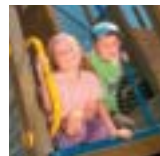




Greater Shepparton City Council

Annual Report 2005/2006





Greater Shepparton City Council

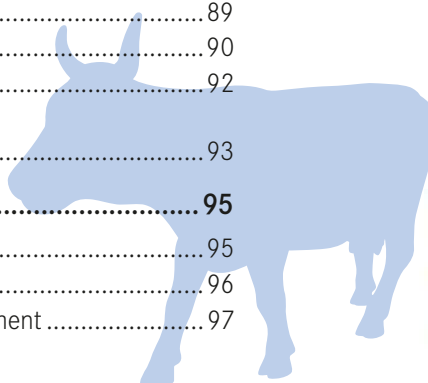
Annual Report 2005/2006

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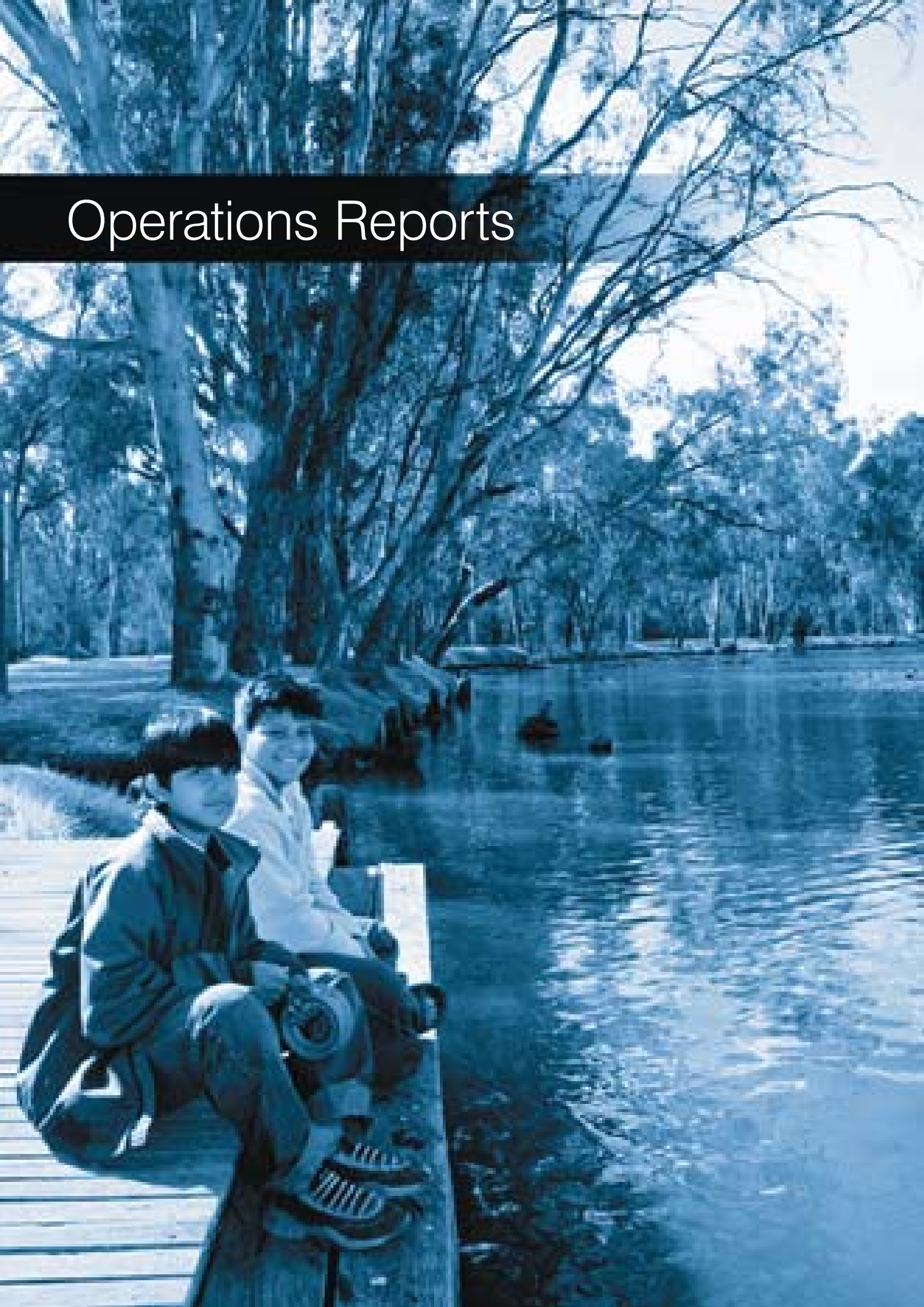
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Our Vision

Greater Shepparton
As the Food Bowl of Australia,
A Sustainable, Innovative
And Diverse Community
Greater Future



Operations Reports



“Community pride is the outward sign of a meaningful, confident and cohesive municipality..”

Strategic Objectives

Community Pride

Guiding Principle

Community pride is the outward sign of a meaningful, confident and cohesive municipality, which celebrates its achievements.

When present it is infectious and promotes a “can do” mentality that knows no barriers of gender, age, ethnicity or location.

Partnerships for Sustainability

Guiding Principles

Critical to the success of sustainable development principles is the engagement of all key interest groups in strong partnerships.

The Greater Shepparton City Council is committed to engaging relevant parties, including government bodies, water authorities, landcare groups, environmental groups, schools, the farming community, industry groups and individuals.

Sustainable partnerships ensure that projects and services are analysed and delivered with due regard to financial, environmental, social and cultural values.

Sustainable partnerships will therefore ensure that minimum values are maintained while, for the most part, higher standards are set.

Infrastructure

Guiding Principles

Infrastructure is the provision of the basic physical building blocks of a community and must be maintained and expanded to ensure strong growth in the long term. This enables the attraction of regional services, sustained population growth and underpins a strong local economy (maintaining momentum).

Other services such as health, education and culture will benefit from a community with a high standard of infrastructure.

Quality of Life

Guiding Principles

Greater Shepparton should be an attractive, safe, exciting and diverse community, which stimulates and enhances innovative opportunities for its people to grow and develop.

Quality lifestyle should enhance broad family values, a sense of belonging and connectedness, appreciate the importance of the environment, and generate investment and employment opportunities.

Lifelong Learning

Guiding Principles

Greater Shepparton recognises that lifelong learning is a conduit for the community’s social and economic development and provides an opportunity for people to achieve their full potential and improve their self-esteem and is a key factor for economic success.

Greater Shepparton will maintain and enhance partnerships with state and commonwealth governments to deliver specific projects with an educative focus such as Best Start, Community Capacity Building and a University Centre.

These and other initiatives form the basis of a knowledge-based smart economy that can improve school retention rates and employment opportunities, stimulate innovative and adaptive economic growth and increase industry competitiveness.

Vibrant Recreation and Culture

Guiding Principles

The Greater Shepparton City Council provides support for all citizens to actively participate in and celebrate a broad range of recreational and cultural activities, and celebrate cultural diversity in the interests of community harmony.

Achievement of this goal is important because active participation results in good health, both physical and emotional. It promotes connectedness within the community and provides opportunities to use leisure time in creative, therapeutic and relaxing ways.

A strong recreational and cultural sector gives identity, personality and character to a community. It leads to career opportunities for young people; commercial opportunities in meeting the needs of participants; and gives recognition and value to activities that may not be traditionally valued.

A vibrant cultural and recreational scene is a tourism asset.

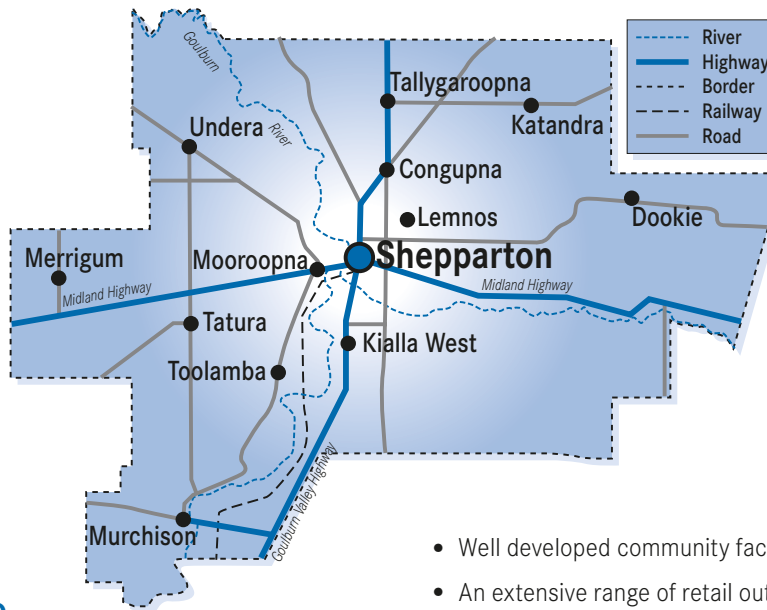
Council Organisation and Management

Guiding Principles

In order to provide open, transparent and accountable governance, which instils public confidence and meets the community’s expectations, the Greater Shepparton City Council is committed to the efficient and effective use of resources, inclusive democratic processes and to meeting all statutory requirements.

Greater Shepparton is committed to enhancing its reputation as a dynamic organisational and management leader in the local government sector through its strong commitment to developing human, social and intellectual capital.

These key features are instrumental in Greater Shepparton’s ability to form meaningful and beneficial partnerships, and excellent relationships between councillors and staff, attract quality staff, provide strong advocacy, and deliver its community service obligations.



Regional Profile

Greater Shepparton, situated in the heart of the Goulburn Valley, covers an area of 2,421 square kilometres and is the fourth largest provincial centre in Victoria. The major urban centre of Shepparton is located at the confluence of the Goulburn and Broken Rivers and at the intersection of the Goulburn Valley and Midland Highways.

Greater Shepparton has a well developed economy, largely due to its strong agricultural and irrigation base.

The Goulburn Valley is often referred to as the “Food Bowl of Australia” as around 25 per cent of the total value of Victoria’s agricultural production is generated in this area. Dairying and fruit growing are the major primary industries, with the viticulture and tomato industries also showing huge growth. The area has a strong export focus and substantial growth projections. Major secondary industries in Greater Shepparton are mainly related to food processing, manufacturing and transport.

The City’s industrial, business and residential growth is robust with recent and planned major developments demonstrating strong confidence in the region.

The road transport industry is one of the largest industries in Greater Shepparton. Shepparton is provincial Victoria’s largest truck sales and service centre and is one of regional Australia’s major transport hubs. An extremely high number of freight movements are associated with the food industry which relies on an effective and high quality distribution and transport network.

The City of Greater Shepparton fulfils important regional business and service functions with associated employment opportunities, including:

- A strong retail sector drawing on an extensive catchment of approximately 160,000 people
- High quality medical services

- Well developed community facilities and open space
- An extensive range of retail outlets
- A progressive business sector
- A range of tertiary education opportunities.

The Goulburn and Broken River corridors are key natural features in Greater Shepparton. Together with roadside areas they provide the most significant stands of remnant vegetation with associated habitat values and also have obvious functions in flood management. Greater Shepparton’s agricultural and horticultural industries are reliant on irrigation water and effective water management practices play a key role in the region’s development and sustainability.

The City of Greater Shepparton has a current population which exceeds 60,000 and is projected to reach over 80,000 by 2030. Seventy seven per cent of the City’s people live in the main urban centres of Shepparton and Mooroopna. The balance of the population resides in the townships of Tatura, Murrumbidgee, Dookie, Merrigum, Congupna, Toolamba, Katandra and Tallygaroopna and in the surrounding rural areas.

A key facet of Greater Shepparton’s population is its diverse multicultural composition with some 16 per cent of residents being born overseas. Greater Shepparton has residents that originate from: Italy, Turkey, Macedonia, Greece, Albania, Iraq, The Congo, The Netherlands, United Kingdom, Germany, India, New Zealand and The Philippines. The City also has the largest Aboriginal population outside metropolitan Melbourne with approximately 10 per cent of the population being of Indigenous origin.

One of Greater Shepparton’s strengths is its ongoing social capital development. The Council has a strong commitment to community building delivered through a range of social and physical projects aimed at assisting communities to develop networks, partnerships, structures and frameworks to support ongoing improvement to overall community identity, health and well-being. Emphasis is also placed on fostering community capacity through investment in young people.



Jenny Houlihan



Dallas Terlich



Eric Bott



Chris Hazelman



Sondrae Johnson



Kevin Ryan



Bruce Wilson



A Message from the Mayor

It is with great pleasure that I take this opportunity to outline the most significant developments, activities and projects during the 2005/2006 year. All were targeted at improving the quality of life for Greater Shepparton citizens and I believe this goal has been achieved.

The 2005/2006 year was a time of change to the make-up of the Council. Local Government elections were held in November 2005, resulting in the election of four new Councillors and the return of three former Councillors. I would like to take this opportunity to thank the former Council for its contribution to the achievements outlined in this Annual Report.

Greater Shepparton has seen the continued expansion of community services and capital projects during 2005/2006. In this day and age the depth and breadth of the Council's responsibilities and initiatives are far-reaching.

Perhaps the most significant achievement of the Council has been the development of a new Council Plan, which was completed during 2006. This is demonstrated by the Council's involvement in activities which affect the social, environmental and economic wellbeing of the entire community. A perusal of the latest Council Plan details objectives which encompass health, education, arts, business development, planning and sport with an accompanying commitment to the entire diverse community of this municipality, including rural and urban communities and people of all ages and cultures.

The development of the Council Plan 2006-2010 involved the production of a Strategic Resource Plan and a budget for the next financial year. These documents required extensive work and expertise from Council officers whose skills and diligence is recognised and appreciated by the Council.

One significant goal which the Council is pursuing is more effective and widespread community consultation. Television advertising was conducted at the beginning of 2006 and this is part of a suite of new communication tools that the Council will be using to more effectively engage with its residents.

An extensive Capital Works program continued during 2005/2006. The most notable projects are the continuing development of the Showgrounds, the Dookie Community Centre, the Tallygaroopna Change Room Facility, the

“One significant goal which the Council is pursuing is more effective and widespread community consultation.”

completion of the Mooroopna Community Hub, the Kialla Park Bowls Club building and the commencement of Parkside Estate. These facilities will significantly increase the opportunities for residents to interact and engage in positive pursuits.

The duplication of the Goulburn Valley Highway has progressed significantly during 2005/2006, when Federal funding became available for the Arcadia section. That section of the project is now being constructed. Cooperation continued between the municipalities of Greater Shepparton and Strathbogie to put forward a strong case for the funding of the next stage, the Nagambie Bypass. The Goulburn Valley Highway Action Group continues to work tirelessly for the duplication of this entire section of highway, from Seymour to Tocumwal, with support from all five councils along the route.

Another major step forward for Greater Shepparton in 2006 was a reduction in crime rates across the municipality, and particularly in the central business district. Local police are to be congratulated on their concentrated efforts which have led to this improvement in community safety. This has been accompanied by building further on a strong relationship between the Council and local police and assisting appropriately where possible.

As Mayor of Greater Shepparton I will continue to work alongside my fellow Councillors, with the support of the Chief Executive Officer Bob Laing and his staff, to strive towards giving Greater Shepparton a Greater Future.

Cr Jenny Houlihan
Mayor

Councillors 2005/2006

Elected – March 2003

Retired – November 2005

Cr Anne McCamish

Cr John Gray

Cr Bruce McNeill

Cr Bruce Wilson

Cr Kevin Ryan

Cr Chris Hazelman

Cr Shelley Walker

Elected – November 2005

Retirement – November 2008

Cr Jenny Houlihan

Cr Eric Bott

Cr Sondrae Johnson

Cr Bruce Wilson

Cr Dallas Terlich

Cr Chris Hazelman

Cr Kevin Ryan



A Message from the Chief Executive Officer

It is with pleasure that I bring my comments to you for the year ended 30 June 2006.

The Council faced another positive and very challenging year. The City continued to experience significant high levels of growth with accompanying demand for high levels of Council service in all activity areas.

The Council delivered a wide range of projects focused on improving services and lifestyles within Greater Shepparton.

Some of those projects were:

Waste Services

A decision was made by the Council to allocate funds in the 2005/2006 Annual Budget to supply a separate green waste collection service. The service will reduce the amount of material going to the Council's landfill. The strategy involves the provision of a third waste collection service for green waste and the option of three different sized "wheelie bins" for household waste collection. Once this is implemented, the Council will provide collection services for household waste, recycling and green waste. The green waste collection will begin during the 2006/2007 financial year and will result in a large decrease in the volume of material going to the Council's landfill. Green waste will be composted and residents will also be able to purchase compost for use on household gardens, orchards, horticultural plantings and farmland.

The supply of a green waste collection service is a major step forward in achieving the community's desire to have zero waste going to landfill.

The Showgrounds Redevelopment

Work continued with this exciting development and the Council has now delivered year two of this four year budgeted project. Some of the work that took place during the 2005/2006 year has been the refurbishment of the grand stand, construction of the first car park located on the corner of Thompson and High Streets and also the construction of a new display building. Extensive electrical and service installations took place, as well as a significant amount of landscaping works.

Works planned for 2006/2007 are the fit out of the new display building and the existing animal nursery buildings to be known as the McIntosh Pavilion, scheduled for opening in February 2007. The construction of the grandstand forecourt, a car park to the north of the McIntosh Pavilion and further landscaping works will also be completed.

Proposed Goulburn Valley Freight and Logistics Centre

This project continues to gain momentum. The Council sought expressions of interest in the development of the centre in November 2005 and is continuing discussions with a number of parties.

In the past the Council has focused on lobbying the Federal Government for the Shepparton section of the Goulburn Valley Highway bypass to be constructed. While this is still a major priority the chances of Federal funding in the short term appear remote. The Council, in discussion with VicRoads and other key agencies, has since focused on the realignment of Toolamba Road which will allow direct access to the railway to accommodate intermodal freight needs.

This revised proposal has formed the basis of an application for funding under the Federal Auslink project for \$10 million to allow work to occur. The Council was successful in receiving funding from the Minister for State and Regional Development to undertake an economic review of the project. The review will provide a triple bottom line assessment of the project as well as undertaking further feasibility work. This will assist in leveraging State and Federal funding and will also assist in the selection of a preferred developer.

Local Government Elections

The Local Government elections held in November 2005 resulted in a new Council being elected.

On behalf of the community, I thank those Councillors who decided to stand down or who were not reelected. Mayor Anne McCamish and Councillors John Gray, Bruce McNeill and





“Greater Shepparton is a growing, vibrant and ethnically diverse community.”

Shelley Walker all made valuable contributions to the Greater Shepparton community. On behalf of the community and Council staff I thank them for their leadership, commitment and friendship.

The community elected four new Councillors - Eric Bott, Jenny Houlihan, Sondrae Johnson and Dallas Terlich. Cr Jenny Houlihan was subsequently elected as the Mayor and Cr Dallas Terlich as the Deputy Mayor. I congratulate all Councillors on their electoral success. I also congratulate Councillors Chris Hazelman, Kevin Ryan and Bruce Wilson on being returned to the Council at the November 2005 elections.

The new Council has made a number of important strategic decisions since its election.

The first major decision was that future Council Plans, commencing with the Council Plan 2006-2010, would reflect the structure of the Council’s recently adopted draft Greater Shepparton 2030 Strategy (GS2030). This means there will be a strong alignment between the Council Plan and Annual Budget process and GS2030, the community’s future strategic planning document. The community will be able to review on an annual basis what progress the Council is making in implementing the community’s long term strategic goals.

The second important strategic decision made by the Council has been to ensure that the Council adequately funds the cost of asset replacement.

This Council manages a considerable inventory of community assets, including roads, footpaths, land drainage systems, community buildings and other community facilities. One of the prime responsibilities of the Council is to ensure that those assets are properly maintained for future use and that adequate funding is available to replace them when they reach the end of their usable life.

In the 2004/2005 budget, the Council decided to increase the amount of funding for asset maintenance by \$500,000 per year. That trend continued in the 2005/2006 budget with

a further \$500,000 earmarked for asset replacement. The Council agreed at a strategic planning workshop held in April 2006 to make the adequate funding of asset replacement one of its highest priorities.

The Greater Shepparton City Council is one of the better placed councils in Australia in regard to making adequate provision for the future replacement of roads, footpaths, land drainage systems and community buildings.

The Council’s Internal Audit Committee reviewed the Council’s child care service delivery function and has reported that the services provided by the Council’s child care staff are of the highest order. However, because of the changing State Government requirements in child care, there is a significant annual financial loss to the Council in the provision of those services. Councillors have decided that they wish to review all Council service activity areas during the 2006/2007 financial year with a view to trying to improve operating efficiencies and reduce financial loss.

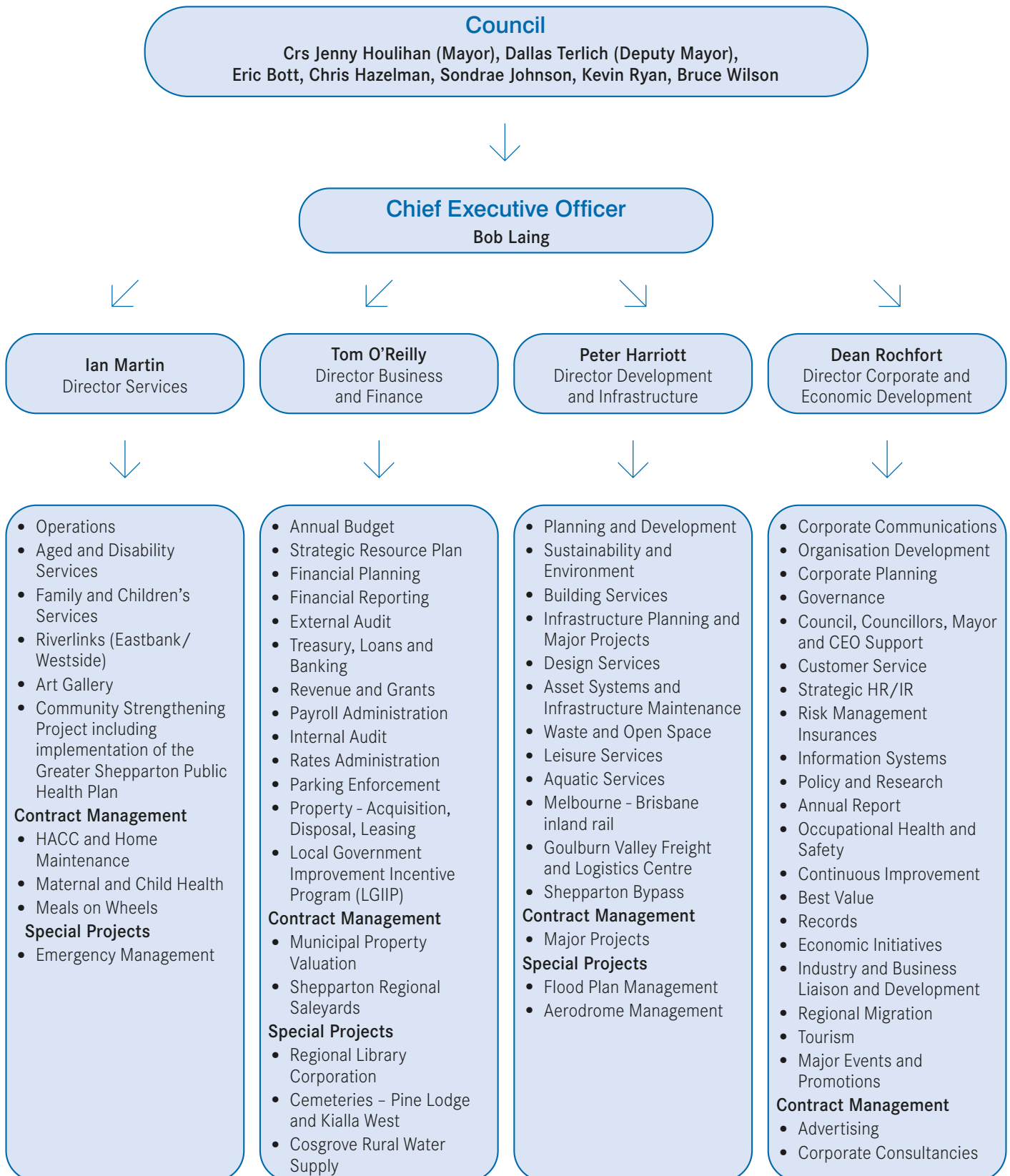
I take this opportunity to thank all of the press, radio and television journalists for the high standard of coverage they give to Council affairs and for the fair manner in which Council reports are made.

In closing I wish to thank Council staff and Councillors for the way they have gone about establishing a new working relationship and for coming to terms with the increasing financial and community demands being made of the Council. Greater Shepparton is a growing, vibrant and ethnically diverse community. The Council will continue to work with the community into the future to help meet community aspirations.

Bob Laing
Chief Executive Officer



Organisation Structure and Responsibilities





Greater Shepparton City Council

Council Plan 2004 – 2008

The *Local Government Act 1989* requires a newly elected council to develop a Council Plan by 30 June of the year following its election. The Greater Shepparton City Council developed its Council Plan 2006-2010 during the first six months of 2006 and adopted the final plan on 27 June 2006. This plan articulates clear and accountable objectives, strategies and measures to the organisation and the community. It has been structured to support the long term objectives outlined in the draft Greater Shepparton 2030 Strategy and will form the basis for assessing the organisation's performance from the 2006/2007 financial year.

The Council's achievements against the Strategic Objectives and Indicators contained in its Council Plan 2004-2008 are listed on the following pages.



Strategic Objective 1

Community Pride

The Greater Shepparton City Council will engage with its community to build pride in its achievements and confidence in its future.

Strategic Indicator	Level of Achievement
Involvement by all residents in activities that build and strengthen communities.	Achieved
The number and range of arts, sporting and cultural events and festivals.	Achieved
Depth of available volunteer resources, and opportunities for participant development.	Achieved
Level of income, visitations, and participation in events and opportunities to support the local and regional tourism industry.	Achieved
Community satisfaction rating for economic development (tourism).	Achieved



Strategic Objective 2

Partnerships for Sustainability

The Greater Shepparton City Council will engage a wide range of organisations and institutions, including catchment management authorities, water authorities, the farming community, landcare, commerce and industry, environmental groups and educational institutions, in appropriate partnerships to ensure continued sustainable development.

Strategic Indicator	Level of Achievement
Level of awareness and appreciation of our river and natural environment, and retention of indigenous plant species.	Achieved
Range of partners engaged in activities that promote or improve economic, environmental, social and cultural sustainability.	Achieved
Acceptance and practice of responsible environmental management, including water use and recycling, at a community, business and individual level.	Achieved
Progress towards of Cities for Climate Protection and ICLEI Water Campaign milestones.	Achieved
Community satisfaction ratings for waste management and town planning policy and approvals (environmental).	Achieved
Adherence to asset management and sustainable development principles and policies.	Achieved



Strategic Objective 3

Infrastructure

The Greater Shepparton City Council will ensure the provision of affordable infrastructure of a standard necessary to meet and sustain community needs and growth potential.

Strategic Indicator	Level of Achievement
The ability of business to communicate and trade electronically and physically with partners.	Partially Achieved
Improvements and upgrades to all elements of the transport network, particularly rural roads, the Goulburn Valley Highway, the Shepparton Bypass and the Peter Ross-Edwards Causeway.	Achieved
Development of the Freight Hub and Logistics Centre.	Partially Achieved
Progress towards small town renewal projects.	Achieved
Community satisfaction ratings for local roads and footpaths; traffic management and parking facilities; and economic development.	Achieved



Strategic Objective 4

Quality of Life

Ensure that Greater Shepparton is a desirable and appealing place to live, work, play and visit.

Strategic Indicator	Level of Achievement
Community access to and within the facilities and places in Greater Shepparton.	Achieved
Achievement of the objectives of the Greater Shepparton Public Health Plan, the Disability Action Plan, the Integrated Settlement Plan, the Youth Policy and other relevant documents.	Achieved
Employment growth in Greater Shepparton.	Achieved
Standard of living in Greater Shepparton.	Partially Achieved
Community satisfaction ratings for health and human services; appearance of public areas; economic development; enforcement of local laws.	Achieved



Strategic Objective 5

Lifelong Learning

The Greater Shepparton City Council will facilitate education pathways for social and economic development in the Greater Shepparton region.

Strategic Indicator	Level of Achievement
Level of participation in tertiary education, and reduced secondary education dropout figures.	Partially Achieved
Progress in development of a Greater Shepparton University Centre.	Achieved
Number of people choosing to undergo tertiary education within Greater Shepparton.	Partially Achieved
Standard of living in Greater Shepparton.	Partially Achieved
Awareness, availability of, and level of support for, educational and training opportunities in Greater Shepparton.	Achieved
Ability to provide a skilled workforce to meet industry demands.	Partially Achieved



Strategic Objective 6

Vibrant Recreation and Culture

The Greater Shepparton City Council will provide support for all citizens to actively participate in and celebrate a broad range of cultural and recreational activities.

Strategic Indicator	Level of Achievement
Participation levels in sporting and recreational activities.	Achieved
Participation levels in arts and cultural events and activities.	Achieved
Achievement of the objectives of the Greater Shepparton Public Health Plan, the Playground Provision Strategy, Recreation and Open Space Strategy and other relevant documents.	Achieved
Awareness and appreciation of heritage, and sites of historical significance.	Achieved
Awareness, availability of, and level of support for, educational and training opportunities in Greater Shepparton.	Achieved
Community satisfaction rating for recreational facilities (including arts centres and festivals), and town planning policy and approvals (heritage).	Achieved



Strategic Objective 7

Council Organisation and Management

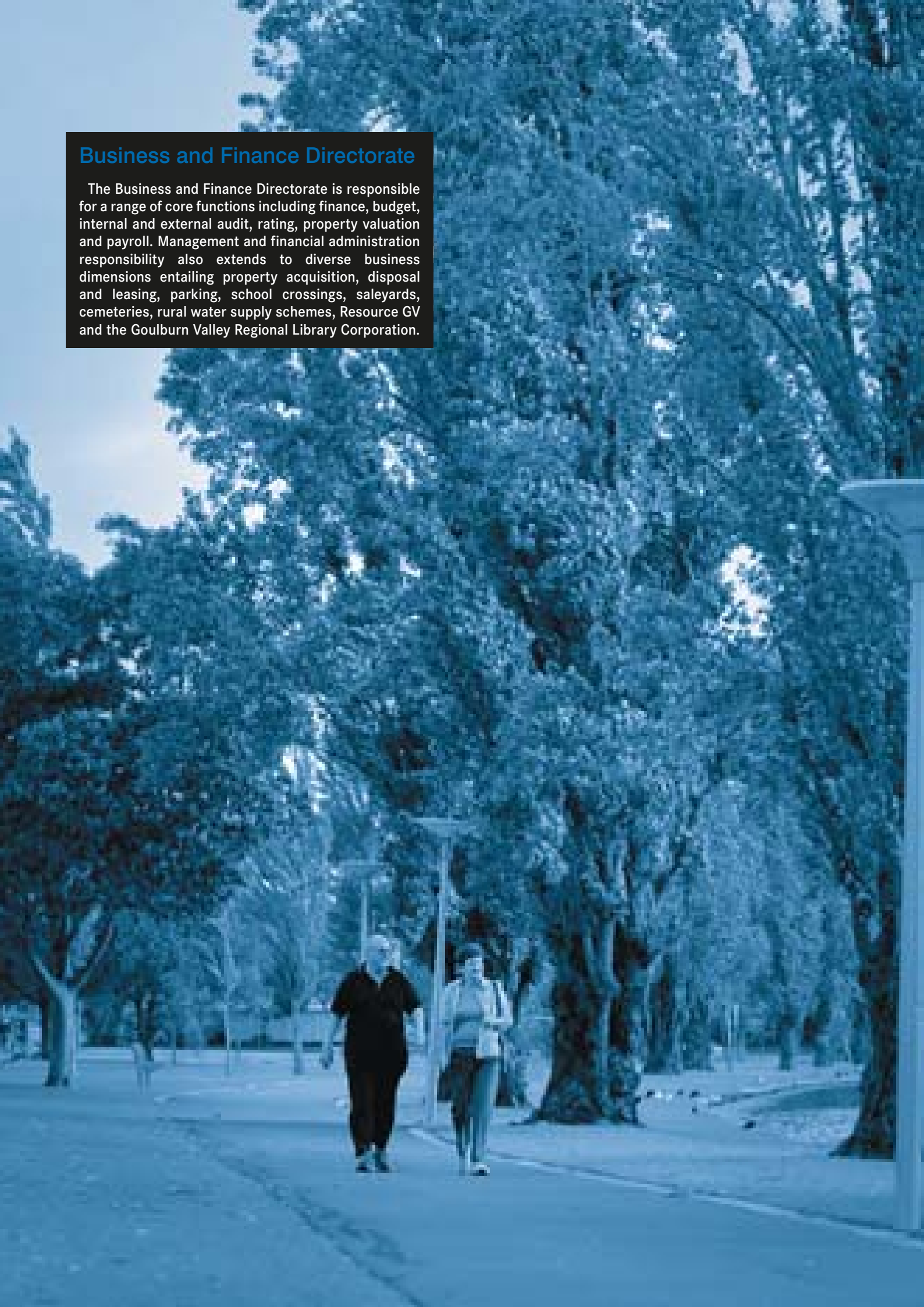
The Greater Shepparton City Council will deliver governance, administration, and financial, social and intellectual capital that exceeds Best Practice in meeting the needs of the Greater Shepparton community.

Strategic Indicator	Level of Achievement
Community participation in Council governance and consultative activities.	Achieved
Information provided to, and communication with, the community.	Achieved
An organisational structure that provides for a skilled, motivated and capable workforce.	Achieved
Long term financial sustainability, and technical and human resource capability, to deliver the range of Council services and projects, in accordance with the principles of Best Value.	Achieved
Community satisfaction ratings for overall performance of the Council; interaction and responsiveness; advocacy and community representation; and engagement in decision making.	Achieved



Business and Finance Directorate

The Business and Finance Directorate is responsible for a range of core functions including finance, budget, internal and external audit, rating, property valuation and payroll. Management and financial administration responsibility also extends to diverse business dimensions entailing property acquisition, disposal and leasing, parking, school crossings, saleyards, cemeteries, rural water supply schemes, Resource GV and the Goulburn Valley Regional Library Corporation.





Throughout 2005/2006 directorate staff have focused on addressing the Strategic Objectives (SOs) as contained the Council Plan. The success of this focus is highlighted and measured by linking the staff's key achievements to the Council's SOs as follows.

SO: Partnerships for Sustainability

Working with others to ensure continued sustainable development

- Finalised the sale of all 25 lots in the Council's Parkview Estate subdivision achieving significant net income to the Council.
- Facilitated the sale of the former Mooroopna Community House following its relocation to new facilities at the Mooroopna Hub.
- Finalised the sale of land for the development of a new Police Station in Murchison.
- Managed approximately 150 leases on Council properties varying from community groups to commercial tenants.
- Maintained a strong partnership with the Council's Contract Valuer and Valuer-General's Office to ensure that staged valuation data in respect of the 2006 General Revaluation was satisfactory completed and in accordance with required standards.
- Worked with the Department of Primary Industries to administer Exceptional Circumstances rating concessions to eligible ratepayers.
- Achieved National Saleyards Quality Assurance Accreditation at the Shepparton Regional Saleyards (SRS).
- In conjunction with DPI implemented the National Livestock Identification Scheme at the SRS for all cattle and calves.
- Installed rainwater re-use initiatives at the SRS resulting in significant reduction in urban water supply usage.
- Actively administered and supported the Shepparton Cosgrove Community Water Supply Scheme.
- Provided sound financial administration and audit services to the Goulburn Valley Regional Library Corporation.
- Participated with WorkSafe Victoria in undertaking an Occupational Violence review for parking enforcement staff.
- Actively collaborated with WorkSafe Victoria in undertaking a School Crossing Safety Audit and successfully implementing recommendations.
- In conjunction with WorkSafe Victoria introduced numerous initiatives providing for safe and effective manual coin handling.
- Received State Government recognition for participation in the Property Information Program and Rural Addressing Project.
- Facilitated and supported the Safer Streets Program by collaboratively working with the Victoria Police and RACV on 'Park Smarter' signs.

SO: Infrastructure

Ensure our infrastructure meets community needs and growth potential

- Reviewed parking restrictions at schools to maximise parking availability and ensure safe parking practices when dropping off or picking up children from school.
- Reviewed school crossing supervisor uniforms and adopted a high visibility vest to ensure compliance with Australian Standards and improve safety for school crossing supervisors and crossing users.

SO: Council Organisation and Management

Ensuring we are ready to respond to and meet our community's needs

- Continued financial drought assistance measures for ratepayers by providing an early payment discount of 2.5 per cent on 2005/2006 rates and charges.
- Returned quarterly supplementary valuations to ensure the Council's valuation and rating database maximised potential for rate revenue.
- Distributed a Rating Information Brochure to all ratepayers and maintained relevant information on the Council website.
- Partnered with neighbouring municipalities adversely affected by the State Government's introduction of the *Water (Resource Management) Act* to investigate ways of finding a solution to the effects of water unbundling on rate revenue.

“Continued financial drought assistance measures for ratepayers by providing an early payment discount of 2.5 per cent on 2005/2006 rates and charges.”

- Actively participated with the Revenue Managers Association (RMA) to explore new initiatives and trends in revenue management.
- Compiled and provided the Victorian Electoral Commission with voters' information for the 2005 Council elections.
- Regularly met with the Shepparton Chamber of Commerce and Industry to promote parking awareness, and consider options for improved parking in the Shepparton CBD.
- Participated in the national Parking Benchmarking study, initiated to provide participating local government authorities with parking management performance indicators to determine whether they are achieving "best value".
- Actively participated with key industry groups and stakeholders to prepare for the introduction of the new *Parking Infringements Act*.
- Carried out a revaluation of Council's infrastructure assets in compliance with requirements of the *Australian Accounting Standards* and the *Local Government Act 1989* which resulted in an increase of \$148 million in asset values.
- Incorporated the Victorian Local Government Model Budget 2006/2007 into the Council's 2006/2007 budget documentation.
- Implemented and reported on the year's operations under International Financial Reporting Standards.
- Undertook and completed an exhaustive review of all Council fees and charges.
- Achieved full compliance with the Local Government Improvement Incentive Program to secure the Council's eligibility for the National Competition Policy payment.
- Lodged a submission with the Victorian Grants Commission which was considered in the 2005/2006 allocation methodology and resulted in an increase in the level of funding received.
- Undertook a review of Fringe Benefits Tax administration resulting in the implementation of new processes and automated software resulting in significant efficiency gains and associated savings.
- Prepared and had adopted by the Council a four year Strategic Resource Plan comprising Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and Standard Statement of Capital Works.

Internal Audit Committee – Report by the Chairperson

The Audit Committee is appointed to provide the Council with additional assurance that the financial and internal procedures and systems of the organisation are in order, that risks are identified and managed, and that the organisation is complying with all laws and regulations affecting it.

The committee comprises five members – two Councillors and three external independent persons. The current membership of the committee is:

- Mr Steve Bowmaker ACA – Chairperson
- Mr Laurie Gleeson CPA
- Mr Chris Line ACA
- Cr Jenny Houlihan – Mayor
- Cr Bruce Wilson.

The committee reviews the activities of both the independent internal auditor (RSM Bird Cameron) and external auditor (Auditor General Victoria) and reviews their work on an ongoing basis. The annual internal audit program and the scope of the work to be performed is set by the committee and the committee reviews each of the reports made pursuant to that program. The committee met six times during the year with the following activities being considered by the committee:

- Reviewed Communications and MERIT Post Implementation Risk Assessment and management responses.
- Considered the Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2005.
- Reviewed Auditor General Victoria's Management letter and management responses for year ended 30 June 2005.
- Developed a new Audit Committee Charter (incorporating Best Practice guidelines) which was adopted by the Council in February 2006.
- Reviewed the Strategic Internal Audit Plan prior to adoption by the Council in February 2006.
- Carried out a self assessment survey.
- Received report on child care services and management responses to a review conducted by Internal Auditor RSM Bird Cameron.
- Reviewed the external Audit Strategy for year ended 30 June 2006.
- Received the Council's insurer supplementary liability report 2005/2006.
- Received status report on all risk assessment reviews undertaken by the Council to date (11 in total) and commissioned RSM Bird Cameron to undertake post implementation assessments.
- As part of the Strategic Internal Audit Plan the committee authorised RSM Bird Cameron to undertake risk assessment reviews of Payroll and Plant.

The committee also receives regular reports from the Council's Risk Management Officer.

Pine Lodge Cemetery Trust

The Council as Trust continued to provide an excellently maintained facility and surrounds for the people of Shepparton and surrounding districts. Significant effort was put in to ensure the Trust's administration was in a position to comply with the requirements of the new *Cemeteries and Crematoria Act 2003* when it became operative on 1 July 2006. To comply with certain provisions of the new Act, the Trust undertook a comprehensive review of the cemetery fee structure which will result in a new set of fees becoming operative from 1 July 2006.


Tom O'Reilly
Director Business and Finance



Development and Infrastructure Directorate

The Development and Infrastructure Directorate is responsible for the following key areas:

- Asset Systems and Infrastructure Maintenance
- Leisure Services
- Aquatic Services
- Planning and Development
- Building Services
- Environmental Development
- Waste and Open Space
- Engineering Projects

The Directorate also assists with the planning and delivery of Council projects and services which impact on the whole municipality such as the highway bypass and the freight logistics development.



This financial year has again been extremely busy with many capital works projects being delivered and several significant operational matters being implemented.

Highlights for the year are summarised as follows.

Planning and Development

- Planning Permits = 566
- Subdivisions received = 150
- Whole Farm Plans received = 51

Achievements:

- The Council commenced Amendment C69 to its planning scheme to introduce a new Municipal Strategic Statement which implements the draft Greater Shepparton 2030 Strategy.
- The Heritage Study (Amendment C50) to introduce permanent heritage controls was completed following an independent planning panel.
- A development plan and development contributions plan for Mooroopna West Growth Corridor was finalised.
- A development plan for the Shepparton Tertiary Education Precinct was completed and implementation of the planning tools will commence in 2006/2007.
- The Council commenced development plans for new residential developments adjacent to the Shepparton Aerodrome and to the south of Kialla Lakes.
- Urban Design Frameworks were also completed for the main business areas along Wyndham Street.
- The Merrigum Community Plan commenced and it is anticipated that the plan will be completed during 2006/2007.
- The Council also made a number of substantial financial developer contributions to facilitate the construction of drainage, road works and shared path networks provided as part of new residential developments.

Sustainability and Environment

Work commenced on the development of a sustainable water use plan for the Council and is expected to be finalised in September 2006.

The Council continued to develop conceptual designs and detailed designs of a number of major stormwater outlets into the Goulburn and Broken Rivers as part of its Stormwater Management Plan and in conjunction with the Goulburn Broken Catchment Management Authority.

The Tatura Flood Study was completed and funding has been received to undertake a number of mitigation measures that were identified in the final report. These measures

will be implemented over the next two financial years. The Shepparton-Mooroopna Early Flood Warning and Emergency Management Project has progressed throughout the year and will be finalised in September 2006.

Tree planting with local community groups continued with approximately 25,600 native plantings taking place. The continued dry conditions limited the number of plantings that were able to be achieved, however the figure was considerably higher than the previous year.

Capital projects completed during the year included the installation of two gross pollutant traps.

Environmental Health

The evening immunisation sessions and Maternal and Child Health Centres continue to be very popular alternative times and venues. Other immunisation sessions have been provided in different areas within the City of Greater Shepparton. The Immunisation program is continually monitored and reviewed to ensure the Council provides an effective service to the community and achieves a high percentage of immunisation coverage.

Immunisations administered for the year include:

- Schools = 2,500
- Infants = 2,732
- Private (businesses) = 900.
- Total individual persons (clients) immunised = 6,152

A draft Domestic Wastewater Management Plan has been developed and data is being collected to allow further investigation of priority areas for assessment.

Septic Tank Permits issued - 86 permits to install and 33 permits to alter, a total of 119 permits.

Environmental Health Officers (EHOs) have received and investigated 31 Infectious Disease Notifications from the Department of Human Services. The investigations are necessary to determine the source of an illness of public health significance that is generally transmitted through food or by person to person contact.

There have been seven reported gastroenteritis outbreaks at aged care facilities and at one school since April 2006, affecting a number of staff, residents and students.

EHOs collected 46 food samples during the year.

Other relevant statistics for the year include:

- 459 food premises registered
- 29 food recalls
- 102 health premises registered
- 28 accommodation premises registered
- 11 caravan parks registered
- 225 food premises inspected.

“Tree planting with local community groups continued with approximately 25,600 native plantings taking place.”

Animal Control/Local Laws

The Council’s Pound continued to operate effectively. The pound received 4,304 visitors and 3,697 telephone enquiries for the year. Of the dogs impounded 57 per cent were euthanised, 32 per cent were claimed and 11 per cent were rehoused. Of the cats impounded 94 per cent were euthanised, 3 per cent were claimed and 3 per cent were rehoused. Wherever possible, Council officers are engaged in community education in responsible pet ownership.

The Council’s Animal Control/Local Laws Officers have concentrated on ensuring companion animals are registered. This allows easy identification of animals when they are lost or estranged from their owners. Local Laws Permit requirements have also been strengthened. Due to the unseasonal conditions in February the number of fire permits issued was not as great as in 2005.

Building Services

Building Services once again achieved outstanding results to ensure the Council’s statutory responsibilities continued to enhance safe buildings and protect the safety and health of the people who use buildings throughout the municipality.

Key outcomes were:

- 1,391 building permits issued valued at \$127,904,946 in the municipality, the ninth highest in value for Victoria
- Enormous number of technical enquiries received
- Building Services is a financial asset to the Council
- Building Maintenance completed numerous additional projects
- A Swimming Pool Audit was carried out for the Tatura residential area
- Survey results indicated excellent customer service satisfaction
- 125 Council approvals granted for variations to the Building Regulations
- 64 Building Notices/Orders served for non-compliant building works.

Professional advice was always available to the community on a wide range of enquiries regarding building matters including community safety.

Aquatic Services

At SPC Ardmona KidsTown, 2005/2006 was a year for review of operations and infrastructure as part of the commencement of a new Master Plan. General operations remained largely

unaffected. The playground continued to have high numbers of visitors over key periods such as Easter, and user surveys suggested high levels of satisfaction with the quality and maintenance of the facility.

Fine weather throughout January provided the outdoor pools with excellent conditions which were reflected in increased visitation on last year. Users were once again satisfied with the level of service as reflected through the annual surveys.

Aquamoves had a very good year scoring 97 in the Royal Life Saving Society Safety Audit, the highest score of any regional facility and among the top five in the state. This result assisted the facility to achieve “Platinum Pool” status for safe facilities. The facility also won the Aquatic and Recreation Victoria Award for Excellence for Facility Management for the second time in four years.

Aquamoves was also successful in gaining \$1 million in State Government funding to assist in the redevelopment of the heavily utilised dry areas and the development of a new smaller outdoor leisure water space. These exciting projects are being undertaken over the next two financial years and will ensure that Aquamoves remains one of the best aquatic facilities in regional Victoria.

The Aquatic Strategy is currently being completed along with the KidsTown Master Plan. These projects will provide direction in the future development of these facilities and ensure that they continue to reflect the expectations of the community in a way that is both responsible and sustainable.

Infrastructure Planning and Major Projects

The major projects completed during 2005/2006 were:

- Mooroopna War Memorial Upgrade
- Stage 2 Showgrounds Redevelopment
- Upgrade of Central Office Foyer
- Completion of Kialla Park Bowls Club
- Upgrade of Marungi Street Carpark
- Stage 4 of Mactier Park
- Undergrounding of power in Morrell Street, Mooroopna
- Undergrounding of power in Wyndham Street and High Street, Shepparton
- Commencement of the Wyndham Street commercial precinct streetscape
- Construction of the Fryers Street extension.

Design Services

Traffic management, road safety programs and parking investigations continue to be a major part of the services provided.

Design Services continued to provide a wide range of technical advice to internal and external customers for road safety, traffic management, parking and feature surveys involving 105 investigation reports, including 40 planning/building referrals.

“...will ensure that Aquamoves remains one of the best aquatic facilities in regional Victoria.”



New traffic management devices were installed at nine sites within residential streets in addition to pedestrian facilities for the disabled, improvements to carpark line marking and school parking signage.

Implementation of the Council's Rural Intersection Signage Controls Program commenced in 2005/2006. Improved signage was installed at 94 intersections throughout the municipality at locations identified as high risk. New traffic control signs were also erected at 77 intersections in two rural maintenance zones during the year.

The Council's Rural Intersection Improvement Program implemented improvements identified by road safety audits. These works were undertaken at a number of intersections throughout the municipality including treatments at the Orrvale Road Poplar Avenue intersection, Marungi Road Union Road intersection and intersections along Merrigum-Ardmona Road.

“Improved signage was installed at 94 intersections throughout the municipality at locations identified as high risk.”

Some of the 16 capital projects implemented by Design Services included:

- Tatura Multi-Sport Project (Frank Howley Oval Number 2, Tatura)
- Maude/Nixon Street roundabout
- Verney Road Shared Path
- Kialla Park Bowls Club carpark
- Urban traffic management treatments at eight locations in Shepparton, Mooroopna and Katandra
- Replacement of Bennetts Road outfall drain, Kialla West.

Urban street name directional signage has been installed throughout the Shepparton commercial centre, incorporating street numbers. This has provided better information to drivers and pedestrians navigating our streets.

The Council's Road Safety Plan programs continues to be implemented in partnership with Goulburn Valley Community Roadsafes. In addition to the continuing implementation of the “Not So Fast” speed program, Design Services assisted with the Motorised Wheelchair program. Design Services has also assisted the Monash University Accident Research Centre in implementing the Older Driver Research project at the DECA training complex.

Asset Systems and Infrastructure Maintenance

Routine maintenance works of \$4.5 million were delivered during 2005/2006. The works included:

- Sealed roads and kerb and channel maintenance – \$2,220,000
- Unsealed roads maintenance – \$1,328,000
- Footpaths and cycleways maintenance – \$399,000
- Drainage maintenance – \$337,000
- Bridges maintenance – \$53,000.





Periodic maintenance and improvement works of \$3.3 million were delivered during 2005/2006 funded from three programs.

The Council's reseal program of \$1,457,000 and funding allocated as follows:

- Asphalt overlay 10 projects
- Urban reseal 27 projects
- Rural reseal 25 projects.

The Roads to Recovery grant of \$1,277,000 for 2005/2006 was received. This is the first year of the four year Roads to Recovery second round funding. Part of this funding was used to complement the Council's reseal program.

Nineteen additional reseal projects and five rehabilitation projects were delivered using this funding. The reseal projects were two asphalt overlay projects, eight urban reseal projects and nine rural reseal projects.

The five rehabilitation projects were:

- Hicken Crescent renewal
- Yorkshire Crescent renewal
- Girgarre East road widening jointly funded with the Council's Roads for Renewal
- Katandra Main Road West of Labuan Road
- Katandra Main Road East of Lane Road including the 'S' curve widening.

The Council's Roads for Renewal program of \$600,000 delivered the following rehabilitation and improvement projects:

- Murchison Goulburn Weir Road widening
- Madill Road, Undera widening
- Girgarre East Road widening jointly funded with Roads to Recovery
- Union Road including bridge approaches upgrade
- Kyabram Cooma Road renewal
- Williamson Street and Nixon Street, Dookie upgrade
- Tungamah Boundary Road resheeting
- Toolamba Bridge asphalt overlay improvement.

“Conversion of English type grasses to drought tolerant Couch has continued in sporting grounds.”

Waste Services

The Council's Waste Management Strategy was adopted during 2005/2006 which resulted in two major contracts being awarded.

A new seven year contract was entered into with Wheelie Waste for the collection of kerbside waste and green organics in Greater Shepparton. A new eight year contract was also entered into with Western Composting Technologies for processing of green organics collected from the kerbside. Western Composting will construct a controlled atmosphere composting facility in Daldy Road North, Shepparton as part of this contract. A Householders Guide to Waste Management Booklet has been produced and will be delivered during August and September 2006. Existing waste bins will also be replaced as part of the contract.

The conversion of all Council litter bins to mechanical lift type bins continued in response to guidelines by Worksafe recommending a “no lift” policy for the waste collection industry. This project will be completed in the 2006/2007 financial year.

The Resource Recovery Facility at the Shepparton Transfer Station is now operational with sales figures continuing to increase. Further product may be sourced from the Cosgrove Landfill in the future.

The Cosgrove Landfill has continued to operate profitably and within its licence conditions. Waste quantities received during the year are down approximately 2,000 tonnes compared to last year, which is in accordance with the Council's objective of minimising waste to landfill. It is expected that the new green organics collection service will further reduce the quantity of waste arriving at Cosgrove.





Public Open Space

The 2005/2006 year was one of consolidation in the public open space maintenance area. Water conservation programs have been continued, and significant progress has been made in the risk management area.

Conversion of English type grasses to drought tolerant Couch has continued in sporting grounds. Apart from requiring substantially less water than traditional sports turf, these low growing warm season grasses also provide a superior outfield for cricket, tolerate winter sports very well, require less mowing and are forgiving of extreme weather conditions. During the winter dormancy period however warm season grasses exhibit a yellow brown colour rather than the more familiar green. Ovals converted this year include Katandra West Reserve and Vibert Reserve.

The community now expects that any Council facility or asset is inherently safe and is maintained in that condition for users. A proactive inspection and maintenance program has now been developed for playgrounds and recreation reserves in accordance with the requirements of the Council's insurers. A tree management system is also being developed under the same guidelines. At this stage all of the Council's street trees have been inspected while park trees are well on the way to being completed.

As part of this risk management program the under surfacing to all playgrounds has now been upgraded to the current standards.

Major programmed infrastructure maintenance this year saw the pumps to Victoria Park Lake, Tatura Raw Water System and Ganaway Reserve upgraded at a total cost of approximately \$50,000.

New horticultural maintenance areas added to the program in 2005/2006 included:

- Traffic control devices in the Streeton Drive Estate
- Part of the lake reserve abutting Lowanna Waters
- Showgrounds including toilet block
- Howley 2 oval
- Reserve at the rear of Kialla Park (formerly St Mel's land)
- Arthur Park Stage 1 (park and water sensitive urban design median in Pontiac Ave)
- Kialla Lakes Drive median and part nature strip
- 352 Archer Street nature strip
- All Abilities Playground and toilets
- Dunrossil Park and Rain Garden.

A number of parks were renovated throughout the year and works included the installation of irrigation systems, turf, and where required paths and furniture. Upgraded parks included CWA Gardens in Dookie and the park in Dunstan Court.

Leisure Services

Another busy year for the Leisure Services Department, with a number of capital improvements and planning projects undertaken, and a broad range of services delivered including:

- Upgrade to S-Cape Skate Park
 - Installation of four new neighbourhood playgrounds
 - Installation of shade structure and new barbeque at the All Abilities Playground
 - Upgrades to the front entrance at the Shepparton Sports Stadium
 - Completion of Stage 2 development of the Tatura Multi Purpose Sports Complex
 - Commencement of Stage 1 Redevelopment of the Greater Shepparton Regional Tennis Complex at McEwen Reserve
 - Conclusion of design process and appointment of contractors for the construction of the Dookie Community Centre
 - Minor infrastructure improvements at Deakin Reserve
 - Construction of Tallygaroopna Recreation Reserve Change Rooms
 - Purchase of Community Mobile Barbeque.
- Community infrastructure and service projects supported by Minor Leisure Facilities Funding Program grants included:
- Safety fencing at Merrigum, Toolamba and Old Katandra Tennis Clubs, Shepparton Field and Game Complex and Murchison Bowling Club,
 - Shepparton Little Athletics Complex Storage Shed.
 - Relocation of Shepparton Radio Controlled Car Club.
 - Greater Shepparton Sports Awards.

The Shepparton Sports Stadium continued its exceptional growth in participation rates with expansion of community sporting, fitness and recreational based programs. In the previous year just 10 community programs were offered, servicing a little over 168 participants. In 2005/2006, 47 programs were offered to 1,246 participants.

Operational revenue was also well above expectations, contributing to an operational subsidy some 23 per cent less than anticipated (a saving of around \$21,000).

Improved stadium customer satisfaction levels were identified in the biannual CERM Customer Satisfaction Survey conducted in October. The survey indicated that in comparison to the result in 2003, in 19 out of 20 areas of customer satisfaction, a favourable reduction in the gap between the customer's expectation and the stadium's performance was achieved.

Peter Harriott
Director Development and Infrastructure

A photograph of two women sitting at a wooden picnic table in a park. The woman on the left has short blonde hair and is wearing a light-colored sweater over a white collared shirt. The woman on the right has dark hair and is wearing a dark sweater. They are both smiling at the camera. The background features several tall palm trees and a paved walkway. The entire image has a blue color cast.

Services Directorate

The Services Directorate provides a wide range of functions involved directly in the delivery of services to the community. These include Aged and Disability Services, Family and Children's Services, Asset Maintenance, Public Open Space Maintenance, Asset and Public Open Space Construction, Eastbank Centre and Westside (Riverlinks), the Shepparton Art Gallery, Community Strengthening, Youth Services, Plant and Equipment Maintenance and Emergency Management.



Services Directorate

Riverlinks

The Riverlinks program in 2005/2006 provided local audiences with 35 different professional touring productions covering a wide range of tastes and styles. These productions were presented at WestSide PAC and the Eastbank Centre.

In addition to the shows presented by Riverlinks, our venues were also hired to an increased number of touring commercial productions. In support of these activities, our box office service and technical services continue to be ranked among the best.

Overall, audience numbers did not achieve our expectations, and it is evident that services in the areas of arts and entertainment are vulnerable to a variety of social pressures and influences.

Riverlinks has administered the hire of the Eastbank Centre and WestSide PAC, and has provided a venue and services to a wide range of major and community events over the last 12 months. Major conference hirers have included many Government departments, Rotary, and rural industry peak organisations. Conference trade continues to build and has been aided significantly by contracting to provide quality in-house catering services.

In conjunction with Riverlinks Services, the Council delivered direct support for a number of community celebrations and events, including the SheppARTon Festival, Taste of Tatura, Carols by Candlelight and Australia Day Celebrations throughout the municipality.

The Arts in the Community Fund granted project support to a wide range of community cultural activities and assisted in maintaining our ongoing partnership with Orchestra Victoria to deliver free performances and music mentoring to residents, as well as providing a performance for rural isolated and disadvantaged primary students under the Song Room program.

Shepparton Art Gallery

The Shepparton Art Gallery presented a range of quality exhibitions throughout the year with displays from the local community and touring displays from elsewhere aimed to appeal to a wide range of people. These included a range of diverse displays along with a selection of its permanent collection of ceramics and other art throughout the year. These diverse displays resulted in an attendance for the financial year of 51,346 - an increase of 22 per cent on the previous year.

The gallery organises the prestigious Sidney Myer Fund International Ceramics Award in association with La Trobe University every second year and it was displayed in March/April 2006. This is the premier international ceramics award held in Australia, offering a \$15,000 Premier Award with a further \$10,000 in other prizes and acquisitions. The 2006 award, which received 317 entries, displayed 39 ceramic pieces from

11 different countries, these being Japan, Australia, Canada, United States of America, United Kingdom, New Zealand, Switzerland, Lithuania, South Korea, Spain and South Africa. The international judge was Akio Takamori from Washington, USA. Akio is currently an Associate Professor at the School of Art, University of Washington and has an international reputation in his field. He arrived in Australia just before the exhibition opened to select the winners of the award and to be a key note speaker at the seminar that is held in association with the exhibition.

There were also a variety of public programs throughout the year. In March alone over 500 school students visited the gallery on tours or participated in workshops. Other programs included fine art lectures, coffee mornings, life drawing, exhibition openings, artist talks, an international ceramics seminar, workshops, after school classes and school holiday workshops. The gallery took part in a partnership with Craft Victoria called "The South Project" and hosted international ceramist Gregor Gregar for three weeks as part of this program.



In 2005/2006 there were 56 works of art added to the collection now valued at in excess of \$9 million. The additions included contemporary and historical ceramics, contemporary and historical drawings, local ceramics and paintings, a contemporary painting and a large public sculpture called "Louis" built to replace the original sculpture "Larry" that was destroyed by arsonists. A public appeal raised over \$7,000 towards construction of the new sculpture. The gallery also loaned works from its collection to a major exhibition on the work of Gladys Reynell at the Art Gallery of South Australia and two works to a retrospective of the work of Deborah Halpern at the National Gallery of Victoria.

Aged and Disability Services

Aged and Disability Services has continued to provide for the ongoing needs of some of the municipality's most vulnerable residents - the frail aged, the socially isolated aged, people with disabilities and carers. Over the course of the year a large variety of both in home and community based services have been provided, including over 2,000 hours of high quality assessment practice, over 30,000 hours of centre based social support (Planned Activity Groups), 1,500 hours of Home and Garden Maintenance, 25,800 hours of Home Care, 7,000 hours of Personal Care, 9,000 hours of Respite Care and over 20,000 kilometres of local transport.

The Food Services program has increased significantly, providing almost 50,000 meals over this period as opposed to the 40,000 provided in 2004/2005. This program provides Meals on Wheels and Centre Based Meals to many members of the community who would otherwise be at serious nutritional risk. Over 300 dedicated volunteers, service clubs and businesses have contributed to the delivery of the meals over the year and the service has developed to a stage where all Meals on Wheels recipients have a daily menu choice between three main meals and three desserts. These menu choices cater for culturally diverse meals, vegetarian options and all special dietary requirements.

Emergency Management (Recovery)

Since October 2005, a full time Rural Development Officer has been employed to work with rural communities and townships to ensure their capacity to cope with any emergency event, including drought, is enhanced. The ongoing drought recovery process has moved towards a community strengthening approach and the primary communities that have had residents involved in this program include: Dookie, Merrigum, Murchison, Undera, Dhurringile and Katandra West. In addition to direct community contact, highly successful community development activities such as the Rural Women Linking Arms forum have been undertaken.

Family and Children's Services

Major renovations at the Nancy Vibert Children's Centre have expanded the number of child care places available and allowed long day care to be offered in addition to occasional care.

Playgroups continue to expand and the Council actively supports community groups and agencies in establishing playgroups. A playgroup for "newcomers" to the Shepparton community is providing a vital service to residents in the north Shepparton area.

After much work an "in venue" family day care service was established to complement the existing network of home based careproviders. It is planned to expand this model throughout the municipality with particular emphasis on the smaller towns.

Funding has been received to implement "Kids Go For Your Life" - a nutrition project aimed at children in primary schools, this three year project will commence in the next month or so, and work with the "Walking School Bus" program and "Smiles for Miles", an oral health project.

Many of the projects undertaken as part of the Best Start Demonstration Project continue as core business of either the Council or partner agencies. These projects complement

"The ongoing drought recovery process has moved towards a community strengthening approach..."

the work that continues to be undertaken to enhance the opportunities for families and their young children across Greater Shepparton. The main areas of work continue to be early childhood health, literacy and child and family friendly communities.

Positive feedback from clients continues and regular surveys of users are undertaken by all services within this portfolio area. Despite a reduction in waiting lists for long day care services recent trends indicate that there continues to be a high demand for all council services. A number of child care services undertook accreditation this year and all received the highest possible level from the National Accreditation Council.

Operations

The Operations Department which is responsible for municipal maintenance, has now grown to almost 130 employees and has had a very productive 12 months.

Achievements:

- In parks and gardens there have been over 11,000 maintenance visits to parks, ovals, toilets and other areas.
- The roads team has sprayed almost 1.5 million litres of bitumen and placed over 2,400 tonne of asphalt, to maintain the integrity of the road surfaces.
- The concrete team has constructed 6,700 lineal metres of kerbing and 6,800 square metres of footpath in an effort to eliminate defects in road drainage and provide better safety for pedestrians.
- The rural road team has graded in excess of 1,500 kilometres of gravel roads.
- In addition to regular maintenance activities the department has also constructed an oval and carpark in Tatura, the Shepparton Showgrounds landscaping and civil works, footbridge in Poplar Avenue, urban streets and a number of sections of rural roads.
- The heavy plant fleet upgrade has been maintained with new trucks, mowers and street-sweeper adding to our reliability and efficiency of service.

The year has also been highlighted by the work done in constructing the new maintenance depot on Doyles Road. The miscellaneous storage shed, workshop/store/refueling shed and wetland earthworks have been the major achievements. Quite a number of the maintenance teams have been involved in doing works from time to time at the site and the spirit amongst the teams is lifting with our imminent occupation in late 2007.

Other Activities

Work on the redevelopment of Parkside Gardens for residential subdivision has now commenced, and will see the long planned work coming to fruition. All issues raised regarding the development have now been satisfactorily resolved, and a quality outcome which will meet the needs of future residents and neighbours will result. The Bangerang Cultural Centre and the Philippines House will feature prominently when the work is completed.

The Neighbourhood Renewal project at Parkside Estate has been the subject of ongoing work by all involved and is almost at the point where the work can commence on site.


Ian Martin
Director Services

Corporate and Economic Development Directorate

The Corporate and Economic Development Directorate is responsible for a broad group of functions including Governance, Tourism, Corporate Support, Risk Management and Insurance, Strategic Human Resources and Industrial Relations as well as Information Services.

The Economic Development and Major Events and Promotions Departments also fall under the umbrella of this Directorate, together with overseeing the Continuous Improvement process to ensuring that valuable initiatives previously identified by the Best Value Review program are implemented and built upon over time.





Corporate and Economic Development Directorate

Customer Service

- The Customer Service Department was this year integrated into the Information Services Department which has enabled a holistic approach to servicing customers and enabling greater responsiveness to requests.
- The Council's Customer Relationship Management application has continued to be refined and deployed to more departments across the organisation increasing the efficiency and accuracy of customer issue resolution.
- The Council's foyer area has been redeveloped to enhance customer flow and staff safety.

Information Services

- A new Geospatial Information System, which incorporates aerial photography across the entire municipality, was implemented.
- There was ongoing development of the Council website to enhance interactivity for visitors and residents. Significant redevelopment of the online business, sporting and community directories.
- New websites were developed for the Greater Shepparton Business Centre, Business at Home Network, SheppARTon Festival, SPC Ardmona KidsTown and KidsFest.
- Expansion of the Council IP telephone network resulting in call cost savings for remote sites.



Some of the major events the Council has assisted with in 2005/2006 included:

Andalusian State Horse Show	Apex State Conference
Appaloosa Futurity	Arabian Classic
Australian Motoring Show	Dutton Rally
Flood Management Conference	Fruit Loop Ride
International Dairy Week	Lions Conference
Long Course Swimming C/ships	Mammoth Scale Fly-In
Mini Mokes	Miniature Horse Australian Show
Miniature Horse National Show	MWOA of Australia Conference
New Years Day Cycling Carnival	Radio Control Car State Champs
Reigning Horse Jackpot Show	Rotary District 9820 Conference
Senior Badminton Tournament	Shepparton Half Iron Man Qualifier
Shepparton Marathon	Shepparton Pony Club-Horse Show
Shepparton Swap Meet	Sled Dog Dash
Southern Seven Cutting Horse Association	Southern Chapters Motorhome Club
Spring Car Nationals	Sun Tour
Tatura Annual Agriculture Show	Triathlon
Ulysses Motorbike Club	Victorian Short Course Swimming Championships
Victorian Reining Horse Assoc. Show	Victorian Urban State Fire Brigade Championships
Victorian Arabian Championships	Welsh Pony National Show
Welsh Pony Society of Australia	World Cup Show Jumping

“The Visitor Information Centre experienced its busiest month on record during January 2006 with over 7,000 enquiries.”

“The Council coordinated and hosted the Iftar Dinner to promote interfaith understanding.”



Central Records

- Implementation of a complete restructure of the index system to enable greater document control.
- Implementation of an electronic fax routing system to enable correspondence to be delivered to staff much more quickly and efficiently.

Major Events and Promotions

- Continued growth and development of Tatura Park which again has recorded strong growth in both the number and size of events held along with number of spectators being attracted to the facility.
- Work on the Shepparton Showgrounds was ongoing with the site used for the Commonwealth Games Baton Relay Community Celebrations. This provided an ideal opportunity for the community to experience stage 1 of the development and started the process of branding the site as a key events facility.
- Successful hosting of a stage finish of the Jayco Herald Sun Tour in Shepparton, which has seen the event return to Greater Shepparton. The event delivered substantial economic activity to the community and generated extensive media coverage across all mediums.

Tourism

- Tourism in the Greater Shepparton region continues to grow and prosper with a four per cent increase in enquiries for the 2005/2006 financial year compared to 2004/2005 financial year at the Visitor Information Centre. This equates to a total of 52,027 enquiries.
- The Visitor Information Centre experienced its busiest month on record during January 2006 with over 7,000 enquiries.
- Income generated through accommodation commissions has demonstrated strong growth with a 26 per cent increase for the financial year.
- A comprehensive Greater Shepparton Official Visitors Guide was produced, printed and launched during the financial year. Widely promoted as the main marketing tool for visitors and tourists alike, the guide contains a total of 72 advertisers which is an 89 per cent increase on the number of advertisers in the last edition.
- The increased number of advertisers ensured that the Official Visitors Guide was self funding, whereas previous editions required Council funding.

- During the year an accommodation accessibility audit was performed by an external contractor for the benefit and use of the Visitor Information Centre and the community as a whole.
- The “i” sign at the front of the Visitor Information Centre has been replaced, with all emphasis on the promotion of the Visitor Information Centre and a warm welcome to the City.

Economic Development

- The Council in conjunction with other agencies conducted a number of events under the banner ‘Energise Enterprise 2006’. The program covered topics such as Retail Leases, Workcover, Taxation, Record Keeping, Marketing and a business breakfast with guest speakers. In total 207 people participated in these events.
- The Greater Shepparton Business Centre enjoyed high occupancy levels for 2005/2006.
 - 15 office spaces occupied out of a possible 16
 - Four industrial units occupied out of a possible six
 - Three of these businesses moved into commercial premises.
- Rochelle Vick was awarded an EDAV 2005 National Award for Economic Development Excellence in November 2005 for her work with the home-based business community in Greater Shepparton. This is the first time these awards have been run with Rochelle winning her category of Leadership, Economic Development, Local Government Practitioner, Employee.
- Computer training lab established at the Greater Shepparton Business Centre.
- The Greater Shepparton Business at Home Network was incorporated in March 2006 and is supported by the Council to continue through the next financial year.
- The Council and three metropolitan municipalities were chosen to be included in the Victorian Business Master Key pilot project. The project will provide emerging and established businesses with required government information via the internet to assist them with government processes and compliance.
- In late 2005, the Council conducted a business survey which was distributed to all businesses in the municipality. A total of 250 survey responses were received which provided critical information to assist to the Council. The survey results are available from the Council website.
- The municipality recorded \$128 million of building activity for 2005/2006 which equates to almost \$2.5 million worth of activity per week.

- A tertiary education brochure was developed and distributed to students in the Goulburn Valley. During the change of preference period, the Council advertised opportunities on local radio as well as distributing promotional posters within a 100km radius.
- The Goulburn Murray Regional Migration initiative has been successful in responding to skill shortages. At the commencement of the project, the initiative aimed to assist in the attraction and retention of 40 migrants by June 2007. By the end of June 2006, the initiative had been involved in the attraction of just over 30 migrants.
- The MooovingArt program continued to be successful with the cows being utilised at a number of major state events such as L'Oreal Fashion Week, the morning show Sunrise and the Australian Dairy Award at Southbank, Melbourne. As part of the 2005 Jayco Herald Sun Tour, the cows were featured on the front page of the Herald Sun which is distributed right across the state.
- The Shepparton Show Me Committee's guidelines and instrument of delegation were reviewed at the end of 2005/2006 to ensure they reflected the business community's needs whilst adhering to Council's legal requirements.

Human Resources

- The Council has maintained excellent Occupational Health and Safety status with only seven work cover claims for the period to 30 June 2006. Staff training in OHS areas, included Level II First Aid training, Emergency Evacuation Training Refreshers, Occupational Health and Safety Act 2004 updates along with phase two of Safe Driving Training upskilling of staff who drive Council vehicles in the course of their work.
- Corporate training focused on Business Writing, Time Management, Performance Management, Award Interpretation, Effective Use of Employee Assistance Program, Managing Workplace Relationships, Equal Employment Opportunity (EEO) and other specific departmental training requirements.
- The Greater Shepparton City Council 2005 Enterprise Agreement was certified in the Australian Industrial Relations Commission on 12 December 2005. The three year agreement expires on 30 June 2008 and returns to employees a 13 per cent pay increase over the period of the agreement.
- The induction program of new full time and part time staff continues with 71 employees completing the program. It consists of an overview of human resource policy/procedure, staff terms and conditions, EEO/work place Bullying, Confidentiality and the Council's Code of Conduct.

Risk Management and Insurance

- The Council's Risk Management Committee reviewed and updated the Council's Risk Management Policy and Strategy to accurately reflect the Council's highest risks and the resources allocated to addressing them.
- An ongoing risk management induction and introduction training program for all new Council employees commenced during the period.

- The Council's continued emphasis on better risk management practices has again been recognised by its insurers, with a Public Liability and Professional Indemnity insurance premium reduction of approximately \$40,000.
- The Council received 119 notifications of incidents which resulted in property damage or injury during the 2005/2006 financial year, down from 142 in the previous financial year.

Civic Support

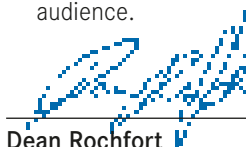
- During 2005/2006 the Council hosted international delegations from Japan, China and West Virginia.
- The Council coordinated and hosted the Iftar Dinner to promote interfaith understanding and the Town and Gown Dinner, to promote the University City concept. Both dinners are set to become annual events on the Greater Shepparton calendar.
- In May 2006, Mayor Jenny Houlihan visited Japan for an inauguration ceremony for the City of Oshu, which has been created through the merger of several municipalities, including Greater Shepparton's sister city of Esashi. A sister city relationship will be maintained with Oshu City.
- The Council conducted 11 citizenship ceremonies during the financial year, at which 121 people became Australian citizens.

Governance

- The Council successfully conducted municipal elections in November 2005, at which four Councillors were elected for the first time and three Councillors were re-elected. All Councillors were offered the opportunity to participate in a comprehensive induction program during December 2005.
- The *Democratic Reform Act 2003* introduced a requirement for newly elected councils to review all issued delegations within 12 months of their election. A Governance Project Officer has been appointed to complete this task, as the November 2005 election is the first held for the City of Greater Shepparton since this requirement was introduced.

Communications

- The Communications Department compiled and distributed 305 media releases on topics of Council and public interest.
- Television advertising was trialled in April and May 2006, resulting in significantly increased awareness levels and usage of the Council's website. The success of the trial will see an expanded television presence by the Council throughout the coming financial year, as part of a suite of new communication methods designed to reach a wider audience.



Dean Rochfort

Director Corporate and Economic Development



Community Building Demonstration Project

The Greater Shepparton Community Building Project (GSCBP), "Young People Building Our Community", concluded on the 31 December 2005, after three and half years of pursuing a large number of community based initiatives. Jointly funded by the Department of Victorian Communities (DVC), the Council and partner organisations, including the Fairley Foundation and Neighbourhood Renewal, the GSCBP clearly demonstrated the important lead role that local government must play in strengthening communities. A detailed overview of the GSCBP, including an independent evaluation report, is available on the Council website.

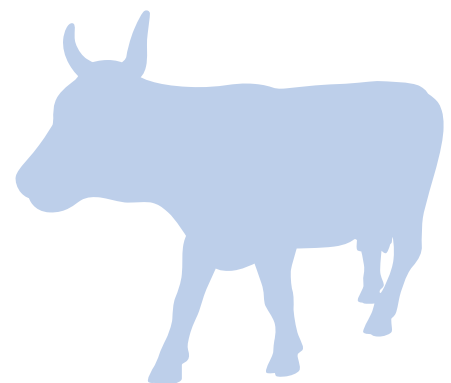


Based on the successful partnership approach of the GSCBP, whereby various Greater Shepparton secondary colleges, neighbourhood houses, youth services agencies and other organisations were involved, the Council has agreed to support the advancement of a new community strengthening initiative, the Greater Shepparton Community Action Plan (GSCAP). The GSCAP is based around 10 key visions which were developed following extensive public consultation and subsequent endorsement at a community forum. Initially, GSCAP will concentrate on the following four visions:

- Reconciling Greater Shepparton – supporting our Indigenous people to lead a significant contribution to the mainstream community and to be central to the restoration of our natural environment, especially our rivers.
- Diverse Greater Shepparton - facilitate new opportunities for our 60 plus ethnic and cultural communities to celebrate the cultures in public, thereby contributing to our vibrant regional centre, which draws people in day and night.
- Skilled Greater Shepparton - close the gap between wealth and poverty in Greater Shepparton, especially for those aged 20-44, by developing job skills to meet current labour shortages, thereby reducing long term unemployment and providing the skilled labour that industries are asking for.
- Connected Greater Shepparton - make our primary schools ‘family-friendly centres’ for the local community, developing partnerships to provide a rich, inclusive and safe environment for parents and children.

It is hoped that the Council’s enthusiasm and financial commitment to the GSCAP will receive the necessary reciprocal support from both State and Federal Government, which will result in steering committees being established to oversee the implementation of a range of strategies in support of the respective visions. Essentially, the GSCAP is to be a community driven initiative which will respond to immediate and emerging fundamental issues that confront the residents of Greater Shepparton. The main role of the Council in activating the GSCAP is that of facilitator.

In response to State Government direction, the Council is currently revising the GSCAP before lodging a formal funding submission and reporting back to groups and the individuals that have made a contribution to the proposal so far. It is hoped that the GSCAP will be the catalyst to strengthen the Greater Shepparton community and create a new relationship between the Council and residents.



MOOROOPNA HUB

Community Centre

Library

Seniors

Kindergarten

Occasional Care

Maternal & Child Health



MB



Public Health Plan

The Greater Shepparton Public Health Plan 2006-2008 was adopted by the Council in March 2006 and subsequently formally launched during Rural Health Week in May. The new plan builds on many of the objectives and achievements associated with the preceding three year plan and retains the four principal goals of:

- Sense of belonging and connectedness
- Safe and healthy environment
- Physical activity and nutritional wellbeing
- Minimisation of drug and alcohol misuse.

Development and monitoring of the health plan is overseen by a Health Plan Advisory Panel which is comprised of membership from various sectors, organisations, agencies and individuals from throughout Greater Shepparton. The panel periodically reviews progress against specific actions connecting to each of the four principal goals. These actions are determined by Working Groups established for the respective health goal areas and implemented by an internal Council team with

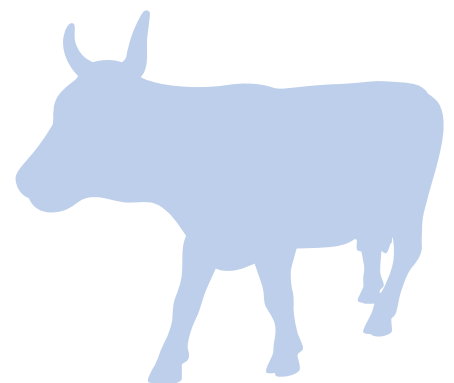
responsibility for reporting back to the Working Groups and ultimately the Panel. Each action has an identified timeline and relevant performance indicators.

Over 30 people have been involved in Panel, Working Group and Implementation Team activities. The success of the Health Plan is very much dependent on strong partnerships and collaboration between key stakeholder organisations. Overall, the Greater Shepparton Public Health plan is aimed at:

- Promoting health and wellbeing
- Preventing disease
- Prolonging life
- Strengthening the Greater Shepparton community.

The Council will continue to nurture existing Health Plan partnerships and seek new opportunities to respond to specific community needs and expectations.

The Greater Shepparton 2006-2008 Public Health Plan is available from the Council office and the Council website.







General Information Available For Inspection

The Council is committed to open government and the following information is available for inspection at the Council office in Welsford Street, Shepparton, as required by the *Local Government Act 1989*.

- (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 the 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 in accordance with section 223 of the Act during the previous 12 months.
- (l) Agreements to establish regional libraries under section 196 of the Act.
- (m) Details of all property, finance and operating leases involving land, buildings, plant, computer equipment and vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease.
- (n) A register of authorised officers appointed under section 224 of the Act.
- (o) A list of donations and grants made by the council during the financial year, including the names of persons or bodies which have received a donation or grant and the amount of each donation or grant.
- (p) A list of the names of the organisations of which the Council was a member during the financial year and details of all membership fees and other amounts and services provided during that year to each organisation by the Council.
- (q) A list of contracts valued at \$100,000 or more which the Council entered into during the financial year without first engaging in a competitive process and which are not contracts referred to in section 186(5) of the Act.



Whistleblowers Protection Act 2001

The Council is committed to the aims and objectives of the *Whistleblowers Protection Act 2001* and does not tolerate improper conduct by its employees, nor the taking of reprisals against those who come forward to disclose such conduct. The Council recognises the value of transparency and accountability in its administrative and management practices, and supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources, or conduct involving a substantial risk to public health and safety or the environment. The Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure, and will also afford natural justice to the person who is the subject of the disclosure.

The Act commenced operation on 1 January 2002, and procedures have been developed that establish a system for reporting disclosures of improper conduct or detrimental action by employees of the Council. These procedures are publicly available at the Council office and on its website.

Report for the year 2005/2006

Number and type of disclosures made to the Council during the year	1
Number of disclosures referred to the Ombudsman for determination	1
Number and type of disclosed matters referred to the Council by the Ombudsman for investigation	1
Number and type of disclosed matters referred by the Council to the Ombudsman for investigation	Nil
Number and type of investigations taken over from the Council by the Ombudsman	Nil
Number of requests made by a Whistleblower to the Ombudsman to take over an investigation by the Council	Nil
Number and types of disclosed matters that the Council has declined to investigate	Nil
Number and type of disclosed matters that were substantiated upon investigation and action taken on completion of the investigation	Nil
Any recommendations made by the Ombudsman that relate to the public body	Nil

The Council's Protected Disclosure Officer is the person holding the position of Manager Corporate Support or in the absence of that officer, the Director Corporate and Economic Development. The Protected Disclosure Coordinator is the Chief Executive Officer.

Freedom of Information

As required by section 7 (4AA)(a) of the *Freedom of Information Act 1982*:

The *Freedom of Information Act 1982* provides public access to council documents and establishes a legally enforceable right for the community to access information held by the council. For the period 1 July 2005 to 30 June 2006 the Council received a total of ten applications for access to documents. Part access to documents for two of the requests was granted, four requests had documents released in full, two requests had no documents discovered, one request was not proceeded with and one request was outside the Act.

Access to Information:

Requests for information should be directed to:

The Freedom of Information Officer
 Greater Shepparton City Council
 Locked Bag 1000
 SHEPPARTON VIC 3632
 Telephone: (03) 5832 9763



Staff Analysis 2005/2006

		Employment by Occupation Type			
Code	Occupation	Male	Female	Total	
CEO	Chief Executive Officer	1	0	1	
DIR	Directors	4	0	4	
MGR	Managers	19	5	24	
TECH	Technical	28	7	35	
LAB	Labourers	95	4	99	
ADM	Administration	38	128	166	
CHILD	Children's Services	1	72	73	
	Total	186	216	402	
		Employment by Basis of Employment			
	Occupation Type	Male	Female	Total	
	Full time	183	111	294	
	Part time	3	105	108	
	Total	186	216	402	

Equal Opportunity Program

Policy

The Council and management of Greater Shepparton are wholly committed to the principles of Equal Employment Opportunity (EEO).

In all policies and practices of the Council there shall be no discrimination relating to sex, marital status, pregnancy, parental status, race, national or ethnic origin, disability, religious or political affiliation or union activity, or any other attribute covered in relevant State and Federal anti-discrimination legislation and which is not relevant to the person's ability to perform the inherent requirements of their job.

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

The Council's policy on EEO reflects its desire to provide and enjoy a workplace free of discrimination, victimisation, vilification and harassment, where each person has the opportunity to progress to the extent of their ability.

Communication and Application of EEO Principles

Training and information on Equal Opportunity is provided as part of the Council's formal induction program for employees. In addition to the induction process, 135 staff received EEO awareness training throughout the year.

The Council's Enterprise Agreement has been developed with the inclusion of objectives that align with the principles of Equal Opportunity; in particular, a range of provisions have been included to assist staff to balance work and family responsibilities.

The Council's Equal Opportunity Policy and principles are promoted through the Council's internal newsletter, via the intranet, and through employee training and induction.

All recruitment and selection procedures are fair and equitable and are based on merit in open competition.

"The Council and management of Greater Shepparton are wholly committed to the principles of Equal Employment Opportunity."







Local Government Improvement Incentive Program

Certification by Chief Executive Officer

The Greater Shepparton City Council has complied with the requirements of the Local Government Improvement Incentive Program in respect of:

- National Competition Policy in accordance with National Competition Policy and Local Government – a Revised Statement of Victorian Government Policy (January 2002);

For the financial year 2005/2006 as set out below:

A. Trace Practices Compliance State whether the Council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.	Compliant
B. Local Laws Compliance State whether the council is compliant or non-compliant. If non-compliant, justify or cite actions to redress.	Compliant
C. Competitive Neutrality Compliance State whether the council is compliant or non-compliant for all significant businesses. If non-compliant, justify or cite actions to redress.	Compliant

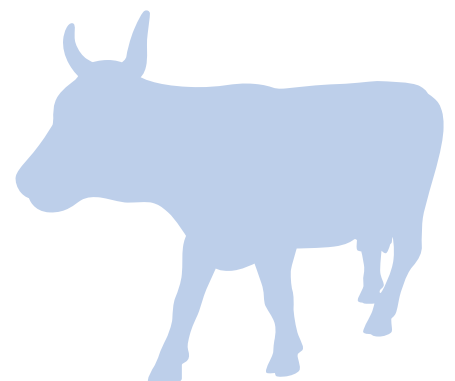
I certify that:

- This statement has been prepared in accordance with the 2005/2006 Local Government Improvement Incentive guidelines issued in August 2006 for reporting on the following criterion: - National Competition Policy in accordance with National Competition Policy and Local Government – A Revised Statement of Victorian Government Policy (January 2002); and
- This statement presents fairly the Council's implementation of the National Competition Policy.

Signed:

Robert Francis Laing
 Chief Executive Officer

Date: 11/9/06







Local Laws

As at 30 June 2006

Local Law No. 1

Environment

Prohibits, regulates and controls activities, events, practices and behaviour so that no detriment is caused to the amenity of the neighbourhood, nor nuisance to a person nor detrimental effect to a person's property. The local law specifically covers the following matters: dangerous and unsightly land; storage of disused compartments, machinery and second-hand goods; fires in open air (including incinerators; barbeques, etc.); burning of offensive material; chimney discharges; trees and shrubs – overhanging, obstruction to line of sight, on Council land; control of vermin and pests; noise; camping in areas other than an approved camping ground; circuses, carnivals and festivals; recreation vehicles; roller blades and skateboards; servicing of vehicles on highways or Council land; trading of goods or services on a highway or Council land; tables and chairs, movable signs and goods for display on a highway or Council land; street appeals; distribution of handbills; processions; abandoned shopping trolleys; discharge of water onto Council land; keeping of animals (dogs, cats, horses), birds, bees, pigeons, poultry and reptiles; animal excrement on a highway or Council land; dead livestock; fencing of grazing livestock; impoundment of livestock not securely fenced.

Local Law No. 2

Consumption of Liquor in Public Places

Prohibits, regulates and controls the consumption of liquor in public places, on a road, in or on a stationary vehicle and on vacant private land. The local law designates areas where the possession and consumption of liquor is prohibited except with a permit.

Local Law No. 3

Maude Street Mall

Prohibits, regulates and controls activities, events, practices and behaviour in the Maude Street Mall, Shepparton. In particular, the local law contains provisions that relate to vehicles and velocipedes; prescribed hours for Mall activities; the nature of activities that require a permit from the council; prohibition of animals and birds in the Mall; damage to property; official signage; seizure, removal and detention of property unlawfully in the Mall; noise; signs and advertisements.

Local Law No. 4

Processes of Municipal Government – Meetings and Common Seal

Regulates and controls processes for the election of Mayor and chairpersons of committees, procedures for formal Council and committee meetings, and use of the Common Seal.

Local Law No. 6

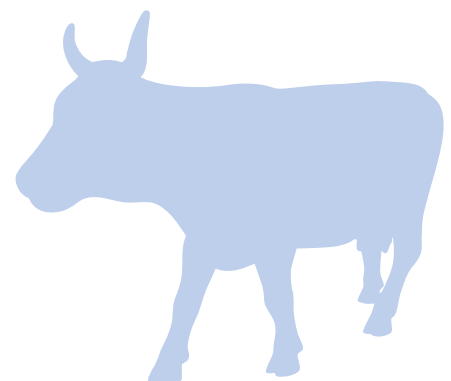
Livestock

Controls the droving, movement and grazing of livestock on roadsides, including stock movements between parts of one farm where contiguous and where separated by a road.

Local Law No. 7

Asset Protection for Council Land, Public Places and Building Sites

Prohibits and regulates physical works, construction activities, practices and behaviour to minimise detriment to the amenity and environment, enhance public safety and community amenity, and protect public assets. The local law encourages responsible management practices on building sites by way of stormwater protection, provision of sanitary facilities, containment and disposal of builders' refuse, and provision of temporary vehicle crossings. It also includes provisions relating to the placement of bulk refuse containers and clothing bins in public places, vehicle access over roads that have designated load limits in force, works on and usage of public places including fencing, plantings, construction and placement of any thing; vehicle access over public places; and mud, clay and other debris on roads and public places.





Best Value Victoria Report

Introduction

Best Value legislation sets out the principles with which the Council must comply to ensure that Council services and programs are conducted in an efficient and effective manner. These principles relate to quality and cost standards, responsiveness to community needs, accessibility, continuous improvement and consultation. The Council was required to review of all its services and programs against these principles by December 2005. Thirty four reviews were conducted, as follows:



Best Value Reviews Completed

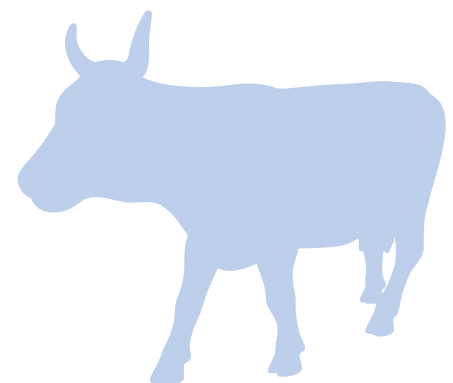
Service	Year Completed
Aged and Disability Services	2003
Aquamoves	2003
Assets Maintenance - Local road resealing component	2004
Building Services	2004
Customer Services	2003
Family and Children's Services - Long Day Care Services	2003
Financial Services	2003
Human Resources	2003
Information Technology	2003
Outdoor Pools	2003
Parking Services	2003
Pre-Schools	2005
Saleyards	2003
Shepparton Aerodrome	2004
Shepparton Sports Stadium	2004
Town Planning Services	2004
Animals and Local Laws (Administration and Enforcement)	2005
Design Services	2005
Eastbank & Westside Performing Arts & Convention Centres	2005
Art Gallery	2005
Asset Maintenance - Local Roads	2005
Central Records	2005
Communications	2005
Economic Development	2005
Environmental Development	2005
Environmental Health Services	2005
Family and Children Services: Maternal and Child Health	2005
Governance	2005
Operations Department	2005
Parks and Reserves	2005
Property - Buildings and Facilities	2005
Property - Valuations and Rates	2005
Tatura Park	2005
Waste Services	2005

All Best Value Review reports are available for public inspection at the Council office and the Council website.

Continuous Improvement

While the Best Value review legislation has now expired, the Council is committed to the ongoing application of the Best Value principles. To achieve this, a Continuous Improvement Procedure was adopted in June 2006. Under this procedure, the Council's Best Value reports will be reviewed and updated on an annual basis, to reflect what actions have been taken to address previous recommendations and identify any new recommendations to improve the delivery of Council programs and services.

Updated reports will be made available at Customer Service and on the internet, along with the Council's Continuous Improvement Annual Report. This report will detail the major highlights of the annual review process and the outcomes against Key Performance Indicators for individual services and programs.



Financial Reports



GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Income Statement
For the Year Ended 30 June 2006

	Note	2006 \$	2005 \$
Revenue			
Rates and charges	3	33,444,485	30,519,229
Parking fees and fines	4	1,630,255	1,458,233
User fees	5	11,756,203	10,960,676
Grants - Recurrent	6	18,262,514	15,597,032
Grants - Non-recurrent	6	1,530,892	2,425,536
Contributions	7	4,292,826	2,922,710
Other revenue	8	1,568,350	1,340,062
Total revenue		<u>72,494,525</u>	<u>65,223,478</u>
Expenses			
Employee benefits	9	(21,497,134)	(18,781,662)
Materials and services	10	(30,034,511)	(28,248,688)
Bad and doubtful debts	11	26,127	(19,625)
Depreciation and amortisation	12	(14,459,373)	(13,929,902)
Finance costs	13	(51,544)	(85,636)
Total expenses		<u>(66,016,435)</u>	<u>(61,065,513)</u>
Net gain(loss) on disposal of property, plant and equipment, infrastructure	14	611,344	634,008
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	15	27,717	(43,058)
Surplus(deficit) for the period		<u>7,117,151</u>	<u>4,748,915</u>

The accompanying notes form part of this financial report

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Balance Sheet
As at 30 June 2006

	Note	2006 \$	2005 \$
Assets			
Current assets			
Cash and cash equivalents	16	22,496,853	18,094,043
Trade and other receivables	17	4,377,502	4,403,872
Accrued income		532,408	771,335
Prepayments		610,130	469,540
Inventories		57,840	62,270
Non-current assets classified as held for resale	18	-	386,964
Total current assets		<u>28,074,733</u>	<u>24,188,024</u>
Non-current assets			
Investments in associates accounted for using the equity method	15	1,166,699	1,138,982
Property, plant and equipment, infrastructure	19	519,305,601	367,665,285
Total non-current assets		<u>520,472,300</u>	<u>368,804,267</u>
Total assets		<u>548,547,033</u>	<u>392,992,291</u>
Liabilities			
Current liabilities			
Trade and other payables	20	7,278,322	6,639,438
Trust funds and deposits	21	2,136,062	2,572,947
Provisions	22	3,496,642	2,827,369
Income received in advance	23	217,519	244,802
Interest-bearing loans and borrowings	24	504,072	560,455
Total current liabilities		<u>13,632,617</u>	<u>12,845,011</u>
Non-current liabilities			
Trade and other payables	20	683,826	750,972
Provisions	22	664,763	675,360
Interest-bearing loans and borrowings	24	88,834	592,906
Total non-current liabilities		<u>1,437,423</u>	<u>2,019,238</u>
Total liabilities		<u>15,070,040</u>	<u>14,864,249</u>
Net Assets		<u>533,476,993</u>	<u>378,128,042</u>
Equity			
Accumulated surplus		225,938,699	218,821,548
Reserves	25	307,538,294	159,306,494
Total Equity		<u>533,476,993</u>	<u>378,128,042</u>

The accompanying notes form part of this financial report

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

**Statement of Changes in Equity
For the Year Ended 30 June 2006**

	Note	Total 2006 \$	Accumulated Surplus 2006 \$	Asset Revaluation Reserve 2006 \$
2006				
Balance at beginning of the financial year	2	378,128,042	218,821,548	159,306,494
Surplus(deficit) for the year		7,117,151	7,117,151	-
Net asset revaluation increment(decrement)	25(a)	148,231,800	-	148,231,800
Balance at end of the financial year		533,476,993	225,938,699	307,538,294
		Total 2005 \$	Accumulated Surplus 2005 \$	Asset Revaluation Reserve 2005 \$
2005				
Balance at beginning of the financial year	2	357,870,227	214,076,364	143,793,863
Surplus(deficit) for the year		4,748,915	4,748,915	-
Net asset revaluation increment(decrement)	25(a)	15,512,631	-	15,512,631
Adjustment to prior year balance		(3,731)	(3,731)	-
Balance at end of the financial year		378,128,042	218,821,548	159,306,494

The accompanying notes form part of this financial report

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Cash Flow Statement
For the Year Ended 30 June 2006

		2006	2005
		Inflows/ (Outflows)	Inflows/ (Outflows)
	Note	\$	\$
Cash flows from operating activities			
Rates and charges		33,455,670	30,475,908
Parking fees and fines		1,476,270	1,465,853
User charges and other fines (inclusive of GST)		13,974,570	11,717,486
Grants		19,958,539	18,588,858
Contributions		1,526,915	685,151
Interest		1,029,629	926,590
Rents		478,332	393,361
Net GST refund		2,337,219	2,357,458
Payments to suppliers (inclusive of GST)		(37,207,343)	(35,014,808)
Payments to employees		(18,408,722)	(16,079,243)
Finance costs		(51,544)	(85,636)
Net cash provided by (used in) operating activities	26	<u>18,569,535</u>	<u>15,430,978</u>
Cash flows from investing activities			
Payments for property, plant and equipment, infrastructure		(15,496,840)	(16,470,953)
Proceeds from sale of property, plant and equipment, infrastructure		1,889,570	2,051,108
Net cash provided by (used in) investing activities		<u>(13,606,270)</u>	<u>(14,419,845)</u>
Cash flows from financing activities			
Repayment of interest-bearing loans and borrowings		(560,455)	(528,824)
Net cash provided by (used in) financing activities		<u>(560,455)</u>	<u>(528,824)</u>
Net increase (decrease) in cash and cash equivalents		4,402,810	482,309
Cash and cash equivalents at the beginning of the financial year		18,094,043	17,611,734
Cash and cash equivalents at the end of the financial year	27	<u>22,496,853</u>	<u>18,094,043</u>

The accompanying notes form part of this financial report

Introduction

(a) The Greater Shepparton City Council was established by an Order of the Governor in Council on 17th November 1994 and is a body corporate. The Council's main office is located at 50 Welbore Street Shepparton.

(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.

This financial report is a general purpose financial report that consists of an 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, Urgent Issues Group Interpretations, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

Financial report complies with AIFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (IFRS). Some Australian equivalents to IFRS contain requirements specific to not-for-profit entities that are inconsistent with IFRS requirements.

The Council is an entity to which AAS 27 "Financial Reporting by Local Governments" applies and the entity has applied a requirement in that Standard that overrides the requirements in an Australian equivalent to IFRS.

Except to the extent that these special provisions require, this financial report complies with the Australian equivalents to IFRS (AIFRS).

The Council has elected not to restate comparative information of financial instruments within the scope of AASB132 "Financial Instruments: Disclosure and Presentation" and AASB139 "Financial Instruments: Recognition and Measurement", as permitted on the first time adoption of AIFRS.

Note 1 Significant accounting policies

(a) **Basis of accounting**

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

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

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives. Comparative information is included under AIFRS. Reconciliations of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

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.

Note 1 Significant accounting policies (cont.)

(b) Change in accounting policies

No changes in accounting policy

(c) Revenue recognition

Rates, grants and contributions

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

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

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

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

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

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 unfulfilled at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

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

User charges, fees and fines

User charges, 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. Annual memberships are recognised when the service has been provided.

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 realised, or the payment is received, whichever first occurs.

Dividends

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

Note 1 Significant accounting policies (cont.)

(f)

Depreciation and amortisation of non-current assets

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/or residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated.

Art collection and Regalia are not depreciated.

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

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

	Period
Property	
Buildings and Land Improvements	
Land Improvements	15 to 20 years
Buildings	60 to 100 years
Heritage assets	
Heritage assets	40 to 150 years
Plant and equipment	
Plant, machinery and equipment	5 to 15 years
Furniture, equipment and computers	3 to 30 years
Infrastructure	
Roads	
Road pavements and seals	10 to 50 years
Road substructure	40 to 60 years
Road kerb, channel and minor culverts	10 to 50 years
Roundabouts	30 to 100 years
Bridges deck	50 to 100 years
Footpaths	10 to 50 years
Bike paths	10 to 50 years
Drainage	60 to 100 years
Naturestrip trees	10 to 50 years
Regulatory signs	3 to 20 years
Street furniture	10 to 50 years

(g)

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.

Note 1 Significant accounting policies (cont.)

(f)

Borrowing costs

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

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

(g)

Recognition and measurement of assets**Acquisition**

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

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

The following classes of assets have been recognised in note 15. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold \$
Property	
Buildings and Land improvements	
Land	10,000
Land improvements	2,000
Buildings	10,000
Heritage assets	
Heritage assets	10,000
Plant and equipment	
Plant, machinery and equipment	2,000
Furniture, equipment and computers	500
Art collection and regalia	3,000
Infrastructure	
Roads	
Road pavements and seals	20,000
Road substructure	20,000
Road kerb, channel and minor culverts	5,000
Roundabouts	20,000
Bridges deck	20,000
Footpaths	2,000
Drainage	3,000
Naturestrip trees	3,000
Regulatory signs	3,000
Bike paths	0
Other	
Other assets	3,000

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 and equipment, are measured at their fair value, being the amount for which the assets could be exchanged between knowledgeable willing parties in an arms length transaction. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date the class of asset was revalued.
- In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 1 to 3 years. The valuation is performed either by experienced council officers or independent experts.
- Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.
- Land under roads**
- The Council has elected not to recognise land under roads as an asset in accordance with AASB 1045 Land under Roads, which extends the requirement to recognise and measure land under roads as an asset of Council until 30 June 2007.
- (h) **Cash and cash equivalents**
- For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments that are readily convertible to cash at the Council's option and are subject to insignificant risk of changes in value, net of outstanding bank overdrafts.
- (i) **Investments**
- Investments, other than investments in associates, are measured at cost.
- (j) **Accounting for investments in associates**
- Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the income statement.

Note 1 - Significant accounting policies (cont.)

(k)

Tender deposits

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

(l)

Employee benefits**Wages and salaries**

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

Annual leave

Annual leave entitlements are accrued on a pro rata basis in respect of services provided by employees up to balance date and are measured at the amount expected to be paid, including appropriate oncosts, when the accrued obligation is settled.

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.

Superannuation

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

The superannuation expense for the reporting year is the amount of the statutory contribution the Council makes to the superannuation plan which provides benefits to its employees together with any movements (favourable/unfavourable) in the position of any defined benefits schemes. Details of these arrangements are recorded in note 30.

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.
- (o) **Agreements equally proportionately unperformed**
- The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the Balance Sheet. Such agreements are recognised on an 'as incurred' basis.
- (p) **Web site costs**
- Costs in relation to websites are charged as an expense in the period in which they are incurred.
- (q) **Goods and Services Tax (GST)**
- Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.
- Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards

Following the adoption of Australian equivalents to International Financial Reporting Standards (AIFRS), the Greater Shepparton City Council has prepared and presented its first financial report and other accountability statements in compliance with the AIFRS framework for the financial year ended 30 June 2006.

This is the first financial report prepared based on AIFRS and comparatives for the year ended 30 June 2005 have been restated accordingly.

Under AIFRS, there are requirements that apply specifically to not-for-profit entities that are not consistent with IFRS requirements. The Greater Shepparton City Council has analysed its purpose, objectives, and operating philosophy and determined that it does not have profit generation as a prime objective. Consequently, where appropriate, the Greater Shepparton City Council has elected to apply options and exemptions within the AIFRS that are applicable to not-for-profit entities.

With certain exceptions, the Greater Shepparton City Council has recorded transactions and events as though AIFRS had always applied. This practice has extended to any comparative information included within the financial report. Most accounting policy adjustments arising from the first time adoption of AIFRS apply retrospectively and have been adjusted against the accumulated surplus funds at 1 July 2004, being the opening balance sheet date for the comparative period.

Reconciliations of AIFRS surplus(deficit), balance sheet and equity for 30 June 2005 to the balances reported in the 30 June 2005 financial report are detailed in the tables below.

Table 1: Reconciliation of surplus(deficit) as presented under previous Australian GAAP to that under AIFRS

	Note	30 June 2005 \$
Surplus(deficit) as reported under previous Australian GAAP		4,748,915
<u>AIFRS impact on income</u>		
Proceeds from sale of property, plant and equipment, infrastructure		(2,051,108)
Net gain(loss) on disposal of property, plant and equipment, infrastructure		634,008
<u>AIFRS impact on expenses</u>		
Employee benefits		-
Written down value of assets sold		1,386,553
Other expenses - Legal and selling costs		30,547
Total AIFRS impact on surplus(deficit)		-
Surplus(deficit) under AIFRS		4,748,915

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial
For the Year Ended 30 June 2006

Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards (cont.)

Table 2: Reconciliation of total assets and total liabilities as presented under previous Australian GAAP to that under AIFRS

	30 June 2005	1 July 2004
	\$	\$
Total assets under previous Australian GAAP	392,992,291	372,191,536
<u>AIFRS impact on assets</u>		
Total AIFRS impact on assets	-	-
Total assets under AIFRS	<u>392,992,291</u>	<u>372,191,536</u>
Total liabilities under previous Australian GAAP	14,864,249	14,321,309
<u>AIFRS impact on liabilities</u>		
Employee Benefits	-	-
Total AIFRS impact on liabilities	<u>-</u>	<u>-</u>
Total liabilities under AIFRS	<u>14,864,249</u>	<u>14,321,309</u>

Table 3: Reconciliation of equity as presented under previous Australian GAAP to that under AIFRS

Total equity under previous Australian GAAP	378,128,042	357,870,227
<u>AIFRS impact on equity</u>		
Accumulated surplus	-	-
Total AIFRS impact on equity	<u>-</u>	<u>-</u>
Total equity under AIFRS	<u>378,128,042</u>	<u>357,870,227</u>

Note 2 First-time adoption of Australian equivalents to International Financial Reporting Standards (cont.)**Explanation of material adjustments to the cash flow statements**

There are no material differences between the cash flow statement presented under AFRS and the cash flow statement presented under previous Australian GAAP.

Explanatory Notes:**Employee benefits**

AASB 119 Employee Benefits requires liabilities for short-term employee benefits to be measured at nominal amounts and liabilities for long-term employee benefits to be measured at present value. AASB 119 defines short-term employee benefits as benefits that fall due wholly within twelve months after the related period of service. Therefore, liabilities for short-term employee benefits are measured at present value where they are not expected to be settled within 12 months of the reporting date.

The effect of the above requirement on the Greater Shepparton City Council's Balance Sheet as at 30 June 2005 and Income Statement for the year ended 30 June 2005 was not a material difference, and subsequently no adjustment is to be made to the opening balances.

Financial instruments

The Greater Shepparton City Council has elected to apply the first-time adoption exemption available under AASB 1 *First-time adoption of Australian Equivalents to International Financial Reporting Standards* to defer the date of transition of AASB 139 *Financial Instruments: Recognition and Measurement* until 1 July 2005. Accordingly, there is no quantitative impact on the balance sheet as at 1 July 2004 and 30 June 2005 and the income statement for the year ended 30 June 2005.

With the exception of receivables and payables, the majority of financial assets and liabilities held by the Greater Shepparton City Council are valued in the Balance Sheet at market value with changes in value taken to the Income Statement. On adoption of AFRS, there was no significant change in recognition of these assets and liabilities.

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 3	Rates and charges		
	Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the market value of the property which takes into account the land and all improvements fixed to the land.		
	The valuation base used to calculate general rates for 2005/2006 was \$6,565 million (2004-2005 \$5,971 million).		
	Residential	14,586,746	13,576,324
	Commercial	6,227,737	5,788,834
	Industrial	2,627,486	2,605,800
	Farm/Rural	5,064,616	4,891,546
	Supplementary rates and rate adjustments	98,152	(29,080)
	Garbage charge	3,994,707	3,653,534
	Interest on rates	245,001	231,281
		<u>33,444,466</u>	<u>30,519,229</u>
	The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2004, and the valuation first applied to the rating period commencing 1 July 2004.		
	The date of the general revaluation of land for rating purposes within the municipal district is 1 January 2006, and the valuation will be first applied in the rating year commencing 1 July 2006.		
	A major component of the abnormal negative figure for 2005 supplementary rates and rate adjustments is attributed to the removal of 73 Ministry of Housing units and dwellings within the municipality.		
Note 4	Parking fees and fines		
	Infringements and costs	486,230	446,089
	PERIN court recoveries	30,674	23,296
	Fees - ticket machines	348,510	324,624
	Fees - parking meters	763,185	654,338
	Permits	10,656	10,484
		<u>1,639,255</u>	<u>1,458,831</u>
Note 5	User fees		
	Aged and Disability services	586,978	515,466
	Aquatic Facilities	2,026,957	1,900,460
	Arts and Culture	509,730	554,484
	Childrens Services	1,236,431	1,107,204
	Environmental Health	229,535	216,415
	Animal Control	348,005	440,964
	Recreational Facilities	1,094,492	867,224
	Waste Management	2,443,147	2,424,221
	Drainage	83,955	50,047
	Tourism	97,681	34,655
	Development Facilities	1,116,980	1,122,602
	Private Works	443,979	723,111
	Financial Services	638,210	367,510
	Saleyards	873,325	815,323
	Miscellaneous	26,798	1,090
		<u>11,796,203</u>	<u>10,960,676</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

Note 5	Grants	2006	2005
		\$	\$
	Grants were received in respect of the following :		
	Commonwealth Government		
	Council Organisation & Management		
	National Competition Policy	210,530	226,310
		<u>210,530</u>	<u>226,310</u>
	Community Pride		
	Other Community Programs	303,007	-
		<u>303,007</u>	<u>-</u>
	Infrastructure		
	Roads to Recovery	2,054,542	1,130,878
	Local Roads	57,996	-
	Economic Development	25,000	10,000
		<u>2,637,538</u>	<u>1,140,878</u>
	Lifelong Learning		
	Childrens Services	1,442,583	1,374,425
		<u>1,442,583</u>	<u>1,374,425</u>
	Quality of Life		
	Age & Disability Services	589,904	610,763
		<u>589,904</u>	<u>610,763</u>
	Partnerships for Sustainability		
	Environmental Management	-	8,000
		<u>-</u>	<u>8,000</u>
	Vibrant Recreation & Culture		
	Sports Facilities	182,500	-
		<u>182,500</u>	<u>-</u>
	Commonwealth Government Total	<u>5,366,062</u>	<u>3,360,376</u>
	State Government		
	Council Organisation & Management		
	Victorian Grants Commission Unallocated	5,376,765	4,860,262
	Victorian Grants Commission Local Roads	2,084,043	1,594,272
	Other Community Grants	3,855	-
		<u>7,464,663</u>	<u>6,874,534</u>
	Infrastructure		
	Main Roads	5,000	744,061
	Local Roads	705,136	118,009
	Economic Development	2,188,548	1,457,842
	Law, Order & Safety	75,950	139,750
	Depot	35,964	-
	Parking Management	85,125	-
	Town Planning	6,500	3,300
		<u>3,102,223</u>	<u>2,462,762</u>
	Lifelong Learning		
	Childrens Services	1,330,607	1,429,260
		<u>1,330,607</u>	<u>1,429,260</u>
	Quality of Life		
	Age and Disability Services	1,937,841	1,720,086
	Environmental Health	88,816	113,515
		<u>2,026,657</u>	<u>1,833,601</u>
	Vibrant Recreation and Culture		
	Arts and Culture	118,500	93,500
	Public Open Space	1,707	350,000
	Public Buildings	-	645,682
	Sports Facilities	67,660	74,710
		<u>187,867</u>	<u>1,163,892</u>
	Community Pride		
	Other Community Programs	269,147	467,005
		<u>269,147</u>	<u>467,005</u>

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 6	Grants (cont)		
	Partnerships for Sustainability		
	Environmental Management	46,180	431,138
		<u>46,180</u>	<u>431,138</u>
	State Government Total	14,427,344	14,662,192
	Total	<u>19,793,406</u>	<u>18,022,568</u>
	Recurrent	18,262,514	15,587,832
	Non-recurrent	1,530,892	2,425,536
	Total	<u>19,793,406</u>	<u>18,022,568</u>
	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:		
	Pre-School Coordination	32,400	-
	Roads to Recovery	1,277,271	-
	Supported Parents Group	6,500	-
	Strategic Policy & Planning Unit	204,788	-
	Best Start Program	-	153,775
	Community Building Project	-	4,344
	Regional Migration Incentive Fund	-	80,500
	Commonwealth Games	-	62,500
	Word of Mouth Program	30,272	25,785
	Health Plan Program	5,000	29,000
	Walking School Bus	8,900	4,363
	Victorian Health Active Communities	-	15,000
	Shepparton Tertiary Education Precinct	-	40,000
		<u>1,665,111</u>	<u>438,267</u>
	Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
	Victorian Health Active Communities	15,000	-
	Commonwealth Games	62,500	-
	Shepparton Tertiary Education Precinct	40,000	-
	Regional Migration Incentive Fund	500	-
	Health Plan Program	29,000	-
	Best Start Program	49,054	196,875
	Participation Made Possible	-	30,000
	Greater Shepparton Strategy Review	-	32,804
	Drought Relief Program	-	28,970
	Community Building Project	62,340	75,304
	Stormwater and Wetlands Projects	-	429,476
	Walking School Bus Program	4,363	14,742
		<u>282,757</u>	<u>808,171</u>
	Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<u>1,262,354</u>	<u>(372,904)</u>
Note 7	Contributions		
	Developer contributions - Capital	2,765,911	2,237,059
	Developer contributions - Cash	1,450,277	648,871
	Other contributions - Cash	76,636	36,280
		<u>4,292,824</u>	<u>2,922,210</u>

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 8	Other revenue		
	Interest	1,090,018	945,701
	Rent	478,332	393,351
		<u>1,568,350</u>	<u>1,340,052</u>
Note 9	Employee benefits		
	Wages and salaries	19,067,398	16,415,063
	Superannuation	1,975,202	1,808,509
	Fringe benefits tax and work cover	454,534	558,090
		<u>21,497,134</u>	<u>18,781,662</u>
Note 10	Materials and services		
	Aged and Disability Services	2,637,334	2,412,590
	Childcare	2,551,682	2,590,541
	Local Laws	832,664	959,449
	Aquatic Facilities	870,106	1,563,128
	Arts and Culture	888,007	792,208
	Library	957,926	828,148
	Public Open Space Maintenance	3,781,582	3,247,540
	Main Roads	2,323	193,996
	Local Roads	5,568,207	5,619,947
	Waste Management	4,153,496	3,471,638
	Sewerage	458,909	479,223
	Economic Development	2,285,889	1,690,736
	Administration	5,112,006	4,226,540
		<u>30,034,511</u>	<u>28,248,686</u>
Note 11	Bad and doubtful debts		
	Provision for doubtful debts	(26,127)	19,625
		<u>(26,127)</u>	<u>19,625</u>
Note 12	Depreciation and amortisation		
	Land Improvements	315,676	260,672
	Buildings	1,441,281	1,245,226
	Heritage Assets	17,718	15,783
	Plant, Machinery and Equipment	801,636	733,894
	Furniture, Equipment and Computers	996,062	890,534
	Roads	8,446,634	8,359,627
	Footpaths	337,472	335,414
	Kerb and Channel	400,449	400,188
	Drainage	1,308,291	1,287,938
	Roundabouts	12,580	12,580
	Bridges	116,365	113,545
	Regulatory Signs	119,466	101,382
	Naturestrip Trees	60,437	79,986
	Street Furniture	67,786	63,278
	Bike Paths	26,630	25,741
	Other	-	4,144
		<u>14,458,373</u>	<u>13,929,902</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 13	Finance costs		
	Interest - Borrowings	51,544	85,636
		<u>51,544</u>	<u>85,636</u>
Note 14	Net gain(loss) on disposal of property, plant and equipment, infrastructure		
	Plant and equipment		
	Proceeds from sale of assets	406,654	573,031
	Written down value of assets sold	(308,325)	(365,860)
	Profit(loss) on sale of plant and equipment	<u>98,329</u>	<u>187,151</u>
	Infrastructure, Land and Buildings		
	Proceeds from sale of assets	1,482,916	1,478,077
	Written down value of assets	(925,227)	(1,000,673)
	Selling expenses	(44,674)	(30,547)
	Profit(loss) on sale of land and buildings	<u>513,015</u>	<u>446,857</u>
	Summary		
	Proceeds from sale of assets	1,889,570	2,051,108
	Written down value of assets sold	(1,233,552)	(1,366,533)
	Selling expenses	(44,674)	(30,547)
	Profit(loss) on sale of assets	<u>611,344</u>	<u>634,008</u>
Note 15	Investment in associates		
	Goalburn Valley Regional Library Corporation		
	Background		
	Investment percentage 61.83% in 2005/2006 (61.85% in 2004/2005)		
	Council's share of accumulated surplus/deficit		
	Council's share of accumulated surplus(deficit) at start of year	(752,085)	(681,842)
	Reported surplus(deficit) for year	27,717	(70,243)
	Council's share of accumulated surplus(deficit) at end of year	<u>(724,368)</u>	<u>(752,085)</u>
	Council's share of reserves		
	Council's share of reserves at start of year	119,417	116,732
	Transfers (to) from reserves	-	2,665
	Council's share of reserves at end of year	<u>119,417</u>	<u>119,417</u>
	Movement in carrying value of specific investment		
	Carrying value of investment at start of year	1,138,982	1,182,040
	Share of surplus(deficit) for year	27,717	(43,058)
	Carrying value of investment at end of year	<u>1,166,699</u>	<u>1,138,982</u>

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 16	Cash and cash equivalents		
	Cash at bank	3,294,659	(276,005)
	Bank bills	19,202,194	18,379,048
		<u>22,496,853</u>	<u>18,094,043</u>
	Represented by:		
	Cash on hand	7,065	7,339
	Cash at bank	3,287,594	(283,335)
		<u>3,294,659</u>	<u>(276,005)</u>
	Discretionary investments	346,286	3,200,444
	Non-discretionary investments	16,369,883	13,356,312
	Long service leave reserve (note 28)	2,496,225	1,813,292
		<u>19,202,194</u>	<u>18,379,048</u>
	Total cash assets	<u>22,496,853</u>	<u>18,094,043</u>
	Non-discretionary investments are funds attributed to future specific expenditure, mainly being for Capital works programs.		
Note 17	Trade and other receivables		
	Current		
	Rates debtors	907,801	918,787
	Parking infringement debtors	586,805	365,277
	Provision for doubtful debts - parking infringements	(317,575)	(299,032)
	Other debtors	2,785,201	2,793,133
	Provision for doubtful debts - other debtors	(9,582)	(42,268)
	Community Surface Drains	-	48,010
	Net GST receivable	425,052	579,865
		<u>4,377,502</u>	<u>4,403,672</u>
Note 18	Assets held for resale		
	Land held at cost	-	386,564
		<u>-</u>	<u>386,564</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

	2006	2005
	\$	\$
Note 19		
Property, plant and equipment, infrastructure		
Summary		
at cost	33,247,249	36,701,991
Less accumulated depreciation	12,073,695	11,224,098
	<u>21,173,554</u>	<u>27,537,893</u>
at Council valuation as at 30 June 2006	548,662,808	-
Less accumulated depreciation	185,146,204	-
	<u>365,516,604</u>	<u>-</u>
at independent valuation as at 30 June 2005	177,857,689	178,708,643
Less accumulated depreciation	35,242,246	33,760,214
	<u>142,615,443</u>	<u>144,942,429</u>
at Council valuation as at 30 June 2005	-	454,151,328
Less accumulated depreciation	-	258,906,365
	<u>-</u>	<u>195,184,963</u>
Total	<u>519,305,601</u>	<u>367,685,286</u>
Property		
Land		
at cost	229,538	-
at independent valuation as at 30 June 2005	56,830,114	59,838,498
	<u>57,059,652</u>	<u>59,838,498</u>
Land Improvements		
at cost	599,990	-
Less accumulated depreciation	972	-
	<u>598,018</u>	<u>-</u>
at independent valuation as at 30 June 2005	11,391,800	8,818,300
Less accumulated depreciation	2,143,654	1,828,960
	<u>9,248,146</u>	<u>6,989,340</u>
Total Land	<u>66,305,876</u>	<u>66,827,848</u>
Buildings		
at cost	2,586,677	-
Less accumulated depreciation	181	-
	<u>2,586,496</u>	<u>-</u>
at independent valuation as at 30 June 2005	97,660,960	97,976,130
Less accumulated depreciation	32,394,668	31,251,058
	<u>65,165,382</u>	<u>66,725,072</u>
Total Buildings	<u>67,750,888</u>	<u>66,725,072</u>
Heritage Assets		
at independent valuation as at 30 June 2005	2,603,085	2,603,085
Less accumulated depreciation	703,924	888,208
	<u>1,899,161</u>	<u>1,714,877</u>
Total Heritage	<u>1,899,161</u>	<u>1,714,877</u>
Total Property	<u>136,555,925</u>	<u>135,469,796</u>

Valuation of land and buildings were undertaken by a qualified independent valuer, Goulburn Valley Property Services. The valuation of buildings is at fair value based on current replacement cost less accumulated depreciation at the date of valuation. The valuation of land is at fair value, being market value based.

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 19	Property, plant and equipment, infrastructure		
	Plant and Equipment		
	Plant, Machinery and Equipment		
	at cost	8,826,506	8,896,312
	Less accumulated depreciation	5,251,891	5,147,752
		<u>3,574,615</u>	<u>3,748,560</u>
	Furniture, Equipment and Computers		
	at cost	11,883,837	10,733,296
	Less accumulated depreciation	6,810,661	5,845,094
		<u>5,073,176</u>	<u>4,888,202</u>
	Art Collection and Regalia		
	at independent valuation as at 30 June 2005	9,472,630	9,472,630
	at cost	36,565	-
		<u>9,509,195</u>	<u>9,472,630</u>
	Total Plant and Equipment	<u>18,145,998</u>	<u>18,112,392</u>
	Valuation of Art Collection was undertaken by an independent valuer, Leonard Joel Australia.		
	Valuation of Regalia was undertaken by an independent valuer, P. Blaschki & Sons Pty. Ltd. The		
	valuation has been made considering the prevailing market conditions of commercial worth.		
	Infrastructure		
	Roads		
	at cost	-	8,696,688
	Less accumulated depreciation	-	124,636
		<u>-</u>	<u>8,572,052</u>
	at Council valuation as at 30 June 2006	363,267,131	-
	Less accumulated depreciation	117,681,732	-
		<u>245,585,399</u>	<u>-</u>
	at Council valuation as at 30 June 2005	-	304,027,785
	Less accumulated depreciation	-	170,153,425
		<u>-</u>	<u>133,874,360</u>
	Bridges		
	at cost	-	506,342
	Less accumulated depreciation	-	3,885
		<u>-</u>	<u>502,457</u>
	at Council valuation as at 30 June 2006	9,187,498	-
	Less accumulated depreciation	1,788,738	-
		<u>7,408,760</u>	<u>-</u>
	at Council valuation as at 30 June 2005	-	8,467,852
	Less accumulated depreciation	-	2,538,017
		<u>-</u>	<u>5,929,835</u>
	Footpaths		
	at cost	-	427,568
	Less accumulated depreciation	-	9,423
		<u>-</u>	<u>418,145</u>
	at Council valuation as at 30 June 2006	31,652,480	-
	Less accumulated depreciation	16,419,871	-
		<u>15,232,609</u>	<u>-</u>
	at Council valuation as at 30 June 2005	-	20,834,252
	Less accumulated depreciation	-	13,517,907
		<u>-</u>	<u>7,317,245</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 19	Property, plant and equipment, infrastructure		
	Drainage		
	at cost	-	2,266,965
	Less accumulated depreciation	-	14,826
		<u>-</u>	<u>2,241,139</u>
	at Council valuation as at 30 June 2006	78,162,106	-
	Less accumulated depreciation	31,252,067	-
		<u>46,910,048</u>	<u>-</u>
	at Council valuation as at 30 June 2003	-	62,619,151
	Less accumulated depreciation	-	54,683,255
		<u>-</u>	<u>38,035,896</u>
	Roadabouts		
	at cost	-	91,593
	Less accumulated depreciation	-	3,693
		<u>-</u>	<u>67,900</u>
	at Council valuation as at 30 June 2006	428,571	-
	Less accumulated depreciation	200,000	-
		<u>228,571</u>	<u>-</u>
	at Council valuation as at 30 June 2003	-	286,886
	Less accumulated depreciation	-	152,473
		<u>-</u>	<u>133,413</u>
	Kerbs and Channel		
	at cost	-	329,210
	Less accumulated depreciation	-	6,881
		<u>-</u>	<u>322,329</u>
	at Council valuation as at 30 June 2006	28,944,908	-
	Less accumulated depreciation	14,738,569	-
		<u>14,206,349</u>	<u>-</u>
	at Council valuation as at 30 June 2003	-	21,679,682
	Less accumulated depreciation	-	14,584,513
		<u>-</u>	<u>7,095,169</u>
	Regulatory Signs		
	at cost	-	531,886
	Less accumulated depreciation	-	20,939
		<u>-</u>	<u>510,947</u>
	at Council valuation as at 30 June 2006	1,340,680	-
	Less accumulated depreciation	583,109	-
		<u>857,571</u>	<u>-</u>
	at Council valuation as at 30 June 2003	-	1,259,835
	Less accumulated depreciation	-	639,890
		<u>-</u>	<u>419,945</u>
	Naturestrip Trees		
	at cost	-	56,747
	Less accumulated depreciation	-	853
		<u>-</u>	<u>55,894</u>
	at Council valuation as at 30 June 2006	3,981,000	-
	Less accumulated depreciation	1,672,020	-
		<u>2,308,980</u>	<u>-</u>
	at Council valuation as at 30 June 2003	-	3,966,110
	Less accumulated depreciation	-	2,141,159
		<u>-</u>	<u>1,824,951</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 16	Property, plant and equipment, infrastructure		
	Street Furniture		
	at cost	-	610,300
	Less accumulated depreciation	-	42,890
		<u>-</u>	<u>476,610</u>
	at Council valuation as at 30 June 2006	571,750	-
	Less accumulated depreciation	232,250	-
		<u>339,500</u>	<u>-</u>
	at Council valuation as at 30 June 2005	-	466,150
	Less accumulated depreciation	-	238,300
		<u>-</u>	<u>215,650</u>
	Bike Paths		
	at cost	-	220,767
	Less accumulated depreciation	-	3,526
		<u>-</u>	<u>227,231</u>
	at Council valuation as at 30 June 2006	3,126,515	-
	Less accumulated depreciation	788,838	-
		<u>2,337,677</u>	<u>-</u>
	at Council valuation as at 30 June 2005	-	526,629
	Less accumulated depreciation	-	217,126
		<u>-</u>	<u>309,469</u>
	Total Infrastructure	<u>365,516,604</u>	<u>208,793,174</u>
	Valuation of Infrastructure assets has been determined in accordance with industry accepted engineering and landscaping standards and principles as to fair value, useful life and remaining life with the valuation undertaken by Council's Development and Infrastructure department. The valuation is at fair value based on replacement cost less accumulated depreciation as at the date of valuation.		
	Works in progress		
	Works in progress at cost	9,086,074	5,382,920
	Total Works in progress	<u>9,086,074</u>	<u>5,382,920</u>
	Total Property, Plant and Equipment, Infrastructure	<u>519,208,601</u>	<u>367,665,283</u>

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Notes to the Financial Report
For the Year Ended 30 June 2006

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

2006	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Contributed Assets	Transfers to and transfers from W.J.P.	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	58,838,498	206,856	-	-	434,884	-	(2,550,818)	57,059,652
Land improvements	6,989,350	450,938	-	315,678	-	-	2,681,614	9,846,224
Total Land	65,827,848	657,792	-	315,678	434,884	-	130,796	66,905,876
Buildings	66,725,072	2,024,244	-	1,441,381	118,460	-	561,433	67,750,888
Heritage assets	1,916,879	-	-	17,718	-	-	-	1,899,161
Total Buildings	68,641,951	2,024,244	-	1,459,099	118,460	-	561,433	69,650,049
Total Property	135,469,799	2,722,036	-	1,774,775	553,364	-	692,229	138,555,925
Plant and Equipment								
Plant, machinery and equipment	3,751,580	916,422	-	801,838	301,720	-	-	3,564,617
Furniture, equipment and computers	4,888,202	1,153,194	-	986,582	6,506	-	4,948	5,073,186
Art collection and regalia	9,472,630	36,565	-	-	-	-	-	9,509,195
Total plant and equipment	18,112,392	2,106,181	-	1,788,198	308,325	-	4,948	18,146,598
Infrastructure								
Infrastructure	208,700,174	5,867,225	148,231,800	10,916,400	-	2,765,911	1,067,894	355,516,604
Total Infrastructure	208,700,174	5,867,225	148,231,800	10,916,400	-	2,765,911	1,067,894	355,516,604
Works in progress								
Works in progress	5,382,920	5,470,293	-	-	-	-	(1,767,139)	9,086,074
Total Works in progress	5,382,920	5,470,293	-	-	-	-	(1,767,139)	9,086,074
Total property, plant and equipment, infrastructure	367,665,285	15,965,735	148,231,800	14,459,373	661,689	2,765,911	(2,068)	519,305,601

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

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

2005	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 25)	Depreciation and amortisation (note 12)	Written down value of disposals	Contributed Assets	Transfers to and transfers from W.I.P	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	57,214,741	232,300	2,088,189	-	103,299	-	496,567	59,838,498
Land improvements	6,090,525	1,671,629	(2,068,324)	260,672	11,405	-	1,397,597	6,989,360
Total Land	63,275,266	2,103,929	19,865	260,672	174,704	-	1,894,164	66,627,848
Buildings	50,011,729	2,746,838	14,765,262	1,245,226	196,727	-	642,196	68,725,072
Heritage assets	1,677,122	-	255,520	15,763	-	-	-	1,916,829
Total Buildings	51,688,851	2,746,838	15,020,782	1,260,989	196,727	-	642,196	68,641,951
Total Property	114,964,117	4,850,767	15,040,647	1,521,661	370,431	-	2,506,360	135,468,799
Plant and Equipment								
Plant, machinery and equipment	3,018,721	1,651,609	-	733,694	385,876	-	-	3,751,560
Furniture, equipment and computers	4,379,279	1,395,226	-	890,504	-	-	4,219	4,888,202
Art collection and regalia	8,004,790	-	471,984	4,144	-	-	-	9,472,630
Total Plant and equipment	15,402,790	3,246,837	471,984	1,628,562	385,876	-	4,219	18,112,392
Infrastructure								
Infrastructure	212,787,207	4,670,250	-	10,779,679	-	2,237,559	384,837	228,700,174
Total Infrastructure	212,787,207	4,670,250	-	10,779,679	-	2,237,559	384,837	228,700,174
Works in progress								
Works in progress	3,685,913	4,433,991	-	-	-	-	(2,936,984)	5,382,920
Total Works in progress	3,685,913	4,433,991	-	-	-	-	(2,936,984)	5,382,920
Total property, plant and equipment, infrastructure	348,041,027	14,601,845	15,512,631	13,929,902	756,307	2,237,559	(41,568)	367,665,285

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005	
		\$	\$	
Note 20	Trade and other payables			
	Current			
	Trade payables	4,508,700	4,082,919	
	Cosgrove landfill	67,146	62,648	
	Payroll deductions	675,418	583,715	
	Other payables	175,234	122,606	
	Accrued expenses	1,851,824	1,787,553	
		<u>7,278,322</u>	<u>6,639,436</u>	
	Non-current			
	Cosgrove Landfill	663,826	750,972	
		<u>663,826</u>	<u>750,972</u>	
	Total	<u>7,942,148</u>	<u>7,390,410</u>	
Note 21	Trust funds and deposits			
	Refundable building deposits	26,749	42,772	
	Refundable contract deposits	547,197	568,730	
	Refundable bridge/flooding mitigation	310,000	310,000	
	Refundable landscaping deposits	433,998	583,724	
	Refundable civic facilities deposits	16,901	13,701	
	Refundable road crossing deposits	93,787	95,365	
	Refundable security deposits	839,874	889,586	
	Other refundable deposits	67,956	67,019	
		<u>2,136,962</u>	<u>2,572,947</u>	
Note 22	Provisions			
		Annual leave	Long service leave	Total
		\$	\$	\$
	2006			
	Balance at beginning of the financial year	1,334,537	2,168,192	3,502,729
	Additional provisions	174,690	662,742	837,432
	Amounts used	-	(208,758)	(208,758)
	Balance at the end of the financial year	<u>1,509,227</u>	<u>2,622,176</u>	<u>4,131,405</u>
	2005			
	Balance at beginning of the financial year	1,207,593	1,559,316	2,766,909
	Additional provisions	126,944	268,876	395,820
	Balance at the end of the financial year	<u>1,334,537</u>	<u>2,168,192</u>	<u>3,502,729</u>
			2006	2005
			\$	\$
	(a) Employee benefits			
	Current			
	Annual leave	1,509,227	1,334,537	
	Long service leave	1,567,415	1,492,832	
		<u>3,496,642</u>	<u>2,827,369</u>	
	Non-current			
	Long service leave	664,763	675,360	
		<u>664,763</u>	<u>675,360</u>	
	Aggregate carrying amount of employee benefits:			
	Current	3,496,642	2,827,369	
	Non-current	664,763	675,360	
		<u>4,161,405</u>	<u>3,502,729</u>	
	The following assumptions were adopted in measuring the present value of long service leave and retirement gratuity:			
	Weighted average increase in employee costs	4.50%	4.75%	
	Weighted average discount rates	5.84%	5.10%	
	Weighted average settlement period	12.5	12.5	

Council expects to pay no more than \$625,324 from Current Long Service Leave provision, with those more than 12 months being discounted to present value in accordance with AASB119.

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 23	Income received in advance		
	Lease payments	96,315	93,982
	Aquatic memberships	121,204	150,840
		<u>217,519</u>	<u>244,822</u>
Note 24	Interest-bearing loans and borrowings		
	Current		
	Borrowings - secured	504,072	590,455
		<u>504,072</u>	<u>590,455</u>
	Non-current		
	Borrowings - secured	88,834	592,906
		<u>88,834</u>	<u>592,906</u>
	Total	<u>592,906</u>	<u>1,183,361</u>
	The maturity profile for Council's borrowings is:		
	Not later than one year	504,072	590,455
	Later than one year and not later than five years	88,834	592,906
		<u>592,906</u>	<u>1,183,361</u>
	Aggregate carrying amount of interest-bearing loans and borrowings:		
	Current	504,072	590,455
	Non-current	88,834	592,906
		<u>592,906</u>	<u>1,183,361</u>

GREATER SHEPPARTON CITY COUNCIL
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Notes to the Financial Report
For the Year Ended 30 June 2006

Note 25 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
	\$	\$	\$
(a) Asset revaluation reserve			
2006			
Property			
Land	29,655,758	-	29,655,758
Land improvements	310,050	-	310,050
Buildings	15,414,920	-	15,414,920
Other	6,788,637	-	6,788,637
	<u>52,169,365</u>	<u>-</u>	<u>52,169,365</u>
Infrastructure			
Infrastructure	107,137,129	148,231,800	255,368,929
	<u>107,137,129</u>	<u>148,231,800</u>	<u>255,368,929</u>
Total Asset revaluation reserves	<u>159,306,494</u>	<u>148,231,800</u>	<u>307,538,294</u>
2005			
Property			
Land	29,723,889	931,889	29,655,758
Land improvements	1,435,441	(1,125,391)	310,050
Buildings	180,771	15,234,149	15,414,920
Other	6,316,653	471,984	6,788,637
	<u>36,656,734</u>	<u>15,512,631</u>	<u>52,169,365</u>
Infrastructure			
Infrastructure	107,137,129	-	107,137,129
	<u>107,137,129</u>	<u>-</u>	<u>107,137,129</u>
Total Asset revaluation reserve	<u>143,793,863</u>	<u>15,512,631</u>	<u>159,306,494</u>

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For the Year Ended 30 June 2006

		2006	2005
		\$	\$
Note 25	Reconciliation of cash flows from operating activities to surplus/deficit		
	Surplus/deficit for the period	7,117,131	4,748,915
	Depreciation/amortisation	14,459,373	13,929,902
	(Profit)/loss on disposal of property, plant and equipment, infrastructure	(656,018)	(664,555)
	Developer contributions - Assets	(2,755,911)	(2,237,569)
	Investment in GV Regional Library Corporation	(27,717)	43,058
	Change in assets and liabilities:		
	(Increase)/decrease in trade and other receivables	26,370	(1,500,880)
	Increase/(decrease) in income received in advance	(27,283)	41,910
	Increase/(decrease) in Trust funds	(436,885)	197,703
	Increase/(decrease) in accrued income	238,927	676,402
	Increase/(decrease) in trade and other payables	(267,852)	(226,968)
	(Increase)/decrease in inventories	391,394	(143,498)
	(Decrease)/increase in provisions	658,676	335,820
	Increase/(decrease) in other assets	(140,590)	31,728
	Net cash provided by/(used in) operating activities	<u>18,599,535</u>	<u>15,430,978</u>
Note 27	Reconciliation of cash and cash equivalents		
	Cash and cash equivalents (see note 16)	22,496,853	18,064,043
		<u>22,496,853</u>	<u>18,064,043</u>
Note 28	Financing arrangements		
	Unsettled facilities	500,000	750,000
		<u>500,000</u>	<u>750,000</u>
Note 29	Restricted assets		
	Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to employee entitlements (Long Service Leave) and Grants.		
	Current		
	Long service leave (note 16)	2,486,225	1,813,292
	Grants (note 6)	1,565,111	435,267
		<u>4,051,336</u>	<u>2,248,559</u>
	Non-current		
	Land and buildings on crown land	29,731,789	29,768,329
		<u>29,731,789</u>	<u>29,768,329</u>
	Restricted asset for long service leave is based on the Local Government (Long Service Leave) Regulations 2002 and does not necessarily equate to the long service leave liability disclosed in note 22 due to a different basis of calculation prescribed by the regulation.		

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Note 38 Superannuation

Council makes employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). The Fund has two categories of membership, each of which is funded differently. Employees also have the option of nominating an alternative superannuation fund and council also makes superannuation contributions to those nominated 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 (5% 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. Employer contributions to the alternative employee nominated superannuation funds are also based on the fixed percentage of employee earnings at 5%.

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 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 contributions.

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 2005, the Trustee has determined that the current funding arrangements are adequate for the expected Defined Benefit Plan liabilities. Council makes the following contributions:

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

The Fund's liability for accrued benefits was determined in the 31 December 2005 actuarial investigation pursuant to the requirements of Australian Accounting Standard AAS 25 as follows:

		31-Dec-05
		\$
Net Market Value of Assets	3,250,842	
Accrued Benefits (per accounting standards)	3,118,911	
Difference between Assets and Accrued Benefits	136,501	
Vested Benefits	2,865,633	

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

Net Investment Return		8.0% p.a.
Salary Inflation		5.5% p.a.
Price Inflation		3.0% p.a.

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

	2006	2005
	\$	\$
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	1,952,793	1,808,509
Employer contributions to individually nominated Superannuation Funds	22,409	-
	1,975,202	1,808,509

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For the Year Ended 30 June 2006

Note 31

Commitments

The Council has entered into the following commitments

2006	Not later than 1	Later than 1	Later than 2	Later than 5	Total
	year	year and not	years and not		
	\$	later than 2	later than 5	\$	\$
		years	years		
Operating					
Waste Management	3,550,900	3,441,350	8,700,544	7,113,777	22,806,571
Recreational Services	1,000,000	-	-	-	1,000,000
Maternal and Child Health	850,500	861,703	861,703	-	2,573,906
Aged and Disability Services	2,017,000	2,007,560	-	-	4,114,660
Maintenance of Council Property	77,000	-	-	-	77,000
Salleyards	80,084	-	-	-	80,084
Total	7,575,484	6,400,733	8,562,247	7,113,777	30,652,241
Capital					
Construction	539,631	-	-	-	539,631
Waste Management	585,100	230,000	722,400	679,400	2,216,500
Total	1,124,731	230,000	722,400	679,400	2,756,531
Total	8,700,215	6,630,733	10,284,647	7,793,177	33,408,772
2005					
	\$	\$	\$	\$	\$
Operating					
Waste Management	2,645,000	662,000	432,000	-	3,940,000
Recreational Services	1,000,000	1,000,000	-	-	2,000,000
Maternal and Child Health	712,700	-	-	-	712,700
Aged and Disability Services	1,786,000	1,694,589	1,894,589	-	5,575,178
Maintenance of Council Property	180,000	36,000	-	-	186,000
Total	6,294,700	3,792,589	2,326,589	-	12,413,878
Capital					
Waste Management	540,000	120,000	360,000	120,000	1,140,000
Total	540,000	120,000	360,000	120,000	1,140,000
Total	6,834,700	3,912,589	2,686,589	120,000	13,553,878

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		2006	2005
		\$	\$
Note 32	Operating lease commitments		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of equipment and land and buildings for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	641,060	498,540
	Later than one year and not later than five years	1,130,267	940,533
	Later than five years	94,740	112,250
		<u>1,866,067</u>	<u>1,551,323</u>

Note 33 **Contingent liabilities and contingent assets**

(a) Contingent liabilities

(i) Contingent liabilities arising from public liabilities

As a local authority with ownership of numerous parks, reserves, roads and other land holdings, the Council is regularly met with claims and demands allegedly arising from incidents which occur on land belonging to Council. There are a number of outstanding claims against Council in this regard. Council carries \$240 million of public liability insurance and had an excess of \$10,000 per claim on this policy in 2005/2006. Therefore, the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no claims of which council is aware which would fall outside the terms of Council's policy.

(ii) Contingent liabilities arising from professional indemnity

As a local authority with statutory regulatory responsibilities, including the responsibility of issuing permit approvals, Council is met with claims and demands for damages allegedly arising from actions of Council or its Officers. Council carries \$200 million of professional indemnity insurance and had an excess of \$10,000 per claim on its policy in 2005/2006. Therefore the maximum liability of Council in any single claim is the extent of its excess. The primary insurer is Civic Mutual Plus. There are no instances or claims of which Council is aware which would fall outside the terms of the Council's policy.

(iii) Contingent liabilities arising from Cogswell Landfill Financial Assurance

Council has a responsibility under the Environment and Protection Act 1970, for remedial action site aftercare at its Landfill site, and whilst Council undertakes annual rehabilitation, money is held as a restricted asset to meet potential costs. As at 30 June 2006 discussions with the EPA for holding a bank guarantee or deposit account of \$1,155,000 for remedial works were progressing and not yet finalised.

(b) Contingent assets

As at the reporting date there were a number of subdivisions in progress throughout the municipality and on completion the Council will receive ownership of the infrastructure associated with those subdivisions. Valuations are determined at the time of handover.

Note 34 Financial Instruments

(a) Accounting policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	15	Cash on hand and at bank and money market call account are valued at face value. Interest is recognised as it accrues. Investments and bills are valued at cost. Investments are held to maximise interest returns of surplus cash. Interest revenues are recognised as they accrue.	On call deposits returned a floating interest rate of 5.40% (5.40% in 2004/2005). The interest rate at balance date was 5.65% (5.40% in 2004/2005). Funds returned fixed interest rate of between 4.15% (1.30% in 2004/2005), and 6.80% (5.43% in 2004/2005) net of fees.
Trade and other receivables			
Rates debtors	17	Rates are carried at nominal amounts due plus interest. Rate debts are a charge attached to the rateable land and are recoverable on sale, therefore, no provision for doubtful debts is made. Interest rates are reviewed annually.	Rates are payable by four instalments during the year. Arrears, including deferred rates, attract interest. The interest rate was 11.00% (12.00% in 2004/2005) at balance date for general rates. Interest rates charged for Special Rate and Private Street Schemes was 11.00% at balance date (12.00% in 2004/2005).
Parking infringement debtors	17	PNs/PERN Court debtors are measured at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	Parking infringements are unsecured. The provision for parking infringement doubtful debts is calculated as a percentage of total parking infringement revenue and has been evaluated and recognised based on previous payment and collection history.
Other debtors	17	Receivables are carried at nominal amounts due less any provision for doubtful debts. A provision for doubtful debts is recognised when collection in full is no longer probable. Collectibility of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Credit terms are based on 30 days.
Financial liabilities			
Trade and other payables	20	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	24	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.57% during 2005/2006 (5.14% in 2004/2005).
Trust funds	21	Funds held on behalf of third parties for various refundable deposits and are carried at nominal value.	Refundable to third party when deposit conditions are met.
Bank facility	28	Facilities are recognised at the principal amount. Interest is charged as an expense as it accrues.	The facility is subject to annual review.

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Notes to the Financial Report
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Note 24 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:

2006

	Floating Interest rate	Fixed Interest 1 year or less	Fixed Interest Over 1 to 5 years	Fixed Interest More than 5 years	Non Interest- bearing	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	3,294,659	19,202,194	-	-	-	22,496,853
Trade and other receivables	-	-	-	-	4,377,502	4,377,502
Accrued income	-	-	-	-	532,408	532,408
Total financial assets	3,294,659	19,202,194	-	-	4,909,910	27,406,763
Weighted average interest rate	5.14%					
Financial liabilities						
Trade and other payables	-	67,146	415,408	266,418	7,211,176	7,962,148
Trust funds and deposits	-	-	-	-	2,136,062	2,136,062
Interest-bearing loans and borrowings	-	504,072	88,834	-	-	592,906
Total financial liabilities	-	571,218	504,242	266,418	9,347,238	10,689,116
Weighted average interest rate	6.57%					
Net financial assets (liabilities)	3,294,659	18,630,976	(504,242)	(266,418)	(4,437,328)	16,715,647

2005

	Floating Interest rate	Fixed Interest 1 year or less	Fixed Interest Over 1 to 5 years	Fixed Interest More than 5 years	Non Interest- bearing	Total
	\$	\$	\$	\$	\$	\$
Financial assets						
Cash and cash equivalents	(276,005)	18,370,048	-	-	-	18,094,043
Trade and other receivables	-	-	-	-	4,403,672	4,403,672
Accrued income	-	-	-	-	771,335	771,335
Total financial assets	(276,005)	18,370,048	-	-	5,175,207	23,268,250
Weighted average interest rate	6.55%					
Financial liabilities						
Trade and other payables	-	62,645	267,564	363,408	6,576,760	7,300,417
Trust funds and deposits	-	-	-	-	2,572,947	2,572,947
Interest-bearing loans and borrowings	-	860,455	662,906	-	-	1,523,361
Total financial liabilities	-	923,100	930,470	363,408	9,149,707	11,116,718
Weighted average interest rate	6.14%					
Net financial assets (liabilities)	(276,005)	17,446,948	(930,470)	(363,408)	(3,974,533)	12,152,532

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Notes to the Financial Report
For the Year Ended 30 June 2006

Note 34 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	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>(1) Financial assets</i>				
Cash and cash equivalents	22,496,853	18,094,043	22,496,853	18,094,043
Trade and other receivables	4,377,502	4,403,872	4,377,502	4,403,872
Accrued income	532,408	771,355	532,408	771,355
Total financial assets	27,406,763	23,269,250	27,406,763	23,269,250
<i>(2) Financial liabilities</i>				
Trade and other payables	7,962,148	7,390,410	7,962,148	7,390,410
Trust funds and deposits	2,136,062	2,572,947	2,136,062	2,572,947
Interest-bearing loans and borrowings	592,906	1,153,361	592,906	1,153,361
Total Financial liabilities	10,691,116	11,116,718	10,691,116	11,116,718
Net Financial Assets	16,715,647	12,152,532	16,715,647	12,152,532

(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.

Note 35	Auditors' remuneration	2006	2005
		\$	\$
	Audit fee to conduct external audit - Victorian Auditor-General	46,300	50,000
	Internal audit fees - RSM Bird Cameron	42,620	26,273
		88,920	76,273

Note 36 Events occurring after balance date

At the date of this report there were no matters or circumstances that have arisen since the end of the financial year which have significantly affected or may significantly affect the operations of Council, the results of its operations or its state of affairs, which is not already reflected in this report.

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Notes to the Financial Report
For the Year Ended 30 June 2006

Note 37

Related party transactions

(i)

Responsible Persons

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

Councillors

Jenny Houlahan (Mayor 25/11/05 to current)
Eric Bobb (25/11/05 to current)
Dallas Terlich (25/11/05 to current)
Sondrae Johnson (25/11/05 to current)
Chris Hazelman
Kevin Ryan
Bruce Wilson
Anne McCarish (Mayor 01/07/05 to 25/11/05)
John Gray (01/07/05 to 25/11/05)
Bruce McNeill (01/07/05 to 25/11/05)
Shelley Walker (01/07/05 to 25/11/05)

Chief Executive Officer Bob Laing

(ii)

Remuneration of Responsible Persons

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

	2006 No.	2005 No.
\$1 - \$9,999	6	0
\$10,000 - \$19,999	3	6
\$20,000 - \$29,999	2	0
\$30,000 - \$39,999	0	0
\$40,000 - \$49,999	0	1
\$150,000 - \$159,999	0	0
\$190,000 - \$199,999	0	1
\$210,000 - \$219,999	1	0
	<u>12</u>	<u>8</u>
	<u>\$</u>	<u>\$</u>
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	347,100	331,500

(iii)

No retirement benefits have been made by the Council to a Responsible Person during the reporting year. (2004/05, Nil).

(iv)

No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2004/05, Nil).

(v)

Other transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2004/05, Nil).

(vi)

Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who has management responsibilities and reports directly to the Chief Executive Officer or whose total annual remuneration exceeds \$150,000.

	2006 No.	2005 No.
Income Range:		
\$100,000 - \$109,999	3	2
\$110,000 - \$119,999	0	1
\$120,000 - \$129,999	2	1
\$130,000 - \$139,999	0	5
\$140,000 - \$149,999	2	0
\$150,000 - \$159,999	2	0
	<u>9</u>	<u>9</u>
	<u>\$</u>	<u>\$</u>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	1,175,201	1,003,718

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Notes to the Financial Report
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Note 37

Related Party Transactions (cont.)

(vii)

Other transactions

Councillor Anne McCannish is a member of Goulburn Valley Health Board. Goulburn Valley Health is contracted to provide Council's Maternal and Child health Services. The value of such transactions for the financial year were \$816,077 (\$993,406 in 2003/04).

Councillor Chris Hazelman's wife holds a senior position with Parker Bros Holden who provide motor vehicles on normal commercial terms to Council. The value of such transactions for the financial year were \$84,864 (\$112,574 in 2004/05).

Councillor Chris Hazelman is a member of Goulburn Valley Health Board. Goulburn Valley Health is contracted to provide Council's Maternal and Child health Services. The value of such transactions for the financial year were \$816,077 (\$993,406 in 2004/05).

Councillor Chris Hazelman is a board member of the GV Community Fund Board. The Council provides funding for the ongoing operation of the community fund. The value of such transactions for the financial year were \$155,773 (\$132,917 in 2004/05).

Councillor Chris Hazelman is the chairman of the Tallysroona Recreation Reserve Committee of Management, who receives funding from the Council for the maintenance and development of the recreation reserve. The value of such transactions for the financial year were \$1,560 (\$2,500 in 2004/05).

Councillor Chris Hazelman is CEO of the Ethnic Council of Shepparton & District. The Ethnic Council provides ethnic training services on normal commercial terms to Council. The value of such transactions for the financial year were \$1,500 (\$2,150 in 2004/05).

Councillor Kevin Ryan is chairman of the board of 58.5 One FM, who provides commercial airtime to Council on normal commercial terms. The value of such transactions for the financial year were \$28,883 (\$8,107 in 2004/05).

Councillor Eric Bott is General Manager of the Goulburn Valley Football League, however no related services were provided to the Council by the Authority.

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Notes to the Financial Report
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Note 38 Revenue, expenses and assets by functions/activities

2006	Community Pride	Partnerships for Sustainability	Infrastructure	Quality of Life	Lifelong Learning	Vibrant Recreation and Culture	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Grants (note 6)	572,154	46,180	5,739,761	2,616,561	2,773,190	370,367	7,675,193	19,793,406
Other	26,370	7,508,793	6,569,771	1,019,734	1,236,431	3,740,587	30,238,404	53,340,160
TOTAL	598,524	7,554,973	12,309,532	3,636,295	4,009,621	4,110,954	37,913,677	73,133,566
EXPENSES	756,379	5,936,746	27,963,515	4,966,312	4,864,781	10,479,672	10,976,830	66,016,435
TOTAL	756,379	5,936,746	27,963,515	4,966,312	4,864,781	10,479,672	10,976,830	66,016,435
SURPLUS(DEFICIT) FOR THE YEAR	(199,855)	1,618,227	(12,653,983)	(1,360,017)	(855,160)	(6,368,718)	26,936,847	7,117,151
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES	793,601	62,674,039	334,727,334	6,716,596	6,463,787	95,828,852	39,342,824	548,547,033

2005	Community Pride	Partnerships for Sustainability	Infrastructure	Quality of Life	Lifelong Learning	Vibrant Recreation and Culture	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$	\$
REVENUE								
Grants (note 6)	467,065	439,138	4,222,049	2,444,363	2,803,686	545,483	7,100,844	18,022,566
Other	361	7,029,375	7,045,736	766,536	1,107,204	3,292,438	28,593,268	47,634,918
TOTAL	467,426	7,468,513	11,267,785	3,210,899	3,910,890	3,837,921	35,694,112	65,657,466
EXPENSES	764,098	4,968,264	27,416,234	4,616,890	4,881,274	9,215,064	9,846,747	61,108,571
TOTAL	764,098	4,968,264	27,416,234	4,616,890	4,881,274	9,215,064	9,846,747	61,108,571
SURPLUS(DEFICIT) FOR THE YEAR	(296,672)	2,500,249	(16,148,449)	(805,991)	(970,384)	(5,377,143)	25,847,365	4,748,915
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES	813,950	55,525,155	193,887,151	6,626,332	6,507,708	93,172,608	34,457,367	362,962,291

The activities relating to the Council's operations as per function are as follows:

Community Pride

Other Community Programs

Partnerships for Sustainability

Drainage
Environmental Management
Waste Management
Stock & Domestic Water Supply
Soleyards

Quality of Life

Aged & Disability Services
Environmental Health
Tourism

Infrastructure

Aerodrome
Commerce
Depot
Development Facilities
Development Services
Law Order & Safety
Management Strategy Co-ord
Planning Investigation & Design
Plant Operations
Roads & Streets

Lifelong Learning

Children's Services

Vibrant Recreation and Culture

Aquatic Facilities
Arts & Culture
Leisure Management
Public Buildings
Public Open Space
Sports Facilities

Council Organisation and Management

Corporate Services
Customer Services
Financial Services
Governance
Human Resources
Information Systems
Management (Directorate)

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Notes to the Financial Report
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Note 39	Financial ratios (Performance indicators)	2006 \$	2006	2005 \$	2005	2004 \$	2004
(a)	Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)						
	<u>Debt servicing costs</u>	51,544	0.07%	85,630	0.13%	183,829	0.29%
	<u>Total revenue</u>	72,494,525		65,223,478		63,242,855	
	Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft.						
	The ratio expresses the amount of interest paid as a percentage of Council's total revenue.						
(b)	Debt commitment ratio (to identify Council's debt redemption strategy)						
	<u>Debt servicing & redemption costs</u>	611,000	1.83%	614,460	2.01%	795,707	2.78%
	<u>Rate revenue</u>	33,444,465		30,519,229		27,508,285	
	The strategy involves the payment of loan principal and interest, finance lease principal and interest.						
	The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.						
(c)	Revenue ratio (to identify Council's dependence on non-rate income)						
	<u>Rate revenue</u>	33,444,465	46.13%	30,519,229	46.79%	27,508,285	43.50%
	<u>Total revenue</u>	72,494,525		65,223,478		63,242,855	
	The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.						
(d)	Debt exposure ratio (to identify Council's exposure to debt)						
	<u>Total indebtedness</u>	10,437,753	1:15.1	10,478,010	1:14.5	10,149,806	1:13.7
	<u>Total realisable assets</u>	157,736,555		152,160,193		135,046,558	
	For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.						
	Any liability represented by a restricted asset (note 29) 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 multiple of total liabilities for each dollar of realisable assets.						
(e)	Working capital ratio (to assess Council's ability to meet current commitments)						
	<u>Current assets</u>	26,074,733	2.1:1	24,188,024	1.9:1	22,566,981	2.1:1
	<u>Current liabilities</u>	13,632,017		12,845,011		10,862,447	
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.						

GREATER SHEPPARTON CITY COUNCIL
2005/2006 Financial Report

Certification of the Financial Report

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1988, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



T J O'Reilly - FCPA
PRINCIPAL ACCOUNTING OFFICER

Date: 11/9/06

In our opinion the accompanying financial statements present fairly the financial transactions of Greater Shepparton City Council for the year ended 30 June 2006 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 11 September 2006 to certify the financial statements in their final form.



J Houlihan (Mayor)
COUNCILLOR

Date: 11/09/06



D Terlich (Deputy Mayor)
COUNCILLOR

Date: 11/09/06



R F Laing
CHIEF EXECUTIVE OFFICER

Date: 11/9/06

STANDARD INCOME STATEMENT

For the year ending 30 June 2006

	Budget	Variances		Ref	Actuals
	2005-2006	\$	%		2005-2006
	\$	\$	%		\$
Revenue					
Rates and charges	32,905,000	539,485	1.6		33,444,485
Grants - Recurrent	16,658,000	1,604,514	9.6		18,262,514
Grants - Non-recurrent	1,205,000	325,892	27.0	1	1,530,892
Contributions	3,263,000	1,029,826	31.6	2	4,292,826
User fees	14,572,000	(2,815,797)	(19.3)	3	11,756,203
Parking fees and fines	1,675,000	(35,745)	(2.1)		1,639,255
Other revenue	4,700,000	(3,131,650)	(66.8)	4	1,568,350
Total revenue	74,978,000	(2,483,475)	(3.3)		72,494,525
Expenses					
Employee benefits	20,861,000	636,134	3.0		21,497,134
Materials and services	31,372,000	(1,337,489)	(4.3)		30,034,511
Bad and Doubtful debts	13,000	(39,127)	(301.0)	5	(26,127)
Finance costs	54,000	(2,456)	(4.5)		51,544
Depreciation and amortisation	14,233,000	226,373	1.6		14,459,373
Other expenses	3,579,000	(3,579,000)	(100.0)	6	-
Total expenses	70,112,000	(4,095,565)	(5.8)		66,016,435
Share of net profits/(losses) from associates	-	27,717	100.0	7	27,717
Net gain/(loss) on disposal of assets	69,000	542,344	786.0	8	611,344
Surplus/(deficit) for the period	4,935,000	2,182,151	44.2		7,117,151

STANDARD BALANCE SHEET

As at 30 June 2006

	Budget	Variances		Ref	Actuals
	2005-2006	\$	%		2005-2006
	\$	\$	%		\$
Current assets					
Cash and cash equivalents	13,126,000	9,370,853	71.4	9	22,496,853
Trade and other receivables	4,000,000	377,502	9.4		4,377,502
Other	600,000	600,378	100.1	10	1,200,378
Total current assets	17,726,000	10,348,733	58.4		28,074,733
Non-current assets					
Property, plant and equipment, infrastructure	361,604,000	157,701,601	43.6	11	519,305,601
Other	1,500,000	(333,301)	(22.2)	12	1,166,699
Total non-current assets	363,104,000	157,368,300	43.3		520,472,300
Total assets	380,830,000	167,717,033	44.0		548,547,033
Current liabilities					
Interest bearing loans and borrowings	504,000	72	0.0		504,072
Trade and other payables	5,500,000	1,778,322	32.3	13	7,278,322
Provisions	1,675,000	1,821,642	108.8	14	3,496,642
Trust funds and deposits	2,000,000	136,062	6.8		2,136,062
Other	1,200,000	(982,481)	(81.9)	15	217,519
Total current liabilities	10,879,000	2,753,617	25.3		13,632,617
Non-current liabilities					
Interest bearing loans and borrowings	89,000	(166)	(0.2)		88,834
Trade and other payables	815,000	(131,174)	(16.1)	16	683,826
Provisions	1,492,000	(827,237)	(55.4)	17	664,763
Total non-current liabilities	2,396,000	(958,577)	(40.0)		1,437,423
Total liabilities	13,275,000	1,795,040	13.5		15,070,040
Net assets	367,555,000	165,921,993	45.1		533,476,993
Equity					
Accumulated surplus	223,761,000	2,177,699	1.0		225,938,699
Asset revaluation reserve	143,794,000	163,744,294	113.9	18	307,538,294
Total equity	367,555,000	165,921,993	45.1		533,476,993

STANDARD CASH FLOW STATEMENT

For the year ending 30 June 2006

	Budget 2005-2006 \$	Variances		Ref	Actuals 2005-2006 \$
		\$	%		
Cash flows from operating activities					
Receipts from customers	52,668,000	580,976	1.1		53,248,976
Payments to suppliers	(55,879,000)	211,391	0.4		(55,667,609)
Net cash inflow/(outflow) from customers/suppliers	(3,211,000)	792,367	24.7		(2,418,633)
Interest received	1,184,000	(154,371)	(13.0)	19	1,029,629
Government receipts	18,626,000	1,332,539	7.2		19,958,539
Net cash inflow/(outflow) from operating activities	16,599,000	1,970,535	11.9		18,569,535
Cash flows from investing activities					
Proceeds from sale of property, plant and equipment, infrastructure	1,692,000	197,570	11.7	20	1,889,570
Proceeds from sale of investments	320,000	(320,000)	(100.0)	21	-
Payments for property, plant and equipment, infrastructure	(19,130,000)	3,634,160	19.0	22	(15,495,840)
Net cash inflow/(outflow) from investing activities	(17,118,000)	3,511,730	20.5		(13,606,270)
Cash flows from financing activities					
Repayment of interest bearing loans and borrowings	(560,000)	(455)	(0.1)		(560,455)
Net cash inflow/(outflow) from financing activities	(560,000)	(455)	(0.1)		(560,455)
Net increase/(decrease) in cash and cash equivalents	(1,079,000)	5,481,810	508.0		4,402,810
Cash and cash equivalents at the beginning of the year	14,205,000	3,889,043	27.4		18,094,043
Cash and cash equivalents at the end of the year	13,126,000	9,370,853	71.4		22,496,853
Reconciliation of Surplus/(Deficit) and Net Cash Flows from Operating Activities					
For the year ending 30 June 2006					
Surplus/(deficit)	4,935,000	2,182,151	44.2		7,117,151
Depreciation and amortisation	14,233,000	226,373	1.6		14,459,373
(Gain)/Loss on sale of property, plant and equipment, infrastructure	(69,000)	(587,018)	(850.8)		(656,018)
Net movement in current assets and liabilities	(2,500,000)	149,029	6.0		(2,350,971)
Net cash inflow/(outflow) from operating activities	16,599,000	1,970,535	11.9		18,569,535

STANDARD STATEMENT OF CAPITAL WORKS

For the year ending 30 June 2006

Capital Works Areas	Budget	Variances		Ref	Actuals
	2005-2006	\$	%		2005-2006
	\$	\$	%		\$
Roads	4,367,000	161,562	3.7		4,528,562
Drainage	955,000	(147,656)	(15.5)		807,344
Parks, open space and streetscapes	368,000	66,405	18.0		434,405
Buildings	7,003,000	(965,249)	(13.8)		6,037,751
Plant and equipment	2,407,000	(155,972)	(6.5)		2,251,028
Other	4,030,000	(2,138,456)	(53.1)		1,891,544
Total capital works	19,130,000	(3,179,366)	(16.6)		15,950,634
Represented by:					
Renewal	777,000	934,733	120.3		1,711,733
Upgrade	10,333,000	(2,383,120)	(23.1)		7,949,880
Expansion	3,263,000	(1,461,636)	(44.8)		1,801,364
New	4,757,000	(269,343)	(5.7)		4,487,657
Total capital works	19,130,000	(3,179,366)	(16.6)		15,950,634

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget	Variances		Ref	Actuals
	2005-2006	\$	%		2005-2006
	\$	\$	%		\$
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	19,130,000	(3,179,366)	(16.6)	23	15,950,634
Asset revaluation movement	-	148,231,800	100.0	24	148,231,800
Transfers from other assets	-	(2,068)			(2,068)
Developer Gifted Assets	2,500,000	265,911	10.6	25	2,765,911
Depreciation and amortisation	(14,233,000)	(226,373)	(1.6)		(14,459,373)
Written down value of assets sold	(1,623,000)	776,412	47.8	26	(846,588)
Net movement in property, plant and equipment, infrastructure	5,774,000	145,866,316	2,526.3		151,640,316

City of Greater Shepparton

Notes accompanying the Standard Statements for the year ended 30 June 2006

1. BASIS OF PREPARATION OF STANDARD STATEMENTS

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

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

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

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

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

The budget figures included in the Statements are those of the adopted budget adopted by Council on 28 June 2005. The budget was based on assumptions that were relevant at the time of adoption of this 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 short and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

2. EXPLANATION OF MATERIAL VARIANCES

Standard Income Statement

NOTE	ITEM	EXPLANATION
Revenue		
1	Grants - Non-Recurrent	Variance due to higher than anticipated income for local roads (\$180k), regional tennis complex (\$30k) and artwork acquisitions (\$25k).
2	Contributions	Variance due to increased developer gifted assets (\$256k) and contributions for civil works (\$492k).
3	User fees	Variance due predominantly to items included in the budget for plant hire usage and other charges which are internal transactions and eliminated from actual revenue totals (\$3.7m).
4	Other Revenue	Variance due to items included in the budget for oncost recovery which are internal transactions and are eliminated from actual revenue totals (\$3.3m).
Expenses		
5	Bad and Doubtful debts	Variance due to a reduction in bad and doubtful debts for the financial year.
6	Other expenses	Variance due to items included in the budget for oncost expenses which are internal transactions and are eliminated from actual expense totals (\$3.3m).
7	Share of net profit of associates	Council's 61.83 per cent of The Goulburn Valley Regional Library Corporation's 2005-2006 operating result.
8	Net gain (loss) on disposal of assets	Variance due predominantly to favourable gains on the sale of various parcels of Council owned land including Parkview Estate.

2. EXPLANATION OF MATERIAL VARIANCES (continued)

Standard Balance Sheet

NOTE	ITEM	EXPLANATION
Current Assets		
9	Cash and cash equivalents	Variance due to Capital works program not completed (\$3.2m), additional grant income for roads (\$1.3m) and an understated balance brought forward for cash and cash equivalents (\$4.5m).
10	Other	Variance due to an increase in actual accrued revenue including land sales (\$165k) and interest on investments (\$157k).
Non-current assets		
11	Property, plant and equipment, infrastructure	Variance predominantly due to the revaluation of infrastructure assets (\$148m).
12	Other	Variance due to land held for resale (Parkview Estate) sold during the year.
Current liabilities		
13	Trade and other payables	Variance largely due to the timing of actual payments to trade and other payables at year end and an actual amount (\$850k) reclassified from "other" current liabilities.
14	Provisions	Variance largely due to adoption of International Financial Reporting Standards (IFRS)- AASB119 Employee Benefits. Change in method of recognising current and non-current employee benefits provisions.
15	Other	Variance due to the reclassification of amounts (\$850k) to "trade and other payables" current
Non-current liabilities		
16	Trade and other payables	Variance partly due to the reclassification of amounts into "trade and other payables" current
17	Provisions	Variance largely due to adoption of International Financial Reporting Standards (IFRS)- AASB119 Employee Benefits. Change in method of recognising current and non-current employee benefits provisions.
Equity		
18	Asset revaluation reserve	Variance due to revaluation of infrastructure assets (\$148m) and budgeted balance brought forward of reserve understated (\$15m).

Standard Cash Flow Statement

NOTE	ITEM	EXPLANATION
Cash flow from operating activities		
19	Interest	Variance reflects Municipal Rate interest being re-allocated to "receipts from customers" (\$245k) and actual interest received greater than budget due to increased interest rates and greater funds available for investment (\$90k).
Cash flow from investing activities		
20	Proceeds from sale of property, plant and equipment, infrastructure	Variance due to greater land sale proceeds from Parkview Estate (\$181k).
21	Proceeds from sale of investments	Variance due to investment funds not required during the year.
22	Payments for property, plant and equipment, infrastructure	Variance reflects the unexpended portion of the 2005-2006 capital program.

Standard Statement Of Capital Works

NOTE	ITEM	EXPLANATION
23	Capital Works	Variance reflects the unexpended portion of the 2005-2006 capital program.
24	Asset revaluation movement	Variance due to revaluation of infrastructure assets (\$148m).
25	Developer Gifted Assets	Variance reflects developer gifted roads and associated infrastructure assets greater than anticipated.
26	Written down value of assets sold	Variance due to Parkview Estate residential development being classified as land held for sale and not property, plant and equipment as budgeted (\$287k).

City of Greater Shepparton

Certification to the Standard Statements

for the year ended 30 June 2006

CERTIFICATION OF STANDARD STATEMENTS

In my opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2006 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



T J O'Reilly - FCPA
PRINCIPAL ACCOUNTING OFFICER

Date: 11/09/06

In our opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2006 have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

On 11 September 2006 we were authorised by the Council to certify the standard statements in its final form on behalf of the Council.



J Houlihan (Mayor)
COUNCILLOR

Date: 11/09/06



D Terlich (Deputy Mayor)
COUNCILLOR

Date: 11/09/06



R F Laing
CHIEF EXECUTIVE OFFICER

Date: 11/9/06



AUDITOR GENERAL
VICTORIA
INDEPENDENT AUDIT REPORT

Greater Shepparton City Council

To the Councillors

Matters Relating to the Electronic Presentation of the Audited Financial Report

This audit report for the financial year ended 30 June 2006 relates to the financial report of Greater Shepparton City Council included on its web site. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited financial report to confirm the information included in the audited financial report presented on this web site.

Scope

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2006 of Greater Shepparton City Council consists of the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to and forming part of the financial report, and the certification of the financial report.

The accompanying standard statements for the year ended 30 June 2006 of the Council consists of the standard income statement, standard balance sheet, standard cash flow statement, standard statement of capital works, the related notes and the certification of the standard statements.

Councillors' Responsibility

The Councillors of Greater Shepparton City Council are responsible for:

- the preparation and presentation of the financial report and the standard statements, and the information they contain, including accounting policies and accounting estimates
- the maintenance of adequate accounting records and internal controls that are designed to record its transactions and affairs, and prevent and detect fraud and errors.

Audit Approach

As required by the *Audit Act* 1994, an independent audit has been carried out in order to express an opinion on the financial report and standard statements. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial report and standard statements are free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the financial report and standard statements
- assessing the appropriateness of the accounting policies and disclosures used, and the reasonableness of significant accounting estimates made by the Councillors



AUDITOR GENERAL
VICTORIA

Independent Audit Report (continued)

- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the financial report and standard statements.

These procedures have been undertaken to form an opinion as to whether:

- the financial report is presented in all material respects fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, so as to present a view which is consistent with my understanding of the Council's financial position, and its financial performance and cash flows
- the standard statements are presented fairly in accordance with the basis of preparation described in note 1, comply with the requirements of the *Local Government Act 1989*, and the "actual" amounts are correctly extracted from the financial report. While the standard statements have to be prepared on a basis consistent with the financial report they are not required to meet all of the presentation requirements of Accounting Standards and other mandatory professional reporting requirements.

The audit opinion expressed in this report has been formed on the above basis.

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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion:

- (a) the financial report presents fairly in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and the financial reporting requirements of the *Local Government Act 1989*, the financial position of Greater Shepparton City Council as at 30 June 2006 and its financial performance and cash flows for the year then ended
- (b) the standard statements are presented fairly in accordance with the basis of preparation as described in note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

MELBOURNE
18 September 2006



JW CAMERON
Auditor-General

City of Greater Shepparton

Performance Statement
for the year ended 30 June 2006

INTRODUCTION TO THE PERFORMANCE STATEMENT

Council is required under Section 127 of the Local Government Act 1989 to separately identify in the budget, the Key Strategic Activities to be undertaken during the financial year, and performance targets and measures in relation to each of those Key Strategic Activities.

Under Section 132 of the Act, it is required that the Key Strategic Activities and performance targets and measures specified under Section 127 of the Act must be included in the Performance Statement in the Annual Report, and be subject to audit.

The following table details the Key Strategic Activities and performance targets and measures contained in Council's 2005-2006 budget compared to actual results for the year.

Key Strategic Activity	Performance Measure	How data is Reported	Performance Target	Actual 2006
INFRASTRUCTURE				
Completing the Capital Works Program	The percentage of budgeted Capital Works monies expended at the conclusion of the financial year	Audited Financial Statements	100.0%	83.4%
COUNCIL ORGANISATION AND MANAGEMENT				
Achieving the budgeted operating result	The difference between the budgeted operating result and the actual operating result for the financial year	Audited Financial Statements	\$0	\$2,182,151
Working capital ratio	Current assets to current liabilities	Audited Financial Statements	2:1	2.1:1
Rates, fees and charges outstanding	% outstanding at 30 June 2006	Audited Financial Statements	3.0%	2.7%
Total operating expenditure	Average per assessment	Audited Financial Statements	\$2,690	\$2,501
Total capital expenditure	Average per assessment	Audited Financial Statements	\$725	\$604

City of Greater Shepparton

Certification to the Performance Statement
for the year ended 30 June 2006

CERTIFICATION OF PERFORMANCE STATEMENT

In our opinion, the accompanying Performance Statement of the Greater Shepparton City Council in respect of the 2005/2006 financial year is fairly presented in accordance with the Local Government Act 1989.

The statement outlines the performance targets and measures set out in relation to the achievement of Key Strategic Activities in respect of that year described in Council's budget, and describes the extent to which the Key Strategic Activities were met in that year having regard to those targets and measures.

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



J Houlihan (Mayor)
COUNCILLOR

Date: 11/09/06



D Terlich (Deputy Mayor)
COUNCILLOR

Date: 11/09/06



R F Laing
CHIEF EXECUTIVE OFFICER

Date: 11/9/06



AUDITOR GENERAL
VICTORIA

INDEPENDENT AUDIT REPORT

Greater Shepparton City Council

To the Councillors

Matters Relating to the Electronic Presentation of the Audited Performance Statement

This audit report for the financial year ended 30 June 2006 relates to the performance statement of Greater Shepparton City Council included on its web site. The Councillors are responsible for the integrity of the web site. I have not been engaged to report on the integrity of the web site. The audit report refers only to the statements named below. An opinion is not provided on any other information which may have been hyperlinked to or from these statements. If users of this report are concerned with the inherent risks arising from electronic data communications they are advised to refer to the hard copy of the audited performance statement to confirm the information included in the audited performance statement presented on this web site.

Scope

The Performance Statement

The accompanying performance statement for the year ended 30 June 2006 of Greater Shepparton City Council consists of the statement, the related notes and the certification of the performance statement.

Councillors' Responsibility

The Councillors of Greater Shepparton City Council are responsible for the preparation and presentation of the performance statement and the information it contains.

Audit Approach

As required by the *Local Government Act 1989*, an independent audit has been carried out in order to express an opinion on the performance statement. The audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the performance statement is free of material misstatement.

The audit procedures included:

- examining information on a test basis to provide evidence supporting the amounts and disclosures in the statement
- obtaining written confirmation regarding the material representations made in conjunction with the audit
- reviewing the overall presentation of information in the statement.

These procedures, which did not extend to an assessment of the relevance or the appropriateness of the performance measures contained within the statement, have been undertaken to form an opinion as to whether, in all material respects, the performance statement is presented fairly in accordance with the *Local Government Act 1989*.

The audit opinion expressed in this report has been formed on the above basis.



AUDITOR GENERAL
VICTORIA

Independent Audit 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. The Auditor-General and his staff and delegates comply with all applicable independence requirements of the Australian accounting profession.

Audit Opinion

In my opinion, the performance statement of the Greater Shepparton City Council in respect of the 30 June 2006 financial year is presented fairly in accordance with the *Local Government Act 1989*.

MELBOURNE
18 September 2006



JW CAMERON
Auditor-General



Greater Shepparton City Council

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