, bushwalking and the observation of birds and wildflowers.

Volunteers

Our greatest asset is our people. Our communities rely on volunteers. They contribute critically to the quality of life and safety of our community. They enhance our environment and run nearly every sporting, social, religious, service, and other community organisations.

Community Services

Council provides a significant operating subsidy to Wimmera Uniting Care to operate kindergartens in four townships. West Wimmera Health Service delivers Maternal and Child Health services through an agreement with Council. Council provides Home and Community Care services to approximately 560 clients. This includes home care, handyman and meals on wheels services. Council is a member of the Wimmera Regional Library Corporation, which has a collection of approximately 125,000 items and lends nearly 300,000 items annually.



Rob Gersch
Mayor

The Annual Report is a show piece for our Hindmarsh Shire. It takes time and resources to deliver this document. I thank our staff for a job well done.

The year saw our huge flood works program completed, with the Dimboola Wimmera Street Bridge, Dimboola Weir, and the Jeparit Weir expected to be completed before 30 June 2014. Again, our staff are to be congratulated on the coordination of this mammoth task.

Works have continued with our new office building and facilities. Completion will be by November 2013 and this pro-active action by Council will culminate when staff move in. Because of prudent financial management, Council will not have to borrow to complete the building.

Council has had to pay out approximately \$1.2million with a defined benefits superannuation contribution and again Council has not had to borrow to meet this financial commitment.

We have continued our alliance with the City of Port Phillip and the future will see many benefits for our communities.

The four year cycle of Council elections were held in October 2012. Hindmarsh Shire Council welcomed four newly elected Councillors and two returning Councillors.



► Mayor Rob Gersch (front right) with a group of new Australian Citizens at a citizenship ceremony held in Hindmarsh Shire in 2013
– Photo contributed by Paul Carracher, Wimmera Mail Times

Three of our new Councillors were female, which is our most ever at one time. I welcome all of our Councillors to Local Government and also extend my thanks to the outgoing Councillors for their service over many years.

Councillors Nelson, Robins and Chivell enrolled in a Diploma of Local Government, which will assist them in their role.

One of the highlights in being Mayor is the opportunity to participate in our local Citizenship Ceremonies, helping to welcome our new Australian citizens to Hindmarsh. With our Shire having over thirty different nationalities, several ceremonies were carried out throughout the last twelve months. Hindmarsh Shire is seen as a leader for multiculturalism and I am proud of the way our communities support our new arrivals.

I would like to thank our Chief Executive Officer of 3 ½ years, Mr Dean Miller for his dedicated service to Hindmarsh Shire. I also welcome our new Chief Executive Officer, Mr Tony Doyle, who was appointed to the role in June 2013.

There have been many highlights throughout the year and this adds to our great community spirit and support for one another. Our volunteers continue their outstanding

contribution to our Shire and we thank you.

I would like to acknowledge the support of State and Federal governments and our local members, Hugh Delahunty and John Forrest.

Regional Development Victoria has been a great partner in many projects and we look forward to a continued partnership in the future.

Hindmarsh Shire Council is fortunate to have a supportive staff, both indoor and outdoor, and I look forward to working with our staff in the future to help service our community and achieve the strategic objectives set out in our Council Plan 2013-2017.

I commend the 2013 annual report to the citizens and ratepayers of the Hindmarsh Shire.

Rob Gersch
Mayor



► Kaw Doh and family

Chief Executive Officer's Report



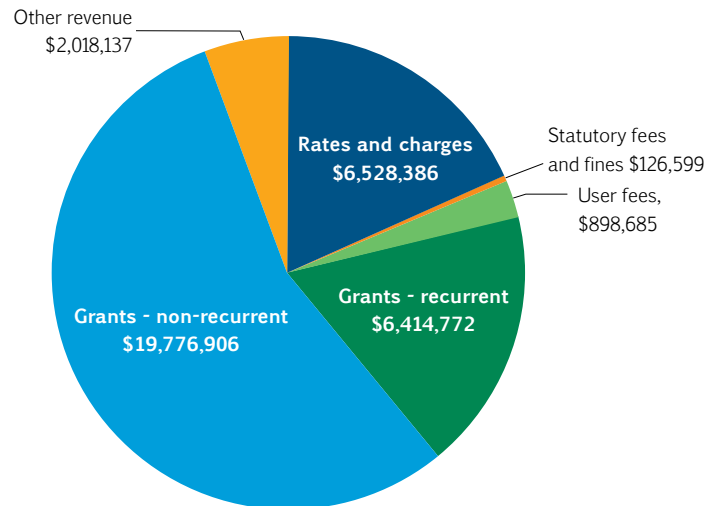
Tony Doyle
Chief Executive Officer

The 2012/13 financial year has been a very gratifying and rewarding year for Council with strong foundations set that will benefit the Hindmarsh community into the future. I am pleased to advise that Council is in a sound financial position and has performed strongly during the 2012/13 financial year. Whilst the financial management of our Shire is a significant challenge, Council is committed to ensuring our organisation is sustainable into the future. During the 2012/13 financial year Council produced an operating surplus, remained debt free and has sufficient cash to meet its budgetary obligations in the 2013/14 year.

For the financial year ending 30 June 2013, Council delivered an operating surplus of \$15.5m. This significant surplus is primarily due to funding received in advance for flood recovery works, such as the Wimmera Street Bridge in Dimboola and the Jeparit and Dimboola Weirs, which as at our reporting date had not been expended.

The chart below summarises the major revenue lines that Council received during the financial year under review. Rates and Charges were 18.2% of Total Revenue, and 40.8% of Recurrent Revenue, which is Total Revenue less any one of Grants Council received.

Hindmarsh Shire Council Revenue



Total Revenue of \$35.72m was down on budgeted income for the year of \$44.51m, due to restoration works on flood affected assets costing less than initial estimates. These works are funded by Grants from the Federal governments which are funded in line with actual project costs.

Council is strongly committed to community engagement and consultation. The 2012/13 year saw Council consult the community and various stakeholders on the Roadside Management Strategy, Domestic Animal Management Plan, Municipal Early Years Plan, Storm Water Drainage Study and Climate Change Adaptation Plan prior to adoption.

Council strives to provide clear consultation in regards to its financial situation and projections. Prior to adoption, the Hindmarsh community were given the opportunity to comment on the new financial year budget in March 2013. The new budget was adopted by Council in June this year and balances community needs with the maintenance obligations Council has across our extensive road network and other assets.

In October 2012 Council developed its individual Community Plans for each of the four major towns in our Shire. Extensive community consultation initiated the process, with community meetings held in Dimboola, Jeparit, Nhill and Rainbow over a four week period. The final draft of each Plan went back to the respective Town Committees for comment prior to adoption. Importantly, these community plans formed and were the basis for our new Council Plan 2013-2017.

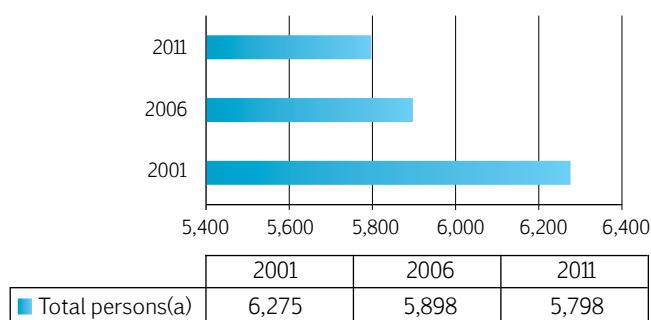
The year also saw the election of a new Council and as noted the subsequent development of a new Council Plan. The Council Plan outlines our goals and priorities for the next 4 years and contains four key result areas (KRA's) for grouping strategies. These KRA's reflect priorities of Council and provide a framework for implementing, reporting and monitoring. The four KRA's and their subordinate activities are:

- > Community and Liveability
- > Built and Natural Environment
- > Competitive and innovative Economy
- > Our People, Our Process

Adopted in May 2013, work is well underway to deliver key objectives. Two areas that I would like to highlight in this report are our focus on Tourism and Economic Development.

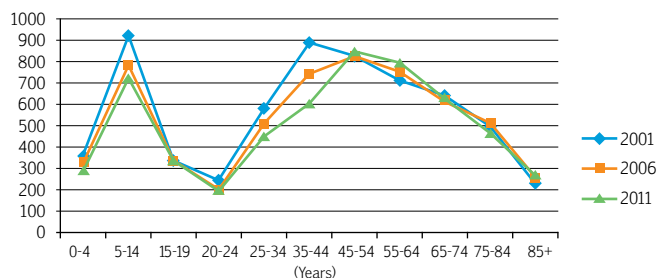
A key challenge faced by our Shire has been its declining population. The year under review saw the release of the 2011 census data which confirmed a continuing trend of population decline in Hindmarsh Shire Council.

Hindmarsh Total Population



The population within our Shire has decreased between the 2001 and 2011 census by 7.6%, from 6,275 people to 5,798 people. This population decline is impacting on Council's funding, particularly with regard the money we receive through the Victorian Grants commission, which this year totals approximately \$4m. These grants are partly assessed on the basis of population numbers, which is placing a downward pressure on this vital revenue source.

Hindmarsh Total Population



Whilst the median age has increased significantly between the two census periods, it's not due to an increase in the number of older people. In short, the Shire had one person less at the age of 65 and over in 2011 than it did in 2001.

Median age has increased due to a significant loss of population between the age of 20 and 54, with the most significant loss being between ages 20 and 44. This is the prime income producing, spending and wealth creation age group, loss of which has a significant impact on the local economy.

The decline at this demographic level cycles its way through our economy, impacting on businesses through reduced demand and subsequently reduced employment opportunities, which in turn exacerbates the population decline. Whilst this problem is common amongst smaller rural communities, Council believes that our community is well placed to address and arrest this decline through several key initiatives included in our new Council Plan.

At each Council meeting this year we have received a deputation from one of the Shire's Primary or Secondary Schools. These have been an absolute highlight for Councillors and Officers attending, with presentations covering issues such as leadership, history and local issues. On behalf of Council, I would like to extend thanks to students and teachers who presented this year. It is inspiring to see the youth speak passionately about current affairs and issues of interest.

Hindmarsh Shire Council has fostered a strong youth focus, for which a number of programs have been implemented in the 2012/2013 financial year. Our new Council Plan builds on some key initiatives introduced in 2012/13, including the Forgotten Voices program, in which Youth stream live radio broadcasts via Facebook, FREEZA which are drug and alcohol free concert events, and our Library youth centre. These programs are designed to engage youth in our community, encourage learning, empower youth through responsibility and ownership of their town facilities and services. These programs work seamlessly with the programs initiated by our schools, such as Rainbow Secondary College's Community Leadership Program, under which students worked with volunteers at Yurunga, Rainbow's historic homestead, to plant an orchard. The partnership between Council and the

local schools is vital in the ongoing improvement to youth-centric services.

Council will continue to grow and develop its work with the youth of our Shire. Whilst engaging youth in our community is an important part of our Council Plan, employment and new business opportunities are also required. A key ingredient of our new Council Plan is to develop robust Strategies to improve the economic and tourism position, guiding Councils investment decisions over the next ten years.

Our Shire is blessed with significant natural assets, including and not limited to Lake Hindmarsh, Victoria's largest freshwater lake, Lake Albacutya, a Ramsar listed wetlands of international significance, Wyperfeld National Park, Little and Big Desert National Parks and the Wimmera River through Dimboola and Jeparit. However spectacular, these assets are severely underdeveloped from a Tourism perspective. Council is committed to developing a strategy that will prioritise and guide Councils investment in these assets, as well as advise Council on marketing opportunities to the preferred markets and the appropriate mechanisms to attract private investment.

These will be key pieces of work that will underpin our economy going forward.

During 2012/13 Council's road network had its condition assessed by a specialist third party road assessor. This is completed on a 3 year rolling cycle to fulfill legislative auditing requirements relating to asset valuations. A scientific method is used, providing important guidance on renewal budgeting requirements including dollar amounts and projects to prevent a decline in the overall condition of the road network. The assessment also provides a measurable outcome of how well we have targeted our renewal expenditure in recent years.

I am pleased to report to the Hindmarsh community that Moloney Asset Management Systems undertook the most recent assessment in January 2013 and found that *"Hindmarsh Shire has done a good job in managing its road assets since 2008 and has taken strong advantage of the additional funding sources that were available to it in recent times"*. With in-excess of 3,000 kms of roads in our Shire, maintenance and where appropriate the upgrading of these roads is one of the Shire's biggest financial challenges.

Council also took part in the Regional Victoria Living Expo, an initiative of Regional Development Victoria. With over 300 people visiting the Hindmarsh Shire stand at the Melbourne Exhibition Centre, this is the most efficient way of promoting the region to the wider market of metropolitan residents looking for a 'tree change'. To strengthen our Shires economy, a core function is to attract people from metropolitan areas to relocate for work or to establish a business in our Shire. The Regional Victorian Living Expo is a key ingredient of this strategy, with the Council receiving a grant of \$30,000 from the Victorian State Government over

3 years to fund associated costs of attending the event. Funding has contributed to professional marketing and promotional collateral.

Council has continued to improve its Community Grants program to ensure it will provide community groups appropriate support towards their goals. Funding for these grants totalled \$20,000 in 2012/13, which enabled groups such as the Jeparit Fishing Club to conduct its annual fishing competition that attracted approximately 500 participants.

A personal highlight for me was attending the Karen New Year festivities in Nhill during January. This was the first community event I attended on arriving to Hindmarsh and has emphasised how the Karen people have enriched the lives of Nhill residents through cultural diversity in the community.

I strongly believe Hindmarsh Shire Councils two greatest assets are its community and staff. Since joining the Shire, I am continually amazed by the willingness of people within our Shire to 'roll up their sleeves' and work tirelessly for their community. The volunteering rate in Hindmarsh is something we can all be very proud of. On behalf of Council, I would like to thank all volunteers within our Shire for the work they have undertaken during the 2012/13 financial year. I would particularly like to thank those that have worked on Council Advisory committees. Your passion for your community enriches all our lives.

I would also like to call out some of the fantastic work undertaken by our Town Committees in each of the four towns within the Shire. These include town amenity projects that are making a difference to the liveability of our towns that in turn attract visitors and new residents alike.

I would also like to pay tribute to Council staff. The dedicated, talented and passionate staff pride themselves in achieving great outcomes for the people of Hindmarsh.

On behalf of Council, I would also like to thank the State and Federal Governments for their financial support during the year. I would also like to thank our local members of parliament for their support and strong advocacy on issues of local and regional importance.

I would also like to acknowledge the strong support I have received from our Councillors Rob Gersch, Wendy Robins, Debra Nelson, Tony Schneider, Ron Lowe and Elizabeth Chivell.

I commend the 2013 Annual Report to the citizens and ratepayers of Hindmarsh Shire and look forward to the exciting times ahead for Hindmarsh Shire.

Tony Doyle
Chief Executive Officer

Councillors as at 30 June 2013



Cr Rob Gersch is currently the Mayor and councillor for the West Ward. Cr Gersch is the Chair for Rural Councils Victoria. He is also the Council's delegate for the following organisations:

- › Municipal Emergency Management Planning Committee;
- › Municipal Fire Management Planning Committee;
- › City of Port Phillip-Hindmarsh Friendship Alliance;
- › Nhill Duck and Jazz Festival Committee (ex-officio);
- › Municipal Association of Victoria;
- › Wimmera Development Association;
- › Western Highway Action Committee; and
- › Wimmera Regional Transport Group.

Mobile: 0427 600 122 **Email:** rgersch@hindmarsh.vic.gov.au.



Cr Ron Lowe is a councillor for the North Ward. Cr Lowe is Council's delegate for the following organisations:

- › Rainbow Town Committee (ex-officio);
- › Rainbow Civic Centre Committee of Management (ex-officio);
- › Wimmera Mallee Pioneer Museum Committee (ex-officio); and
- › Desert Fringe Regional Waste Management Group.

Mobile: 0427 318 067 **Email:** rlowe@hindmarsh.vic.gov.au.



Cr Debra Nelson is a councillor for the East Ward. Cr Nelson is the Council's delegate for the following organisations:

- › Hindmarsh Shire Council Audit Committee;
- › Hindmarsh Shire Council Risk Management Committee; and
- › Minyip Road Revegetation Committee.

Mobile: 0459 021 802 **Email:** dnelson@hindmarsh.vic.gov.au.



Cr Wendy Robins is a councillor for the West Ward. Cr Robins is Council's delegate for the following organisations:

- › City of Port Phillip-Hindmarsh Friendship Alliance;
- › Nhill Town Committee (ex-officio);
- › Wimmera Mallee Sustainability Alliance;
- › Volunteering Western Victoria;
- › Wimmera Mallee Tourism;
- › Hindmarsh Tourism Association; and
- › Hindmarsh Landcare Network.

Mobile: 0459 034 233 **Email:** wrobins@hindmarsh.vic.gov.au.



Cr Tony Schneider is a councillor for the East Ward. Cr Schneider is Council's delegate for the following organisations:

- › Hindmarsh Shire Council Audit Committee;
- › Dimboola Town Committee (ex-officio); and
- › Wimmera Regional Library Corporation.

Mobile: 0459 035 917 **Email:** tschneider@hindmarsh.vic.gov.au.



Cr Elizabeth Chivell is a councillor for the North Ward. Cr Chivell is Council's delegate for the following organisations:

- › Jeparit Town Committee (ex-officio);
- › Hindmarsh Environmental Strategy Advisory Committee; and
- › North West Municipalities Association.

Elizabeth Chivell resigned from the position of Councillor on 27 August 2013.

All Councillors were elected in October 2012 and their term will expire in October 2016.

Corporate and Community Services Report

The Corporate and Community Services Department has undergone some changes in senior positions during 2012/13.

Mr Tony Doyle commenced in December 2012 as Director CCS and in May 2013 was appointed Acting CEO to cover the recruitment period for a new CEO. Mr Stephen Kerrigan was appointed on a short term contract to fill the position of Acting Director CCS. Mr Kerrigan continued in the role following the appointment of Mr Doyle as the new CEO at the end of June 2013 and during the recruitment process for a new Director.

Following an earlier review of the Finance Section, Council agreed to increase the number of staff in the Finance Section to improve Council's financial accountability. Mr Vikram Jaggi resigned as the Finance Coordinator in June 2013 to take up a promotion interstate and the vacancy has resulted in the recruitment of Mr John Penhall in August 2013 and the internal appointment of Mrs Monica Revell as Finance & Customer Services Manager.

Mr Stephen Nicholson was appointed as the Local Laws Officer and he has taken a more firm approach to domestic animal management and the provision of permits.

A focus for the 2012/13 year has been to ensure the goals and outcomes set for the year were still achieved even through a period of staff changeover and relocation of the Nhill office staff during the office refurbishment project.

Improvements in Records Management, policy and community engagement have been made over the year with still more to be achieved.

The Department relies on the commitment of the staff to make a positive difference in the community and to improve our processes. This complements the vision of Councillors and the many volunteers that work toward a more liveable community.

Community Development Annual Report

2012/13 has proven to be a successful, challenging year for the Community Development team. The Community Development team strives to provide a broad range of services to residents, community groups and organisations across the Shire in the areas of community and economic development, youth, environment, tourism, aged and disability services, early years services and libraries.

Representatives from Hindmarsh Shire Council attended the 2013 Regional Victorian Living Expo on Friday 19 – Sunday 21 April 2013. The Regional Victorian Living Expo, held at the Melbourne Convention Exhibition Centre showcased the outstanding opportunities available in regional and rural Victoria. Aimed at metropolitan residents looking for a 'sea' or 'tree' change, the expo had over 100 exhibitors and with important information on careers, education, housing, health and the great lifestyle available in the regions.

The Regional Victoria Living Expo is a key initiative in the Victorian Government's strategy to drive population and investment to regional and rural Victoria. There were over 9,500 attendees throughout the three day event in 2013, a 15 percent increase from 2012. The event provided Melbourne residents and businesses with all the information they need when considering relocating to regional and rural Victoria, including promotion of specific job and career opportunities that Hindmarsh Shire Council has.

Grants

Council has been successful in obtaining funding for various projects throughout the shire. Highlights from 2012/13 include the Nhill and District Sporting Club Umpire Changeroom upgrade and the Seasonal Pools project, which will improve facilities at each of the four pools across the Shire.

Hindmarsh Shire Council has been awarded the prestigious role of hosting the Rural Councils Victoria Rural Summit in 2014. Council will receive funding from Rural Councils Victoria for the coordination and implementation of the event, which will see up to 200 delegates from rural councils descend on Hindmarsh Shire to explore and discuss issues facing regional Victoria.

The Community Development team have completed numerous projects in the past twelve months:

- > Jeparit Memorial Hall refurbishment
- > Nhill Lake and Wimmera River, Dimboola Fitness Trail Equipment
- > Nhill Golf Club Irrigated Fairways
- > Rainbow Golf Club Sustainable Tees
- > Living Libraries (Dimboola and Nhill)
- > Wimmera Mallee Pioneer Museum Conservation

Community Plan 2012 - 2015

Community Planning Workshops were held in the four towns of Dimboola, Jeparit, Nhill and Rainbow during August and September 2012. Facilitated by Wimmera Development Association Executive Officer, Jo Bourke, residents were given the opportunity to discuss the key community issues; identify priorities to help form local, Shire and Regional strategic plans; develop action plans; and form partnerships within the community to manage and develop key projects.

The information obtained at the workshops has been used to plan and prioritise activities, projects and key strategic directions of Council for the next few years. This information forms the Community Plans 2012 – 2015 for each town, which have been used in the development of the 2013/14 Council Budget and 2013 – 2017 Council Plan.

Community and Event Grants

Once again the Community and Event grant program has proved to be a vital resource for Hindmarsh community groups, distributing \$20,000 to support community based initiatives and events.

There was an overwhelming response to the Community Grants, with over \$30,000 worth of applications received; making the task of allocating the funds throughout the community groups a difficult one for Council. Due to this, Council has increased the Community Grants Program to \$30,000 for 2013/14 with an overhaul of the program's guidelines and eligibility criteria. The 2013/14 Community Action Grants Program will assist community groups in their strategic planning of projects with four categories of funding available; community assistance, event sponsorship, minor facilities upgrade and small equipment.

Tourism

Wimmera Mallee Tourism continues to promote and support the tourism industry within the Wimmera Mallee region. Council and community representatives from Buloke, Hindmarsh, West Wimmera and Yarriambiack Shire Councils, Wimmera Mallee Tourism attended the Adelaide and Melbourne Caravan and Camping Shows, as well as the Wimmera Machinery Field Days. All three events showcased the natural and heritage assets that the Wimmera Mallee is known for. 2012/13 saw the increased focus on marketing and promotion of local events and attractions to a wider audience, with the use of social media at the forefront of marketing efforts.

As a result of the continued progress, the Wimmera Mallee Tourism 2012–2015 Strategic Plan and 2013–2015 Marketing Plans were established to assist in defining the direction of the group and its activities. Continual improvements to the website and the creation of promotional collateral such as the A3 tear off map and presentation folders have allowed the association to portray a professional, attractive location for visitors and locals alike to enjoy.

The Wimmera Mallee Tourism photo competition has been a successful promotional tool for the association, with 118 photos entered in the competition since its launch in September 2012. The photo and video competition will continue into 2013/14 with a strong emphasis on video entries from local artists showcasing our beautiful assets.

The Hindmarsh Tourism Association committee has established itself as a hardworking, progressive group of community members and industry representatives with a number of projects completed in 2012/13.

10,000 copies of the Hindmarsh Visitor Guide, published in February 2012 had been distributed at numerous Visitor Information Centres throughout Victoria and South Australia, as well as local businesses throughout Hindmarsh Shire and the Wimmera Mallee region. As a result, a reprint of the

guide has resulted in a modern, fresh look aligned with Tourism Victoria's style, assisting in future promotion through accredited Visitor Information Centres across the state.

The logo and slogan competition held in 2012 provided a creative opportunity for the Hindmarsh Tourism Association to collaborate and connect with locals to assist in the branding of the association. Multiple entries were announced as winners, with Hansen Print utilised to incorporate all designs into the one logo. The slogan 'big skies, big lakes and big deserts' encapsulates the unique scenery of Hindmarsh and stirs images of brightly coloured sunsets, birds flying over Lake Albacutya and families camping in the Little Desert National Park.

The Hindmarsh Tourism Association established its social meetings in September, encouraging all community members, business owners and industry members to take part in informative, entertaining networking opportunities. Guest Speakers from a broad range of organisations spoke to the group on various topics such as information centres, regional tourism boards and local attractions.

Environment

Council's Roadside Management Strategy has made steady progress over the past twelve months with a consultant completing community meetings and initial preparations for the draft strategy report, which aims to be adopted by Council in September 2013. The strategy will outline recommendations to Council on its management of roadside works and controls for the coming years.

The Climate Change Adaptation Strategy Report, incorporating four specific reports was printed and distributed in July 2012. The report, outlining the township Climate Change Adaptation Plan, Climate Change Adaptation Strategy, Integrated Water Management Plan and the Economic Development Position Paper will form the basis of future Council directions in each of the identified categories.

Home and Community Care

Hindmarsh Shire Council's Home and Community Care Program (HACC) is a support service for frail aged residents, people with disabilities and their carers. The program provides basic and essential services to support people to continue living independently at home. Links and referrals to other health services and social programs are also provided.

Following an assessment for eligibility and service provision, support is provided in the following areas.

Delivered Meals and Centre Based Meals service provides a nutritious, appetising and culturally appropriate main meal delivered to the consumer's home or to a community centre where meals are eaten in a social setting. Personal Care provides assistance with those tasks which a person would normally do themselves but because of illness, disability or

frailty they are unable to perform without the assistance of another person. Examples of personal care service include:

- Assistance (or supervision) with bathing, showering or sponging;
- Assistance with dressing and undressing;
- Assistance with shaving, hair care and grooming;
- Assistance with eating, drinking, cooking, and meal preparation;
- Assistance with mobility;
- Assistance with toileting;
- Monitoring self-medication, and
- Assistance in attending medical and other related appointments.

Respite Care services support the caring relationship by providing the carers of frail older people and, people of any age with a disability, with a break from their caring responsibilities. It also provides an opportunity for the person being cared for to have a break, or an outing without their usual carer.

Home Care / Domestic Assistance services are to maintain a safe, secure, healthy home environment for frail older people and people with a disability. While cleaning tasks form an essential part of Home Care it is more than a cleaning service. It is focused on enhancing the consumers independence by providing basic levels of assistance required to maintain the home.

Property Maintenance and minor modifications provides assistance with maintenance and repair of the consumers home, garden or yard to maintain the home in a safe and habitable condition.

There are 20 Community Care Staff and three Home Maintenance men that provide services to the community. The office is run by a Coordinator, a Living at Home Assessment Officer and an Administration Assistant.



► Pictured above: Hindmarsh Shire Mayor, Cr Rob Gersch, with three Home and Community Care staff graduating from the University of Ballarat in 2013 (from left to right) Karen Barton, Sally Hawker and Sharyn Salt.

Karen and Sally completed their Vocational Graduate Certificate in Community Service Practice and Sharyn completed her Diploma in Nursing.

Business

The collaboration between Council, Business Nhill, Dimboola Business Association and Wimmera Development Association has continued, providing future economic development to the shire and supporting local businesses and industry.

The Nhill Alive with Business Opportunity Weekend has received strong support from the Victorian Government with \$25,000 provided to assist in the marketing and promotion of the event. Local project management organisation Thriving Regions are assisting with the coordination and management of the event. The Nhill Alive with Business Opportunity event will promote Nhill and the Hindmarsh Shire to metropolitan and other regions within Victoria and interstate as a potential location for economic investment or relocation.

Youth

Council has continued to facilitate activities for Hindmarsh youth as part of its various programs. The Engage Program has seen three key projects implemented in the past twelve months. The youth space at the Nhill library has been completed and preparations are underway for the official opening. Youth engagement workshops have been completed throughout the shire.

'The Forgotten Voices' is a group of six local teenagers who completed a radio broadcasting and sound production skills course with Triple H Community Radio in 2012. Following their training the group was eager to demonstrate their radio skills at local outlets throughout the Shire. Since completing their training the Forgotten Voices have performed at many community based events and have received numerous requests for repeat performances. The Radio and Podcast program provides young people with an avenue for self-expression, gain leadership skills, build confidence, enhance their participation in community life and learn about services and opportunities available in their local area.

The Radio and Podcast program is one of the projects conducted through the Engage program funded by the Victorian Government. Other programs include community planning activities and a youth space in Nhill located at the Nhill Library.



► Meet the 'Forgotten Voices' (from left) Ben McCartney, Hayley Crawley, Cassie Withers, James Kalms, Hadassah Schembri and Andy King.

Next Year – 2013/14

2013/14 is shaping up to be a busy year for the Community Development team, with a major focus on Economic Development and Tourism in the 2013/14 Council Budget.

The future direction of Hindmarsh Shire will be determined by the establishment of Economic Development, Visitor and Recreation Strategic Plans in late 2013 and early 2014. These plans will provide strategic direction on initiatives and activities to further promote, develop and improve the facilities and services offered to the Shire's businesses, residents and visitors.

The 2014 Rural Summit has been awarded to Hindmarsh Shire Council. The newly developed steering committee, comprising

of Cr Rob Gersch, Phil King, Angela Stewart and Katherine Colbert have selected Thursday 27 & Friday 28 March 2014 for the Rural Summit, which will be held in Nhill.

The Rural Summit is an annual initiative of Rural Councils Victoria. The two-day conference is held in a rural Victorian town for councillors, CEOs, leaders of business, industry and economic and community development practitioners to share their knowledge, ideas and experience on a broad range of issues.

The Community Development team extends sincere gratitude to the countless volunteers within Hindmarsh Shire. Thank you to those who have assisted in various community based projects and initiatives over the past year, and we look forward to working with you all in 2013/14.

Corporate Services Annual Report

Customer Services

The Nhill Customer Service Office relocation into temporary premises proceeded without major impact on daily service delivery to our customers.

We ensured that our service as a VicRoads agency continued as usual while we were temporarily situated in a different site. The provision was made to enable the Nhill office to continue the process for taking licence photos with minimal disruption or inconvenience to the public.

The compliance audit against the VicRoads Agency Agreement did not identify any corrective actions to be addressed by the agency. All customer service staff should be commended on their brilliant handling of VicRoads clients.

Although working conditions for Customer Service staff have been demanding during some stages, they persevered through the challenging time and were successful in making the ratepayer's visits to Council's offices a pleasant experience.

Food Act Inspections

Currently we have 76 food premises with 61 inspections occurring in the 12/13 financial year.

Freedom of Information

During 2012/13 Hindmarsh Shire Council completed one Freedom of Information (FOI) request from 2011/12. There were no new FOI applications received in 2012/13.

Animal Management

In 2011/12 2,032 animals were registered – 1,455 dogs and 577 cats. In 2012/13 1,770 animals were registered – 1,289 dogs and 481 cats.

Stephen Kerrigan

Acting Director Corporate and Community Services

The challenge this year has been on balancing the flood recovery restoration works with normal maintenance and capital operations. Council has undertaken a huge effort to rehabilitate flood damaged infrastructure to meet the National Disaster Recovery Fund expenditure deadline of 30 June 2013. The infrastructure department has overseen \$25M of restoration works over and above normal expenditure since the January 2011 floods. This work has predominantly been carried out by contractors, managed by council officers and has been fully funded by the Federal Government. This has been an opportunity to restore road and public assets using scientific methods to achieve the best possible results.

Flood Restoration

There has been a significant amount of flood damaged infrastructure repaired since January 2011 including:

- › 860km of roads
- › Reinstatement of the Dimboola Sports Stadium floor
- › Refurbishment of the amenities block at the Dimboola Caravan Park
- › Construction of new tennis courts at Antwerp
- › Repair of more than 80 road culverts

Council successfully negotiated an extension of time to undertake works on the Wimmera Street Bridge to 30 June 2014. The works on the bridge are estimated to be worth \$3.8M and are well underway. Council engaged a contractor in December 2012 to undertake the detailed design and construction contract of the bridge.

Council also successfully negotiated funding for repairs to the Jeparit and Dimboola weirs. These works are estimated to be worth in excess of \$3M and are scheduled to be complete before 30 June 2014.

Asset Management

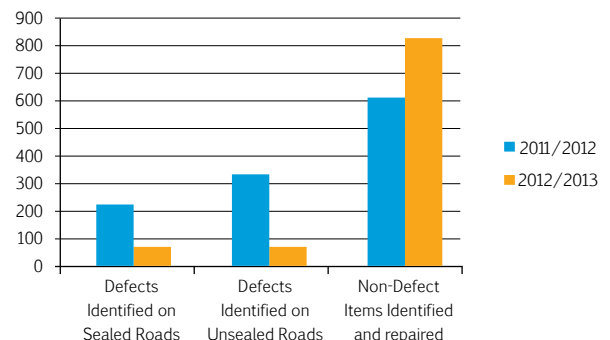
Council has again participated in the ongoing National Asset Management Assessment Framework (NAMAF) program which aims to improve Council's asset management practices through collaboration with all councils.

Council undertook a condition assessment of its road network in January 2013 which confirmed that its condition has significantly improved due to a targeted renewal program and the input of flood restoration funding. The report also provides council with priority renewal works that ensure renewal expenditure on its road network is correctly targeted towards the most appropriate sections.

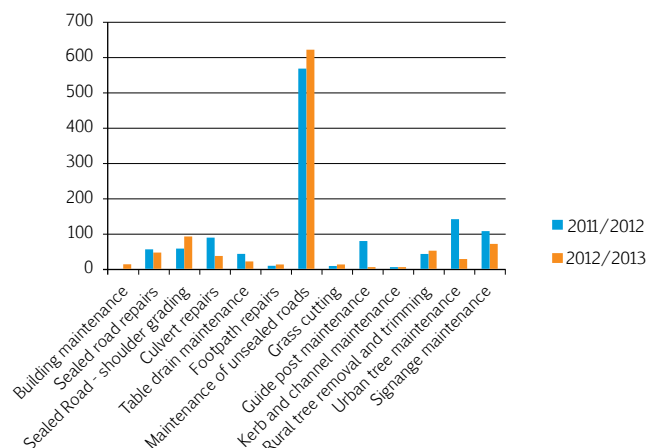
A drainage study for all four townships within Hindmarsh Shire has been completed. The study identified capital improvements and maintenance requirements to limit damage from storm events. Identified works have commenced including improving capacity of drains in Dimboola and Nhill.

Program Delivery

The graph below shows that the number of defects repaired through 2012/2013 (1,041) was less than those identified and repaired during the 2011/2012 year (1,236). In addition, there has been a reduction in the number of defects identified that were outside the intervention levels contained in Council's Road Management Plan. This can be attributed to the proactive maintenance repairs undertaken (859) and the flood repair work undertaken over the past 18 months.



The following graph shows the type and number of defects (combined outside intervention and within intervention requirements) repaired over the past two years.

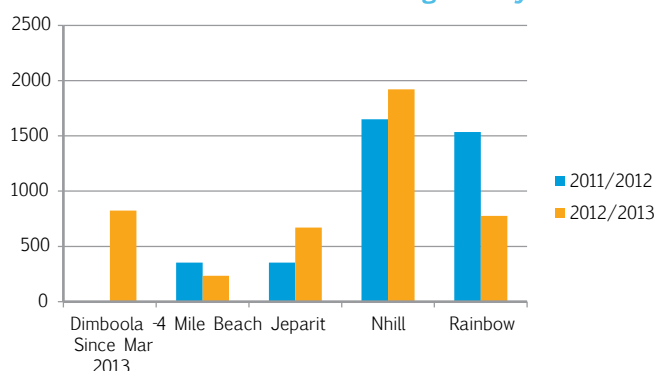


Contract Management

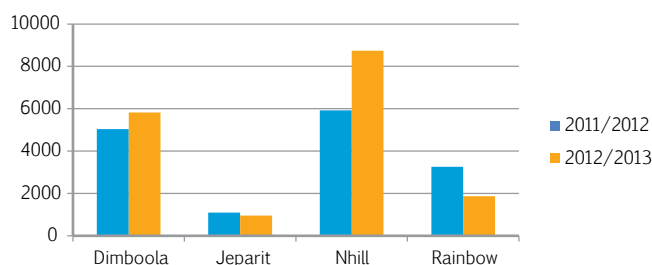
It has been a busy year for the Contracts Management area, with the redevelopment of the Shire Offices which commenced in March 2012. This project is scheduled for completion by the end of 2013. Staff moved into Stage 1 in March 2013 and good progress is being made with Stage 2 of the project.

Council regained the lease of the Dimboola Caravan Park in March 2013 and appointed a local caretaker. An upgrade of the caravan park has also been undertaken, with expenditure of approximately \$50,000 to the end of June 2013.

Caravan Park Visitor Night Stays



Swimming Pool Attendances



Town Planning

All applications for planning permits over the past 12 months have met statutory timeframes for referrals and responses. Over this period there was one Victorian Civil and Administrative Tribunal (VCAT) case that was decided in favour of Council. The Town Planning Department has undertaken a program of reviewing outstanding permits for compliance. Planning processes have been improved to be more customer-focused and consistent.

Building Control

The building department has been focused on Council's obligations under the Building Act 1993 with regards to life, health & safety matters. There has been an emphasis on resolving outstanding enforcement matters and an implementation of processes to assist customers requiring a building permit.

Emergency Management

Council continues to work with Hindmarsh Municipal Emergency Management Planning Committee, which includes emergency service authorities, to implement recommendations of the Bushfire Royal Commission and ensure preplanning for emergencies is carried out. A major achievement over the past year included a full review and implementation of the Hindmarsh Municipal Emergency Management Plan. There have been a number of training sessions for staff to assist in Council's role during an emergency.

Douglas Gowans
Director Infrastructure Services

Equal Opportunity, Local Laws and Whistleblower's/ Protected Disclosure Act

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

Policy Statement

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

In all policies and practices of 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.

Local Laws

Local Laws operational as at 30th June, 2013 are:

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

Whistleblower's Protection Act 2001 / Protected Disclosure Act

There have been no disclosures, investigations, matters, requests, or recommendations, made or received in connection with this Act, during the financial year 2012/13.

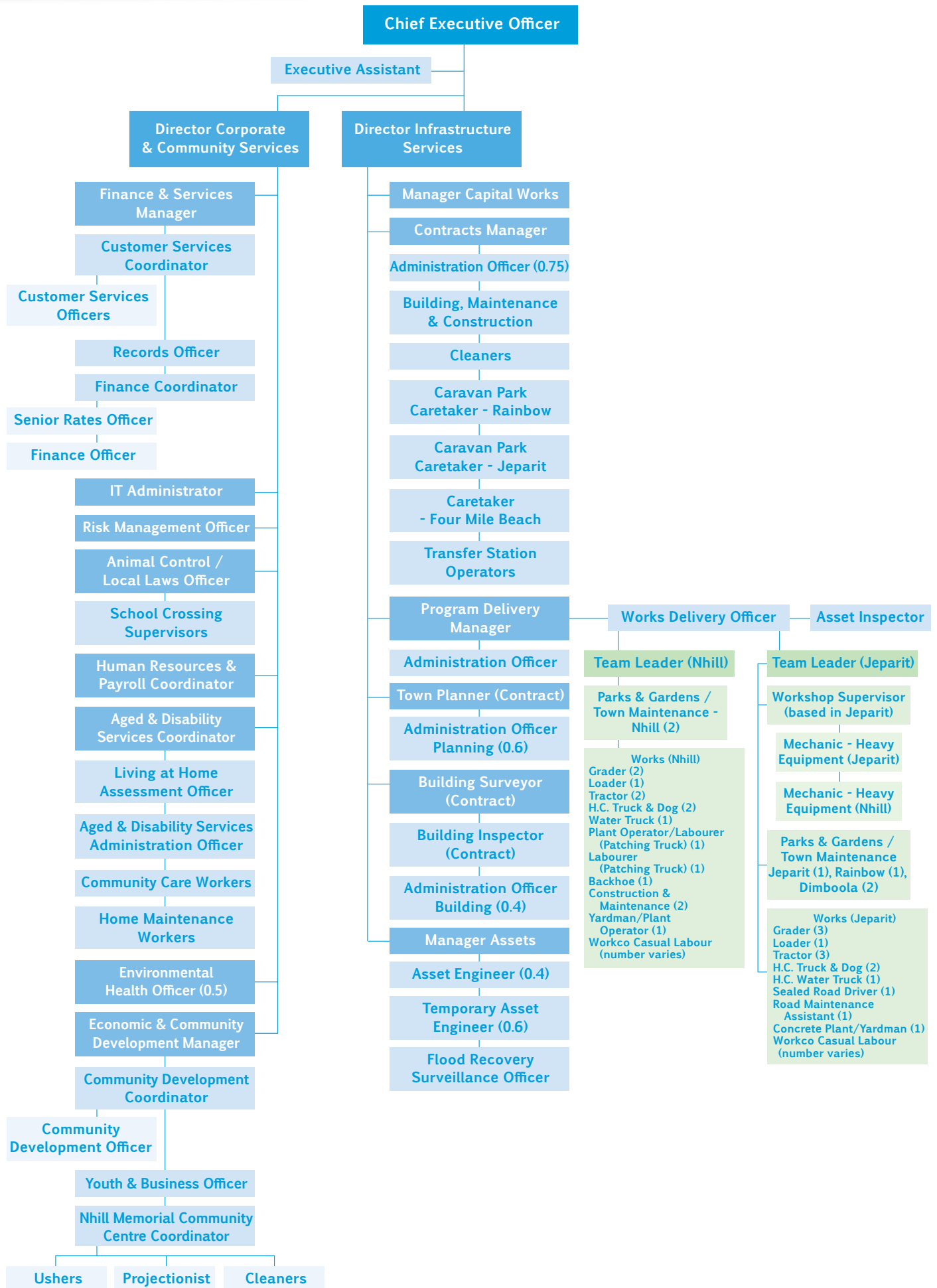
Staff Numbers and Classifications as at 30 June 2013

Designated Work Groups	Total	Males	Females	Effective Full Time
Senior Management	3	3	-	3.00
Finance, Administration & Customer Service	18	4	14	16.95
Building & Planning	2	-	2	1.00
Environmental Health	1	-	1	0.50
Engineering Support	5	4	1	4.60
Community Development	4	1	3	4.00
Technical Services	37	35	2	37.0
Town & Property Maintenance	6	6	-	6.00
Home & Community Care	25	3	22	12.90
Community Centres	5	2	3	0.10
School Crossings	3	-	3	0.20
Property, Purchasing & Risk Management	2	2	-	2.00
Animal Control and Local Laws	1	1	-	1.00
Other	12	7	5	3.50
	124	68	56	92.75



► Pouring concrete during construction of the Antwerp tennis courts

Staff Structure



Information to be Made Available for Public Inspection

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

- (a) Details of current allowances fixed for the Mayor and Councillors under Section 74 or 74A of the Act.
- (b) Details of senior officers' total salary packages for the current financial year and the previous year including the gross salary, the amount of the Council or employer contribution to superannuation, the value of any motor vehicle provided by the Council and the total value of any other benefits and allowances provided by the Council.
- (c) Details of overseas or interstate travel (with the exception of interstate travel by land for less than three days) undertaken in an official capacity by Councillors or any member of Council staff in the previous 12 months, including the names of the Councillors or members of Council staff and the date, destination, purpose and total cost of the overseas or interstate travel.
- (d) Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
- (e) Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
- (f) Agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under Section 93 of the Act except where such minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- (g) A list of all special committees established by Council and the purpose for which each committee was established.
- (h) A list of all special committees established by the Council which were abolished or ceased to function during the financial year.
- (i) Minutes of meetings of special committees established under Section 86 of the Act and held in the previous 12 months except where such minutes relate to parts of meetings which have been closed to members of the public under Section 89 of the Act.
- (j) A register of delegations kept under Sections 87, 88 and 98 of the Act, including the date on which the last review under section 98(6) of the Act took place.
- (k) Submissions received under Section 223 of the Act during the previous 12 months.
- (l) Agreements to establish regional libraries under Section 196 of the Act.
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- (n) A register of authorised officers appointed under Section 224 of the Act.
- (o) A list of donations and grants made by the Council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- (p) A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organization by the Council.
- (q) A list of contracts valued at: \$150,000 (for goods and services) \$200,000 (for the carrying out of works) (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more —
 - (i) which the Council entered into during the financial year without first engaging in a competitive process; and
 - (ii) which are not contracts referred to in section 186(5) of the Act.

Council Grants, Contributions and Memberships

Community Grants:

\$

Community Group and Events Grants Program	16,214
	16,214

Council Contributions:

\$

Wimmera Regional Library Corporation	231,274
Hindmarsh Landcare Network	35,000
Hindmarsh Tourism Association	20,000
Desert Fringe Regional Waste Management	7,500
Wimmera Mallee Tourism Association	5,150
Wimmera Mallee Sustainability Alliance	5,000
Town Committees	4,000
Nhill Rotary Club	400
Jeparit RSL	200
Dimboola CWA	200
Rainbow RSL	200
Dimboola RSL	400
	309,324

Council Memberships:

\$

Wimmera Development Association	39,061
Municipal Association of Victoria	17,344
Wimmera Regional Transport Group	4,006
Livestock Saleyards Association	725
North West Municipalities Association	600
Local Government Finance Professionals	526
	62,262

Council Grants:

\$

Nhill State Emergency Service	18,500
Dimboola State Emergency Service	18,500
	37,000

Performance Statement

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

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Performance
1. Community Liveability	An actively engaged community	Develop a social media policy	Social media policy adopted by 30 June 2013	Not achieved. Draft policy completed and to be adopted by Council in August 2013.
2. Community Liveability	A community that is physically active with access to a wide range of sporting and recreational facilities	Redevelopment of Rainbow Recreation Reserve	Tenders advertised for the first stage of the Rainbow Recreation Reserve redevelopment by 30 June 2013	Not achieved. In progress. Seeking funding to progress detailed design plans. An independent Building, Civil & Structural Engineer has assessed the building and we are currently awaiting the report.
3. Built and Natural Environment	Well-maintained physical assets and infrastructure to meet community and organisational needs	Redevelopment of the Shire Office in Nhill	Stage 1 of the Shire Office complete and occupied by March 2013 Achieved	Stage 1 has been completed on time. Work has commenced on Stage 2
4. Built and Natural Environment	A healthy natural environment	Number of trees planted	Five thousand trees planted by 30 June 2013	Achieved. In excess of 5,000 trees were planted at the tree planning weekend held on 18-19 August 2012.
5. Competitive and Innovative Economy	A diverse economy	Develop and implement an Economic Development Strategy that, among other things identifies business opportunities related to renewable energy	Business opportunities listed in the Economic Development Strategy by 30 June 2013	Not achieved. In progress. Economic Position Paper completed. A project proposal seeking funding for the establishment of a full Economic Development Strategy has been submitted and endorsed by the State Government
6. Competitive and Innovative Economy	A community that embraces innovative and sustainable energy solutions	Establish a pyrolysis waste-to-energy plant	Pyrolysis plant operation by 30 June 2013	Not achieved. Unable to achieve by the target date due to third party involvement.

Performance Statement (continued)

Key Strategic Activity	Performance Measure	How Data is Reported	Performance Target	Performance
7. Competitive and Innovative Economy	Public spaces, open space and appealing tourism facilities that promote visitation and meet visitor needs	Number of overnight stays in Council-owned and operated caravan parks and camping grounds	A 10% increase in overnight stays in Council-owned and/or operated caravan and camping accommodation in 2012/13	Achieved. Activity through sites had significantly improved. Awaiting quantifiable reports to confirm.
8. Our People, Our Processes	An organisation that has the right people and skills in the right places at the right time	Time taken to fill positions	80% of vacant positions to be filled within 20 business days of becoming vacant	Achieved. 81% of vacant positions filled within 20 business days of becoming vacant.
9. Our People, Our Processes	An efficient and effective information system	Development of an IT strategy	Commence implementation of recommendation from the IT strategy	Not achieved. In progress. Initial scoping of the strategy is underway.
10. Our People, Our Processes	An organisation that implements projects efficiently and effectively	A project management system implemented	A project management system in place by 31 December 2012	Not achieved. In progress. A system has been identified with implementation to follow.



► Works on Propodollah-Netherby Road

Certification of the Performance Statement

In our opinion, the accompanying Performance Statement of the Hindmarsh Shire Council in respect of the 2012/13 financial year is presented fairly in accordance with the Local Government Act 1989.

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

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

We have been authorised by the Council on 18 September 2013 to certify the Performance Statement in its final form.

Councillor R.L. Gersch

Dated: 18 September 2013

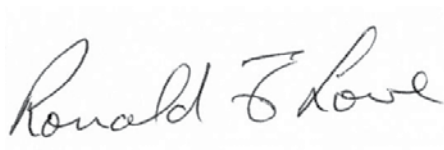
Location: Dimboola



Councillor R.E. Lowe

Dated: 18 September 2013

Location: Dimboola



Mr Tony Doyle

Chief Executive Officer

Dated: 18 September 2013

Location: Dimboola



INDEPENDENT AUDITOR'S REPORT

To the Councillors, Hindmarsh Shire Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2013 of the Hindmarsh Shire Council which comprises the statement and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

The Councillors of the Hindmarsh Shire Council are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* 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 2013 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 2013 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
23 September 2013


John Doyle
Auditor-General

Council Plan Strategies



Council's mission is to provide accessible services to enable the community to be healthy, active and engaged.



Strategic objectives, actions and indicators — Community Liveability

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.	City of Port Phillip-Hindmarsh Friendship Agreement.	City of Port Phillip-Hindmarsh Steering Committee	Ongoing
	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.		Director Corporate and Community Services	Ongoing
	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.	Community Actions Plans – Dimboola, Jeparit, Nhill and Rainbow	Director Corporate and Community Services	2014/15
	1.1.4 Develop a Community Engagement Strategy.	Community Engagement Strategy adopted by Council.			2016/17
	1.1.5 Support integration of migrants into the community.	At least two cultural events per year supported by Council.			June 2014
	1.1.6 Support and encourage volunteering.	Increased participation in and recognition of volunteering across the Shire.			Ongoing

Council Plan Strategies (continued)

Strategic objectives, actions and indicators — Community Liveability

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.		Y-Z A Youth Driven Action Strategy	Director Corporate and Community Services	Ongoing
	1.2.2 Implement actions of the State Government's 'Improving Living for Older People' program.	Positive Ageing and Inclusion Plan implemented.	Positive Ageing and Inclusion Plan	Director Corporate and Community Services	Ongoing
	1.2.3 Review the level of financial support provided to community groups.	Review conducted by Council.		Director Corporate and Community Services	2013/14
	1.2.4 Review and implement Municipal Public Health and Community Wellbeing Plan.	Municipal Public Health and Community Wellbeing Plan reviewed by October 2013.	Municipal Public Health and Community Wellbeing Plan	Director Corporate and Community Services	Review in 2013/14. Implementation is ongoing.
	1.2.5 Adopt and implement Domestic Animal Management Plan.	Domestic Animal Management Plan adopted by Council.	Domestic Animal Management Plan	Director Corporate and Community Services	Adopt by 2013/14. Implementation is ongoing.
	1.2.6 Review and implement Municipal Early Years Plan.	Municipal Early Years Plan reviewed by Council.	Municipal Early Years Plan	Director Corporate and Community Services	Review by 2013/14. Implementation is ongoing.
	1.2.7 Review the feasibility of CCTV in our towns.	Report presented to Council.		Director Infrastructure Services	2013/14
	1.2.8 Establish a training program for s86 committees.	Increased compliance with statutory requirements. Instrument of Delegation reviewed.	Instrument of Delegation	Director Corporate and Community Services	2013/14

Council Plan Strategies (continued)

Strategic objectives, actions and indicators — Competitive and Innovative Economy

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.	Recreation Strategy	Director Corporate and Community Services	2013/14
	1.3.2 Encourage establishment of community gardens.	Number of community gardens established.		Director Infrastructure Services	2013/14
	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.	Feasibility study	Director Corporate and Community Services	Scoping by 2014/15. Implemented by 2015/16.
	1.3.4 Prepare recreation reserve Masterplan for Dimboola.	Masterplan adopted and implementation commenced.	Dimboola Recreation Masterplan. Hindmarsh Recreation Strategy.	Director Corporate and Community Services	2014/15
	1.3.5 Prepare recreation reserve Masterplan for Jeparit.	Masterplan adopted and implementation commenced.	Jeparit Recreation Masterplan. Hindmarsh Recreation Strategy.	Director Corporate and Community Services	2014/15
	1.3.6 Prepare recreation reserve Masterplan for Nhill.	Masterplan adopted and implementation commenced.	Nhill Recreation Masterplan. Hindmarsh Recreation Strategy.	Director Corporate and Community Services	2014/15
	1.3.7 Review recreation reserve Masterplan for Rainbow.	Masterplan adopted and implementation commenced.	Rainbow Recreation Masterplan. Hindmarsh Recreation Strategy.	Director Corporate and Community Services	2013/14
	1.3.8 Digital projection equipment for NMCC.	Installation of digital technology at Nhill Memorial Community Centre.		Director Corporate and Community Services	2013/14

Council Plan Strategies (continued)



Council's mission is to provide infrastructure essential to support the community; and to protect and enhance our natural environment.



Strategic objectives, actions and indicators — Built and natural environment

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.		Director Infrastructure Services	Ongoing
	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.		Director Infrastructure Services	2013/14
	2.1.3 Redevelop and beautify the Lochiel/Lloyd Streets corner in Dimboola.	Corner of Lochiel/Lloyd Streets redeveloped.		Director Infrastructure Services	2013/14
	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.		Director Infrastructure Services	2013/14
	2.1.5 Review roads and bridges hierarchy.	Roads and Bridges Hierarchy adopted.	Roads and Bridges Hierarchy	Director Infrastructure Services	2013/14
	2.1.6 Implement recommendations from drainage studies.	At least three drainage projects undertaken per annum.	Drainage Study	Director Infrastructure Services	Ongoing
	2.1.7 Prepare a footpath strategy.	Footpath Strategy adopted.	Footpath Strategy	Director Infrastructure Services	2013/14
	2.1.8 Complete Shire Office redevelopment in Nhill.	New building operational.		Director Infrastructure Services	2013/14
	2.1.9 Undertake heritage study, subject to funding.	Heritage Study adopted.	Heritage Study	Director Corporate and Community Services	2014/15
	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.		Director Corporate and Community Services	2013/14
	2.1.11 Advocate for the co-location of emergency services in Dimboola.	Discussions held with emergency services.		Director Infrastructure Services	2013/14

Council Plan Strategies (continued)

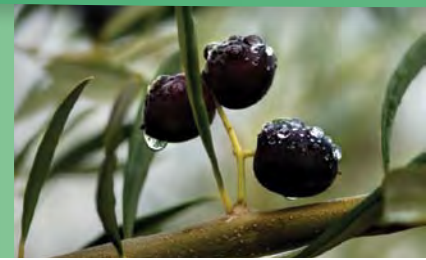
Strategic objectives, actions and indicators — Built and natural environment

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.	Hindmarsh Shire Climate Change Adaptation Strategy.	Director Infrastructure Services	Ongoing
	2.2.2 Implement the Integrated Water Management Plan.	At least one project implemented per year.	Hindmarsh Integrated Water Management Plan.	Director Infrastructure Services	Ongoing
2.3 A healthy natural environment.	2.3.1 Continue to support local Landcare groups.	Memorandum of Understanding with Hindmarsh Landcare Network.	Memorandum of Understanding	Director Corporate and Community Services	Ongoing
	2.3.2 Review the Minyip Road Revegetation Pilot Project.	Review of the Minyip Road Revegetation Pilot Project completed.		Director Infrastructure Services	2013/14
	2.3.3 Review and implement Hindmarsh Environmental Strategy, subject to funding.	At least two environmental projects completed per year.	Hindmarsh Environment Strategy	Director Corporate and Community Services	Ongoing
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.		Director Infrastructure Services	2013/14
	2.4.2 Establishment of a Pyrolysis Plant.	Pyrolysis demonstration plant established in Nhill.		Chief Executive Officer	2014/15
	2.4.3 Continue to support Wimmera Mallee Sustainability Alliance	Wimmera Mallee Sustainability Alliance membership and support continued.		Chief Executive Officer	Ongoing

Council Plan Strategies (continued)



Council's mission is to foster a thriving and diversified local economy where economic growth is encouraged and supported.



Strategic objectives, actions and indicators — Competitive and Innovative Economy

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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		Director Corporate and Community Services	2013/14
	3.1.2 Market the Shire's liveability.	Participation at Regional Victoria Living Expo. Improved website.		Director Corporate and Community Services	Ongoing
	3.1.3 Promote the Victorian Government's Young Professionals Provincial Cadetship Program.	Number of cadets employed throughout the municipality		Director Corporate and Community Services	Ongoing
	3.1.4 Develop and implement an economic development strategy with a strong tourism focus.	Economic Development Strategy adopted.	Economic Development Strategy.	Director Corporate and Community Services	2013/14
	3.1.5 Active involvement in RCV and WDA.	Continued membership of Rural Councils Victoria and Wimmera Development Association.		Chief Executive Officer	Ongoing
	3.1.6 Work regionally/collaboratively with other organisations.	Continued support/membership of Western Highway Action Group, Wimmera Regional Transport Group and business associations.	Hindmarsh Planning Scheme Municipal Strategic Statement	Chief Executive Officer	2013/14 Ongoing
	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 adopted.		Director Infrastructure Services	2013/14
	3.1.8 Facilitate a housing summit and implement actions as appropriate	Housing Summit conducted		Chief Executive Officer	2013/14

Council Plan Strategies (continued)

Strategic objectives, actions and indicators — Competitive and Innovative Economy

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
3.2 A thriving tourism industry	3.2.1 Develop a Tourism Strategy.	Tourism Strategy adopted.	Hindmarsh Tourism Strategy	Director Corporate and Community Services	2013/14
	3.2.2 Appealing tourism facilities that promote visitation and meet visitor needs.	Increased numbers of visitors through the municipality.	Hindmarsh Tourism Strategy	Director Corporate and Community Services	Ongoing
	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.		Director Corporate and Community Services	Ongoing
	3.2.4 Review and upgrade current caravan and camping accommodation in the Shire.	Improved visitor numbers and customer feedback.		Director Corporate and Community Services	Ongoing
	3.2.5 Construct the Nhill Aviation Heritage Centre	Stage 1 completed.	Nhill Aerodrome Masterplan	Director Infrastructure Services.	2013/14
	3.2.6 Promote and support local historic assets and heritage groups.	Local historic assets and heritage groups supported financially and in-principle.		Director Corporate and Community Services	Ongoing
	3.2.7 Consider provision of RV facilities for an 'RV friendly' town.	Dimboola, Jeparit, Nhill and Rainbow to be 'RV Friendly'.		Director Infrastructure Services	Dimboola 2013/14 Jeparit 2014/15 Nhill 2014/15 Rainbow 2013/14
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.		Chief Executive Officer	Ongoing
	3.3.2 Promote the availability and encourage take-up of the NBN.	The number of NBN connections in the Shire.		Chief Executive Officer	Ongoing
	3.3.3 Advocate for appropriate mobile phone coverage.	Number of black spots reduced.		Chief Executive Officer	Ongoing
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.		Chief Executive Officer	Ongoing

Council Plan Strategies (continued)



Council's mission is to realise the excellence in our people, processes and systems.



Strategic objectives, actions and indicators — Our people, our processes

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.	Rating Strategy.	Chief Executive Officer	2013/14
	4.1.2 Further develop 10 year financial plan.	Ten Year Plan updated annually.	Ten Year Financial Plan	Chief Executive Officer	Ongoing
	4.1.3 Advocate to State and Federal Governments re Victorian Grants Commission funding.	Maximisation of our Victorian Grants Commission allocation.		Chief Executive Officer	Ongoing
	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.		Chief Executive Officer	Ongoing
4.2 Quality customer services.	4.2.1 Develop and implement a communications strategy.	Communication Strategy adopted as part of a Customer Services Strategy.	Communication Strategy	Director Corporate and Community Services	2013/14
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.		Chief Executive Officer	2013/14
	4.3.2 Develop and implement organisation development plan.	Organisational Development Plan implemented.	Organisational Development Plan.	Director Corporate and Community Services	2015/16
	4.3.3 Provide professional development opportunities for staff and Councillors.	Employees and Councillors with newly acquired skills.		Chief Executive Officer	Ongoing
4.4 Efficient and effective information communications technology.	4.4.1 Develop and implement an IT strategy.	IT Strategy completed.	IT Strategy	Director Corporate and Community Services	2013/14

Strategic objectives, actions and indicators — Our people, our processes

What we will achieve	How we will achieve this	How we will measure success	Key Documents	Lead Responsibility	Year to be completed
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.	Community Flood Response Study.	Director Infrastructure Services.	Ongoing
	4.5.2 Review and update the Hindmarsh Municipal Emergency Management Plan.	Hindmarsh Emergency Management Plan updated.	Hindmarsh Emergency Management Plan.	Director Infrastructure Services.	Ongoing
	4.5.3 Maintain and improve the Jeparit levee bank.	Jeparit levee bank improved.		Director Infrastructure Services.	Ongoing
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 Register Risk Audits Risk Strategy	Chief Executive Officer	Ongoing
	4.6.2 Improve our score on the JMAPP audit and LMI audit.	JMAPP audit score and LMI audit score increased.	Risk Register Risk Audits Risk Strategy		Ongoing



► Completed Antwerp tennis courts

Victoria Local Government Indicators

	2013	2012	2011	2010	2009
Affordability/Cost of Governance					
1 Average Rates and Charges per Assessment (\$)	1,287	1,216.10	1,120.28	1,037.61	954.08
2 Average Rates and Charges per Residential Assessment (\$)	880	824.36	749.21	699.26	647.98
Sustainability					
3 Average Liabilities Per Assessment (\$)	928	1,177.94	498.26	454.51	488.75
4 Operating Result Per Assessment (\$)	3,069	(446.22)	(109.18)	115.40	13.83
Services					
5 Average Operating Expenditure per Assessment (\$)	4,010	3,788.03	3,042.99	2,627.18	2,571.30
6 Community Satisfaction Rating for Overall Performance Generally of the Council*	59	53	59	62	66
Infrastructure					
7 Average Capital Expenditure Per Assessment (\$)	3,980	1,305.30	792.66	1,133.76	1,133.20
8 Renewal Gap	320.7%	129%	93%	111%	122%
Ratio of current spending on renewal to the long term Average Annual Asset Consumption (AAAC)					
9 Renewal and Maintenance Gap	129%	112%	96%	107%	113%
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*	55	50	61	65	68
11 Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues*	54	50	56	61	65

*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.



► Green and gold splendour



Hindmarsh
Shire Council

Financial Statements
For the Year Ended 30 June 2013

Description of Financial Performance

At the end of the 2012/13 financial year, Hindmarsh Shire Council continued to be in a sound and financially stable environment. Council produced a net surplus from operations of \$15,507,049 compared to \$11,371,311 for the previous year. This large surplus is primarily due to the one-off funding received from the Commonwealth's Natural Disaster Recovery arrangements. The operating surpluses are used to fund the renewal and expansion of Council's asset base including essential infrastructure. The forecasted operating surplus at the time of the budget was \$21,314,321.

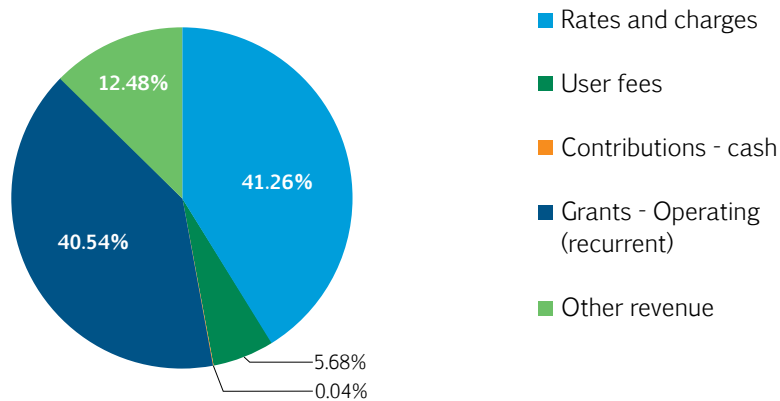
A summary of revenue and expenses compared to last year is shown below.

Comprehensive Income Statement For the Year Ended 30 June 2013

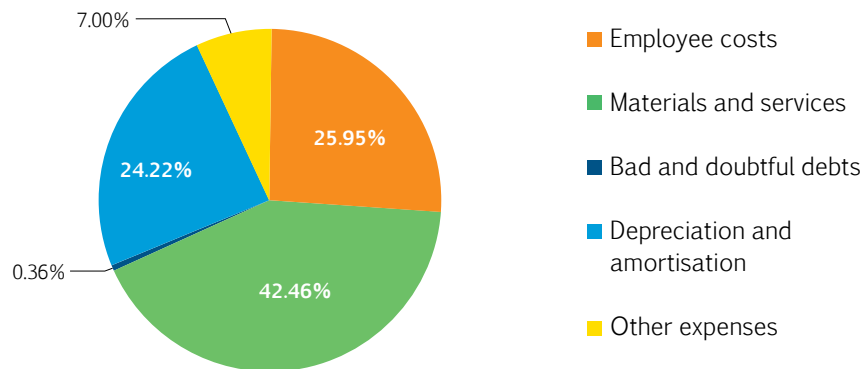
	2013	2012
	\$	\$
INCOME		
Rates and charges	6,528,386	6,109,573
Statutory fees and fines	126,599	87,884
User fees	898,685	879,592
Contributions - cash	6,129	107,678
Grants - Operating (recurrent)	6,414,772	8,145,379
Grants - Capital (non-recurrent)	19,776,906	13,442,493
Other revenue	2,012,919	1,676,940
Net gain/(loss) on disposal of property, plant and equipment and infrastructure	(43,671)	(6,187)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	5,218	(29,671)
Total income	35,725,943	30,413,681
EXPENSES		
Employee costs	(5,247,662)	(5,272,609)
Employee costs - additional unfunded superannuation call	-	(1,259,679)
Materials and services	(8,584,481)	(6,644,644)
Bad and doubtful debts	(72,911)	-
Depreciation and amortisation	(4,897,883)	(4,141,391)
Other expenses	(1,415,957)	(1,724,006)
Total expenses	(20,218,894)	(19,042,329)
Surplus for the year	15,507,049	11,371,352
Other comprehensive income		
Items that will not be reclassified to surplus or deficit		
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	1,790	(4,746)
Net asset revaluation increment /(decrement)	-	(11,393,048)
Comprehensive result	15,508,839	(26,442)

Description of Financial Performance (continued)

Operating Income



Operating Expenditure



Hindmarsh Shire Council relies heavily on government grants for their financial support, like most rural councils in Australia. With the exception of flood recovery grants, approximately 46% of Council's income comes from government grants and 36% of Council's income comes from rates.

The overall cash balance at 30 June 2013 was \$12,470,965 as per the following table:

	2013 \$	2012 \$
Cash and cash equivalents		
Cash at bank and on hand	2,617,901	12,447,897
Short term deposits	9,853,064	-
	12,470,965	12,447,897
(a) Council has imposed the following restriction on cash at bank:		
Cash - restricted (long service leave) **	1,159	-
Cash - restricted (Twigg Family Appeal Trust account)	26,955	36,955
Cash - restricted (deductable gift recipient- Wimmera Mallee Pioneer Museum)	518	518
	28,632	37,473
Short term deposits carry the following restrictions imposed by regulations or other externally Investments - Long Service Leave **	802,565	-
	802,565	-
(b) Total unrestricted cash and cash equivalents	11,639,768	12,410,424

** These monies are held to fund employee long service leave entitlements

Description of Financial Performance (continued)

The 2012/13 Capital Works Program is summarised as follows:

- > Total capital works budget was \$19,831,320.
- > The total actual capital works expenditure was \$20,110,522 which includes works brought forward from 2011/12. Although this shows a completion rate of approximately 100% it is largely due to completion of flood recovery works.
- > There were still a number of capital projects in progress and some projects that were not commenced have been transferred to 2013/14.

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

	2013	2012
	\$	\$
Capital expenditure		
Capital expenditure areas		
Roads	11,800,457	3,851,150
Footpaths	80,238	74,823
Drains	126,384	171,614
Kerb and channel	116,189	31,496
Bridges	-	104,652
Other infrastructure	393,773	87,924
Land and buildings	429,640	287,584
Plant, machinery and equipment	2,141,296	1,253,075
Furniture and equipment	29,513	107,576
Work in progress	4,993,032	591,829
	20,110,522	6,561,723
Represented by		
Renewal of infrastructure	12,488,514	4,649,942
Upgrade of infrastructure	78,225	1,136,771
Expansion of infrastructure	378,792	-
New assets	2,170,809	183,181
Work in progress	4,993,032	591,829
	20,109,372	6,561,723

Comprehensive Income Statement For the Year Ended 30 June 2013

	Note	2013 \$	2012 \$
INCOME			
Rates and charges	2	6,528,386	6,109,573
Statutory fees and fines	3	126,599	87,884
User fees	4	898,685	879,592
Contributions - cash	6	6,129	107,678
Grants - Operating (recurrent)	5(a)	6,414,772	8,145,379
Grants - Capital (non-recurrent)	5(b)	19,776,906	13,442,493
Other revenue	7	2,012,919	1,676,940
Net gain/(loss) on disposal of property, plant and equipment and infrastructure	13	(43,671)	(6,187)
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	14	5,218	(29,671)
Total income		35,725,943	30,413,681
EXPENSES			
Employee costs	8	(5,247,662)	(5,272,609)
Employee costs - additional unfunded superannuation call	8	-	(1,259,679)
Materials and services	9	(8,584,481)	(6,644,644)
Bad and doubtful debts	10	(72,911)	-
Depreciation and amortisation	11	(4,897,883)	(4,141,391)
Other expenses	12	(1,415,957)	(1,724,006)
Total expenses		(20,218,894)	(19,042,329)
Surplus for the year		15,507,049	11,371,352
Other comprehensive income			
Items that will not be reclassified to surplus or deficit			
Share of other comprehensive income of associates and joint ventures accounted for by the equity method	14	1,790	(4,746)
Net asset revaluation increment /(decrement)	23	-	(11,393,048)
Comprehensive result		15,508,839	(26,442)

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

Balance Sheet as at 30 June 2013

	Note	2013 \$	2012 \$
ASSETS			
Current assets			
Cash and cash equivalents	15	12,470,965	2,447,897
Trade and other receivables	16	2,553,856	2,806,715
Inventories	18	86,630	91,169
Other assets	17	37,081	207,403
Total current assets		15,148,532	15,553,184
Non-current assets			
Trade and other receivables	16	5,294	8,427
Investments in regional library corporation	14	325,869	318,861
Property, plant and equipment, infrastructure	19	99,407,851	84,744,210
Total non-current assets		99,739,014	85,071,498
Total assets		114,887,546	100,624,682
Liabilities			
Current liabilities			
Trade and other payables	20a	3,167,309	3,001,382
Trust funds and deposits	21	39,874	52,048
Provisions	22	1,390,167	1,543,197
Total current liabilities		4,597,350	4,596,627
Non-current liabilities			
Trade and other payables	20b	-	1,259,679
Provisions	22	131,990	117,221
Total non-current liabilities		131,990	1,376,900
Total liabilities		4,729,340	5,973,527
Net Assets		110,158,206	94,651,155
Equity			
Accumulated surplus		58,141,599	42,634,549
Reserves	23	52,016,607	52,016,607
Total Equity		110,158,206	94,651,156

The above statement should be read with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2013

	Note			
		Total 2013 \$	Accumulated surplus 2013 \$	Asset revaluation reserve 2013 \$
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

		Total 2012 \$	Accumulated surplus 2012 \$	Asset revaluation reserve 2012 \$
2012				
Balance at beginning of the financial year		94,677,638	31,267,984	63,409,654
Comprehensive result		(26,483)	11,366,565	(11,393,048)
Balance at end of the financial year		94,651,155	42,634,549	52,016,606

The above statement should be read with the accompanying notes.



► Works on Peakes Three Chain Road

Cash Flow Statement For the Year Ended 30 June 2013

	Note	2013 Inflows/ (outflows)	2012 Inflows/ (outflows)
Cash flows from operating activities			
Rates and charges		6,557,265	6,059,849
Statutory fees and fines		328,540	90,120
User fees		894,822	1,407,620
Grants		26,104,526	20,263,666
Contributions		6,129	112,186
Interest		658,825	530,508
Other receipts		654,779	1,167,393
Net GST refund/(payment)		-	823,392
Material and consumables		(10,404,459)	(7,301,254)
Employee costs		(5,385,921)	(5,082,481)
Other payments		-	(19,314)
Net cash provided by (used in) operating activities	24	19,414,505	18,051,685
Cash flows from financing activities			
Trust		(12,174)	-
Net cash provided by (used in) financing activities		(12,174)	-
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(19,884,591)	(10,361,239)
Proceeds from sale of property, plant and equipment, infrastructure		505,327	339,932
Net cash provided by (used in) investing activities		(19,379,264)	(10,021,307)
Net increase/(decrease) in cash and cash equivalents		23,067	8,030,378
Cash and cash equivalents at the beginning of the financial year		12,447,898	4,417,520
Cash and cash equivalents at the end of the financial year	25	12,470,965	12,447,898
Restrictions on cash assets	26		

The above statement should be read with the accompanying notes.

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

External Auditors - Auditor General of Victoria

Internal Auditors - Richmond Sinnott and Delahunty - Bendigo

Bankers - National Australia Bank

Website - www.hindmarsh.vic.gov.au

This financial report is a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement, and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

All accounting policies are consistent with those applied in the prior year.

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) Revenue recognition

Rates, grants and contributions

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

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

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

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

Note 1 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 Councils 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.

Interest and rents

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

(c) Trade and other receivables, and inventories

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

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

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

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

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

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

Artworks are not depreciated.

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

Note 1 Significant accounting policies (cont.)

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

Property	Period
Buildings	Up to 75 years
Plant and Equipment	
Plant, machinery and equipment	1 to 30 years
Fixtures, fittings and furniture	1 to 50 years
Infrastructure	
Roads	
Substructure	100 years
Unsealed roads	11 to 30 years
Sealed roads	12 to 16 years
Sealed road pavement	60 years
Bridges	70 to 100 years
Footpaths and cycleways	1 to 87 years
Kerb and channel	1 to 87 years
Drains	80 years
Other infrastructure	10 to 45 years

(e) Repairs and maintenance

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

(f) Borrowing costs

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

(g) Recognition and measurement of assets

Acquisition

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

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

The following classes of assets have been recognised in Note 20. 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:

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

Note 1 Significant accounting policies (cont.)

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

Revaluation

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

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 3 years. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense, in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

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

(h) Cash and cash equivalents

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

(i) Investments

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

(j) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. 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 (see Note 21).

Note 1 Significant accounting policies (cont.)

(l) Employee costs

Wages and salaries

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

Annual leave

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

Long service leave

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

Classification of employee benefits

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

Superannuation

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

The amount charged to the Comprehensive Operating Statement in respect of superannuation represents contributions made or due by Hindmarsh Shire Council to the relevant superannuation plans in respect to the services of the Hindmarsh Shire Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that the Hindmarsh Shire Council is required to comply with.

Note 1 Significant accounting policies (cont.)

(m) Leases

Operating leases

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

(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) Website costs

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

(q) Goods and services tax (GST)

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

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

(r) Impairment of assets

At each reporting date, 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.

Note 1 Significant accounting policies (cont.)

(u) 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.

Pronouncement	What's new?	Impact /Action	Transition	Effective date
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. 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. The new categories of financial assets are:</p> <p>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).</p> <p>Fair Value through profit and Loss - everything that does not fall into the above two categories. The following changes also apply:</p> <p>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.</p> <p>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.</p> <p>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.</p>	<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>	<p>Transitional arrangements are extensive – in general retrospective restatement is required, but there are exceptions. Early adoption of the standard before 1 January 2014 removes the requirement for restatement of comparatives.</p>	<p>Periods beginning on or after 1 January 2015. The standard was amended in 2012 to delay the effective date by two years (previously 1 January 2013).</p>
AASB 10 Consolidated Financial Statements	<p>The standard introduces a single model of control, which is used to determine whether an investee must be consolidated.</p> <p>The existence of control is determined based on:</p> <p>Power to direct the activities of an investee (irrespective of whether such power is exercised.)</p> <p>Exposure, or rights, to variable returns from its involvement with the investee.</p> <p>The ability to use its power over the investee to affect the amount of the investor's returns.</p>	<p>The definition of 'control' is based on various factors, and is wider than just those entities in which an investee holds greater than 50% of the voting rights.</p> <p>While the effects of this standard are not expected to be significant in the local government sector, there may be some increase in the number of entities required to be consolidated as subsidiaries.</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013.</p>
AASB 11 Joint Arrangements	<p>AASB 11 classifies all joint arrangements as either joint operations or joint ventures:</p> <p>Joint operations exist where the parties have the right to their assets and their obligation for their liabilities under the arrangement. Each party recognises its own assets, liabilities, revenues and expenses resulting from the arrangement.</p> <p>Joint ventures exist where the parties have the rights to the net assets of the arrangement. Each party accounts for the arrangement under the equity method in accordance with AASB 128 Investments in Associates and Joint Ventures (see below).</p>	<p>The use of proportionate consolidation to account for joint ventures is no longer permitted.</p> <p>This is not likely to impact many councils.</p>	<p>Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.</p>	<p>Periods beginning on or after 1 January 2013.</p>

Notes to the Financial Report For the Year Ended 30 June 2013

Note 1 Significant accounting policies (cont.)

Pronouncement	What's new?	Impact /Action	Transition	Effective date
AASB 12 Disclosure of Involvement with Other Entities	<p>AASB 12 requires the disclosure of information to enable users to evaluate the nature of, and risks associated with, its interests in other entities and The effect of those interests on its financial position, financial performance, and cash flows.</p> <p>AASB 12 applies to all entities that have subsidiaries, joint arrangements, associates, or unconsolidated structured entities, and requires disclosures grouped into four categories: Significant judgments and assumptions, including how control, joint control, or significant influence has been determined.</p> <p>Interests in subsidiaries, including details of the composition of the group, the interests held by any non-controlling interest, any changes in control, and the nature of any associated risks.</p> <p>Interests in joint arrangements and associates, including their nature and extent, the effects on the group, and any associated risks.</p> <p>Interests in unconsolidated structured entities, including their nature and extent, any changes during the year, and the associated risks.</p>	The disclosures required will be both qualitative and quantitative. In particular, management should document and be able to justify its key judgments concerning control and significant influence. In the local government context this is likely to require increased disclosures around the operations of Library Corporations as well as other activities that Council have an interest in.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013
AASB 13 Fair Value Measurement	<p>AASB 13 replaces the existing IFRS guidance on fair value measurement and disclosure. It applies whenever another standard permits or requires the use of fair value measurements. It sets out a fair value hierarchy for such measurements:</p> <p>Level 1 – quoted prices in active markets for identical assets and liabilities, which can be accessed at the measurement date.</p> <p>Level 2 – inputs other than quoted market prices included within Level 1, which are observable for the asset or liability, either directly or indirectly.</p> <p>Level 3 – unobservable inputs for the asset or liability. There are also extensive disclosure requirements relating to each of the three levels within the hierarchy.</p>	The standard determines 'how to' rather than 'when' in respect of fair value measurements, and summarises the existing IFRS guidance in one place. This standard may assist those councils that have equity investments that are no longer able to be held at cost.	Early adoption is permitted	Periods beginning on or after 1 January 2013.
AASB 127 Separate Financial Statements	AASB 127 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements (see above). It now deals only with the preparation of separate company financial statements.	Where separate financial statements are prepared, investments in subsidiaries, associates, and joint ventures must be accounted for either at cost, or in accordance with AASB 9 Financial Instruments. These changes are not expected to impact significantly on Councils.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013.
AASB 128 Investments in Associates and Joint Ventures	AASB 128 has been amended to ensure consistency with the new requirements of AASB 10 Consolidated Financial Statements and AASB 11 Joint Arrangements. The standard sets out how the equity method of accounting is to be applied, defines "significant influence," and how impairment is to be tested for investments in associates or joint ventures.	Some joint ventures which were previously accounted for under the proportionate consolidation method must now be accounted for as associates. These changes are not expected to impact significantly on Councils.	Early adoption is permitted, but AASB 10, AASB 11, AASB 12, AASB 127 (revised) and AASB 128 (revised) must all be adopted simultaneously.	Periods beginning on or after 1 January 2013

(v) Contingent assets, liabilities and commitments

Contingent assets and liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

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

Note 2 Rates and charges

2013
\$

2012
\$

Council uses capital improved value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is its estimated value including improvements at the date of valuation.

The valuation base used to calculate general rates for 2012/13 was \$1,037,413,500 million (2011/12 was \$960,586 million). The 2012/13 general rate in the dollar on the C.I.V. was 0.0051763 cents, farm rate was 0.0049175 cents, cultural/recreation rate was 0.0025882 cents (2011/12, general rate in the dollar on the C.I.V. was 0.0050252 cents, farm rate was 0.0050252 cents and cultural/recreation rate was 0.0025126 cents.)

General rates	5,169,128	4,839,264
Municipal charge	669,358	670,736
Garbage charge	689,900	599,573
	6,528,386	6,109,573

The date of the last revaluation of land for rating purposes within the municipal district was 1 January 2010 and the valuation was first applied in the rating year that commenced 1 July 2010.

Note 3 Statutory fees and fines

Building fees	37,547	60,835
Land use planning fees	22,642	19,851
Parking, election, fire prevention and animal control fines	66,410	7,198
	126,599	87,884

Note 4 User fees

Aged services fees	289,920	315,544
Private works	325,179	225,073
Aerodrome Lease	11,352	-
Transfer station fees	64,724	69,440
Environmental health services	-	53,673
Health fees	21,347	16,565
Animal registration fees	58,638	49,911
Caravan Parks and camping fees	59,654	52,156
Saleyard fees	8,065	4,028
Other fees and charges	59,806	93,202
	898,685	879,592

Notes to the Financial Report For the Year Ended 30 June 2013

Note 5 Grants		2013 \$	2012 \$
Grants were received in respect of the following:			
(a)	Recurrent grants		
	Building Capacity of Local Governments	-	23,000
	Delivered meals	19,157	17,645
	Diesel fuel grant	-	19,196
	Drum disposal cost recovery	-	10,819
	HACC minor capital	47,029	12,440
	Home care services	401,955	427,476
	Home maintenance	40,620	-
	Immunisation	-	2,921
	Information and lifelong learning	20,000	60,000
	Kindergarten	10,000	-
	Landcare Coordinator: Future Farming Initiative	-	2,451
	Liveability of Older People	-	20,000
	Local Roads and Bridges Fund	1,000,000	2,000,000
	Other	7,629	2,346
	Roads-to-Recovery	870,285	350,491
	Rural skills cadetship	-	23,250
	School crossings	4,265	4,161
	Senior citizens	38,391	23,565
	State Emergency Service	25,078	24,468
	Sustainability Action grant	-	2,278
	Tobacco funding	-	4,539
	Victoria Grants Commission - general purpose grant	2,272,736	3,059,408
	Victorian Grants Commission - road funding	1,515,158	1,921,397
	Volunteer Week	9,287	8,911
	Western Highway- median maintenance	7,544	7,544
	Wimmera Regional Library	80,006	76,006
	Youth Participation Project	39,800	29,400
	Youth services	5,832	11,665
		6,414,772	8,145,379

Notes to the Financial Report For the Year Ended 30 June 2013

Note 5 Grants (cont.)		2013 \$	2012 \$
(b)	Non-recurrent		
	Community enterprise centre	-	750
	Community War Memorial	8,200	1,800
	Dimboola Drainage Improvements	250,000	-
	Dimboola Netball Club	-	405
	Dimboola Rowing Club	-	19,910
	Dimboola Visitor Amenities Improvement	50,000	-
	Fairway Sprinkler Irrigation	14,583	77,249
	Flood recovery grants	17,956,231	12,305,781
	Hindmarsh Community Partners project	-	35,000
	Jeparit Memorial Hall Refurbishment	71,500	-
	Jeparit Rainbow Netball Club	7,989	-
	Jeparit Visitor Amenities Improvement	80,000	80,000
	Living Libraries Infrastructure	31,443	-
	Municipal Emergency Resourcing Program	120,000	-
	Nhill Aviation Heritage Centre	254,198	-
	Nhill Medical Centre project	-	275,825
	Nhill Road Seal Widening	54,000	-
	Nhill Sporting Club	61,085	-
	Rainbow Recreation Reserve Facility Redevelopment	250,000	-
	Regional Victoria Living Expo	10,000	20,000
	Roadside Management Strategy	40,000	-
	Roads to Market program	75,000	219,313
	Roadside Weeds and Pest Management	45,455	-
	Schulzes Beach	-	15,000
	Small Town Development Fund	-	239,398
	Strengthening Basin Communities	61,948	120,000
	Sustainable Tees Program	-	9,986
	Town Access Pathways	200,000	-
	Transfer Station Upgrade	55,000	-
	Victoria Floods Disaster Relief Fund	24,500	-
	WDA Street life Program	39,000	-
	Wimmera River Navigational Aids	16,774	22,076
		19,776,906	13,442,493

Notes to the Financial Report For the Year Ended 30 June 2013

Note 5 Grants (cont.)	2013 \$	2012 \$
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	6,000,000
Victoria Grants Commission - general purpose grant	-	2,036,044
Jeparit Visitor Amenities Improvement	-	80,000
HACC minor capital	47,029	12,440
Fairway Sprinkler Irrigation	-	77,249
Information and Lifelong Learning	20,000	60,000
Floods Community Recovery activities	-	56,450
Nine Creeks Reserve	-	30,000
Sustainable Tees Program	-	9,986
Town Access Pathways	200,000	-
Regional and Local Community Infrastructure Program	-	-
	5,382,555	8,362,169
Note 6 Contributions - cash		
Wimmera Mallee Sustainability Alliance	-	32,500
Rainbow tennis court	-	25,349
Jeparit-Rainbow netball club	-	15,000
Youth services	-	11,969
Nine Creeks Reserve	-	9,932
Yanac Hall committee	-	5,455
Gypsum Roads	3,743	3,543
Rainbow Civic Centre	-	3,000
Tobacco Activity	2,386	-
Hindmarsh Tourism Association	-	180
	6,129	107,678
Note 7 Other revenue		
Interest	658,825	530,508
Plant operations	748,466	454,434
Quarry operations	405,831	388,214
Concrete works	56,233	84,067
Sale of revaluation data	-	63,183
Recoupments	60,730	57,624
Sales	5,290	18,840
Other	77,544	80,070
	2,012,919	1,676,940

Notes to the Financial Report For the Year Ended 30 June 2013

Note 8	Employee benefits	2013 \$	2012 \$
	Wages and salaries	3,883,938	4,245,276
	Superannuation - additional call*	-	1,259,679
	Superannuation	425,256	428,291
	Annual leave, sick leave and long service leave	757,357	425,856
	Workcover	122,850	115,622
	Protective clothing	19,109	30,054
	Fringe benefits tax	39,152	27,510
		5,247,662	6,532,288

* during the prior period (2012) Council was required to make an additional contribution to Vision Super to meet its obligations in relation to members of the defined benefit plan.

Note 9	Materials and services		
	Administrative services	57,569	35,192
	Animal control	16,837	14,825
	Building Maintenance	82,962	100,745
	Building services	218,703	168,961
	Business development	-	150,822
	Caravan parks and camping grounds	53,102	26,991
	Concrete plant	22,165	56,346
	Delivered meals	86,120	97,442
	Depots and workshops	96,993	55,600
	Fire Prevention	40,304	44,747
	Flood recovery expenditure	3,885,914	2,448,296
	Fuels and lubricants	557,102	504,315
	Garbage collection	236,713	181,762
	Health promotion	90,164	7,573
	Information technology	233,760	198,395
	Land Use Planning	82,561	75,701
	Lighting and power	159,444	125,891
	Materials and contractors	572,887	856,804
	Non-Council capital expenditure	-	89,045
	Other	22,404	-
	Parks and reserves	168,872	60,406
	Parts for equipment	344,334	215,196
	Quarry operations	164,321	180,689
	Rating and valuation	-	147,304
	Recycling collection	197,590	130,542
	Roads & drainage maintenance	388,527	253,507
	Street Beautification	31,300	25,112
	Swimming pool maintenance and management	254,224	164,950
	Vehicle registrations	84,620	57,220
	Waste disposal	105,831	90,960
	Water and sewage	106,310	79,305
	Waterway management	222,848	-
		8,584,481	6,644,644

Notes to the Financial Report For the Year Ended 30 June 2013

Note 10 Bad and doubtful debts		2013	2012
		\$	\$
Other debtors		72,911	-
		72,911	-
Note 11 Depreciation and amortisation			
Property			
Buildings		474,106	462,004
Plant and Equipment			
Plant, machinery and equipment		457,512	485,443
Fixtures, fittings and furniture		71,974	52,328
Infrastructure			
Roads		3,132,128	2,402,223
Bridges		188,994	188,082
Footpaths		142,449	140,510
Kerb and channel		129,861	127,511
Drains		63,873	63,757
Other		236,986	219,533
		4,897,883	4,141,391
Note 12 Other expenses			
Advertising		44,003	35,608
Audit expenses - external		45,591	27,837
Audit expenses - internal		8,597	9,723
Bank Charges		21,296	19,314
Council election		63,964	3,357
Council contributions other		19,215	135,153
Councillor/Mayor allowances		141,915	141,285
Hindmarsh Landcare Network contribution		35,000	-
Insurance		157,897	151,522
Landfill charges		114,016	115,252
Lease payments		1,110	170,354
Legal costs		68,800	32,621
Nhill Medical Centre contribution		77,175	426,275
Other		123,069	6,414
Postage		14,429	11,904
Quarry compensation		34,798	31,581
Regional Library contribution		231,274	223,045
State Emergency Service contribution		37,000	37,000
Subscriptions		71,075	77,519
Town Committees		6,471	-
Tourism association		25,150	-
Wimmera Mallee Sustainability Alliance projects		5,000	2,496
Telecommunication costs		69,112	65,746
		1,415,957	1,724,006

Notes to the Financial Report For the Year Ended 30 June 2013

Note 13 Net gain/(loss) on disposal of property, plant and equipment, infrastructure	2013 \$	2012 \$
Proceeds of sale	505,327	306,614
Written down value of assets disposed	(548,998)	(312,801)
Net gain/(loss) on disposal of property, plant and equipment	(43,671)	(6,187)

Note 14 Investment in associates

Investments in associates accounted for by the equity method are:

Wimmera Regional Library Corporation	325,869	318,861
	325,869	318,861

Hindmarsh Shire Council, in conjunction with Horsham Rural City Council, Buloke Shire Council, Northern Grampians Shire Council, West Wimmera Shire Council, Yarriambiack Shire Council, have an interest in the Wimmera Regional Library Corporation. Hindmarsh Shire has a 12.20% equity interest. (12.16% in 2011/12)

Council's share of accumulated surplus

Council's share of accumulated surplus/(deficit) at start of year	155,738	189,651
Reported surplus/(deficit) for year	5,218	(29,671)
Transfers to/ (from reserves)	(1,491)	(1,694)
Variation-change in equity	1,790	(2,548)
Council's share of accumulated surplus at end of year	161,255	155,738

Council's share of reserves

Council's share of reserves at start of year	163,123	163,627
(Transfers to)/from reserves	1,491	1,694
Council's share of asset revaluation	-	-
Variation-change in equity	-	(2,198)
Council's share of reserves at end of year	164,614	163,123

Movement in carrying value of specific investment

Carrying value of investment at start of year	318,861	353,278
Share of surplus/(deficit) for year	5,218	(29,671)
Council's share of asset revaluation	-	-
Distributions received	-	-
Variation-change in equity	1,790	(4,746)
Carrying value of investment at end of year	325,869	318,861

Notes to the Financial Report For the Year Ended 30 June 2013

Note 15 Cash and cash equivalents		2013	2012
		\$	\$
	Cash at bank and on hand	2,617,901	12,447,897
	Short term deposits	9,853,064	-
		12,470,965	12,447,897
(a) Council has imposed the following restriction on cash at bank:			
	Cash - restricted (long service leave) **	1,159	-
	Cash - restricted (Twigg Family Appeal Trust account)	26,955	36,955
	Cash - restricted (deductable gift recipient- Wimmera Mallee Pioneer Museum)	518	518
		28,632	37,473
	Short term deposits carry the following restrictions imposed by regulations or		
	Investments - Long Service Leave **	802,565	-
		802,565	-
(b) Total unrestricted cash and cash equivalents		11,639,768	12,410,424
* These monies are required by legislation to fund employee long service leave entitlements. (See Note 26)			
Note 16 Trade and other receivables			
Current			
	Rates debtors	660,613	672,632
	Sundry debtors	1,684,523	1,894,848
	Less provision for doubtful debts	(13,778)	(13,778)
	Net GST refund/(payment)	168,214	229,916
	Other debtors	54,284	23,097
		2,553,856	2,806,715
Non-current			
	Street scheme debtors	5,294	8,427
		5,294	8,427
	Total	2,559,150	2,815,142
Note 17 Other assets			
	Accrued income	22,604	67,755
	Prepayments	14,477	135,815
	Other	-	3,833
		37,081	207,403
Note 18 Inventories			
	Inventories for distribution	86,630	91,169
		86,630	91,169

Notes to the Financial Report For the Year Ended 30 June 2013

Note 19 Property, plant and equipment and infrastructure	2013 \$	2012 \$
SUMMARY		
At cost	22,973,227	9,159,081
At valuation	141,065,561	141,385,561
Work in progress	5,628,161	635,129
Less accumulated depreciation	(70,259,098)	(66,435,561)
	99,407,851	84,744,210
PROPERTY		
Land		
At valuation as at 30 June 2010	2,382,400	2,382,400
	2,382,400	2,382,400
Buildings		
At valuation as at 30 June 2010	11,149,100	11,469,100
At cost	1,098,946	669,306
Work in progress	3,923,931	626,247
Less accumulated depreciation	(1,394,355)	(1,240,250)
	14,777,622	11,524,403
TOTAL PROPERTY	17,160,022	13,906,803
The valuation of land and buildings is based on fair value of the asset where the fair value of the asset is reliably determined using market based methods. Where this method is not able to be reliably measured, depreciated replacement cost is used. The valuation of land and buildings was undertaken as at 30 June 2010 by a qualified independent valuer Mr Ian Wilson AVLE, qualified valuer of Wilson Valuers.		
PLANT AND EQUIPMENT		
Plant, machinery and equipment		
At cost	8,123,213	7,284,111
Less accumulated depreciation	(2,336,709)	(2,632,393)
	5,786,504	4,651,718
Fixtures, fittings and furniture		
At cost	693,891	664,378
Less accumulated depreciation	(492,074)	(420,101)
	201,817	244,277
Total plant and equipment	5,988,321	4,895,995

Notes to the Financial Report For the Year Ended 30 June 2013

Note 19 Property, plant and equipment and infrastructure (cont.)	2013 \$	2012 \$
INFRASTRUCTURE		
Sealed and unsealed roads		
At valuation as at 30 June 2012	101,636,854	101,636,854
At cost	11,799,307	-
Work in progress	1,015,049	-
Less accumulated depreciation	(55,660,380)	(52,522,876)
	58,790,830	49,113,978
Bridges		
At valuation as at 30 June 2011	3,365,056	3,365,056
At cost	104,652	104,652
Work in progress	477,813	-
Less accumulated depreciation	(1,226,002)	(1,037,008)
	2,721,519	2,432,700
Footpaths		
At valuation as at 30 June 2011	5,582,983	5,582,983
At cost	155,061	74,823
Work in progress	58,457	-
Less accumulated depreciation	(2,569,000)	(2,426,552)
	3,227,501	3,231,254
Kerb and channel		
At valuation as at 30 June 2011	7,304,936	7,304,936
At cost	281,931	165,742
Work in progress	10,182	-
Less accumulated depreciation	(3,584,210)	(3,454,349)
	4,012,839	4,016,329
Drainage		
At valuation as at 30 June 2011	5,046,612	5,046,612
At cost	234,244	107,860
work in progress	88,914	-
Less accumulated depreciation	(1,703,900)	(1,640,027)
	3,665,870	3,514,445
Other not classified		
At valuation as at 30 June 2011	4,597,620	4,597,620
At cost	481,982	88,209
Work in progress	53,815	8,882
Less accumulated depreciation	(1,292,468)	(1,062,005)
	3,840,949	3,632,706
Total infrastructure	76,259,508	65,941,412
Total property, plant and equipment and infrastructure	99,407,851	84,744,210

The valuation of roads was performed at 30 June 2012, based on estimates of full replacement cost less accumulated depreciation. The valuations of bridges, footpath, kerb and channel, drains and other infrastructure assets were performed at 30 June 2011 based on estimates of full replacement cost less written down replacement value. The valuations were performed by Mr. Douglas Gowans, Director of Infrastructure, Hindmarsh Shire Council. The valuations are at fair value based on replacement cost less accumulated depreciation as at the date of valuation.

Notes to the Financial Report For the Year Ended 30 June 2013

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

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increment (decrement) (Note 24)	Depreciation and amortisation (Note 11)	Written down value of disposals	(Net impairment reversal (a))	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	2,382,400	-	-	-	-	-	-	2,382,400
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
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
Kerb and channel	4,016,329	116,189	-	(129,861)	-	-	-	4,002,657
Drains	3,514,445	126,384	-	(63,873)	-	-	-	3,576,956
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 and 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

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

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increment (decrement) (Note 24)	Depreciation and amortisation (Note 11)	Written down value of disposals	(Net impairment reversal (a))	Transfers	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	2,382,400	-	-	-	-	-	-	2,382,400
Buildings	11,375,268	287,584	-	(462,004)	-	(320,000)	17,308	10,898,156
Total property	13,757,668	287,584	-	(462,004)	-	(320,000)	17,308	13,280,556
Plant and equipment								
Plant, machinery and equipment	4,196,887	1,253,075	-	(485,443)	(312,801)	-	-	4,651,718
Fixtures, fittings and furniture	189,029	107,576	-	(52,328)	-	-	-	244,277
Total plant and equipment	4,385,916	1,360,651	-	(537,771)	(312,801)	-	-	4,895,995
Infrastructure								
Roads	55,410,025	3,851,150	(11,073,048)	(2,402,223)	-	3,328,074	-	49,113,978
Footpaths	3,296,941	74,823	-	(140,510)	-	-	-	3,231,254
Drains	3,470,342	171,614	-	(127,511)	-	-	-	3,514,445
Kerb and channel	3,978,098	31,496	-	(63,757)	-	-	70,492	4,016,329
Bridges	2,516,130	104,652	-	(188,082)	-	-	-	2,432,700
Other	3,755,433	87,924	-	(219,533)	-	-	-	3,623,824
Total infrastructure	72,426,969	4,321,659	(11,073,048)	(3,141,616)	-	3,328,074	70,492	65,932,530
Works in progress								
Buildings	60,608	582,947	-	-	-	-	(17,308)	626,247
Roads	-	-	-	-	-	-	-	-
Footpaths	-	-	-	-	-	-	-	-
Drainage	-	-	-	-	-	-	-	-
Kerb and channel	70,492	-	-	-	-	-	(70,492)	-
Bridges	-	-	-	-	-	-	-	-
Other	-	8,882	-	-	-	-	-	8,882
Total works in progress	131,100	591,829	-	-	-	-	(87,800)	635,129
Total property, plant and equipment and infrastructure	90,701,653	6,561,723	(11,073,048)	(4,141,391)	(312,801)	3,008,074	-	84,744,210

(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

Note 20 Trade and other payables	2013 \$	2012 \$
a) Current		
Trade payables	1,203,968	2,490,702
Accrued expenses	230,826	496,087
Other payables	458,243	14,593
Additional defined benefit call	1,259,679	-
Amounts Received in Advance	14,593	-
	3,167,309	3,001,382
b) Non-current		
Additional defined benefit call	-	1,259,679
	-	1,259,679

Additional defined benefit call of \$1,259,679 referred in note 27 was paid on 18 July 2013

Note 21 Trust funds and deposits		
Refundable deposits	39,874	52,048
	39,874	52,048

Note 22 Provisions					
	Annual leave /Time in Lieu \$	Long service leave \$	Landfill restoration \$	Quarry restoration \$	Total \$
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
2012					
Balance at beginning of the financial year	635,867	836,374	32,000	63,663	1,567,904
Additional provisions	241,745	60,567	-	19,796	322,108
Amounts used	(310,909)	(64,584)	(12,740)	-	(388,232)
Balance at the end of the financial year	566,703	832,357	19,260	83,459	1,501,780

Note 22 Provisions (cont.)	2013 \$	2012 \$
(a) Employee benefits		
(i) Current		
Annual leave	566,703	627,777
Long service leave	704,698	781,728
Rostered days off	20,380	35,306
	1,291,781	1,444,811
(ii) Non Current		
Long service leave	127,659	112,888
	127,659	112,888
Aggregate carrying amount of employee benefits:		
Current	1,291,781	1,444,811
Non-current	127,659	112,888
	1,419,440	1,557,699
(i) Current		
- All annual leave and the long service leave 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.		
(ii) Non-current		
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.		
(b) Quarry restoration		
Current	79,126	79,126
Non-current	4,333	4,333
	83,459	83,459
(c) Landfill restoration		
Current	19,260	19,260
	19,260	19,260
(d) Provisions		
Current	1,390,167	1,543,197
Non-current	131,990	117,221
	1,522,157	1,660,418

Notes to the Financial Report For the Year Ended 30 June 2013

Note 23 Asset revaluation reserve

	Balance at beginning of reporting period	Increment/ (decrement)	Balance at end of reporting period
2013			
Property			
Land	1,662,210	-	1,662,210
Buildings	3,298,513	-	3,298,513
	4,960,723	-	4,960,723
Infrastructure			
Roads	38,857,459	-	38,857,459
Footpaths	1,479,166	-	1,479,166
Drains	2,415,701	-	2,415,701
Bridges	978,437	-	978,437
Kerb and channel	2,722,683	-	2,722,683
Other	602,436	-	602,436
	47,055,882	-	47,055,882
Total asset revaluation reserve	52,016,605	-	52,016,606
2012	\$	\$	\$
Property			
Land	1,662,210	-	1,662,210
Buildings	3,618,513	(320,000)	3,298,513
	5,280,723	(320,000)	4,960,723
Infrastructure			
Roads	49,930,507	(11,073,048)	38,857,459
Footpaths	1,479,166	-	1,479,166
Drains	2,415,701	-	2,415,701
Bridges	978,437	-	978,437
Kerb and channel	2,722,683	-	2,722,683
Other	602,436	-	602,436
	58,128,930	(11,073,048)	47,055,882
Total asset revaluation reserve	63,409,653	(11,393,048)	52,016,607

The asset revaluation reserve was established to capture the movements in asset valuations upon the periodic revaluation of Council's assets.

Notes to the Financial Report For the Year Ended 30 June 2013

Note 24 Reconciliation of cash flows from operating activities to profit/(loss)		2013 \$	2012 \$
Profit /(loss)		15,507,049	11,371,311
Depreciation and amortisation		4,897,883	4,141,391
(Profit)/loss on disposal of property, plant and equipment, infrastructure		43,671	6,187
Share of (profit)/loss on investments in associates accounted for using equity method		(5,218)	29,671
Change in assets and liabilities:			
(Increase)/decrease in trade and other receivables		263,825	(1,113,734)
(Increase)/decrease in prepayments and other assets		121,338	(108,089)
(Increase)/decrease in accrued income		45,151	117,406
(Increase)/decrease in inventories		4,539	142,163
(Increase)/decrease in income in advance		14,593	-
Increase/(decrease) in trade and other payables		(1,340,066)	3,334,182
(Decrease)/increase in provisions		(138,261)	92,514
(Decrease)/increase in other liabilities		-	38,683
Net cash provided by/(used in) operating activities		19,414,505	18,051,685
Note 25 Reconciliation of cash and cash equivalents			
Cash and cash equivalents (see Note 15)		12,470,965	12,447,898
		12,470,965	12,447,898
Note 26 Restricted assets			
Council has cash and cash equivalents (see Note 15) that are subject to restrictions.			
Long service leave (see Note 22)		831,197	894,616
		831,197	894,616

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.

Council also makes employer superannuation contributions in respect of its employees to other funds of the employees choice. Obligations for contributions to employee's choice funds are recognised as an expense in the Comprehensive Income Statement when they are due.

Accumulation funds

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 2013, this was 9% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2013, the Superannuation Guarantee contribution rate will increase to 9.25%, and will progressively increase to 12% by 2019.

Defined Benefit Plan

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, 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 Fund's Defined Benefit category at rates determined by the Fund's Trustee. This rate is currently 9.25% of members' salaries (9.25% in 2011-12).

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.

Shortfall Amounts

The Local Authorities Superannuation Fund's latest actuarial investigation as at 31 December 2011 identified an unfunded liability of \$406 million (excluding contributions tax) in the defined benefit category of which Council is a contributing employer. Council was made aware of the expected shortfall during the 2011-12 year and was informed of its share of the shortfall on 31 July 2012. Council has not been advised of any further adjustments. The projected value of Council's contribution to the shortfall at 30 June 2012 (including contributions tax) amounted to \$1,259,679 which was accounted for in the 2011-12 Comprehensive Income Statement within Employee Benefits (see Note 8) and in the Balance Sheet in Current Liabilities Provisions (see Note 20b).

The Fund surplus or deficit (i.e. the difference between fund assets and liabilities) is calculated differently for funding purposes (i.e. calculating required contributions) and for the calculation of accrued benefits as required in AAS 25 to provide the values needed for the AASB 119 disclosure in the Council's financial statements. AAS 25 requires that the present value of the defined benefit liability be calculated based on benefits that have accrued in respect of membership of the plan up to the measurement date, with no allowance for future benefits that may accrue.

The amount of the unpaid shortfall at 30 June 2013 of \$1,259,679 was paid on 18 July 2013.

Note 27 Superannuation (cont.)

Retrenchment Increments

During 2012-13, Council was not required to make payments to the Fund in respect of retrenchment increments. Council has no liability to the Fund as at 30 June 2013, for retrenchment increments, accrued interest and tax.

Accrued Benefits

The Fund's liability for accrued benefits was determined in the 31 December 2011 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

	31/12/2011
	\$'000
Net Market Value of Assets	4,315,324
Accrued Benefits (per accounting standards)	4,642,133
Difference between Assets and Accrued Benefits	(326,809)
Vested Benefits (minimum sum which must be paid to members when they leave the fund)	4,838,503

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

Net Investment Return	7.50% p.a
Salary Inflation	4.25% p.a
Price Inflation	2.75% p.a

Superannuation Contributions:

2013	2012
\$	\$

Council made contributions to the following funds:

Defined benefit funds

Employer contributions to local authorities superannuation fund (Vision Super)	142,148	1,341,345
	142,148	1,341,345

Accumulation funds

Employer contributions to local authorities superannuation fund (Vision Super)	276,259	177,746
Employer contributions to other superannuation funds	163,400	66,251
	439,659	243,997

Employer contributions payable to Local Authorities Superannuation Fund (Vision Super) at reporting date

	-	70,213
Employer contributions payable to other superannuation funds	-	29,627
	-	99,840

Notes to the Financial Report For the Year Ended 30 June 2013

Note 28 Commitments

The Council has entered into the following commitments

2013	Not later than 1 year \$	Later than 1 year 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
Disposal of waste - Dooen landfill	135,451	727,664	2,113,993	2,977,108
Managed services - IT	147,994	38,293		186,287
Meals on Wheels - Wimmera Health Care Group	18,738			18,738
Meals on Wheels - Wimmera Health Service	79,034			79,034
Building surveyor	201,983	34,674		236,657
Town planning services: Jewell Partnership	102,818			102,818
	1,179,872	800,631	2,113,993	4,094,496
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
	4,871,344	-	-	4,871,344
Total commitments	6,051,216	800,631	2,113,993	8,965,840
2012	Not later than 1 year \$	Later than 1 year and not later than 5 years \$	Later than 5 years \$	Total \$
Operating				
Recycling collection	74,311	-	-	74,311
Garbage collection	102,871	-	-	102,871
Recyclables - accept and sort	30,412	-	-	30,412
Cartage of waste - Dooen landfill	21,367	-	-	21,367
Disposal of waste - Dooen landfill	136,919	735,550	2,136,903	3,009,372
Managed services - IT	158,397	40,985	-	199,382
Meals on Wheels - Wimmera Health Care Group	37,368	-	-	37,368
Meals on Wheels - Wimmera Health Service	113,513	-	-	113,513
Building surveyor	165,236	28,365	-	193,601
Town planning services: Jewell Partnership	55,176	37,752	-	92,928
	895,570	842,652	2,136,903	3,875,125
Capital				-
Nhill office refurbishment: Behmer & Wright Pty Ltd	2,793,752	500,000		3,293,752
Flood restoration: P Miller Contractors Pty Ltd	583,576	-	-	583,576
	3,377,328	500,000	-	3,877,328
Total commitments	4,272,898	1,342,652	2,136,903	7,752,453

Commitments include GST

Note 29 Operating leases

2013

\$

2012

\$

Operating lease receivables

The Council has entered into commercial property leases. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 15 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

Not later than one year	44,179	42,989
Later than one year and not later than five years	80,847	159,634
Later than five years	63,630	127,287
	188,656	329,910

Note 30 Contingent liability

During the 2011/12 financial year, Council commenced action in the Horsham Magistrates' Court against the owner of the Dimboola Hotel for failing to comply with a building order. This matter has not yet settled. Council's liability is limited to the other party's legal costs.



► L Stephens Road

Note 31 Financial instruments

(a) Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting policy	Terms and conditions
Financial assets			
Cash and cash equivalents	15	<p>Cash on hand and at bank, and money market call accounts are valued at face value.</p> <p>Interest is recognised as it accrues.</p> <p>Investments are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.</p> <p>Managed funds are measured at market value.</p>	<p>On call deposits returned a floating interest return of 2.75% to 4.70% (2011/12 3% to 4.5%). The interest rate at balance date was 2.75% to 4.70% (2011/12 3% to 4%).</p> <p>Funds returned fixed interest rate of between 3.50% and 4.70% (2011/12 between 4.5% and 6.35%).</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.</p> <p>Collectability of overdue accounts is assessed on an ongoing basis.</p>	<p>General debtors are unsecured and interest is charged at 10.50%. (10.50% in 2011/2012) 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>

Note 31 Financial instruments (cont.)

(b) Interest rate risk

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

2013	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	2,617,901	9,853,064	-	-	-	12,470,965
Trade and other receivables	168,214	-	5,294	-	2,399,420	2,572,928
Total financial assets	2,786,115	9,853,064	5,294	-	2,399,420	15,043,893
Weighted average interest rate	4.00%	10.50%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	3,167,309	3,167,309
Trust funds and deposits	-	-	-	-	39,874	39,874
Total financial liabilities	-	-	-	-	3,207,183	3,207,183
Weighted average interest rate	-	-	-	-	-	-
Net financial assets/(liabilities)	2,786,115	9,853,064	5,294	-	(807,763)	11,836,710

2012	Fixed interest maturing in:					Total
	Floating interest rate	1 year or less	Over 1 to 5 years	More than 5 years	Non-interest bearing	
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	12,447,897	-	-	-	-	12,447,897
Trade and other receivables	229,916	(6,117)	8,427	-	2,596,694	2,828,920
Total financial assets	12,677,813	(6,117)	8,427	-	2,596,694	15,276,817
Weighted average interest rate	4.00%	10.50%	-	-	-	-
Financial liabilities						
Trade and other payables	-	-	-	-	4,261,061	4,261,061
Trust funds and deposits	-	-	-	-	52,048	52,048
Total financial liabilities	-	-	-	-	4,313,109	4,313,109
Weighted average interest rate	-	-	-	-	-	-
Net financial assets/(liabilities)	12,677,813	(6,117)	8,427	-	(1,716,415)	10,963,708

Note 31 Financial instruments (cont.) (c) Net fair values

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

Financial instruments	Total carrying amount as per balance sheet		Aggregate net fair value	
	2013 \$	2012 \$	2013 \$	2012 \$
Financial assets				
Cash and cash equivalents	12,470,965	12,447,897	12,470,965	12,447,897
Trade and other receivables	2,572,928	2,806,715	2,572,928	2,806,715
Total financial assets	15,043,893	15,254,612	15,043,893	15,254,612
Financial liabilities				
Trade and other payables	3,167,309	3,001,382	3,167,309	3,001,382
Trust funds and deposits	39,874	52,048	39,874	52,048
Total financial liabilities	3,207,183	3,053,430	3,207,183	3,053,430

(d) Credit risk

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

(e) Risk and mitigation

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

Market risk

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets.

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

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

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

Note 31 Financial instruments (cont.)

Credit risk

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

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

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

We may also be subject to credit risk for transactions which are not included in the balance sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 31.

Liquidity risk

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

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

To help reduce these risks we:

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

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

Note 31 Financial instruments (cont.)

(f) Sensitivity disclosure analysis

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

- > A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 4%

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

Market risk exposure	Carrying amount subject to interest	Interest rate risk			
		-1% 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
2013					
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
Market risk exposure	Carrying amount subject to interest	Interest rate risk			
		-1% 100 basis points		2% 200 basis points	
		Profit	Equity	Profit	Equity
2012					
Financial assets:					
Cash and cash equivalents	12,447,897	(124,479)	(124,479)	248,958	248,958
Trade and other receivables	2,806,715	(2,238)	(2,238)	4,476	4,476

Note 32 Auditors' remuneration

	2013	2012
	\$	\$
Audit fee to conduct external audit - Victorian Auditor-General	30,900	27,837
Internal audit fees - Richmond Sinnott and Delahunty	8,597	9,723
	39,497	37,560

Note 33 Events occurring after balance date

No matters have occurred after the balance sheet date that warrant disclosure in this report.

Note 34

(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	1 July 2012 to 30 June 2013 (Mayor 26 October 2012 to 30 June 2013)
Councillor R.E. Lowe	1 July 2012 to 30 June 2013
Councillor C.F. Unger	1 July 2012 to 26 October 2012 (Mayor)
Councillor M.J. Gawith	1 July 2012 to 26 October 2012
Councillor K.D. Colbert	1 July 2012 to 26 October 2012
Councillor W.I. Lovett	1 July 2012 to 26 October 2012
Councillor E. Chivell	31 October 2012 to 30 June 2013
Councillor D. Nelson	31 October 2012 to 30 June 2013
Councillor W. Robins	31 October 2012 to 30 June 2013
Councillor T. Schneider	31 October 2012 to 30 June 2013
Chief Executive Officer D.P. Miller	1 July 2012 to 15 May 2013
Chief Executive Officer A Doyle	16 May 2013 to 30 June 2013

(ii) Remuneration of responsible persons

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

	2013 No.	2012 No.
\$0 - \$9,999	3	1
\$10,000 - \$19,999	6	4
\$20,000 - \$29,999	1	-
\$40,000 - 49,999	1	-
\$50,000 - 59,999	-	1
\$170,000 - 179,999	1	1
	12	7
Total remuneration for the reporting year for responsible persons included above, amounted to	\$ 339,285	\$ 313,027

(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 - Cr. Wayne Lovett is partner in Dimboola Courier Services that provides advertisement services on normal and commercial terms and conditions.

(vi) Senior officers' remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$130,000.

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

Income range:	2013 No.	2012 No.
< \$130,000	2	3
\$180,000 - \$189,000	1	-
	3	3
Total remuneration for the reporting year for senior officers included above, amounted to	\$ 363,701	\$ 339,469

Note 35 Income, expenses and assets by functions/activities

	Income 2013 \$,000	Expenses 2013 \$,000	Surplus/(Deficit) 2013 \$,000
Community Liveability	1,485,727	1,744,127	(258,400)
Built and Natural Environment	23,722,094	13,204,137	10,517,957
Competitive and Innovative Economy	695,165	1,029,479	(334,314)
Our People , Our Processes	9,118,161	3,687,175	5,430,986
Unclassified	150,819	-	150,819
	35,171,966	19,664,918	15,507,049
Assets by function		2013 \$,000	
Community Liveability		11,711,567	
Built and Natural Environment		82,663,394	
Competitive and Innovative Economy		1,024,334	
Our People , Our Processes		19,082,756	
Unclassified		405,495	
		114,887,546	

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

Community Liveability

The Community Liveability section is responsible for:

Operation and maintenance of maternal and child health service, 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 concrete plant and 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

Notes to the Financial Report For the Year Ended 30 June 2013

Note 36 Financial ratios (performance indicators)	2013 \$	2013 (%)	2012 \$	2012 (%)	2011 \$	2011 (%)
--	------------	-------------	------------	-------------	------------	-------------

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

Rate revenue	6,528,386	= 18.27%	6,109,573	= 20.09%	5,609,233	= 35.68%
Total revenue	35,725,943		30,413,680		15,722,551	

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 2012 and \$17,956,231 in 2013. This decreased the revenue ratio for 2012 and 2013.

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

Total indebtedness	3,836,731	= 18.15%	4,991,557	= 21.08%	1,784,012	= 7.53%
Total realisable assets	21,142,147		23,681,402		23,681,402	

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

Any liability represented by a restricted asset 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.

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

Current assets	15,148,532	= 329.51%	15,553,184	= 338.36%	6,118,593	= 260.42%
Current liabilities	4,597,350		4,596,627		2,349,535	

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

(d) Debt servicing ratio (to identify the capacity of a Council to service its outstanding debt)

Debt servicing costs	-	= 0.00%	-	= 0.00%	-	= 0.00%
Total revenue	35,725,943		30,413,681		15,722,551	

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

Debt servicing & redemption costs	-	= 0.00%	-	= 0.00%	-	= 0.00%
Total revenue	35,725,943		30,413,681		15,722,551	

Notes to the Financial Report For the Year Ended 30 June 2013

Note 37 Capital expenditure	Note	2013 \$	2012 \$
Capital expenditure areas			
Roads		11,800,457	3,851,150
Footpaths		80,238	74,823
Drains		126,384	171,614
Kerb and channel		116,189	31,496
Bridges		-	104,652
Other infrastructure		393,773	87,924
Land and buildings		429,640	287,584
Plant, machinery and equipment		2,141,296	1,253,075
Furniture and equipment		29,513	107,576
Work in progress		4,993,032	591,829
		20,110,522	6,561,723
Represented by			
Renewal of infrastructure		12,488,514	4,649,942
Upgrade of infrastructure		78,225	1,136,771
Expansion of infrastructure		378,792	-
New assets		2,170,809	183,181
Work in progress		4,993,032	591,829
		20,109,372	6,561,723
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		20,110,522	6,561,723
Asset revaluation movement	24	-	(11,073,048)
Depreciation/amortisation	20	(4,897,883)	(4,141,391)
(Net impairment)/Impairment reversal		-	3,008,074
Written down value of assets sold	20	(548,998)	(312,901)
Net movement in property, plant and equipment, infrastructure		14,663,641	(5,957,543)

(a) Renewal

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

(b) Upgrade

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

(c) Expansion

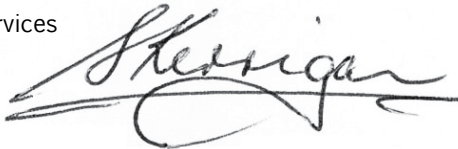
Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases Council's asset base, but may be associated with additional revenue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

Certification of the Financial Report

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

Mr Stephen Kerrigan
Acting Director Corporate & Community Services

Dated: 18-Sep-13
Location: Dimboola



In our opinion the accompanying financial statements present fairly the financial transactions of Hindmarsh Shire Council for the year ended 30 June 2013 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 18 September 2013 to certify the Financial Statements in their final form.

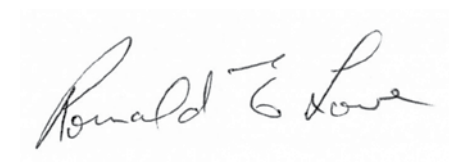
Councillor R.L. Gersch

Dated: 18-Sep-13
Location: Dimboola



Councillor R.E. Lowe

Dated: 18-Sep-13
Location: Dimboola



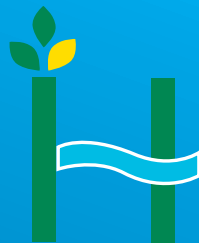
Mr Anthony Doyle
Chief Executive Officer

Dated: 18-Sep-13
Location: Dimboola





► Horseshoe Bend, Wimmera River - Dimboola



Hindmarsh
Shire Council

Standard Statements

For the Year Ended 30 June 2013

Notes to the Standard Statements

1(a) Basis of preparation of Standard Statements

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

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

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

They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare Council's financial plan, expressed through its budget, with actual performance.

The Local Government Act 1989 requires explanation of any material variances. The Council has not adopted a materiality threshold, however an explanation has been provided if the variance is considered to be material because of its nature, ie more than 10% and \$10,000.

The budget figures included in the Statements are those adopted by Council on 21 June 2012.

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 2012/13.

1(b) Comparison between Standard Statements and Financial Statements

The Standard Income Statement compares the actual result with the annual budget 2012/13, while the Comprehensive Income Statement compares the actual result for 2012/13 with the previous year result.

The Standard Statement of Balance Sheet compares actual results with the annual budget 2012/13, while the Balance Sheet in the Financial Statements Compares the actual result for 2012/13 with the previous year.

The Standard Statement of Cash Flows compares actual results with the annual budget 2012/13, while the cash Flow Statement compares the actual result for 2012/13 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 2013

	Actual 2013 \$	Budget 2013 \$	Variances		Ref
			\$	%	
REVENUE					
Rates and charges	6,528,386	6,491,000	37,386	0.58	
Statutory fees and fines	126,599	119,500	7,099	5.94	
User fees	898,685	938,036	(39,351)	(4.20)	
Contributions and donations	6,129	18,450	(12,321)	(66.78)	1
Grants - recurrent	6,414,772	6,467,482	(52,710)	(0.82)	
Grants - non-recurrent	19,776,906	28,975,539	(9,198,633)	(31.75)	2
Other revenue	2,018,137	1,475,326	542,811	36.79	3
Net gain/(loss) on disposal of property, plant and equipment and infrastructure	(43,671)	27,752	(71,423)	(257.36)	4
Total revenue	35,725,943	44,513,085	(8,787,142)	(19.74)	
EXPENSES					
Employee benefits	5,247,662	5,630,492	(382,830)	(6.80)	
Materials and services	8,584,481	11,901,450	(3,316,969)	(27.87)	5
Finance Costs	72,911	15,000	57,911	386.07	6
Depreciation and amortisation	4,897,883	4,678,598	219,285	4.69	
Other expenses	1,415,957	973,224	442,733	45.49	7
Total expenses	20,218,894	23,198,764	(2,979,870)	(12.84)	
Surplus/(deficit) for the year	15,507,049	21,314,321	(5,807,272)	(27.25)	

Standard Income Statement Comparison Report as at 30 June 2013

Variation Explanation Report

Ref	Item	Commentary
1	Contribution and donations	Council did not receive contributions for minor capital works projects. The works are to proceed in the 2013/14 financial year.
2	Grants - non recurrent	Council received \$17.956 million for the flood restoration works compared to the \$26.920 million budgeted for 2012/13, a difference of \$8.964 million.
3	Other Revenue	Interest on investments exceeded budget by \$247k. Plant hire income exceeded budget by \$321k.
4	Net gain/(loss) on disposal of property, plant and equipment and infrastructure	Revenue from trade-ins was lower than budgeted due to falling demand for second-hand vehicles and the carrying cost of some assets were higher than estimated in budget.
5	Materials and services	Flood and emergency management materials for maintenance works underspent by \$3.059 million. Minyip Road reserve rehabilitation works of \$150k were not carried out. Pyrolysis Community program works of \$111k did not proceed.
6	Finance Costs	Doubtful debts written off of \$11,586 and correction to debtors (income incorrectly recorded) \$61,325.
7	Other expenses	The following expenditure items exceeded budget: Telecommunication costs \$24k, Legal Fees \$47k Nhill Medical Centre \$77k. The Nhill Medical Centre was funded through external funds and had no effect on the cash position of Council.

Standard Balance Sheet as at 30 June 2013

	Actual 2013 \$	Budget 2013 \$	Variance \$	Variance %	Ref
CURRENT ASSETS					
Cash and cash equivalents	12,470,965	2,181,590	10,289,375	471.65	1
Trade and other receivables	2,553,856	1,384,680	1,169,176	84.44	2
Other assets	37,081	478,082	(441,001)	(92.24)	3
Inventories	86,630	249,951	(163,321)	(65.34)	4
Total current assets	15,148,532	4,294,303	10,854,229	252.76	
NON-CURRENT ASSETS					
Trade and other receivables	5,294	3,261	2,033	62.34	
Property, plant and equipment and infrastructure	99,407,851	126,573,094	(27,165,243)	(21.46)	5
Investments in associate entities	325,869	389,489	(63,620)	(16.33)	6
Total non-current assets	99,739,014	126,965,844	(27,226,830)	(21.44)	
Total Assets	114,887,546	131,260,147	(16,372,601)	(12.47)	
CURRENT LIABILITIES					
Trade and other payables	3,167,309	1,983,575	1,183,734	59.68	7
Provisions	1,390,167	1,511,251	(121,084)	(8.01)	
Other liabilities	39,874	13,365	26,509	198.35	8
Interest - bearing loans and borrowings	-	287,088	(287,088)	(100.00)	9
Total current liabilities	4,597,350	3,795,279	802,071	21.13	
NON-CURRENT LIABILITIES					
Provisions	131,990	173,914	(41,924)	(24.11)	10
Interest - bearing loans and borrowings	-	3,632,912	(3,632,912)	(100.00)	9
Total non-current liabilities	131,990	3,806,826	(3,674,836)	(96.53)	
Total Liabilities	4,729,340	7,602,105	(2,872,765)	(37.79)	
Net assets	110,158,206	123,658,042	(13,499,836)	(10.92)	
EQUITY					
Accumulated surplus	58,141,599	57,899,225	242,374	0.42	
Asset revaluation reserves	52,016,607	65,758,817	(13,742,210)	(20.90)	11
Total Equity	110,158,206	123,658,042	(13,499,836)	(10.92)	

Standard Balance Sheet Comparison Report Year Ended 30 June 2013

Variation Explanation Report

Ref	Item	Commentary
1	Cash and cash equivalents	The variance in cash balance is primarily due to following reason: Bank balance at commencement of the 2012/13 financial year was \$12.447 million which was \$9.62 million more than the \$2.822 million forecasted at 30 June 2012.
2	Trade and other receivables	The variance is primarily due to the following reason: Trade and other receivables balance at commencement of the 2012/13 financial year was \$2.806 million which was more than the \$1.078 forecast at 30 June 2012 due to outstanding Country Roads and Bridges payment of \$1.1m.
3	Other assets	The variance is primarily due to the following reason: Other assets balance at commencement of the 2012/13 financial year was \$207k which was \$73k less than the \$270k forecasted at 30 June 2012. This was due in part for the budgeting of quarry materials to be taken up into inventory which did not occur in the 2011/12 financial year.
4	Inventories	An increase in quarry inventory was budgeted for in 2012/13 , however there was no increase in quarry material inventory during the year.
5	Property, infrastructure, plant and equipment	The variance in the value is due to following reasons: a) 3 items of plant carried forward to 2013/14 due to longer than expected delivery time b) 29 Infrastructure work projects not completed and carried forward to 2013/14 c) Asset value at commencement of the 2012/13 financial year was \$84.7 million which was \$14.7 million less than the \$99.4 million forecast at 30 June 2012.
6	Investments in associate entities	Council budgeted a surplus of \$40k for share in Wimmera Regional Library Corporation's operating result compared to an actual share of surplus of \$7k.
7	Trade and other payables (current)	The variance in payables is primarily due to increase in amounts owing to suppliers at balance date and the movement of the \$1.25million due to Vision super from non current liabilities.
8	Other liabilities	This is primarily due to Twigg Family Appeal Trust Account of \$25,417 which was not budgeted for 2012/13.
9	Interest - bearing loan and borrowings	Council did not proceed with borrowings for the Nhill office development. a) Council accrued a liability of \$1.25 million due to a shortfall in the defined benefit plan of Vision Super. Council intends to pay this amount in 2013/14.
10	Provisions	This is due to a shift of long service leave provision from current to non current liability.
11	Asset revaluation reserves	The variance in cash balance is primarily due to following reason: The Asset revaluation reserve at commencement of the 2012/13 financial year was \$52.016 million which was \$12.778 million less than the \$64.794 million forecasted at 30 June 2012.

Standard Cash Flow Statement as at 30 June 2013

Cash Flows from Operating Activities	Actual 2013 \$	Budget 2013 \$	Variance \$	%	Ref
Receipts					
General rates and charges	6,557,265	6,452,858	104,407	1.6	
Statutory fees	328,540	115,671	212,869	184.0	1
User fees	894,822	1,024,582	(129,760)	(12.7)	2
Grants - operating	6,383,585	6,467,482	(83,897)	(1.3)	
Grants - capital	19,720,941	28,975,539	(9,254,598)	(31.9)	3
Contributions	6,129 18,450	(12,321)	(66.8)		
Interest	658,825	247,000	411,825	166.7	4
Other revenue	654,779	984,618	(329,839)	(33.5)	4
Net GST refund	-	2,348,501	(2,348,501)	(100.0)	
	35,204,886	46,634,701	(11,429,815)	(24.51)	
Payments					
Employee costs	(5,385,921)	(5,556,432)	170,511	(3.1)	
Materials and consumables	(10,404,459)	(13,366,351)	2,961,892	(22.2)	5
Other expenses	-	(15,000)	15,000	(100.0)	
	(15,790,380)	(18,937,783)	3,147,403	(16.62)	
Net cash provided by operating activities	19,414,506	27,696,918	(8,282,412)	(29.90)	
Cash Flows from Investing Activities					
Proceeds from sale of property, plant and equipment	505,327	440,752	64,575	14.7	6
Restoration of flood impairment	-	(11,401,384)	11,401,384	(100.0)	7
Payments for property, plant and equipment	(19,884,591)	(21,318,669)	1,434,078	(6.7)	
Other investing	-	21,453	(21,453)	(100.0)	
Net cash outflow from investment activities	(19,379,264)	(32,257,848)	12,878,584	(39.92)	
Cash Flows from Financing Activities					
Proceeds from borrowings	-	3,920,000	(3,920,000)	(100.0)	8
Trust	(12,174)	-	(12,174)	-	
Net cash provided by (used in) financing activities	(12,174)	3,920,000	(3,932,174)	(100.31)	
Net increase/(decrease) in cash and cash equivalents	23,068	(640,930)	663,998	(103.6)	9
Cash and cash equivalents at beginning of year	12,447,898	2,822,521	9,625,377	341.0	
Cash and cash equivalents at end of year	12,470,966	2,181,591	10,289,375	471.65	

Variation Explanation Report

Ref	Item	Commentary
1	Statutory fees	The variance in statutory fees is primarily due to the increases in fees charged and amounts collected.
2	User fees	The variance in user fees is primarily due to the decrease in fees raised in aged services and health administration.
3	Capital grants	The variance is due to the amount of \$17.956 million received for the flood restoration works compared to the \$26.920 million budgeted for 2012/13.
4	Interest and other revenue	The variance is due to the extra \$9.62 million funds available in Councils cash resources at the commencement of the 2012/13 financial year.
5	Materials and services	The variance is primarily due to the Flood and emergency management materials for maintenance works underspent by \$3.059 million.
6	Proceeds from sale of property, plant and equipment	The market determined the increased amount received from asset sales compared to the conservative approach in the budget.
7	Restoration of flood impairment	Due to the revaluation of road pavements at 30 June 2012 the approach of treating 50% of the total flood restoration expenditure as impairment restoration expenditure was not expensed but capitalised and included as additions to Infrastructure assets.
8	Proceeds and repayment of borrowings	Council did not borrow any amount for Nhill office redevelopment project.
9	Net increase/ (decrease) in cash and cash equivalents	The variance is primarily due to the additional funds available at the commencement of the year and the variances explained above.

Standard Statement of Capital Works as at 30 June 2013

Capital works:	Actual 2013 \$	Budget 2013 \$	Variance \$	%	Ref
Roads	11,800,457	11,375,690	(424,767)	(3.73)	1
Footpaths	80,238	-	(80,238)	-	1
Drains	126,384	320,000	193,616	60.51	1
Kerb and channel	116,189	-	(116,189)	-	1
Other infrastructure	393,773	1,192,630	798,857	66.98	4
Land and Buildings	429,640	4,169,000	3,739,360	89.69	2
Plant, machinery and equipment	2,141,296	2,774,000	632,704	22.81	3
Furniture and equipment	29,513	-	(29,513)	-	
Work in progress	4,993,032	-	(4,993,032)	-	6
	20,110,522	19,831,320	(279,202)	(1.41)	
Represented by:					
Asset renewal	12,488,514	13,815,704	1,327,190	9.61	5
Asset expansion/upgrade	457,017	969,559	512,542	52.86	5
New assets	2,170,809	5,046,057	2,875,248	56.98	5
Work in Progress	4,993,032	-	(4,993,032)	-	6
	20,109,372	19,831,320	(278,052)	119.45	
Reconciliation of net movement in property, infrastructure, plant and equipment					
	Actual 2013 \$	Budget 2013 \$	Variance \$	%	Ref
Total capital works	20,110,522	19,831,320	(279,202)	(1.41)	
Depreciation and amortisation	(4,897,883)	-	4,897,883	-	
Written down value of assets sold	(548,998)	-	548,998	-	
Net movement in property, plant and equipment	14,663,641	19,831,320	5,167,679	26.06	

Standard Statement of Capital Works Comparison Report

Year Ended 30 June 2013

Variation Explanation Report

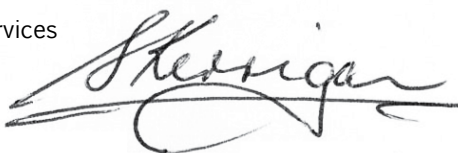
Ref	Item	Commentary
1	Roads, drains, kerb and channel and footpaths	The variance in roads, drains, footpaths, kerb and channel capital expenditure is due to a number of capital projects not completed at year end and carried forward to 2013/14. This is combined with the actual costs for works in progress.
2	Buildings	The variance is primarily due to the Nhill office redevelopment project. Council budgeted \$3.080 million against an actual expenditure of \$3.036 million which is included in Work in Progress. The project will be completed in 2013/14. Other projects at Dimboola and Nhill libraries for \$200k did not proceed. This was a grant funded project and could not be completed due to the grant being unsuccessful.
3	Plant, equipment and other	The budgeted capital expenditure could not be achieved due to three items of plant being carried forward to 2013/14 as a result of longer delivery period than expected.
4	Other infrastructure	The variance is caused by the deferral of several projects including the Pyrolysis Plant \$70k, Community works program \$300k, Streetscape improvements \$100k and Waste management \$79k. Other projects were not completed and are included in Works in progress or were carried over.
5	Asset renewal, expansion/upgrade and new assets	The variance is accounted for by ongoing works to Nhill office redevelopment and Wimmera Street Bridge project (\$476k) which is included in work in progress. The Wimmera Street Bridge project has \$1.50 million carried forward to 2013/14.
6	Work in progress	Council spent \$3.036 million on the Nhill office redevelopment project in 2012/13. The redevelopment will be completed in 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 (Finance and Reporting) Regulations 2004.

Mr Stephen Kerrigan
Acting Director Corporate & Community Services

Dated: 18-Sep-13
Location: Dimboola



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 (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 18 September 2013 to certify the Financial Statements in their final form.

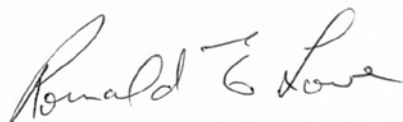
Councillor R.L. Gersch

Dated: 18-Sep-13
Location: Dimboola



Councillor R.E. Lowe

Dated: 18-Sep-13
Location: Dimboola



Mr Anthony Doyle
Chief Executive Officer

Dated: 18-Sep-13
Location: Dimboola



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 2013 of the Hindmarsh Shire Council which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, 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 2013 of the Council or Corporation which comprises standard income statement, standard balance sheet, standard cash flows statement, standard capital works statement, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

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

- the financial report in accordance with Australian Accounting Standards, 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(a) 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 2013 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(a) to the statements and the requirements of the *Local Government Act 1989*.

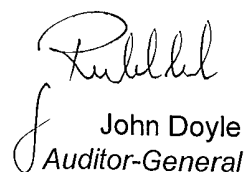
Basis of Accounting for Standard Statements

Without modifying my opinion, I draw attention to Note 1(a) 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 2013 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
23 September 2013


John Doyle
Auditor-General



► Plaster art at Gerang Gerung market



► The natural beauty of Lake Hindmarsh



Hindmarsh
Shire Council

For further information or queries please visit:
www.hindmarsh.vic.gov.au or email info@hindmarsh.vic.gov.au

Design and production by Hansen Design and Print

