

2011-2012 ANNUAL REPORT

GREATER SHEPPARTON CITY COUNCIL



GREATER
SHEPPARTON



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TRADITIONAL OWNERS

WE, THE GREATER SHEPPARTON CITY COUNCIL, ACKNOWLEDGE THE TRADITIONAL OWNERS OF THE LAND WHICH NOW COMPRISES GREATER SHEPPARTON.

WE PAY RESPECT TO THEIR TRIBAL ELDERS, WE CELEBRATE THEIR CONTINUING CULTURE AND WE ACKNOWLEDGE THE MEMORY OF THEIR ANCESTORS.

OUR LOGO

GREATER SHEPPARTON CITY COUNCIL'S LOGO WAS DEVELOPED FOLLOWING AMALGAMATIONS IN 1994.

The colours reflect the municipality's strong growth and development through the merging of agriculture and water into the wider community.



CARETAKER ELECTION PERIOD

The annual report is being released during the Election Caretaker Period which restricts the publishing of certain information that could be deemed to influence an election outcome.





VISION

GREATER SHEPPARTON, GREATER FUTURE

AS THE FOOD BOWL OF AUSTRALIA, A SUSTAINABLE, INNOVATIVE AND DIVERSE COMMUNITY.

Greater Shepparton City Council provides more than 100 services to the community and a range of community facilities and other support.

Council's vision for a greater future is the cornerstone of the four-year Council Plan which was developed with input from more than 600 people in 2009.

The four-year plan guides Council's strategic direction and budget planning through to 2013 with a commitment to six key strategic objectives, 35 core focus areas and 130 specific actions to help support this vision.

Council's Annual Report provides a summary of progress against the Council Plan priorities for 2011/12 and the associated Annual Budget. The Annual Report also provides a report on the operations and services provided by Council and contains other information required by legislation.

KEY STRATEGIC OBJECTIVES

SETTLEMENT AND HOUSING

Committed to growth within a consolidated and sustainable development framework.

COMMUNITY LIFE

Enhance social connectedness; physical and mental health and wellbeing; education; and participatory opportunities in order to improve liveability and a greater range of community services.

ENVIRONMENT

Conserve and enhance significant natural environments and cultural heritage.

ECONOMIC DEVELOPMENT

Promote economic growth, business development and diversification with a focus on strengthening the agricultural industry

INFRASTRUCTURE

Provide urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

COUNCIL ORGANISATION AND MANAGEMENT

Deliver best practice management; governance; administrative and financial systems that support the delivery of Council programs to the community of Greater Shepparton.





01 AT A GLANCE

A SNAPSHOT OF SOME OF THE MAJOR DECISIONS,
INITIATIVES, PROJECTS, OUTCOMES AND
INFLUENCES FOR 2011/12.

CEO'S MESSAGE

GAVIN CATOR STARTED WITH GREATER SHEPPARTON CITY COUNCIL AS CHIEF EXECUTIVE OFFICER IN JANUARY 2012 FOLLOWING THE RESIGNATION OF THE FORMER CEO IN JULY 2011.

THANKS TO ACTING CEO

I would like to start this CEO message with a special thank you to Julie Salomon who was appointed as Acting Chief Executive Officer from July to December 2011 while my recruitment took place. Julie oversaw a number of major initiatives and provided leadership and guidance to the organisation and community during this interim period. Her handover was a great help as I settled in and began planning for the year ahead and beyond.

ORGANISATIONAL REVIEW — GOOD TO GREAT

One of the first things I started as CEO was an organisational review to identify ways to move the organisation and progress on a journey from good to great.

More than 400 staff participated in the review providing their thoughts on what the organisation could do better, where it could be more efficient, what gaps exist and what barriers currently stood in the way to achieving better outcomes for the community.

The review involved:

- allowing any staff member who wished to have confidential discussions with consultants (approximately 300 staff availed themselves of this opportunity);
- preparing an issues paper which highlighted the issues and provided draft recommendations for consideration;
- providing an opportunity for staff to comment on these identified issues and proposed recommendations;
- developing functional maps to capture service gaps and potential efficiency opportunities;
- providing the opportunity for staff to comment on the functional charts; and
- producing a new organisational structure and a transitional management plan.

The transitional management plan provided key actions across seven key areas:

- strategy and planning;
- leadership and style;
- customer focus;
- people;
- process management, improvement and innovation;
- success and sustainability; and
- elimination of the destabilising influences.

The new organisational structure was introduced in the middle of June. It involved significant organisational change including re-advertising the majority of the Executive roles and re-aligning a number of management roles and functions.

It is my view that this change has helped refocus the organisation a year after the former CEO announced his resignation. I have put structures and plans in place to strengthen connections with the community and support improved service delivery, increase efficiency, provide organisational and community leadership, internal systems and the organisational strategic focus to meet the needs of a growing community.

A report will be presented to Council early in the 2012/13 financial year outlining implementation of the action plans. While there are still some areas under review that require further investigation in 2012/13 I plan to move the executive and senior leadership recruitment through as quickly as possible and it is my expectation that a significant number of these actions will be well underway, if not complete, by September 2012. However it is expected that the organisational change process will not be completed for 12 to 18 months due to the size of the task involved.

I would like to thank all the staff for their willingness to embrace not only the organisational review but also the change process itself.

THE 2013/17 COUNCIL PLAN

Part of this change process will involve the formulation of a new Council Plan for 2013/14 to 2017/18. The council to be elected later this year will be required to prepare a new Council Plan.

Significant planning has occurred for a major consultation to be held in early 2012/13 with 100 staff volunteering to visit thousands of people across the municipality to collect data about their ideas for what will make Greater Shepparton even greater and what Council can do to support that vision.



This project will be launched early in 2012/13 and the data will be collated and presented to the new Council post elections in October to assist with forming the new Council Plan.

Before the program has even been launched, staff and the community have shown great enthusiasm for it and I am confident it will play a key part in refocusing our energies as an organisation into 2012/13 and beyond.

A SPECIAL MENTION ABOUT FLOODS

Another very significant event which impacted on our community and organisation was severe flooding experienced in late February and early March 2012 which followed unprecedented localised rain through the north of our municipality.

The State Emergency Service is the lead agency in the event of a flood but councils provide around the clock support to them during an emergency and have a significant role in providing emergency relief services and longer term flood recovery support.

I was particularly impressed at the way the community pulled together through this disaster and beyond and also at the incredible commitment of Council staff in supporting the community and each other through this difficult period and beyond.

While not wanting to take anything away from those that were impacted, we were very lucky that things weren't any worse than they were and that there was no loss of life as we have unfortunately seen in other flood situations.

I would like to take this opportunity to acknowledge the community for their hard work and determination to get back on their feet at the same time as offering practical support and comfort to each other.

Council has held nearly 20 meetings and events in the communities of Congupna, Katandra West and Tallygaroopna in an effort to support the community and to also look at practical ways in which we may be able to provide engineering solutions as well as pre warning systems to minimise impacts in such an event in the future. We will continue to work with these communities in the 2012/13 financial year.

KEY AREAS	OUTCOME
KEY STRATEGIC ACTIVITIES	<p>Council has achieved significant progress on each of the 11 key strategic activities set for 2011/12, particularly considering the significant impact of flooding, the departure of the former CEO and considerable attention being given to the organisational review.</p> <p>Highlights include:</p> <ul style="list-style-type: none"> • The preparation of redevelopment plans for the Vaughan/Maude Street precinct. • The adoption in June of the Safer City Strategy for the CBD and Victoria Lake Precinct and securing of \$250,000 from the Department of Justice for its implementation which has now commenced. • Securing Building Better Regional Cities funding, and incorporating the Housing Strategy into the Greater Shepparton Planning Scheme.
OPERATIONAL EXPENSES	<p>Council delivered a \$101.2 million operating budget, well within the performance targets set as part of Council's long term strategic financial plan.</p>
CAPITAL WORKS	<p>Council delivered a \$26.2 million capital works program, or 80 per cent of the \$32.9 million originally earmarked at the start of 2011/12.</p> <p>Larger projects include the Shepparton Art Museum redevelopment, Tatura flood mitigation works, Knight Street Drainage upgrade, completion of the Kialla Lakes Drive culverts, Jackson Park refresh and improvements to regional sporting facilities at McEwen Reserve, Central Park and Deakin Reserve, to name a few.</p> <p>The capital works program was revised at the mid-year budget review to account for external delays impacting on Council's contribution to major streetscape works in Vaughan Street and to the Mooroopna West Flood Corridor.</p>
INDEBTEDNESS	<p>Council took up \$3 million in new borrowings in 2011/12, taking total non-current liabilities to \$16.5 million at 30 June. This places council at 16.3 per cent indebtedness as a proportion of own source revenue, well below the 40 per cent target set by the State Government.</p>
ASSET RENEWAL GAP	<p>For 2011/12 the renewal spend against the depreciation measure is approximately 80 per cent, down from a budgeted 90 per cent due to a number of capital projects being carried forward to 2012/13. The floods of 2010, 2011 and 2012 have also impacted on this gap due to damage to key assets.</p> <p>Financial modelling has been targeting the renewal gap expenditure at approximately 90 per cent against the depreciation charge. The introduction of a new asset management system will see Council move from using depreciation as a guide, to a condition based assessment model, with a strong focus on asset management, service planning, and the long term resources needed to support a growing community.</p>

COMMUNITY SATISFACTION SURVEY

An annual state-wide telephone survey measures perceptions of community satisfaction for councils including Greater Shepparton across four key indicators plus overall performance.

In response to feedback from local councils, Local Government Victoria introduced methodological and content changes to the Community Satisfaction Survey in 2012. The changes aim to provide the sector with more reliable and meaningful results to inform decision-making and support strategic planning.

The survey provides core questions as well as optional questions which councils can pick and choose from depending on their particular information and reporting needs. Councils are also able to include tailored questions and sampling requirements.

Methodological improvements to the survey in 2012 included increasing the sample size from the previous minimum of 350 respondents per municipality to 400 and ensuring that the sample reflects the demographic composition of the municipality.

The survey also allows for respondents to be 'residents over 18 years of age' instead of restricting respondents to 'head of household'.

These changes, together with revisions to the performance scale and scoring, have improved the useability of the survey.

However, the changes mean that direct comparison with previous Community Satisfaction Survey results is not possible.

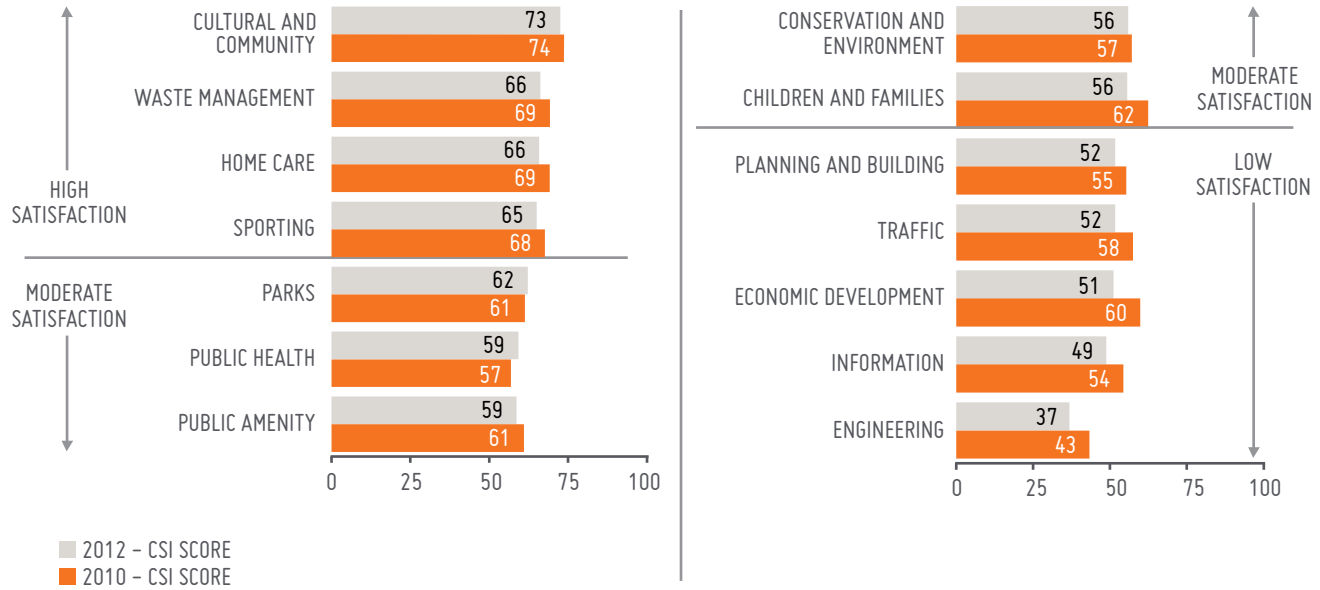
CATEGORY	RATING (2012)	REGIONAL CENTRE AVERAGE
OVERALL PERFORMANCE	55	60
OVERALL COUNCIL DIRECTION	51	52
CUSTOMER CONTACT	68	72
ADVOCACY	55	55
COMMUNITY ENGAGEMENT	56	57

CEO'S MESSAGE

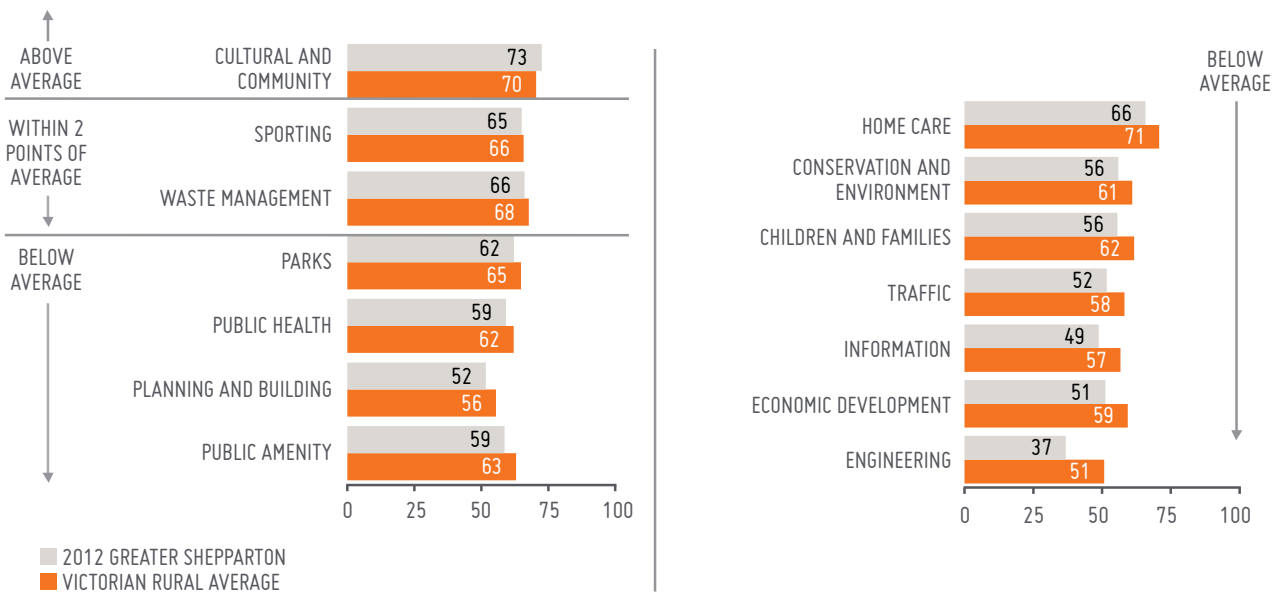
SERVICE AREA RESULTS

In addition to the four key indicators, Greater Shepparton City Council conducts its own independent survey to monitor perceptions of satisfaction with overall performance and 14 key service areas. This survey showed downward trends in satisfaction with all services and a significant downward trend in overall satisfaction across most categories. This information formed a key part of the organisational review focus.

AUSPOLL SERVICE RESULTS — 2012 COMPARED TO 2010

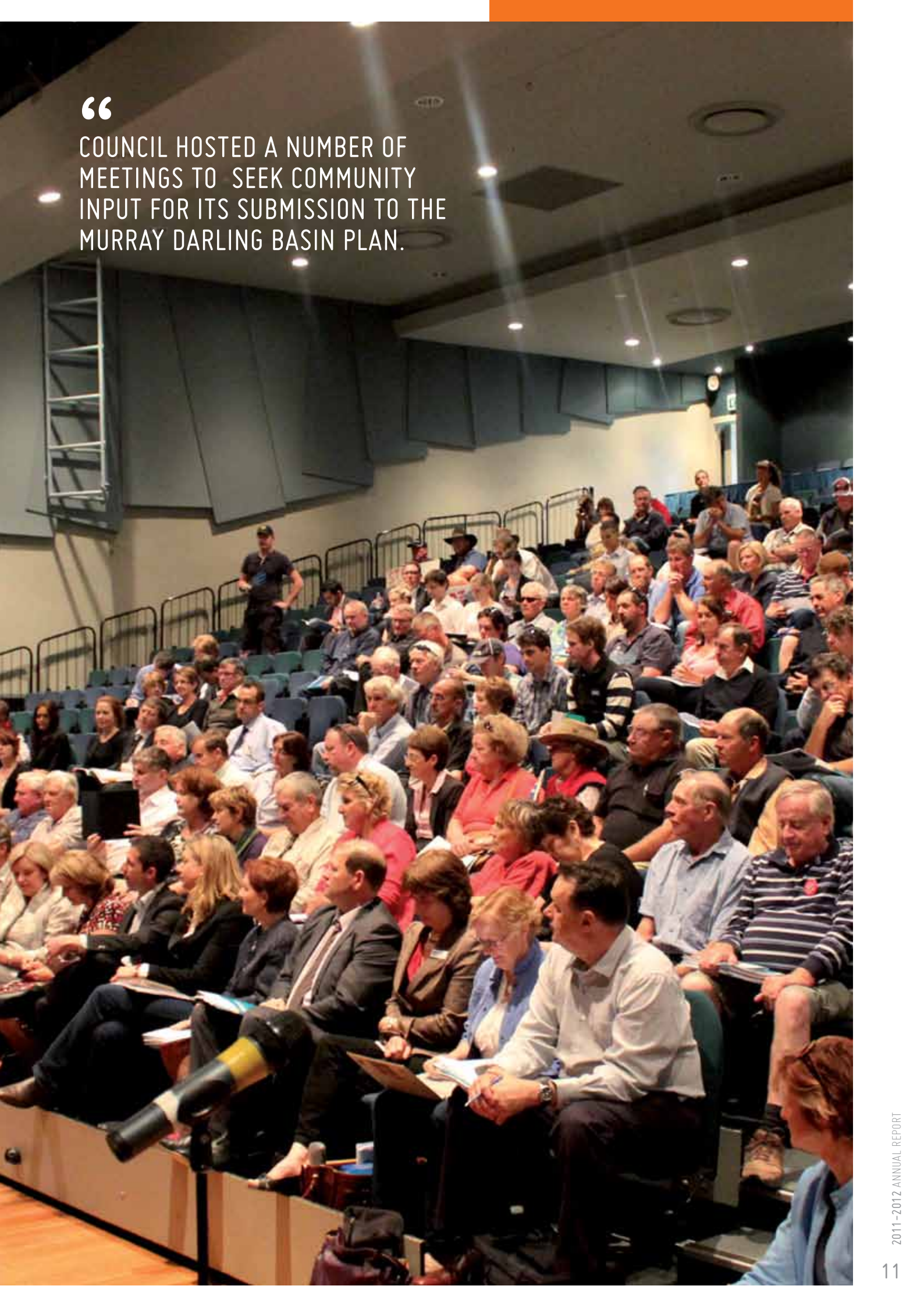


AUSPOLL SERVICE RESULTS — 2012 COMPARED TO VICTORIAN RURAL AVERAGE



“

COUNCIL HOSTED A NUMBER OF MEETINGS TO SEEK COMMUNITY INPUT FOR ITS SUBMISSION TO THE MURRAY DARLING BASIN PLAN.



CALENDAR SNAPSHOT

JULY

- The region shuts down for a large 'Say no to fireblight' rally in Shepparton attracting thousands of people from across the Goulburn Valley.
- The new Murchison Transfer Station opens following a \$700,000 conversion from a former landfill site.

AUGUST

- Council hosts international community development pioneers for a special conference.
- Shepparton hosts the first ever A-League soccer practice match in the municipality featuring Melbourne Heart and New Zealand's Wellington Phoenix.
- Kialla Lakes Drive re-opens following a major upgrade to minimise road closures during a minor or moderate flood.

SEPTEMBER

- KidsFest attracts record crowds.
- Tatura's Crouching Emu Revegetation Project is a finalist in the Keep Australia Beautiful Awards.

OCTOBER

- The GV Link Freight and Logistics Centre land acquisition settles following several years of negotiations.
- New automated and self-cleaning toilets open to the public in Shepparton's Queens Gardens.

NOVEMBER

- A \$350,000 upgrade of turf, spectator viewing, fencing, irrigation and paths finishes at McEwen Reserve's soccer facilities.
- Gavin Cator is named as Greater Shepparton's new CEO.

DECEMBER

- Shepparton is selected to host the launch of the national consultation phase of the revised Murray Darling Basin Plan draft.
- A new Ask of Government advocacy document is launched revealing the top priorities for government support and funding across key sectors in the municipality.
- Cr Michael Polan is named Mayor and Cr Chris Hazelman Deputy Mayor.
- New Christmas decorations are unveiled.
- New lights and a better oval at Central Park Reserve are in place following a \$250,000 upgrade.
- Summer parking retail promotion kicks off with extended parking in the Shepparton Central Business District.

JANUARY

- New CEO Gavin Cator starts.
- The Moooving Art cow herd celebrates their 10th birthday with a special family day at Victoria Park Lake and a new cow added to the herd following a design competition.
- A 3-tonne load limit is in place on the 70-year-old Watts Road bridge due to structural deterioration.
- Greater Shepparton's first Heritage Advisory Committee is formed.
- Greater Shepparton's Safe Communities Advisory Committee is formed.
- Council receives a resolution from the Audit and Risk Management Committee recommending a number of actions to improve governance and strategic planning for the Shepparton Show Me Section 86 Committee.

FEBRUARY

- Shepparton Art Museum re-opens with a new look, a new name and new facilities following a \$1.98 million redevelopment.
- Works on a \$630,000 upgrade of drainage in Knight Street begin.
- Council hosts a series of workshops to seek input for a submission to the Murray Darling Basin Plan including a joint regional submission with the Murray River Group of Councils and Strathbogie Shire.
- Greater Shepparton Women's Charter Alliance Advisory Committee officially forms.
- Council submits the Australian Botanic Gardens Shepparton to the Registrar of Geographic Names for approval to name the former Kialla Landfill site.

MARCH

- Hundreds of women join celebrations to mark International Women's Day.
- Smoke free playgrounds are introduced for the first time in Greater Shepparton.
- Unprecedented rain sees floods badly impact the northern part of the municipality including a number of homes completely inundated, farms underwater and towns and other properties cut off.
- Council adopts a Cultural Diversity and Inclusion Strategy and Action Plan as part of Harmony Week celebrations.

APRIL

- A cycling forum is held to help shape a draft Cycling Strategy.
- The inaugural RiverConnect Festival and Emerge Festivals are held.
- Works on a \$660,000 replacement of rail culverts begin as part of the Tatura Floodplain Management Strategy.
- Greater Shepparton's Heritage Study Stage 2B is released for community input proposing a number of additional places of cultural heritage significance for inclusion within the Heritage Overlay as part of a future amendment to the Greater Shepparton Planning Scheme.
- Council agrees to a Memorandum of Understanding with Goulburn River Valley Tourism.

MAY

- The Sam Jinks sculpture exhibition opens at Shepparton Art Museum and breaks all attendance records for the facility.
- Permanent two hour parking is introduced in Shepparton's Central Business District following a special retail promotion and extended trial.
- Council takes its 2012/13 draft budget on the road to seek community input.
- A new \$120,000 shelter opens at Deakin Reserve providing seating for about 150 people.
- Council introduces household battery recycling permanently following a successful trial that saved more than 270 kgs of batteries from ending up in landfill.

JUNE

- The first of several information sessions are held for the upcoming October Council elections.
- Fraser Street toilets in the Shepparton Mall are upgraded.
- The Vaughan Street retail precinct sells after the previous developer went into receivership leaving the large development site vacant.
- SPC Ardmona announces a \$90 million upgrade to its Mooroopna and Shepparton food manufacturing plants including new product lines.
- An organisational review is unveiled with significant structural changes and an accompanying issues paper and action plan to improve service delivery and efficiency.
- The Victorian Planning Minister approves an amendment to incorporate the Greater Shepparton Housing Strategy into the Planning Scheme.
- Council is named as one of three regional cities in Victoria to receive funding through the Building Better Regional Cities Program. Council will receive more than \$5.4 million through the program to support flood mitigation works in the Mooroopna West Growth Corridor.
- The draft Adaption Action Plan for a Future With Less Water is endorsed following widespread consultation.



THE SAM JINKS EXHIBITION SET A NEW ATTENDANCE RECORD FOR THE SHEPPARTON ART MUSEUM. PICTURED IS ARTIST SAM JINKS WITH HIS SCULPTURE, WOMAN AND CHILD.





02 ABOUT US

A PROFILE OF OUR REGION AND OUR ORGANISATION

OUR REGION

GREATER SHEPPARTON IS A VIBRANT, DIVERSE COMMUNITY LOCATED APPROXIMATELY TWO HOURS NORTH OF MELBOURNE IN THE HEART OF THE GOULBURN VALLEY — THE FOOD BOWL OF AUSTRALIA.

As a major regional centre experiencing strong growth, Greater Shepparton offers an enviable lifestyle and diverse employment base through our urban and rural communities.

OUR LOCATION

New Census data has just been released for some key demographic elements of the City of Greater Shepparton geographic area.

- Nearly 62,000 people over 2421 square kilometres.
- Fifth largest regional centre in Victoria.
- One of the fastest growing regions in Victoria.
- Centrally located along the Goulburn and Broken Rivers.
- Easy access to the Goulburn Valley and Midland Highways providing great transport connections and lifestyle opportunities.
- Two hours' drive from Melbourne and excellent road connections to Adelaide, Canberra, Sydney and Brisbane.
- Greater Shepparton's population is split between the urban areas of Shepparton, Mooroopna, Kialla and

Tatura and the smaller centres and rural areas in and around Congupna, Dookie, Katandra, Kialla West, Merrigum, Murchison, Tallygaroopna, Toolamba and Undera.

- This split reflects the range of lifestyle choices available across the municipality, from small urban blocks close to high-quality amenities, through to lifestyle properties as well as large working orchards and farms.

POPULATION

- From 2006 to 2011, the City of Greater Shepparton's population increased by 3354 people (5.9 per cent). This represents an average annual population change of 1.18 per cent per year over the period.

COUNTRY OF BIRTH

- 13 per cent of people were born overseas.
- 27 per cent arrived in Australia within the last five years.
- The largest changes in country of birth from 2006 to 2011 were India (+581), Afghanistan (+436) and Sudan (+140).

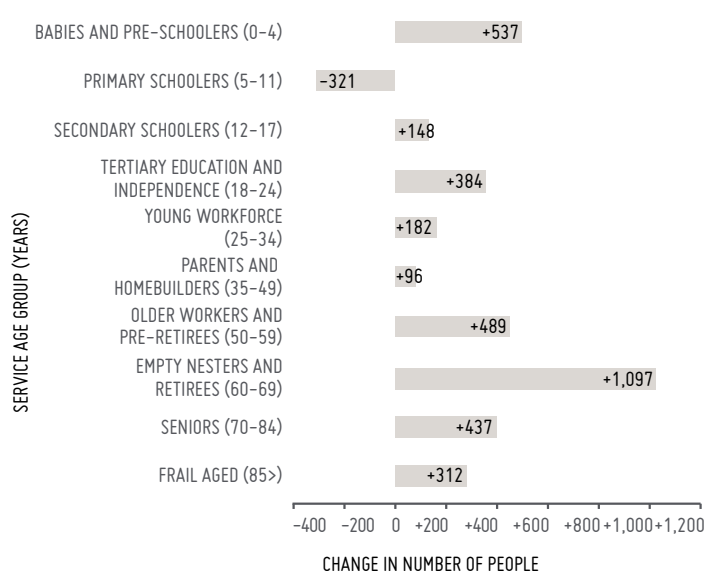
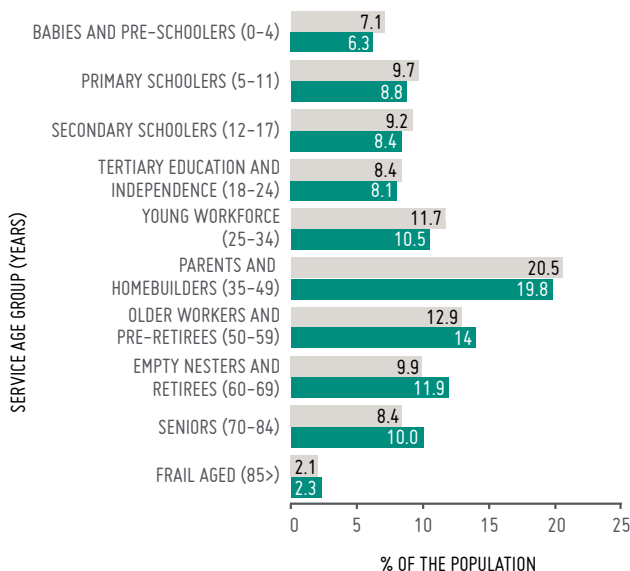
LANGUAGES SPOKEN

- 10 per cent of people come from countries where English is not the first language.

- 12 per cent of people speak a language other than English at home.
- Italian, Arabic, Persian/Dari, Turkish, Albanian, Punjabi, Greek, Macedonian, Mandarin and Filipino/Tagalog are the most commonly spoken languages other than English.
- Between 2006 and 2011, the number of people who spoke a language other than English at home increased by 1910 or 34 per cent and the number of people who spoke English only increased by 1020 or 2 per cent.
- The largest changes in the spoken languages were Persian/Dari (+530 people), Punjabi (+357 people), Arabic (+321 people) and Italian (-122 people).

AGE

- Compared to regional Victoria, Greater Shepparton has a higher percentage of people in all age groups between 0-44.
- The largest changes in age structure between 2006 and 2011 were in the 60-64 age group (+731 people), the 0-4 age group (+537 people), the 25-29 age group (+368 people) and the 65-69 age group (+366 people).



OUR ECONOMY

- Estimated gross economic output of \$6.9 billion per annum.
- The region's export-focused agricultural industries generate about 25 per cent of the total value of Victoria's agricultural production.
- Irrigated agricultural industry generates produce worth approximately \$480 million gross value per annum and our rural food processing industries produce an annual gross value of approximately \$3.3 billion.
- The \$2 billion Northern Victoria Irrigation Renewal Project (NVIRP) is the biggest investment of its kind in Australia, with automated technology and repairs to outdated channels dramatically improving water delivery and efficiency. The modernisation of the region's irrigation network will bring it to a world-class standard.
- Major employers include SPC Ardmona, Campbell's Soups, Tatura Milk Industries, Unilever, Snow Brand, Greater Shepparton City Council, Department of Primary Industries, Goulburn Valley Health, Goulburn-Murray Water, GOTAFE, La Trobe University and the University of Melbourne.
- Greater Shepparton is known as regional Victoria's largest truck sales and service centre and is recognised as a major transport hub of regional Australia.
- Greater Shepparton industries are exporting their products, technology and expertise to markets all over the world.
- As a regional hub, Greater Shepparton businesses and organisations provide a range of goods and services to a catchment of approximately 160,000 people.

OUR EDUCATION

- Greater Shepparton's top-class education facilities offer a high standard of learning from primary through to tertiary level.
- The Shepparton region boasts 26 primary schools and six secondary colleges, with students able to choose from government, Catholic or private education.
- Council's plan to develop Shepparton as a "University City" is well on its way with the University of Melbourne's Shepparton and Dookie campuses and La Trobe University's Shepparton campus offering a range of courses and degrees. The Goulburn Ovens Institute of TAFE (GOTAFE) caters to many educational and training needs at its two Shepparton campuses and Victoria University has provided a number of courses in partnership with local service providers.

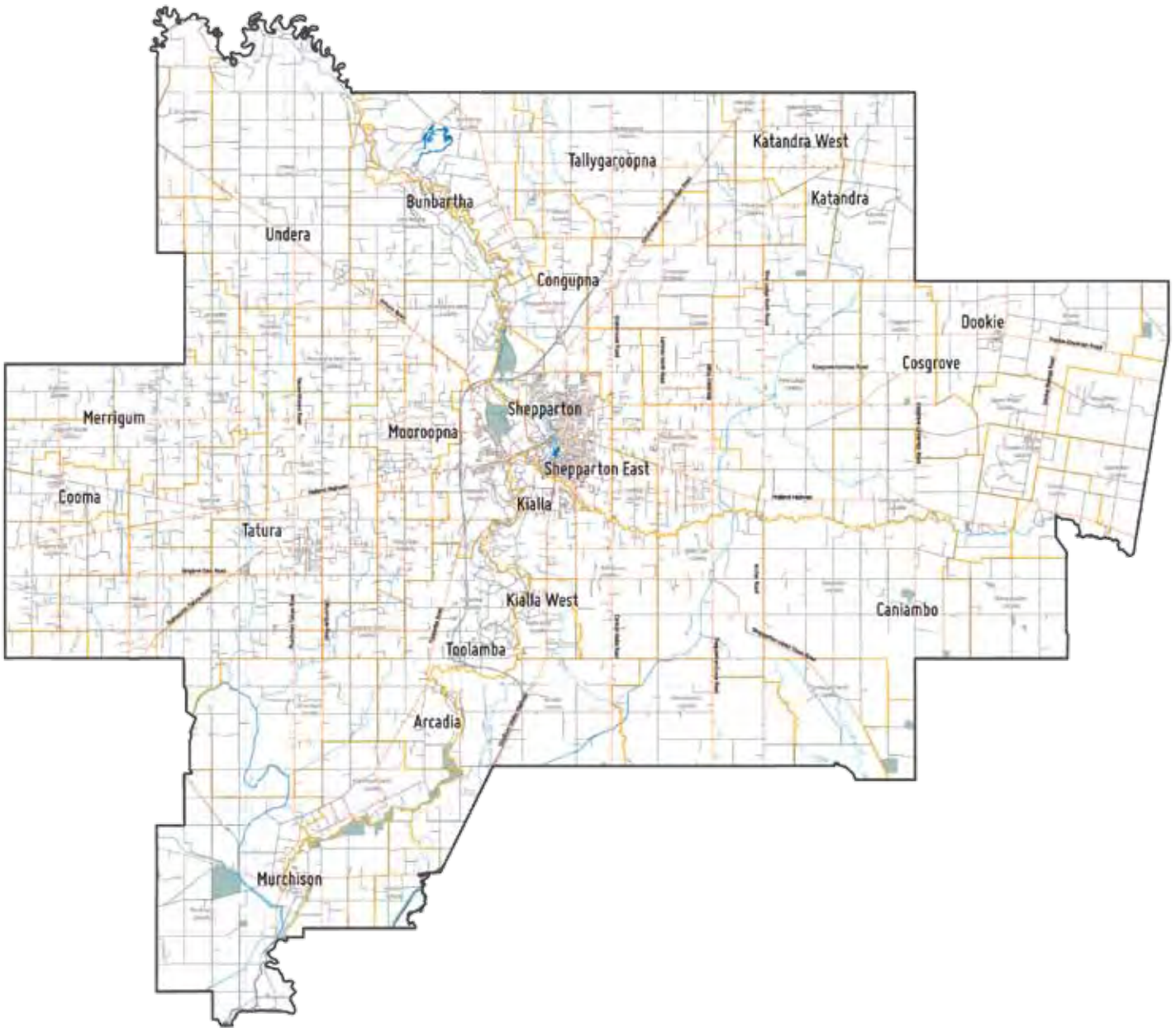
OUR ARTS AND EVENTS

- The region is home to the SheppARTon Festival, the Moooving Art public art display and the Shepparton Art Museum, which houses one of Australia's leading ceramics collections and hosts a major Australian Indigenous art award.
- The area is also home to Kaiela Gallery, featuring emerging Indigenous artists.
- Greater Shepparton also provides sponsorship and in-kind support for other major events including International Dairy Week, the Australasian Schools Cycling Cup, the Australian National Piano Award and the Spring Car Nationals.













THE SCULPTURED SNAILS WERE ONE OF THE FEATURE ATTRACTIONS AT THE SAM JINKS BODY IN TIME EXHIBITION AT SHEPPARTON ART MUSEUM.

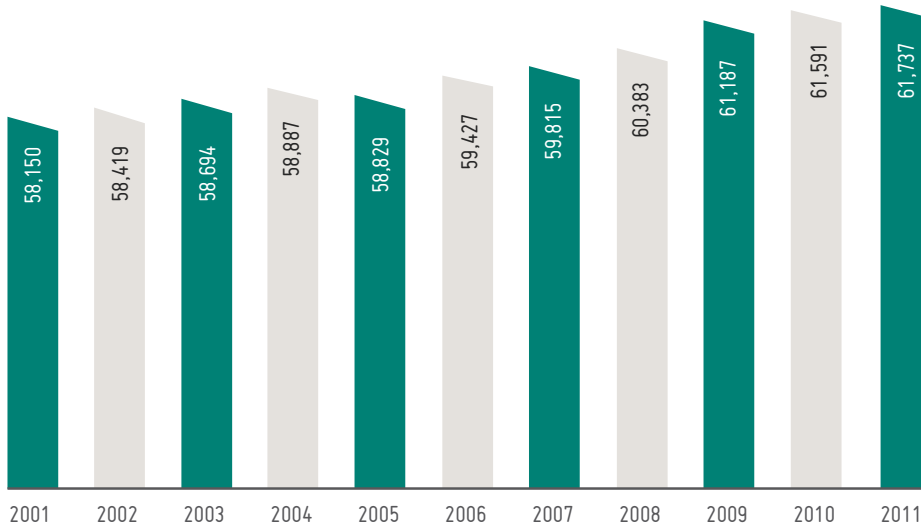
ELECTORAL STRUCTURE



KEY

-  Locality Boundary
-  Freeway
-  Main Road
-  Collector Road
-  Road
-  Unsealed Road
-  River/Creek
-  Railway Line
-  Lake
-  Parks & Reserves

ESTIMATED RESIDENT POPULATION, CITY OF GREATER SHEPPARTON



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0).
Compiled and presented by .id the population experts

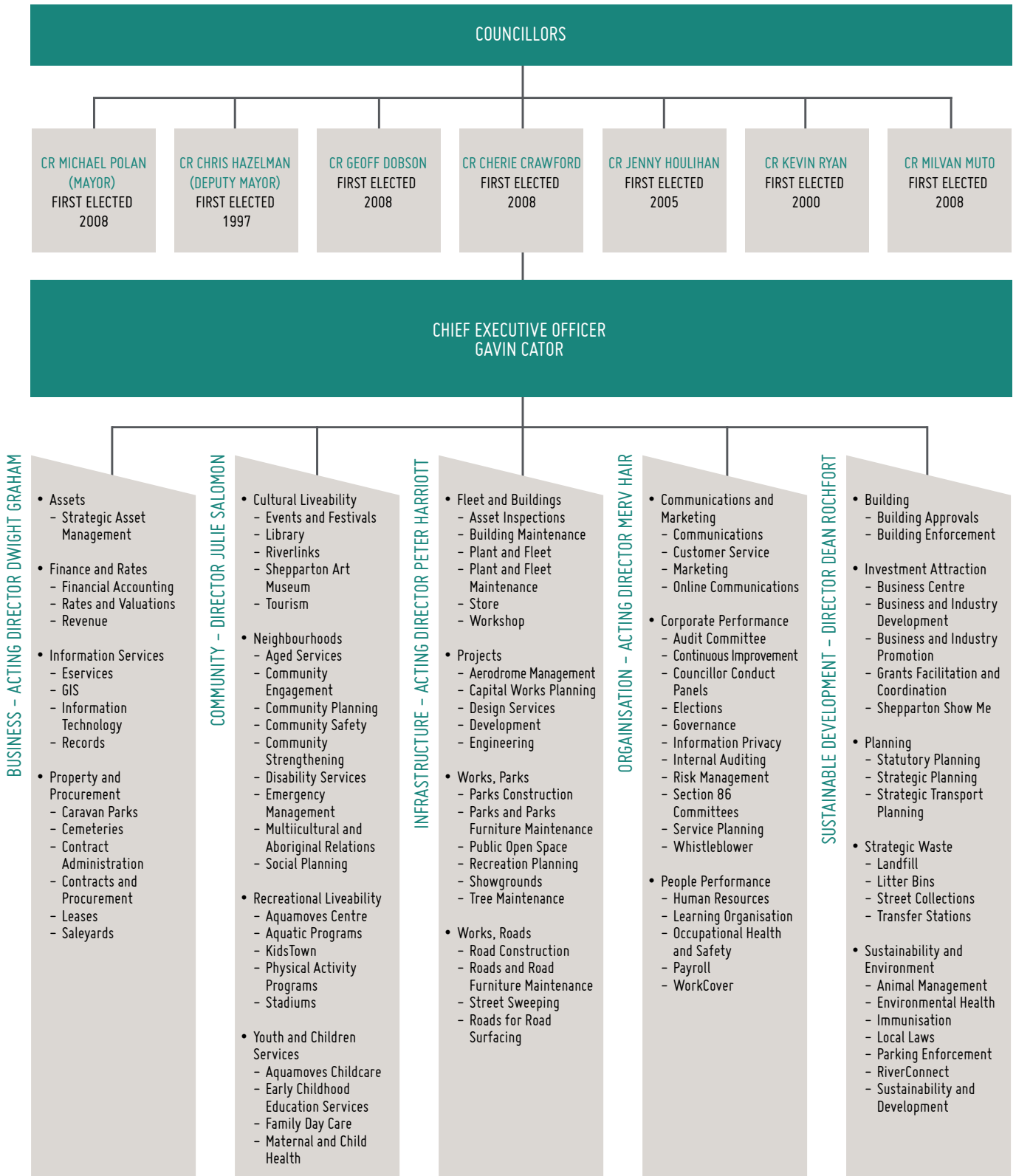
2011	CITY OF GREATER SHEPPARTON	REGIONAL VIC	VICTORIA	AUSTRALIA
MEDIAN AGE	38	41	37	37
MEDIAN WEEKLY HOUSEHOLD INCOME	\$980	\$945	\$1,216	\$1,234
COUPLES WITH CHILDREN	30%	27%	32%	31%
OLDER COUPLES WITHOUT CHILDREN	10%	11%	9%	9%
MEDIUM AND HIGH DENSITY HOUSING	13%	11%	23%	25%
HOUSEHOLDS WITH A MORTGAGE	33%	32%	34%	33%
MEDIAN MONTHLY MORTGAGE REPAYMENT	\$1,300	\$1,300	\$1,700	\$1,800
MEDIAN WEEKLY RENT	\$185	\$190	\$277	\$285
HOUSEHOLDS RENTING	28%	24%	26%	29%
NON-ENGLISH SPEAKING BACKGROUNDS	10%	6%	20%	16%
UNIVERSITY ATTENDANCE	2%	2%	5%	4%



OUR ORGANISATION

AS AT 30 JUNE 2012

A new structure was introduced on 14 June 2012 following an extensive organisational review.



OUR EXECUTIVE



CHIEF EXECUTIVE OFFICER

Gavin Cator

Gavin Cator has more than 20 years of senior management experience in local government.

Gavin has spent his entire working life in local government. Gavin holds a Bachelor of Civil Engineering and a Graduate Diploma in Municipal Engineering.

He has also served in sector leadership roles including as President of Local Government Professionals (LGPro) in Victoria and as a National Director of Local Government Managers Australia (LGMA). Gavin is also a graduate of the Australian Rural Leadership Program and has a passion for leadership development.

He has been heavily involved in Australian Rules Football. He is currently on the Goulburn Valley Football League Board and has previously been President of the Murray Football League and a Board Member of the Murray and Ovens Football Netball League.



ACTING DIRECTOR BUSINESS

Dwight Graham

Dwight Graham started his employment at Greater Shepparton City Council in September 2008 after relocating from his homeland, New Zealand.

His previous roles include Chief Financial Officer at Speirs Group, a food and financing company, and the Finance Manager at Palmerston North City Council, both in New Zealand.

Prior to these roles Mr Graham was in the New Zealand Air Force for 21 years as an Avionics Engineer.

Mr Graham lives in south Shepparton with his wife and daughter, while another daughter attends University in New Zealand. He coaches Congupna Netball A Grade team and keeps fit with early morning running and cycling.

Mr Graham is a Chartered Accountant whose qualifications include a Certificate in Engineering (Electronics & Computer Technology), a Bachelor of Business Studies (Accountancy) and a Master in Business Administration.



DIRECTOR COMMUNITY

Julie Salomon

Julie Salomon began her role as the General Manager Community Development in May 2010.

Ms Solomon has had extensive experience in public sector human service provision, leadership, management, contemporary service planning and strategic policy development within local and state government environments.

Prior to Greater Shepparton City Council, she was the Manager Family and Children's Services at the City of Yarra for two and a half years and before that held positions with Banyule City Council and the Department of Human Services in the Family and Children's Services area.

Ms Solomon has a strong commitment to social justice and energising communities to become involved and participate in planning for local areas and services to move towards a more sustainable future for everyone. Ms Solomon is married and has a young daughter who attends school in Shepparton.

Her qualifications include Diploma of Teaching (Early Childhood), Graduate Diploma in Special Education, Graduate Certificate of Applied Business and Graduate Certificate in Ontological Coaching.



ACTING DIRECTOR INFRASTRUCTURE

Peter Harriott

Peter Harriott has more than 20 years experience in local government, starting as a graduate engineer in Warrnambool in 1985.

He secured promotions in his field of engineering at a number of rural councils prior to his appointment in 2000 at the Greater Shepparton City Council where he started as the Director of Development and Infrastructure.

Peter's qualifications include a Bachelor of Engineering (Civil), Municipal Engineer's Certificate, Water Engineer's Certificate, Graduate Certificate in Water Engineering, Municipal Building Surveyor and a Master of Business Administration.



ACTING DIRECTOR ORGANISATION

Merv Hair

Merv has more than 40 years experience in local and state government authorities at a senior management level. He has formal qualifications in Business Studies - Local Government and is a qualified Municipal Clerk.

Merv has broad experience and understanding in many areas including corporate governance, strategic planning, organisational development, continuous improvement, business planning, policy development, risk management, financial management and reporting, enterprise bargaining, internal audit frameworks and regional library services.



DIRECTOR SUSTAINABLE DEVELOPMENT

Dean Rochfort

Dean Rochfort holds a Bachelor of Business (Economics & Finance) from the Royal Melbourne Institute of Technology and an Executive Masters in Business Administration through the Melbourne Business School.

Before taking up his current position in August 2009, Dean held the role of Director - Corporate and Economic Development from November 2004.

He also spent a year as the Organisational Development Manager with Mitchell Shire following two years as Mitchell Shire's Tourism and Economic Development Manager. Prior to his move to local government, Mr Rochfort had private sector experience in the Information Technology, Natural Resources and Transport industries.

Dean is a Director of the United Way Goulburn Valley Community Fund.

OUR VALUES

ORGANISATIONAL VALUES

Greater Shepparton City Council is a values-driven organisation. Our values are:

Leadership

I will set an example that encourages others to strive for positive community outcomes to the best of our ability.

Integrity

I will be honest and ethically upright – I am my word.

Respect

I will show consideration and appreciation of others and seek to understand their point of view.

Innovation

I will think outside the square, challenge the status quo and seek continuous improvement through the application of new ideas and work methods.

Teamwork

I will build the understanding that we all work for the one organisation.

OUR AWARDS

YEARS OF SERVICE

The second annual Years of Service and Service Excellence Awards are held in November 2011.

Years of Service awards are provided for staff who reached their five, 10, 15, 20 and 25 years of service in the 2011 calendar year.

Awards were presented to 27 people for reaching the five year milestone, 29 people for 10 years, 10 people for 15 years, five people for 20 years and five people for 25 years. Special awards were also presented to six staff for 30+, 35+ and 40+ years of service.

SERVICE EXCELLENCE

As well as years of service, Greater Shepparton City Council staff were recognised for outstanding service excellence in four categories reflecting Council's values and business excellence commitment.

There are four categories in the Service Excellence Awards:

- Living the Values
- Above and Beyond
- Customer Experience
- Operations Excellence

Staff can make nominations throughout the year for colleagues they believe have demonstrated high levels of service excellence.

Nominees receive a certificate at staff meetings throughout the year and are then in the running for the Overall Service Excellence Awards which are presented at the Reward and Recognition Ceremony.

There were 26 nominations across the four excellence categories.

LIVING THE VALUES

Chris Widdicombe, Maternal and Child Health

Chris has helped oversee the challenging transition of the Maternal Child Health Service from Goulburn Valley Health to Council.

CUSTOMER SERVICE

Greg Sidebottom, Kristie Welch and Liz Adams

Greg, Kristie and Liz received the award for Customer Service. The three were asked by the Customer Service, Innovation and Systems Integration Cross-Functional Working Group to conduct an internal customer service survey.

ABOVE AND BEYOND

Paul Dainton, Victoria Park Lake

Paul demonstrated exceptional performance and commitment with the planting of the flora around and in the wetlands at Victoria Park Lake.

OPERATIONS EXCELLENCE

Arthur Dickmann Childcare Centre

The Arthur Dickmann Childcare Centre received the award for Operations Excellence. The Childcare Centre received outstanding results in the National Childcare Accreditation Council audit. Staff worked to build on the quality of their programs between audits which resulted in them achieving the highest possible results across all areas.



GREATER SHEPPARTON CITY COUNCIL STAFF WERE RECOGNISED FOR OUTSTANDING SERVICE EXCELLENCE.



THE DEDICATION AND CONTRIBUTION OF OUR LONG SERVING COUNCIL STAFF IS REMARKABLE AND THE AWARDS PROVIDE A GREAT OCCASION TO SHOW OUR APPRECIATION, CELEBRATE THESE MILESTONES AND HIGHLIGHT THE BEST EXAMPLES OF SERVICE EXCELLENCE FROM THE PAST YEAR

— ACTING CEO, JULIE SALOMON SPEAKING AT THE AWARD CEREMONY IN NOVEMBER 2011.

INDUSTRY RECOGNITION

Sir Rupert Hamer Records Management Awards

The Sir Rupert Hamer Records Management Awards recognise achievements in good records management practice within Victorian government agencies and local community archives.

Greater Shepparton City Council and the Shepparton Family History group received an award for using digital technology to preserve the rates books from the former Shire of Rodney.

Council also received an award for 'Going Digital With Financial Information' for a project to digitise incoming invoices and streamline business practice to improve efficiency and accessibility as well as saving paper and reducing Council's environmental footprint.

Institute of Public Works Engineers Australia (IPWEA), Victoria Awards for Excellence, Innovation/Service Delivery Award

The Infrastructure Design Group developed an Infrastructure Design Manual. The group represents 32 councils across Victoria and is spearheaded by Greater Shepparton City Council.

The group developed a common Infrastructure Design Manual (IDM) for use by local government and stakeholders to develop more consistent design requirements and encourage sharing of leading edge ideas and practices.

Other recognition

- The Victoria Park Lake redevelopment was one of 20 projects shortlisted for the IPWEA Victoria Awards for Excellence in the Projects over \$3 million category.
- Greater Shepparton City Council's Family Day Care Service was one of three finalists shortlisted for

the Australian Family Early Education and Care Awards in the Early Childhood Service Provider of the Year category.

- The North East Regional Development Scheme received an award for regional collaboration at the National Awards for Local Government. Indigo Shire Council administers the online training portal for members across north east Victoria including Greater Shepparton City Council.
- The Crouching Emu Revegetation Project was a finalist in the annual Keep Australia Beautiful Awards – Community Government Partnership category.
- The Greater Shepparton Business Centre was nominated for the annual Regional Achievement and Community Awards – Business Achievement.
- Greater Shepparton on the Moove, incorporating the twilight strolls, pedometer challenge and walking path networks was a finalist in the 2011 Regional Achievement and Community Awards - Healthy Participation.
- KidsTown was a finalist in the annual Powercor 95.3SR FM Business and Services Tourism Excellence Award.
- Donna Rodda who primarily works at the Shepparton Sports Stadium was a shortlisted finalist for the Aquatics and Recreation Victoria Group Exercise Instructor of the Year Award. This was an especially significant achievement as the nominations were the highest in the history of the award with more than 50 nominations from across Victoria. Donna was recognised for her experience and expertise in developing and delivering high quality programming for older adults and people with special needs by creating a welcoming, vibrant environment that facilitates improved health and lifestyle outcomes for her participants.

- The 2010/11 Annual Report was shortlisted for the 2012 MAV Annual Report Awards.

LEARNING AND DEVELOPMENT

Council also provides a range of learning and development opportunities for staff with a focus on continuous improvement and business excellence. Highlights from 2011/12 include:

- Staff participation and support for the Fairley Leadership Program, a regional leadership development program.
- More than 20 staff took part in an accelerated Diploma of Management with sessions hosted by Victoria University in Shepparton.
- A 12-week Mentor Program was provided matching mentors and mentees and providing support with training, resources and support throughout.
- Ongoing support and training through Council's Business Excellence Continuous Improvement program.
- Online learning modules introduced for inductions and other corporate training.
- Council conducted its second organisational climate survey in early 2012. The survey results were used as part of the organisational review.
- Streamlining training, development and performance management initiatives with a view to developing a corporate training program with a focus on core skill requirements of staff in key positions across the organisation.

EQUAL OPPORTUNITY AND HUMAN RIGHTS

Council is committed to the principles of equal opportunity and has an Equal Opportunity Policy to formalise this commitment.

The policy reflects Council's 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.

It states that:

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 irrelevant 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 Victorian Charter of Human Rights and Responsibilities Act 2006 aims to protect human rights of all people in Victoria by requiring that government and other public authorities observe these rights when making decisions, creating laws, setting policies and providing services.

Greater Shepparton City Council is committed to the principles in the charter and is developing a Human Rights Policy and training program.

Ongoing training and information about equal opportunity and human rights is provided as part of Council's formal induction program for employees including a focus on Council's commitment to the principles of the LEAD (Localities Embracing and Accepting Diversity) program.

Council's Enterprise Bargaining Agreement also reflects a range of family friendly benefits and flexible working arrangements acknowledging our commitment to being a family friendly workplace.

EQUAL OPPORTUNITY STATISTICS

As at 30 June 2012, Council had 540 full time and part time staff (457.79 equivalent full time). Council also had a number of casual staff contributing hours worth approximately 25.74 equivalent full time roles per week.

OCCUPATION TYPE (FULL TIME AND PART TIME STAFF)			
	MALE	FEMALE	TOTAL
CEO	1	-	1
EXEC MANAGERS	4	1	5
MANAGERS	14	8	22
TECHNICAL	44	25	69
LABOURERS	116	3	119
ADMINISTRATION	53	163	216
CHILDRENS SERVICES	0	108	108
TOTAL	232	308	540

BASIS OF EMPLOYMENT (FULL AND PART TIME)			
	MALE	FEMALE	TOTAL
FULL TIME	216	137	353
PART TIME	16	171	187
TOTAL	232	308	540

BASIS OF EMPLOYMENT (EFT INCLUDING CASUAL HOURS)			
	MALE	FEMALE	TOTAL
FULL TIME	215.87	137	352.87
PART TIME	7.45	97.47	104.92
TOTAL	223.32	234.47	457.79
CASUAL	5.91	19.83	25.74
TOTAL INCLUDING CASUAL EFT	229.23	254.3	483.53

Please note, these figures are different to the ones used in the draft 2012/13 budget as further conversion of casual staff to permanent part time positions has occurred.

“

ABORIGINAL STUDENTS DANCED AND SPOKE AT A PUBLIC SORRY DAY COMMEMORATION CEREMONY IN MONASH PARK, SHEPPARTON, ON MONDAY 28 MAY.







03 OPERATING REPORT

A SUMMARY OF SOME OF THE MAJOR INITIATIVES,
PROJECTS, EVENTS, STRATEGIES, MILESTONES
AND SERVICE HIGHLIGHTS DURING 2011/12.

OPERATING REPORT

COUNCIL PLAN PERFORMANCE

Greater Shepparton City Council's vision is for a greater future for the municipality as the Food Bowl of Australia and a sustainable, innovative and diverse community.

This vision is the cornerstone of the four-year Council Plan which was developed with input from more than 600 people in 2009 to guide Council's strategic direction and budget planning through to 2013.

The Plan commits Council to 35 core focuses and 130 specific actions around six themes to help support the vision for the Greater Shepparton municipality.

Each year, Council's Work Plans and Budget are set against the backdrop of the priorities identified in the Council Plan.

The following is a report of the status of actions in the four year plan as well as some highlights from Year Three (2011/12) of the four year plan. The audited Performance Statement also provides a summary of performance against some of the key strategic activities identified at the start of 2011/12.

- ✓ Target achieved
- Progressing to achieve target
- ✗ Not achieved

1. SETTLEMENT AND HOUSING

A commitment to growth within a consolidated and sustainable development framework.

OBJECTIVE	OUTCOME	STATUS
Encourage innovative, appropriate, sustainable and affordable housing solutions.	This is being progressed through implementation of the Greater Shepparton Housing Strategy. Actions include successful grant application for Building Better Regional Cities funding for the provision of more affordable housing in Mooroopna West, and provision of a diverse and accessible housing within the Shepparton North East Growth Corridor.	■
Encourage sustainable municipal growth and development.	Actively participated in promoting the region through the Regional Victoria Living Expo.	■
Revitalise and promote the Shepparton CBD as the region's premier retail and entertainment destination.	Vaughan Street design complete.	■
	Bus interchange and Maude Street concept design work underway.	■
	Ongoing development of Shepparton Show Me promotional program.	■
	Summer and Winter City Markets held.	■
	CBD Strategy implementation underway.	■
	Safer City Strategy implementation underway.	■

“

SOME OF THE ENTERTAINERS AT THE 10TH BIRTHDAY CELEBRATIONS FOR THE MOOVING ART COW HERD.



OPERATING REPORT

2. COMMUNITY LIFE

To enhance social connectedness, physical and mental health and well being, education and participatory opportunities in order to improve liveability and a greater range of community services.

- ✓ Target achieved
- Progressing to achieve target
- ✗ Not achieved

OBJECTIVE	OUTCOME	STATUS
Redevelop the Victoria Park precinct.	This project has been substantially completed with the major infrastructure work finished allowing water to be returned and a range of recreational activity to take place on the lake and in the surrounding area.	✓
	Redevelop Aquamoves as a regional community aquatic facility.	<p>The Leisure Pool and Splash Park have been completed.</p>
Embrace and strengthen cultural harmony and diversity.	Aboriginal Partnerships Officer employed and actively engaging with the community. Further strategic work on an Aboriginal Partnership plan to be developed.	■
	Cultural Diversity Strategy adopted March 2012.	✓
	Council activities continue to support cultural harmony and inclusiveness, eg the Emerge Festival, Harmony Day, Refugee Week, Reconciliation Week, Sorry Day and NAIDOC Week.	✓
	LEAD (Localities Embracing and Accepting Diversity) Council developed and implemented a Council Action Plan focused on ensuring policies and procedures are welcoming and inclusive of all cultures. LEAD rolled out equal opportunity and pro diversity training to Council staff, six schools and businesses in the region, and began work with two local sporting clubs. LEAD will continue to work with these organisations until September 2013 with the aim to reduce race based discrimination and increase positive diversity.	■
Provide a safe and family friendly community.	The Safer City Strategy was adopted the previous year and actions to progress this continue apace. This includes securing funding for the implementation of a closed circuit television system in the Shepparton Central Business District.	✓
	Developed Municipal Fire Management Plan.	■
Increase education and learning opportunities for our community.	Implemented actions and activated a leadership group arising from Tertiary Education Strategy.	■
	Continue to lobby other tiers of government for regional trades regeneration, funding for educational infrastructure and the development of the University of Melbourne's Dookie campus into a 21st century research and education centre.	■
Develop and pursue strategies to improve community health and wellbeing.	The Positive Ageing Strategy is now into its third year and the action plan continues to be implemented.	✓
	The Emergency Management Plan has been reviewed twice yearly and funding has been secured for dedicated emergency management positions.	✓
	The Municipal Early Years Plan has been completed and the draft of the new plan was approved for public consultation.	✓
	The highest standards of accessibility and inclusion have been sought, with a dedicated access and inclusion officer engaged to support activities across Council, in addition to the Disability Advisory Committee providing strategic advice on all major undertakings.	✓
	Youth engagement opportunities have continued, with the adoption of the youth safety report and youth action plan during the year.	✓
	Support has been provided to increase the quality of Aboriginal health outcomes with Council's ongoing support of the strategic work being undertaken by the Kaiela Institute and in particular the social inclusion project.	✓
	Significant work has been undertaken on developing a Universal Access Plan, with a very active Disability Advisory Committee working closely with Council on a range of key projects.	■

✓ Target achieved
■ Progressing to achieve target
✗ Not achieved

OBJECTIVE	OUTCOME	STATUS
Develop a range of active and passive recreational facilities at the former Kialla landfill site.	The Kialla Landfill site has undergone a major rehabilitation and the major construction tasks of capping and stabilisation of banks has been completed. Access to the site has been improved by the construction of paths and a viewing platform allows for views of the entire site, surrounding areas and as far as the Strathbogie Ranges.	✓
Ensure social issues are actively considered when making planning decisions.	This is being progressed through implementation of the Greater Shepparton Housing Strategy, and input on relevant planning permit applications.	■
Develop and promote local community sporting facilities.	This is being progressed through provision of local active open space facilities within the Shepparton North East and South East Growth Corridors. A range of facilities continue to be provided on an annual basis across the whole municipality.	■
Develop and promote the Shepparton Sports Precinct as a significant regional Victorian multi-sport complex.	The Shepparton Sports Precinct has seen improvements in signage, car parking and fencing. Major redevelopment has related to the provision of premier soccer facilities.	✓
Develop the Shepparton Showgrounds in accordance with the Master Plan.	Works have continued at the Shepparton Showgrounds with the official opening of the impressive multi-purpose pavilion, completion of the retardation drainage works and landscaping. Future works will include the completion of the grassed arena, promenades and amenities for the Multipurpose Pavilion.	■
Provide affordable and sustainable community services.	Services to seniors have been reviewed and continue to be delivered. Ongoing funding concerns from the State and Commonwealth Government will require reviewing our activity annually in line with a low level of grant indexations.	✓
	The level of children's services remain high, with occasional care services still being provided after funding was withdrawn. A new Council operated kindergarten was opened this year in conjunction with the Department of Education and Early Childhood Development – the Arthur Mawson Kindergarten.	✓
Value arts and culture as an integral part of a dynamic community.	A broad range of arts events continue to be held across Greater Shepparton, including; the SheppARTon festival, the Sidney Myer International Ceramic Award, the Indigenous Ceramic Award, the Australian National Piano Award and this year, the Emerge Festival was added to the portfolio of key events.	✓






SHEPPARTON'S CBD PLAYS A KEY PART IN COMMUNITY LIFE.

OPERATING REPORT

3. ENVIRONMENT

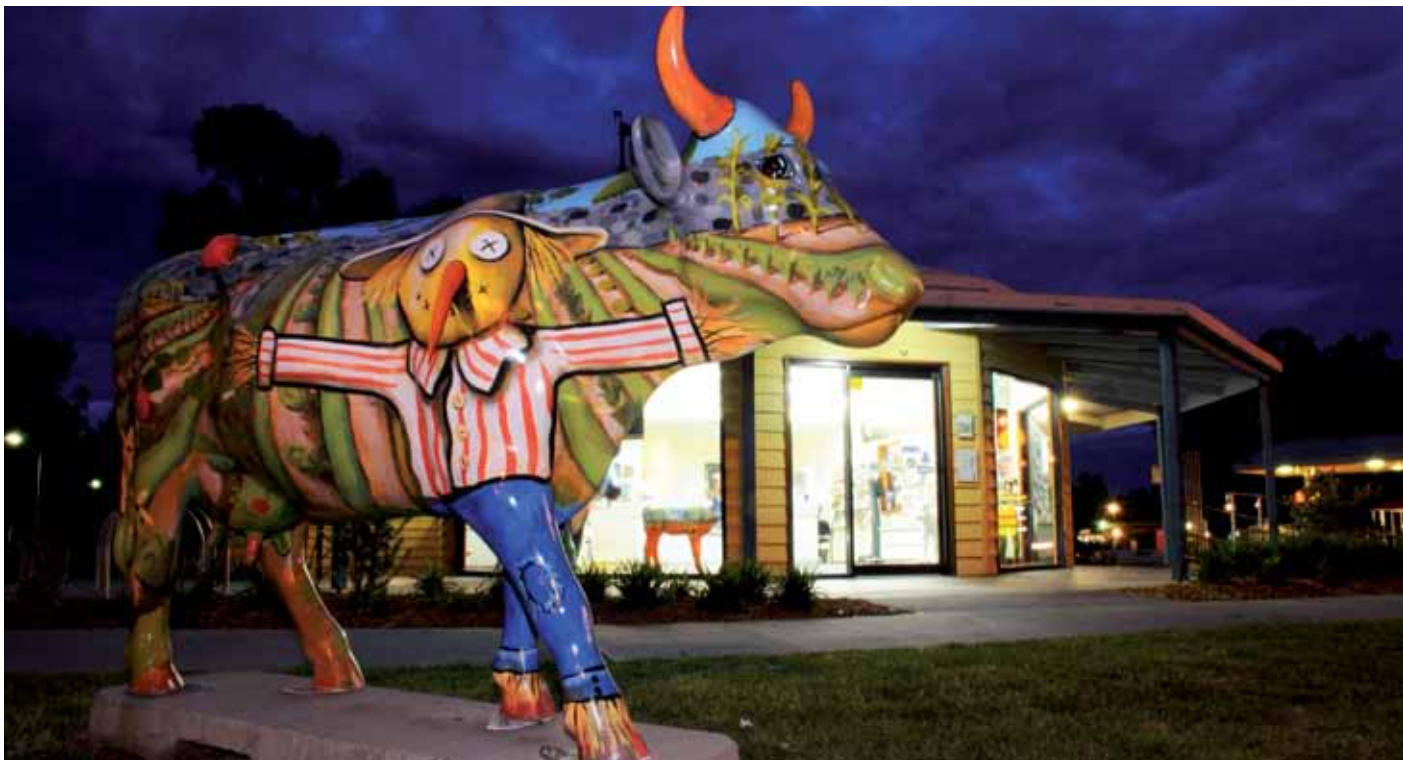
To conserve and enhance our significant natural environments and cultural heritage.

-  **Target achieved**
-  **Progressing to achieve target**
-  **Not achieved**

OBJECTIVE	OUTCOME	STATUS
Promote and demonstrate environmental sustainability.	The development of a Sustainability and Environmental Strategy is progressing well. This strategy will determine the future focus of Council's efforts in this area.	■
	The Crouching Emu Revegetation Project in Tatura was nominated for two Tidy Towns – Sustainable Communities Awards and was a State finalist in the Community–Government Partnership category.	■
	Council's partnership with the Dookie Biolinks Project continues to implement the priority actions in the Dookie Biodiversity Action Plan (BAP) including roadside woody weed removal to help change the landscape to provide connected habitat and boost resilience within the district's biodiversity assets.	■
	As part of Council's Indigenous Flora Revegetation Program, planting equipment and 10,000 indigenous plants were provided to Landcare groups and schools.	■
	The roadside weed control program continues with funding received from both the State and Federal Governments with a focus on noxious weed species listed as Regionally Controlled or Weeds of National Significance. This included 42.8km of Chilean needle grass (<i>Nassella neesiana</i>) along rural roadsides.	■
	Council contributed towards the costs of operating and maintaining the Public Salinity Control Assets implemented under the Shepparton Irrigation Region Catchment Implementation Strategy.	■
	Council has continued to have monitoring reports produced on our energy usage and CO2 emissions. This data is used to support and encourage managers to improve their branch's environmental and financial performances. Energy audits were also conducted at three Council facilities and key actions have been identified for improvement.	■
	Council continued its membership with the ICLEI Cities for Climate Protection (CCP) Plus Program and the ICLEI Water Campaign. These programs assist with our usage reduction targets.	■
	Council is a member of the Northern Region Water Monitoring Partnership program which monitors water quality and quantity in the region. Council is responsible for the maintenance of a number of monitoring sites.	■
	Council has completed the Gemmill's Swamp Bioremediation Wetland to significantly improve the quality of water flowing from the Mooroopna township into Gemmill's Swamp.	■
	Actions have continued to be implemented from the Domestic Wastewater Management Plan (2008), Sensitive Water Use Plan (2007) and the Greater Shepparton Stormwater Management Plan (Review 2009).	■
	Greater Shepparton (in partnership with neighbouring councils and the GBCMA and Goulburn Valley Water) employs a Stormwater Education Officer to address stormwater issues regionally with a major focus on schools and the building industry.	■
	Council and the GBCMA have worked in partnership to install a Gross Pollutant Trap on Knight Street to minimise the amount of rubbish entering the Goulburn River.	■
	Council is a foundation member and contributes towards the Goulburn Broken Greenhouse Alliance (GBGA).	■
	Greater Shepparton, Moira Shire, Campaspe Shire and the GBCMA employ a Municipal Catchment Coordinator to address planning and environmental issues regionally.	■
Council commissioned a Sustainable Community Strategy (funded through the Federal Government's Strengthening Basin Communities Program) focusing on the impacts of climate change and reduced water availability.	■	

- ✓ Target achieved
- Progressing to achieve target
- ✗ Not achieved

OBJECTIVE	OUTCOME	STATUS
Identify and respect our significant cultural and environmental assets.	The development of the Environmental and Sustainability Strategy is progressing. The strategy will assist in identifying and respecting significant environmental assets and will compliment other environmental and sustainability plans and strategies.	■
	The Regional Rural Land Use Strategy includes a series of recommendations including the appropriate recognition and protection for areas of environmental significance.	■
	Council has continued to implement actions contained in the Roadside Management Plan (2008) and the Strategic Framework for Managing Native Vegetation on Road Reserves (2009). These documents provide mechanisms to protect and enhance remaining areas of native vegetation on Council managed land and guides strategic development of linkages between fragmented patches of remnant vegetation.	■
	Greater Shepparton City Council offers a rate rebate to landholders with a Trust for Nature conservation covenant.	■
Enhance the community's use and appreciation of the Goulburn and Broken rivers.	Council provides a financial contribution towards the GBCMA Cultural Heritage Officer and receives services such as the development of Cultural Heritage Management Plans in return.	■
	The RiverConnect Program is a very successful program that enhances the community's use and appreciation of the rivers and has widespread support from Indigenous groups, local schools, other agencies and the community in general.	
	It is expected that this program will continue to achieve good results into the future.	✓



THE REGION IS HOME TO THE MOOVING ART PUBLIC ART DISPLAY.

OPERATING REPORT

4. ECONOMIC DEVELOPMENT

To promote economic growth, business development and diversification, with a focus on strengthening the agricultural industry.

- ✓ Target achieved
- Progressing to achieve target
- ✗ Not achieved

OBJECTIVE	OUTCOME	STATUS
Develop a mix of sustainable tourist attractions, festivals and events.	Shepparton Art Museum (SAM) has attracted unprecedented numbers since the launch in February from locals and visitors alike (approximately 25% of all visitors are from outside Greater Shepparton).	✓
	Council is continuing to focus on positioning the region as a family friendly destination, supporting KidsTown and the annual KidsFest which continues to attract intrastate and interstate visitation.	
	Greater Shepparton continues to earn a reputation as an events destination with a diverse annual events calendar being a strong driver of visitation to the region.	
	The focus on the social, economic and brand return encouraging increased flow on benefit to the community. Council has supported a wide range of community, sporting and business events and festivals throughout the year including: <ul style="list-style-type: none"> • SheppARTon Festival • Carols by Candlelight • New Years Eve Festival in Mooroopna • Australia Day • Summer Film Festival • Spring Car Nationals • Southern Seven Cutting Horses • International Diary Week • Shepparton Show • Under 19 Cycling • Australasian Schools Cycling Cup • 70.3 Triathlon • KidsFest • Victorian Open Bowls • Greater Shepparton Basketball Association Junior Tournament 	
	It is estimated that these events have delivered an estimated \$50 million in economic impact to the Greater Shepparton community.	■
	The Visitor Information Centre has serviced nearly 40,000 visitor enquiries and continues to be a major source of information and referrals.	■
	Continued support of GV BRAiN business networking events.	■
Establish the Goulburn Valley Freight Logistics Centre to improve the efficiencies and competitiveness of regional business.	Coordination of Summer and Winter City Markets.	■
	The design of Stage 1 is complete and ready to go once investment interest is realised. Completion of the detailed design for Stages 2 and 3 and functional design for Stages 4, 5 and 6 is close to completion also.	■
Develop and pursue strategies to protect and enhance our irrigation based agricultural economy.	Regional Rural Land Use Strategy adopted by Council following independent planning panel.	■
	Draft adoption action plan for A Future With Less Water completed and currently open for public comment (as at 30 June 2012).	■
	Individual and group submission to Draft Murray Darling Basin Plan.	■
	Continue to support and expand research and development programs that educate, support and assist our community to grow and adapt to changing environmental conditions.	■
Pursue opportunities to increase the range of businesses and industries in the region, to further strengthen our economy.	Investor prospectus completed.	■
	Greater Shepparton Business Centre incubator and business growth/training service.	■
Ensure a coordinated and effective approach to economic and tourism development is maintained at all times.	Economic and tourism attraction attributes of Greater Shepparton were promoted through the maintenance and publishing of statistical information and marketing material, via the distribution of the Live Work Invest Prospectus, the Investment Prospectus and the monthly eNews newsletter.	■

5. INFRASTRUCTURE

To provide urban and rural infrastructure to enhance the performance of the municipality and facilitate growth.

- ✓ Target achieved
- Progressing to achieve target
- ✗ Not achieved

OBJECTIVE	OUTCOME	STATUS
Pursue construction of the Shepparton bypass and second river crossing on the Goulburn Valley Highway.	The Shepparton Bypass Action Group has been formed and approaches to various Ministers and bureaucrats have been made. Assistance has been provided to VicRoads to allow a submission for funding to be made to the next round of the Nation Building Program.	■
Pursue duplication of major highway entrances to Shepparton and Mooroopna.	An announcement has been made in relation to the funding of the eastern entrance to Shepparton and works are anticipated to commence in 2013. Mooroopna will be done in conjunction with the Shepparton bypass works.	■
Undertake beautification works for the main streets and entrances to urban areas and townships.	A range of works have been undertaken including major works on the southern entrance to Shepparton.	✓
Provide affordable and sustainable community infrastructure.	Infrastructure projects are required to consider sustainable and environmental aspects in the course of project development.	■
Pursue the "Foodbowl Alignment" as the preferred Melbourne to Brisbane inland rail route.	Continued advocacy for inland rail route.	■

6. COUNCIL ORGANISATION AND MANAGEMENT

To deliver best practice management, governance, administrative and financial systems that support the delivery of Council programs to the community of Greater Shepparton.

OBJECTIVE	OUTCOME	STATUS
Review the Council's financial model for long term sustainability.	Council's long term financial model is reviewed annually. Further work, including a review of the Rating Strategy, will occur in 2012/13.	■
Engage our community when making decisions.	Council held more than 40 consultations throughout 2011/12 ranging from neighbourhood level to broader community and special interest group topics, as well as input to major advocacy campaigns such as the Murray Darling Basin Plan.	■
Develop strong partnerships with the State and Federal governments.	Council hosted many Ministerial visits including the Victorian Premier, Ted Baillieu. Council also sent many delegations to Canberra and Melbourne to represent the region's interests on a number of issues and committees.	■
Pursue organisational development and improvement.	Organisational scan completed. Transitional management plan to be adopted by Council. Recruitment of new positions underway.	■
Ensure our long term strategic vision for Greater Shepparton remains relevant and accurate.	Strategic Resource Plan updated. New Council Plan process approved. Greater Shepparton Greater Future advocacy document adopted.	■
Provide best practice management and administrative systems and structures to support the delivery of Council services and programs.	Under review with transitional management process.	■





04 COMMUNITY REPORT

A SUMMARY OF AWARDS AND GRANTS PROVIDED
BY COUNCIL TO THE GREATER SHEPPARTON
COMMUNITY DURING 2011/12.

COMMUNITY REPORT

Greater Shepparton City Council is very appreciative of the considerable volunteer support that is provided by community members for a range of community services, facilities and initiatives.

Council is also grateful for the support that volunteers provide directly to council services including the arts museum, events, KidsTown, leisure facilities, meals on wheels, planned activity groups, revegetation activities, Riverlinks, RiverConnect, safety programs, tourism and graffiti removal as well as the many community action plan groups, committees of management and advisory committees that work closely with Council to help provide services that otherwise would be unsustainable.

VOLUNTEER RECOGNITION AWARDS

The third annual Greater Shepparton Volunteer Recognition Awards were presented in May 2012 as part of National Volunteer Week. This year, a seventh category was introduced as a way to recognise the hard work of emergency volunteers during the February/March floods.

Female Volunteer – Aunty Valda Doody

Aunty Valda Doody is an active and respected Elder within the local Aboriginal Community. Her role with the Koori Offender Support and Mentoring Program helps individuals and families to be healthier and happier and to create stronger community connections.

Aunty Valda assists Aboriginal women to explore opportunities for engaging in positive life choices, shares her cultural knowledge and experience and has the ability to deal with the complex situations and behaviours.

Male Volunteer – Murray Yates

Murray Yates continuously makes a significant contribution to his community. As well as having involvement in sporting, fire brigade and the local Lions club, he singlehandedly organised truckloads of hay for flood affected areas in 2011. His motivation and can do attitude shows his community that he is a dedicated, passionate and loyal leader. His commitment has brought much relief to his community and those around him.

Female Youth Volunteer

– Chelsea Harrington

Chelsea Harrington is currently studying in Bendigo but regularly travels to Shepparton to work on the 3630 Festival. As a role model to those around her, Chelsea tries to teach others to care for their community and each and every person in it. Working alongside her peers, her love and commitment inspires all around her to continue to have a youth focus in Shepparton.

Male Youth Volunteer

– George Wagenknecht

George Wagenknecht has enabled the Shepparton South Community House to reach a wide community. His assistance and creativity has enabled the House to have their computer systems and website in place and is committed to dedicating his time to the Community House and his community.

Rural Volunteer - Barbara Philp

At 90 years of age, Barbara is very active in her community and is a great role model, particularly for young people. She has put in tireless hours of volunteer work across many organisations since 1946 and is still an active contributor today.

Volunteer Team – Community Accessibility

Community Accessibility has allowed Greater Shepparton community members to attend doctors and specialists outside of the municipality. Community Accessibility provides volunteer drivers for frail/aged people and people with disabilities to attend cancer treatments, operations, physiotherapy and specialists visits. Numerous trips to Melbourne, Albury/Wodonga, Bendigo, Benalla and Echuca have made a positive difference in their lives and their families.

Emergency Volunteer

– Shepparton Search and Rescue

Shepparton Search and Rescue is a self-funded volunteer organisation and one of only two independent rescue squads in Victoria doing road rescue. The squad started in 1972, celebrating their 40th Anniversary this year.

In the last 40 years, Shepparton Search and Rescue has attended many serious and life threatening incidents in the area, including major flooding; wind and storm damage; as well as river, dam and channel searches. This can be very difficult knowing that the community members that they are working for are often involved in these incidents.

GREATER SHEPPARTON AUSTRALIA DAY AWARDS

Greater Shepparton City Council hosts Australia Day celebrations across the municipality. Australia Day awards are presented to citizens in recognition of their outstanding contribution to their local community and the Greater Shepparton community.

Greater Shepparton Australia Day Citizen of the Year – Allan (Tom) Perry

Allan (Tom) Perry is a successful agriculturist and a respected and committed community member.

Mr Perry is a past Rodney Shire Councillor and also a past director, chairperson and member of Tatura Milk Industries. He is also a member of the National Farmers Federation and the Australian Dairy Corporation.

As a practising dairy farmer his commitment to the dairy industry is reflected in the many organisations that he is or has been involved with.

His dedication to the Tatura Victory Hall has seen the establishment of Blue Light Discos for the youth. He also assists with running the annual Tatura Rotary Art Show and was instrumental in starting up the 'Men's Shed' in Tatura.

His personal commitment to the Victory Hall ensures that it is always well presented for the Tatura community to use.

His leadership, involvement and commitment is of great value to Tatura and its community and he is a respected Australian citizen.

Greater Shepparton Australia Day Young Citizen of the Year – Jamie Lea

Jamie Lea has been involved in the youth, music and arts scenes in Greater Shepparton for a number of years. Jamie is recognised for her talent in music and performing arts and commitment to community and youth development.

Jamie shows an exceptional commitment and dedication to the community of Greater Shepparton as a member on numerous boards and committees.

As a 15-year-old she was founding member of youth organisation, Word and Mouth and many years later still remains committed to the organisation as Director of the Board.

Jamie is a past board member of The Bridge Youth Services and United Way Goulburn Valley Community Fund. She is an outstanding role model and mentor for the young people of Greater Shepparton and always gives 100 per cent effort.

She gives her time and energy towards making Greater Shepparton a vibrant and responsive community.

LOCAL AUSTRALIA DAY AWARDS

Council also supports local Australia Day committees with their annual awards and events in Arcadia, Dookie, Mooroopna, Murchison, Shepparton, Tatura and Toolamba

Arcadia

Citizen of the Year - Gerald Quirk

Dookie

Citizen of the Year - Don Bryant
Young Citizen of the Year
- Cameron Shields

Mooroopna

Citizen of the Year - John Kiss Mooroopna
Australia Day

Young Citizen of Year - Jamie Lea

Murchison

Citizen of the Year - Gloria Polkinghorn

Young Citizen of Year - Thomas Karacsay

Junior Sports Award - Kiara Catania

Club/Service Organisation Award
- St Brigids Catholic Ladies Guild

Education Award - Peter Campbell

Shepparton

Citizen of the Year - John Head

Young Citizens of Year - Fatima Zaoli
and Elaf Al-Tuhmazy

Senior Citizen Award - Russell Broom

Academic Award - Arlene Austin

Sports Award - James Marx

Tatura and District

Citizen of the Year - Allan (Tom) Perry

Young Citizen of the Year - Jason Archer

Sports Award - Lisa Cullum

Business Award - Luisa Niglia

Environment Award - Greg Smith

Academic Award - Adrian Crossley

Volunteer Service Award - James Pyke

Toolamba

Citizen of the Year - Caroline
James-Wilson

Community Service Award
- Heather Kennedy

COMMUNITY REPORT

COMMUNITY PLANS

Greater Shepparton City Council has been working with community plan groups across the municipality to support the development of Community Plans for small towns.

A Community Plan is a written document which identifies a community's vision for the future and the priorities it has identified to achieve the vision. The Community Plan belongs to the community and the aim is to reflect the current situation in a community while identifying short, medium and long term goals.

While the plans are endorsed by Council, the development and implementation is driven by local Community Plan Steering Groups with support from Council staff.

Since the commencement of community planning at Greater Shepparton City Council, the following towns have had Community Plans endorsed:

- Dookie 2002 – reviewed in 2011
- Merrigum 2006 – reviewed in 2012
- Undera 2008
- Tatura 2010
- Mooroopna 2010
- Toolamba 2011
- Murchison 2011

Community Plans for Tallygaroopna, Katandra West and Congupna are under development for 2012.

Council allocated \$500,000 towards Community Plan Implementation projects in 2011/12. These projects are assessed on a case by case basis and the following were supported through this funding stream during 2011/12.

TOWN	PROJECT	\$
MOORoopNA	Mooroopna's Men's Shed	30,000
	John Gray Oval Shelter	55,000
TATURA	Lake Bartlett Master Plan	24,900
	Bike Racks / Seats	15,600
	Town entry enhancement	1,280
	Mactier Park Master Plan	5,500
MERRIGUM	Cnr Park Development	25,000
	Heritage flyer	1,039
	Hall repainting	25,454
DOOKIE	Rail Trail signage	5,000
	Drainage Review	23,800
UNDERA	Netball court	23,000
	Recreation Master Plan	17,400
TOOLAMBA	Recreation Master Plan	18,700
	Equipment for Community Events	3,049
	Website	1,000
TOTAL		\$279,222.00

GRANTS

Greater Shepparton City Council provides community grants through a range of funding programs including the Community Matching Grants, Arts Awards Grants, Our Sporting Future Grants and Festive Grants programs.

This is in addition to in-kind support and sponsorship for various programs, initiatives and events as well as committee of management funding support and a close working relationship with Community Action Plan groups.

COMMUNITY MATCHING GRANTS

Council approved \$31,355 for 16 community groups in the 2011/12 Community Matching Grants program. The grants are designed to support community projects that help build social connections and partnerships, enable community members to acquire or develop a new skill, or create, renew or revitalise places and spaces within the community.

They require the applicant group to provide part of the project cost, either through cash or in-kind contribution.

ORGANISATION	PROJECT	\$
CANIAMBO CWA AND SHEEP PEN CREEK LANDCARE	Celebration dinner 'Year of the Farmer'	1,210
CONGUPNA SOCIAL TENNIS CLUB GROUP	Tennis court upgrade	2,500
CONGUPNA/TALLYGAROPNA LANDCARE GROUP	Repairing pony paddock	1,770
GOULBURN VALLEY CONGOLESE ASSOCIATION	Congolese Independence Day	2,500
GOULBURN VALLEY JUMPING CLUB	Tatura Indoor Show Jumping Classic	2,500
GOULBURN VALLEY SOUTH SUDANESE COMMUNITY ASSOCIATION INC	Celebration of Independence Day	2,500
GOWRIE STREET PRIMARY SCHOOL	Upgrade sports courts and signage	2,500
LIONS CLUB OF DOOKIE	Playground equipment	2,500
LIONS CLUB OF DOOKIE (AUSPICE)	Rail Trail Picnic Shelter	2,500
MOOROPNA EDUCATION AND ACTIVITY CENTRE	Labyrinth project	970
MURCHISON NEIGHBOURHOOD HOUSE	Safety glass for playgroup area	805
MURCHISON PRE-SCHOOL INCORPORATED	Secret garden project	2,500
SHEPP SOUNDS	Shepp Sounds 2012 event support	2,500
SHEPPARTON CAMERA CLUB	Art program	2,500
STRINGS OF HARMONY	Puppet show	2,500
TALLYGAROPNA GOLF CLUB	Clubhouse repairs	2,500
TOTAL		\$31,355.00



COMMUNITY REPORT

ARTS IN THE COMMUNITY FUND

Council has an Arts in the Community program with \$46,000 funding available for 2011/12. Of this, \$4,600 was allocated across three projects.

The fund supports projects and events that are broadly accessible to the community and showcase local arts and culture in the Greater Shepparton region.

ORGANISATION	PROJECT	\$
SOUTH SUDAN INDEPENDENCE CELEBRATION COMMITTEE	Independence Celebration	2,000
SHEPPARTON CREATIVE TEXTILES GROUP	Bright, Brave, Beautiful exhibition and workshops	1,000
SHEPP SOUNDS	Shepp Sounds 2011	1,600
TOTAL		\$4,600

OUR SPORTING FUTURE FUNDING PROGRAM

The Our Sporting Future Funding Program has been established to assist community organisations with the implementation of small to medium sized facility development projects and development programs for new and developing sporting organisations throughout the Greater Shepparton municipality.

The program has three funding types – Minor, Major and Sports Aid.

Major funds are provided on a \$1 for \$1 basis with up to \$30,000 available per project.

Minor funds are provided on a \$1 for \$1 basis (including in-kind contributions) with up to \$15,000 available per project for small sized facility developments.

Sports aid funds are available for between \$500 and \$5000 for special projects that support new and developing sporting organisations, or for special access and participation projects.

In 2011/12, a budget of \$109,200 was available for minor and sports aid funds. Of this, \$89,222 was allocated across 11 projects. In the major category, \$120,000 was available with \$72,550 allocated across three projects.

Our Sporting Future – Major

ORGANISATION	PROJECT	\$
CENTRAL PARK RECREATION RESERVE	Oval lighting	30,000
SHEPPARTON FOOTBALL CLUB	Air conditioning	22,550
SHEPPARTON JUNIOR SOCCER ASSOCIATION	Murray Slee Pavilion shelter	20,000
TOTAL		\$72,550

Our Sporting Future - Minor

ORGANISATION	PROJECT	\$
CONGUPNA NETBALL CLUB	Netball court extension to meet Netball Victoria standards	8,875
GREATER SHEPPARTON BASKETBALL ASSOCIATION	Improved electronic scoring	5,978.50
HILL TOP BOWLS CLUB	Seating	5,000
LEMNOS TENNIS CLUB	Tennis facility upgrade	14,000
MEDLAND PARK BODY CORPORATE	Playground equipment	2,900
MOOROOPNA BOWLS CLUB	Shade shelters	7,920
ORRVALE PRIMARY SCHOOL	Senior playground	5,598
SHEPPARTON ROWING CLUB	Boat shed	15,000
TATURA NETBALL ASSOCIATION	Netball court lighting	15,000
TOTAL		\$80,272

Our Sporting Future – Sports Aid

ORGANISATION	PROJECT	\$
SHEPPARTON ROWING CLUB	Reform club	5,000
SKATEBOARDING AUSTRALIA	Set up street wise skate program	3,950
TOTAL		\$8,950



CYCLING IS A POPULAR AND GROWING SPORT THROUGHOUT GREATER SHEPPARTON.

COMMUNITY REPORT

SMALL TOWNSHIP FESTIVE GRANTS

Council's Small Townships Festive Grants program provides communities with less than 10,000 people with the opportunity to apply for grants of up to \$2500 to create a festive atmosphere within their towns by purchasing and installing sustainable festive decorations.

ORGANISATION	\$
LIFESTYLE DOOKIE	2,500
MERRIGUM COMMUNITY GROUP	2,500
MOOROPNA EDUCATION AND ACTIVITY CENTRE INC	1,800
MURCHISON ACTION GROUP	2,500
TATURA COMMUNITY PLAN STEERING COMMITTEE	1,300
TOOLAMBA LIONS CLUB	2,500
TOTAL	\$13,100

SPONSORSHIP

Greater Shepparton City Council has funds of up to \$500 available for people seeking sponsorship assistance to represent the region at various sporting, community and other significant achievement opportunities. The policy also enables support for local events and celebrations.

In 2011/12 Council approved 25 sponsorship requests worth \$10,000.



COUNCIL PROVIDED IN KIND AND FUNDING SUPPORT TO MORE THAN 80 EVENTS DURING THE 2011/12 FINANCIAL YEAR INCLUDING \$375,000 IN GRANTS TO A VARIETY OF ANNUAL AND NEW MAJOR EVENTS, FESTIVALS, COMMUNITY EVENTS AND BUSINESS EVENTS.

NEW EVENT SUPPORT

Council provided in kind and funding support to more than 80 events during the 2011/12 financial year including \$375,000 in grants to a variety of annual and new major events, festivals, community events and business events.

The total economic impact contributed to the community as result of these events is estimated to be in excess of \$50 million and bringing approximately 150,000 visitors to the region.

Below is a snapshot of some of the significant events Council supported during 2011/12 in addition to its own community event program including Australia Day, the Summer Film Festival, Twilight Stroll, Summer Strolls and KidsFest.

MAJOR EVENTS SUPPORTED

70.3 HALF IRONMAN TRIATHLON

AUSTRALASIAN SCHOOLS CYCLING CUP

CAROLS BY CANDLELIGHT CELEBRATIONS

FOOTBALL FEDERATION VICTORIA GALA CHAMPIONSHIPS

GREATER SHEPPARTON BASKETBALL ASSOCIATION JUNIOR TOURNAMENT

INTERNATIONAL DAIRY WEEK

MELBOURNE HEART COMMUNITY FOOTBALL FESTIVAL

NATIONAL WELSH HORSE SHOW

NEW YEARS EVE FESTIVAL IN MOOROPNA

SHEPPARTON FESTIVAL

SHEPPARTON SHOW

SOUTHERN SEVEN CUTTING HORSES

SPRING CAR NATIONALS

UNDER 15 AND UNDER 17 NATIONAL ROAD CYCLING CHAMPIONSHIPS

UNDER 19 NATIONAL ROAD CYCLING CHAMPIONSHIPS

VICTORIAN APPALOOSA HORSE CHAMPIONSHIPS

VICTORIAN OPEN BOWLS

VICTORIAN SOFTBALL MASTERS CHAMPIONSHIPS

WORLD CUP SHOWJUMPING QUALIFIER

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COUNCIL PROVIDED IN KIND AND FUNDING SUPPORT TO MORE THAN 80 EVENTS DURING THE 2011/12 FINANCIAL YEAR INCLUDING \$375,000 IN GRANTS.



COMMUNITY REPORT

FLOOD REPORT

As a result of a severe weather event with unprecedented heavy rainfall during the period from 27 February to 1 March, the City of Greater Shepparton suffered varying levels of flooding throughout the municipality.

The north of the municipality was hardest hit with the Pine Lodge Creek and Congupna Creek bursting the banks and the sheer volume of rain placing significant strain on town and rural drainage networks, channels and levees.

The bulk of rural properties across the north of the municipality through Bunbartha, Cosgrove, Lemnos, Undera and Zeerust areas and the townships of Congupna, Katandra West and Tallygaroopna were particularly impacted with an estimated 250 homes damaged and around 1000 properties affected.

In addition to the immediate emergency response, Council's case management service provided ongoing support to 110 households during and after the event assisting them to access physical, emotional and financial support.

Under the Emergency Management Act 1986 (the Act), the State Emergency Service is the lead agency for emergency response in a flood event.

The primary role of local government is to provide assistance to the SES as directed, to manage Council infrastructure and coordinate key flood relief and recovery support services. Council has a Municipal Emergency Management Plan and, in a major emergency, activates a Municipal Emergency Coordination Centre which is linked with the higher level SES Incident Control Centre.

During the February/March floods, Council's emergency management team, in partnership with Victoria Police, the Country Fire Authority (CFA) and the Victoria State Emergency Service (SES) became involved with a number of mitigation strategies put in place to assist and support communities during and after the event.

Council also provided support to Moira Shire through the provision of relief and recovery functions including operating the Kialla Relief Centre, assisting with staffing the Nathalia Relief Centre and providing emergency case management assistance to Moira residents unable to access other centres.

Council spent approximately \$150,000 on salaries for response, relief and recovery and there has been approximately 220 days of work provided by volunteers.

Infrastructure costs are estimated to be in vicinity of \$1 million with works on roads, bridges and culverts as well as repairs to other Council assets damaged by the floods including recreation reserves, playgrounds, kindergartens and occasional care.

Work continues to support communities post the event in delivering flood mitigation works and a range of recovery supports including the development of integrated emergency management plans and economic development initiatives.

TIMELINE

01 March Council's Municipal Emergency Coordination Centre opens to support existing SES Incident Control Centre. Large scale asset protection begins. Council activates information bulletin and provides regular information to media about relief services. Emergency accommodation provided for livestock and pets at saleyards, animal shelter and Tatura Park facility.

27 Feb Severe weather event hits resulting in flash flooding. An emergency relief centre is on standby in Shepparton based on forecast heavy rain. Road closures begin.

28 Feb Many homes threatened with inundation. Sand bagging begins.

04 March Council hosts first of many flood recovery meetings attended by around 400 people.

05 March Shepparton Emergency Relief Centre closes due to decreased demand. Recovery Manager available 24/7 for emergency assistance. Recovery Centres open in Congupna, Katandra West and Tallygaroopna servicing approximately 400 people with case management, personal support, emergency grant officers and flood information.

29 Feb Further heavy rainfall, properties again under threat. Approximately 300 mm fall in total in hardest hit areas.

08-17 March Council holds second round of flood recovery meeting to provide update on relief, clean up and recovery services. Council produces regular bulletins, fact sheets, media and social media information about support services.

26 March Red Cross Outreach returns. Building advisory service available. Central recovery centre closes after more than 700 visits and more than 1000 hardship grants. Council's emergency case management service remains active with around 100 households still accessing ongoing support at this stage. Free waste drop off for flood affected properties finishes.



THE CITY OF GREATER SHEPPARTON SUFFERED VARYING LEVELS OF FLOODING THROUGHOUT THE MUNICIPALITY DURING THE FEBRUARY 2012 FLOODS.

April Council holds third round of community recovery meetings with a focus on drainage needs.

01

APRIL

May More Red Cross outreach visits held. Emergency funding obtained to provide pump-out of septic tanks for flood affected properties. Environmental Health Officers make contact with 196 property owners concerned about septic tank systems. Subsequently 43 properties have a septic tank pump-out, costing to date \$18,380. Mosquito Control Officer visits Congupna, Tallygaroopna and Katandra West in weeks following the flood.

Areas of poor drainage assessed and treatment applied to drains in some circumstances.

01

MAY

COMMUNITY REPORT

FLOOD REPORT CONT.

Planning

Several days after the floods began Planning Officers went out on the road to assess the flooding and to meet with flood affected landowners. They attended the Recovery Centres at Katandra West, and Congupna.

Planning Officers also attended the community meetings after the floods at Katandra West, Congupna and Tallygaroopna to discuss drainage issues and address any queries from the community.

The Planning Investigations Officer has been working with Councils Development Engineers to address a total of 13 complaints in relation to drainage issues in the farming zone. These investigations are still ongoing.

Engineering/Flood Mitigation Works

A number of community engagement sessions were held in each town to determine engineering solutions to address and mitigate risk associated with floods. Works were completed and future works planned to mitigate the impact of large rain events/flooding in the Congupna, Katandra, Tallygaroopna and Lemnos North Road areas.

Lessons Learned

Key learnings and improvements identified include:

- Formal flood plans for small towns to be developed, incorporating a communications strategy and local knowledge.
- Community information is vital for ensuring community safety and awareness during emergency events. Information and warnings were provided to the community through a variety of outlets, which ensure broad coverage and accessibility for the majority.

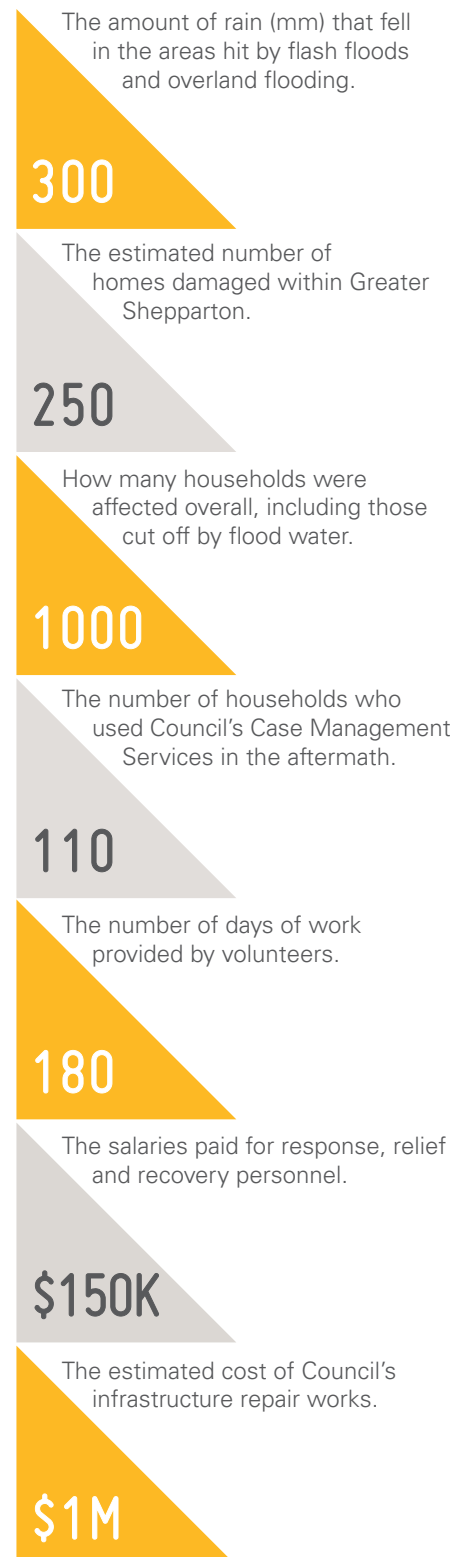
It was acknowledged that there is a need to increase communication and collaboration between SES and Council regarding community meetings, the Municipal Emergency Coordination Centre to liaise with the Incident Control Centre during an event to develop a combined Community Communication Strategy to ensure consistency.

Specifically:

- Improve early notification systems and strategies.
- Community meetings can be planned and delivered more strategically.
- Need to communicate transition in SES priorities so Council can pick up community communications.
- Council Emergency Management Liaison Officer (EMLO) at ICC from the onset of the event to provide local intelligence and coordinate municipal efforts.
- Development of a Vulnerable Persons List.
- Need to have agreed central point in towns to put up all community information, this should be updated regularly.
- Deploy personal support workers earlier, this can help to diffuse emotional pressure earlier and support everyone else to work better.
- Review and update training and skills for Council staff directly relating to the sustainability of surge capacity to enable Council to maintain their role in response, relief and early recovery for the community.
- Engage with Government earlier to ensure that the process and applicability of Federal/State grants and case management requirements are more timely, responsive and structured during relief and recovery phases.
- Victoria Police to develop plans for town evacuations.

It is envisaged that these actions will form the basis of the work plan for the newly appointed Emergency Management Officer positions which commenced 9 July 2012.

FLOOD FIGURES



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FLOODS HAD A MAJOR IMPACT ON OUR
REGION IN FEBRUARY AND MARCH 2012.







05 GOVERNANCE REPORT

A SUMMARY OF COUNCIL ACTIVITIES, COMMITTEES,
ORGANISATIONAL DEVELOPMENT INITIATIVES
AND OTHER COMPLIANCE AND LEGISLATIVE
INFORMATION FOR 2011/12.



GOVERNANCE REPORT

COUNCIL ACTIVITIES

Council meetings

Council meetings are held at 1pm on the third Tuesday of each month including public question time. Special Council Meetings are also held as required. Public questions can be submitted prior to the Council meeting.

There were 12 Ordinary Council Meetings and nine Special Council Meetings in 2011/12.

Weekly briefings are also held as well as a number of special committee meetings.

Council Committees

Council can appoint advisory committees and committees with special delegated power. There are 21 Section 86 committees made up of community volunteers. Most of the committees have delegated functions for community facilities such as recreation reserves, community centres and halls.

Section 86 Committees

- Arcadia Community Centre Committee of Management
- Ballantyne Centre Committee of Management
- Bunbartha Recreation Reserve and Community Centre Committee of Management
- Caniambo Hall Committee of Management
- Central Park Recreation Reserve Committee of Management
- Congupna Recreation Reserve and Community Centre Committee of Management
- Dhurringile Recreation Reserve and Community Centre Committee of Management
- Dookie Memorial Hall Committee of Management
- Dookie Recreation Reserve and Community Centre Committee of Management
- Harston Hall Committee of Management
- Karamomus Recreation Reserve and Community Centre Committee of Management
- Katandra West Community Facilities Committee of Management
- Kialla District Hall Committee of Management

- Kialla Landfill Site Special Committee
- Kialla West Recreation Reserve Committee of Management
- Lemnos Recreation Reserve Committee of Management
- Murchison Community Centre Committee of Management
- Shepparton Show Me Committee of Management
- Tallygaroopna Memorial Hall Committee of Management
- Tallygaroopna Recreation Reserve Committee of Management
- Toolamba Recreation Reserve Committee of Management

Advisory Committees

Council also has 20 advisory committees with community representatives. Advisory committees provide advice to Council but, unlike a Section 86 committee, have no delegated authority.

- Arts Co-ordinating Group Advisory Committee
- Best Start Municipal Early Years Partnership Committee
- Cussen Park Advisory Committee
- Deakin Reserve Advisory Committee
- Disability Advisory Committee
- Festive Decorations Advisory Committee
- Greater Shepparton Aerodrome Advisory Committee
- Greater Shepparton Municipal Public Health Panel
- Greater Shepparton Safe Communities Advisory Committee
- Greater Shepparton Sustainability and Environment Stakeholder Reference Committee
- Greater Shepparton Tourism Advisory Committee
- Heritage Advisory Committee
- Older Persons Advisory Committee
- Pine Lodge Cemetery Advisory Committee
- RiverConnect Implementation Advisory Committee
- Shepparton Art Museum Advisory Committee
- Shepparton Regional Saleyards Advisory Committee
- Shepparton Showgrounds Advisory Committee
- Tatura Park Advisory Committee
- Women's Charter Alliance Advisory Committee

Audit and Risk Management Committee

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

The committee comprises two Councillors and three external independent people appointed by Council. The membership of the committee at 30 June 2012 is:

- Mr Steve Bowmaker, ACA, Chairperson
- Mr Laurie Gleeson, CPA
- Mr Peter Johnson, BA LL B
- Cr Chris Hazelman
- Cr Cherie Crawford

The committee reviews the activities of the independent internal auditor, Pitcher Partners, and external auditor (Auditor General Victoria) and reviews their work on an ongoing basis.

The annual internal audit program and the scope of the works to be performed is set by the committee and the committee reviews each of the reports made pursuant to that program.

The committee met four times during the year with the following activities carried out.

- Financial Statements, Standard Statements and Performance Statement for the year ended 30 June 2011 were considered and recommended 'in principle' adoption to Council.
- Received monthly risk management reports including insurance claims, lawsuits, whistleblower and privacy breaches.
- Received a presentation by the Victoria Auditor General on the management letter for year ended 30 June 2011.
- Received the Victoria Auditor General Acquittal report for the 2010/11 Audit results.
- Received and considered Council's monthly financial reports.
- Received a report on the external Audit Strategy for the year ended 30 June 2012.
- Received Shepparton Show Me audit report.

OTHER COMPLIANCE REPORTS

The following information must be included in Council's annual report in accordance with legislative requirements.

DOCUMENTS AVAILABLE FOR PUBLIC INSPECTION

In accordance with the Local Government (General) Amendment Regulations, the following documents are available for public inspection at Council's Welsford Street office.

- details of current allowances fixed for the Mayor and Councillors under section 74 or 74A of the Act;
- the total annual remuneration for all senior officers in respect of the current financial year and the previous financial year, set out in a list that states:
 - (i) ranges of remuneration of senior officers, where the difference between the lower amount and the higher amount in each range must not exceed \$10,000; and
 - (ii) the number of senior officers whose total annual remuneration falls within the ranges referred to in subparagraph (i).
- 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, including accommodation costs;
- names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted;
- names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted;
- agendas for and minutes of ordinary and special meetings held in the previous 12 months kept under section 93 of the Act except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- a list of all special committees established by Council and the purpose for which each committee was established;
- a list of all special committees established by the Council which were abolished or ceased to function during the financial year;
- minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months except if the minutes relate to parts of meetings which have been closed to members of the public under section 89 of the Act;
- a register of delegations kept under sections 87 and 98 of the Act, including the dates on which the last reviews under section 86(6) and 98(6) of the Act took place;
- submissions received in accordance with section 223 of the Act during the previous 12 months;
- agreements to establish regional libraries under section 196 of the Act;
- details of all property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council as lessor or lessee, including the name of the other party to the lease and the terms and the value of the lease;
- a register of authorised officers appointed under section 224 of the Act;
- 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;
- 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;
- a list of contracts valued at \$100,000 (or such higher amount as is fixed from time to time under section 186(1) of the Act) or more:
 - (iii) which the Council entered into during the financial year without first engaging in a competitive process; and
 - (iv) which are not contracts referred to in section 186(5) or (5A) of the Act.

Note: The Act provides that an amount higher than \$100,000 may be fixed by Order in Council made under section 186(1) of the Act.

GOVERNANCE REPORT

LOCAL LAWS

Local Law No 1 Community Living

This local law provides for the administration of Council powers and functions, and for the issue of permits and infringement notices.

It prohibits, regulates and controls activities, events, practices or behaviour in places so that no detriment is caused to the amenity of the neighbourhood, nuisance to a person, or detrimental effect to a person's property.

It also prohibits, regulates and controls activities, events, practices or behaviour in the Maude Street Mall so that no detriment is caused to the amenity of the Mall.

It regulates the droving and movement of livestock throughout the municipal district, minimises the damage to road surfaces, formations, drainage, native vegetation and surrounding areas arising from livestock and to alert other road users to the presence of livestock on roads in the interests of road safety. It also aims to enhance public safety and community amenity.

Local Law No 2 Processes of Local Government (Meetings and Common Seal)

This local law 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 5 Drainage of Land

This local law enables better implementation of an exercise of power, under section 163(1) of the Local Government Act 1989, to define the obligations of a member of Council staff; and a person authorised by Council when entering land to investigate the carrying out of drainage works on or adjacent to or for the benefit of that land.

This local law defines what a member of Council staff; and a person authorised by Council may do once they have entered land to investigate the carrying out of drainage works on, adjacent to or for the benefit of that land, and provides for the peace, order and good government of the municipal district.

FREEDOM OF INFORMATION

The Freedom of Information Act 1982 establishes a legally enforceable right for public access to information held by Council.

FREEDOM OF INFORMATION ACTIVITY 2011/12

DESCRIPTION	NUMBER
APPLICATIONS RECEIVED	21
ACCESS GRANTED IN FULL	2
ACCESS GRANTED IN PART	4
NUMBER NOT FINALISED	4
NOT PROCEEDED WITH	9
NO INFORMATION FOUND	1
ACCESS DENIED IN FULL	1

Requests for information should be directed to the Freedom of Information Officer, Greater Shepparton City Council, Locked Bag 1000, Shepparton, Vic, 3632 or phone (03) 5832 9700.

WHISTLEBLOWERS PROTECTION ACT

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.

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. 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.

Council conducted compulsory Whistleblower training to provide staff with an awareness of the Whistleblower Protection Act and the process surrounding the receipt of a protected 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 offices and website.

As at 30 June 2012, Council's Protected Disclosure Officers are the people holding the position of:

- Team Leader Governance;
- Manager People Performance
- The Protected Disclosure Coordinator is the Chief Executive Officer.

WHISTLEBLOWER ACTIVITY 2011/12

DESCRIPTION	NUMBER
NUMBER AND TYPE OF DISCLOSURES MADE TO THE COUNCIL DURING THE YEAR	0
NUMBER OF DISCLOSURES REFERRED TO THE OMBUDSMAN FOR DETERMINATION	0
NUMBER AND TYPE OF DISCLOSED MATTERS REFERRED TO THE COUNCIL BY THE OMBUDSMAN FOR INVESTIGATION	0
NUMBER AND TYPE OF DISCLOSED MATTERS REFERRED BY THE COUNCIL TO THE OMBUDSMAN FOR INVESTIGATION	0
NUMBER AND TYPE OF INVESTIGATIONS TAKEN OVER FROM THE COUNCIL BY THE OMBUDSMAN	0
NUMBER OF REQUESTS MADE BY A WHISTLEBLOWER TO THE OMBUDSMAN TO TAKE OVER AN INVESTIGATION BY THE COUNCIL	0
NUMBER AND TYPES OF DISCLOSED MATTERS THAT THE COUNCIL HAS DECLINED TO INVESTIGATE	0
NUMBER AND TYPE OF DISCLOSED MATTERS THAT WERE SUBSTANTIATED UPON INVESTIGATION AND ACTION TAKEN ON COMPLETION OF THE INVESTIGATION	0
ANY RECOMMENDATIONS MADE BY THE OMBUDSMAN THAT RELATE TO THE PUBLIC BODY	0



THE ORCHARDS OF THE REGION CONTRIBUTE NOT JUST TO THE ECONOMY BUT TO GREATER SHEPPARTON'S IDENTITY.

GOVERNANCE REPORT

DISCLOSURE RELATING TO CONTRACTS

Section 186 of Local Government Act 1989 requires Council to seek public tenders before entering into contracts valued at greater than \$150,000 for goods and services and \$200,000 for works. Councils are required to make available to the public a list of contracts above these amounts which were entered into during the financial year without first engaging in a competitive process.

Procurement was raised in the organisation review and will be investigated in more detail in 2012/13.

CONTINUOUS IMPROVEMENT

Greater Shepparton City Council has applied the principles of the Best Value Review through the adoption and application of a Continuous Improvement procedure.

NATIONAL COMPETITION POLICY COMPLIANCE

Greater Shepparton City Council has a compliance program to ensure it meets the requirements of the National Competition Policy (NCP). This covers Trade Practices, Local Laws and Competitive Neutrality compliance.









06 FINANCIAL SUMMARY

A FINANCIAL SUMMARY FOR 2011/12 AS
WELL AS THE FINANCIAL STATEMENTS, STANDARD
STATEMENTS, CERTIFICATIONS AND AUDIT REPORT.

FINANCIAL SUMMARY

OPERATING INCOME 2011/12

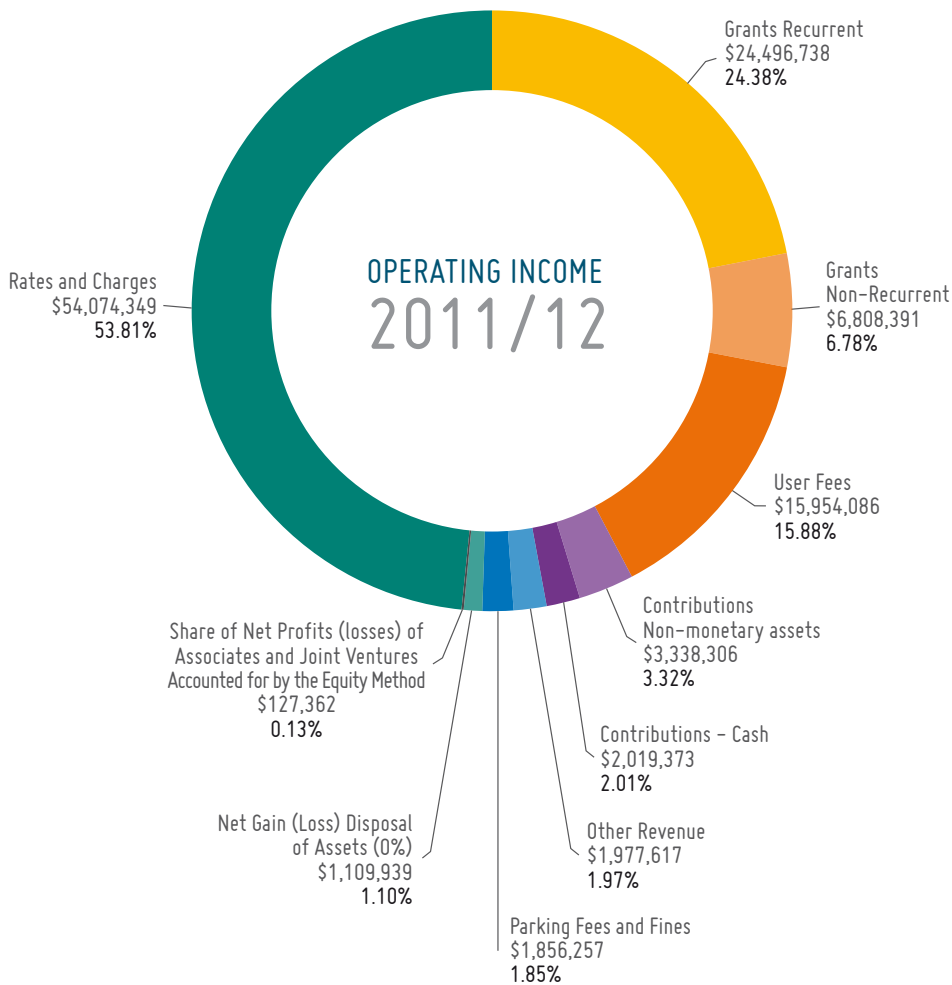
Council is in a sound financial position and returned a net surplus of \$11.43 million. This was primarily due to Council receiving early payments for government grants.

The total value of community assets increased to \$693.94 million.

HIGHLIGHTS

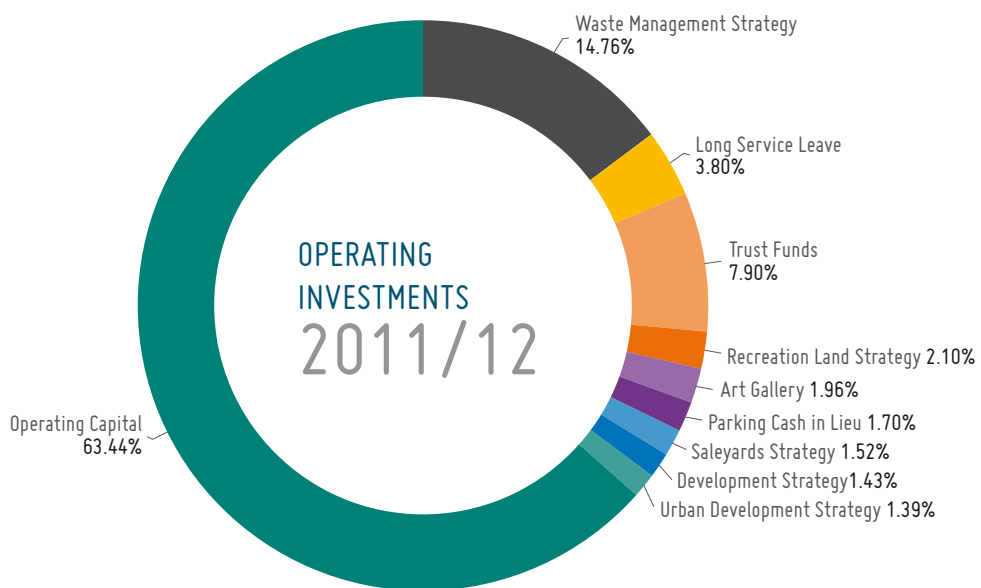
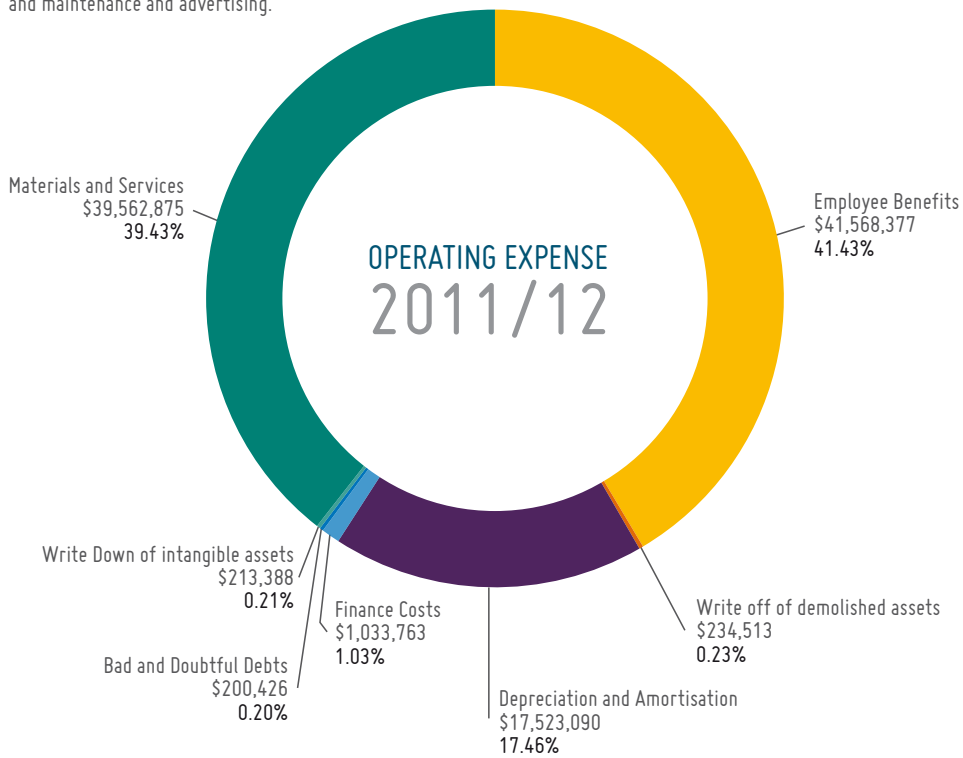
- Total Operating Expenses: \$100.34 million.
- Total Operating Revenues (excluding capital): \$100.48 million.
- Capital Works Completed: \$26.18 million.
- Total Capital Revenues: \$11.28 million.

- Borrowings: \$3 million to finalise the GV Link land acquisition.
- Continued prompt payment incentive providing 1.5 per cent discount for ratepayers who pay in full by 23 September.



Employee Benefits consists of wages, superannuation and workcover.

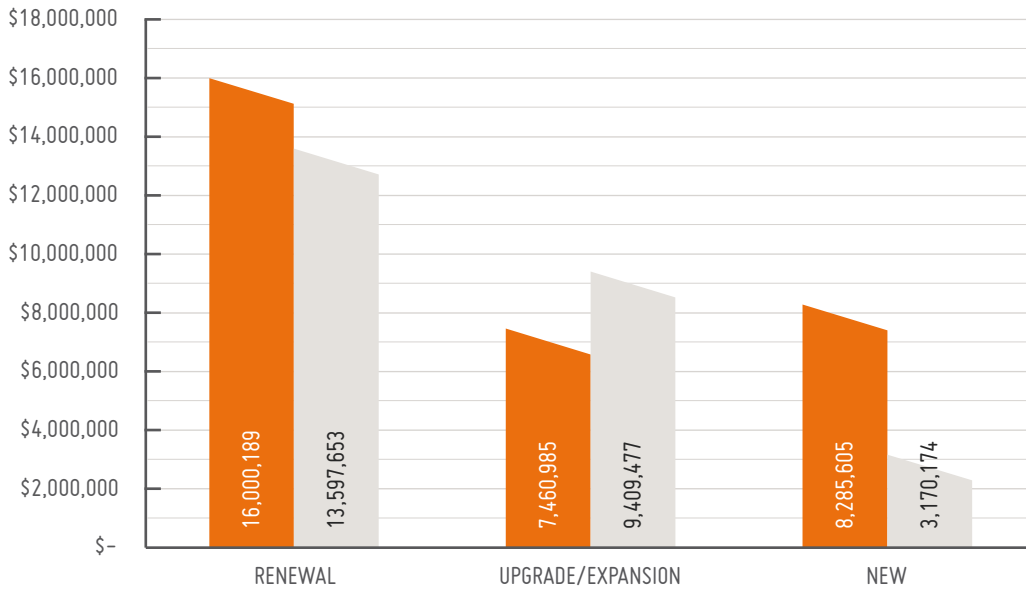
Materials and Services consist of contracts, consultants, utilities, insurance, motor vehicle running costs, repairs and maintenance and advertising.





FINANCIAL SUMMARY

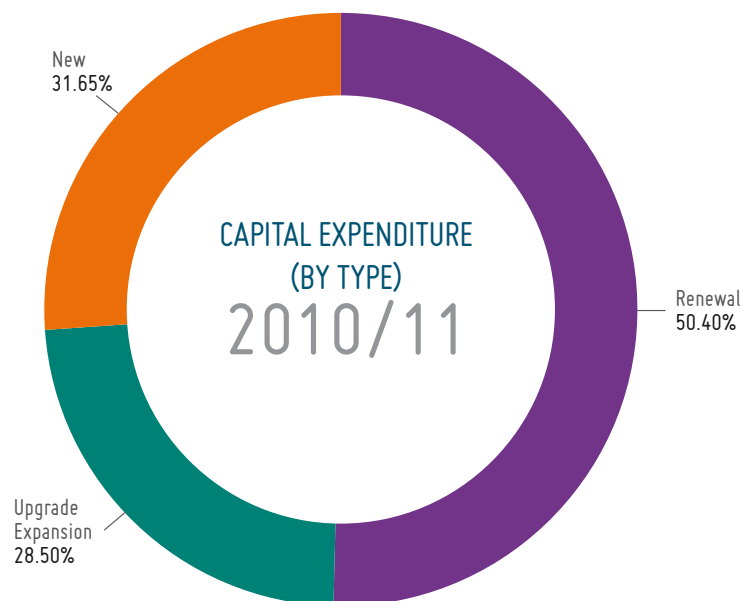
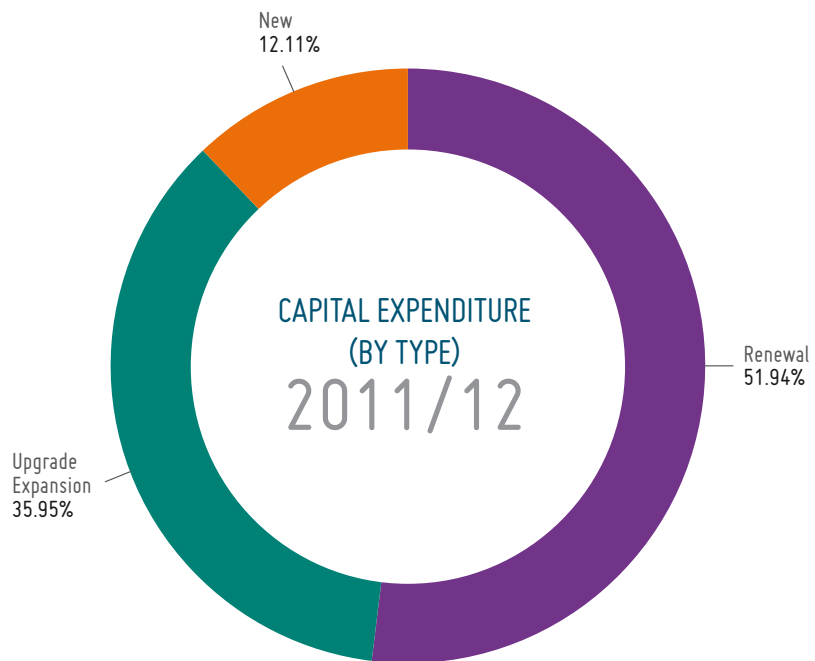
OPERATING INCOME 2011/12



■ 2010-2011
■ 2011-2012



THE PREPARATION OF PLANS FOR THE VAUGHAN STREET REDEVELOPMENT HAS BEEN A HIGHLIGHT OF 2011/12. IMAGE COURTESY LASCORP.





06 FINANCIAL REPORT

FINANCIAL STATEMENTS FOR 2011/12

The image shows a close-up of a person's hand writing on a financial statement. The document is a table with multiple columns and rows. The columns contain numerical values, and the rows list various financial categories. The table is part of a spiral-bound notebook.

Account Name	Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9	Column 10								
114	100	200	200	250	150	150	1,100	175	225	300	200	512	150	3,629	5,879	7,000	0	1,000
100	100	200	200	250	150	150	1,100	175	200	300	200	512	150	4,297	996	0	0	0
200	200	200	200	250	150	150	1,100	175	200	300	200	512	150	8,650	14,167	900	900	15,000
250	150	150	1,100	175	200	300	200	512	150	10,747	8,650	14,167	900	900	900	0	0	0
150	1,100	175	200	300	200	512	150	14,459	10,747	972	900	900	900	964	972	900	900	900
1,100	175	200	300	200	512	150	14,459	10,747	972	900	900	900	900	964	972	900	900	900
175	200	300	200	512	150	14,459	10,747	972	900	900	900	900	900	964	972	900	900	900
200	300	200	512	150	14,459	10,747	972	900	900	900	900	900	900	964	972	900	900	900
300	200	512	150	14,459	10,747	972	900	900	900	900	900	900	900	964	972	900	900	900
512	150	14,459	10,747	972	900	900	900	900	900	900	900	900	900	964	972	900	900	900
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900	900	900	900	900	900	900	900	900	900	900	900	900	900	964	972	900	900	900
900	900	900	900	900	900	900	900	900	900	900	900	900	900	964	972	900	900	900

Loan Interest
Capital Expenses
Other System Expenses
Reserve for Depreciation
Other
TOTAL CASH POSITION

FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

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FINANCIAL STATEMENTS

COMPREHENSIVE INCOME STATEMENT - YEAR ENDED 30 JUNE 2012

	Note	2012 \$	2011 \$
Revenue			
Rates and charges	3	54,074,349	49,921,586
Parking fees and fines	4	1,856,257	1,850,435
User fees	5	15,954,086	14,568,972
Grants - Recurrent	6	24,496,738	20,642,511
Grants - Non-recurrent	6	6,808,391	5,559,512
Contributions - Cash	7a	2,019,373	2,177,143
Contributions - Non-monetary assets	7b	3,338,306	2,212,480
Other revenue	8	1,977,617	1,980,736
Net gain(loss) on disposal of assets	14	1,109,939	(11,993)
Share of net profits(losses) of associates and joint ventures accounted for by the equity method	15	127,362	157,400
Total revenue		<u>111,762,418</u>	<u>99,058,782</u>
Expenses			
Employee benefits	9	(41,568,377)	(34,231,623)
Materials and services	10	(39,562,875)	(36,650,111)
Bad and doubtful debts	11	(200,426)	(110,860)
Depreciation and amortisation	12	(17,523,090)	(18,912,777)
Write off demolished assets	13	(234,513)	-
Finance costs		(1,033,763)	(483,500)
Write down intangible assets	19	(213,388)	-
Total expenses		<u>(100,336,432)</u>	<u>(90,388,871)</u>
Surplus (deficit) for the year		<u>11,425,986</u>	<u>8,669,911</u>
Other comprehensive income			
Net asset revaluation increment(decrement)		1,354,881	13,515,872
Total comprehensive result		<u>12,780,867</u>	<u>22,185,783</u>

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

FINANCIAL STATEMENTS

BALANCE SHEET AS AT 30 JUNE 2012

	Note	2012 \$	2011 \$
Assets			
Current assets			
Cash and cash equivalents	16	36,848,184	28,571,185
Trade and other receivables	17	4,124,877	5,563,684
Intangible assets	18	52,339	65,331
Accrued income		294,720	463,740
Prepayments		358,820	36,349
Inventories		78,968	74,396
Total current assets		<u>41,757,908</u>	<u>34,774,685</u>
Non-current assets			
Investment in associates accounted for using the equity method	15	1,231,281	1,093,015
Intangible assets	18	1,157,661	1,371,049
Property, plant and equipment, infrastructure	20	649,795,746	637,096,890
Total non-current assets		<u>652,184,688</u>	<u>639,560,954</u>
Total assets		<u>693,942,596</u>	<u>674,335,639</u>
Liabilities			
Current liabilities			
Trade and other payables	21	11,039,583	7,744,926
Trust funds and deposits	22	2,050,748	2,189,064
Provisions	23	7,900,108	7,290,255
Income received in advance	24	247,367	218,037
Interest-bearing loans and borrowings	25	389,095	83,528
Total current liabilities		<u>21,626,901</u>	<u>17,525,810</u>
Non-current liabilities			
Trade and other payables	21	406,257	268,418
Provisions	23	907,758	731,778
Interest-bearing loans and borrowings	25	15,224,794	12,824,518
Total non-current liabilities		<u>16,538,809</u>	<u>13,824,714</u>
Total liabilities		<u>38,165,710</u>	<u>31,350,524</u>
Net Assets		<u>655,776,886</u>	<u>642,985,115</u>
Equity			
Accumulated surplus		295,801,099	284,364,209
Reserves	26	359,975,787	358,620,906
Total Equity		<u>655,776,886</u>	<u>642,985,115</u>

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

FINANCIAL STATEMENTS

STATEMENT OF CHANGES IN EQUITY – YEAR ENDED 30 JUNE 2012

	Note	Total 2012 \$	Accumulated Surplus 2012 \$	Asset Revaluation Reserve 2012 \$
2012				
Balance at beginning of the financial year		642,985,115	284,364,209	358,620,906
Surplus(deficit) for the year		11,425,986	11,425,986	-
Net asset revaluation increment(decrement)	26	1,354,881	-	1,354,881
Change in investment percentage in Associates	15	10,904	10,904	-
Balance at end of the financial year		655,776,886	295,801,099	359,975,787

		Total 2011 \$	Accumulated Surplus 2011 \$	Asset Revaluation Reserve 2011 \$
2011				
Balance at beginning of the financial year		620,787,377	275,682,343	345,105,034
Surplus(deficit) for the year		8,669,911	8,669,911	-
Net asset revaluation increment(decrement)	26	13,515,872	-	13,515,872
Adjustment to last year accounts	15	11,955	11,955	-
Balance at end of the financial year		642,985,115	284,364,209	358,620,906

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

FINANCIAL STATEMENTS

CASH FLOW STATEMENT - YEAR ENDED 30 JUNE 2012

	2012 Inflows/ (Outflows)	2011 Inflows/ (Outflows)
Note	\$	\$
Cash flows from operating activities		
Rates and charges	54,504,899	49,065,994
Parking fees and fines	1,896,987	1,844,217
User charges and other fines (inclusive of GST)	19,027,877	16,748,207
Grants	31,302,040	26,195,362
Contributions	2,003,173	2,177,143
Interest	1,284,370	1,145,205
Rents	723,724	732,119
Net GST refund	3,439,476	4,550,605
Payments to suppliers (inclusive of GST)	(48,450,865)	(48,364,605)
Payments to employees	(35,150,725)	(33,330,314)
Finance costs	(866,363)	(483,500)
Net cash provided by (used in) operating activities	27 <u>29,714,593</u>	<u>20,280,433</u>
Cash flows from investing activities		
Payments for property, plant and equipment, infrastructure	(25,680,400)	(30,588,708)
Proceeds from sale of assets	1,536,963	482,561
Net cash provided by (used in) investing activities	<u>(24,143,437)</u>	<u>(30,106,147)</u>
Cash flows from financing activities		
Proceeds from Interest-bearing loans and borrowings	3,000,000	9,000,000
Repayment of Interest-bearing loans and borrowings	(294,157)	(81,954)
Net cash provided by (used in) financing activities	<u>2,705,843</u>	<u>8,918,046</u>
Net increase(decrease) in cash and cash equivalents	8,276,999	(907,668)
Cash and cash equivalents at the beginning of the financial year	28,571,185	29,478,853
Cash and cash equivalents at the end of the financial year	28 <u>36,848,184</u>	<u>28,571,185</u>

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

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

Note 1

Significant accounting policies

(a) Basis of accounting

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

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

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

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in this financial report. All transactions between these entities and the Council have been eliminated in full.

(b) Change in accounting policies

No changes in accounting policy

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

(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.

Contributions are recognised as income 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. Developer gifted assets are recognised at practical completion date.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 6. 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 notified, or the payment is received, whichever first occurs.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

(d) Depreciation 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:

	Current Period	Prior Period
Property		
Buildings and Land improvements		
Land improvements	10 to 80 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 80 years	10 to 50 years
Road substructure	40 to 80 years	
Road kerb, channel and minor culverts	10 to 60 years	10 to 50 years
Roundabouts	20 to 30 years	30 to 100 years
Bridges deck	50 to 100 years	
Footpaths	10 to 60 years	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	
Litter Bins		
Bus Shelters		
Outdoor Furnishings		

(e) Repairs and maintenance

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

(f) 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.

From 1 July 2008 Council changed the recognition criteria for Developer gifted assets from the liability period date to the practical completion date (refer to note 7(b)).

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

The following classes of assets have been recognised in note 20. In accordance with Council's policy, the threshold limits detailed below have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit
	\$
Property	
Buildings and land improvements	
Land	10,000
Land under roads	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	2,000
Other	
Other assets	3,000
Intangible assets	
Intangible assets	1,000

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

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

Revaluation (cont.)

In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 to 5 years. The valuation is performed either by experienced council officers or independent experts.

The Council's policy includes the requirement to revalue infrastructure every three years. This was due, but unable to be done during the 2011/12 financial year due to reconstruction works. The revaluation is planned to be performed during the 2012/13 financial year. This, however, is not in contravention of the accounting standards which have a time frame of 3-5 years.

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

Council has elected not to recognise land under roads as an asset that it controlled as at 30 June 2008 in accordance with AASB 1051 Land under Roads, and any acquisitions from 1 July 2008 are brought to account using the cost basis, if material.

(g) 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.

(h) Investments

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

(i) Accounting for investment in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

(j) 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 22).

(k) 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.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

(k) Employee benefits (cont)

Long service leave

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

Classification of employee benefits

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

Superannuation

A liability is recognised in respect of Council's present obligation to meet the unfunded obligations of defined benefit superannuation schemes to which its employees are members. The liability is defined as the Council's share of the scheme's unfunded position, being the difference between the present value of employees' accrued benefits and the net market value of the scheme's assets at balance date. The liability also includes applicable contributions tax of 17.65%. A call was made on Council's unfunded superannuation liability; refer to Note 31.

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

(l) 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.

(m) 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 12 months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

(n) 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.

(o) Web site costs

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 1

Significant accounting policies (cont.)

(p) 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.

(q) Impairment of assets

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

(r) Inventories

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

Note 2

Events occurring after balance date

At the date of this report no issues have been identified which would significantly affect the financial position reported herein.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 3		
Rates and charges		
<p>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.</p> <p>The valuation base used to calculate general rates for 2011/2012 was \$8.432 million (2010/2011 \$8,283 million).</p>		
	2012	2011
Residential	24,654,839	21,852,825
Commercial	10,855,989	10,114,683
Industrial	5,111,167	4,704,223
Farm/Rural	5,919,215	6,266,222
Supplementary rates and rate adjustments	208,145	145,326
Garbage charge	6,927,317	6,451,080
Interest on rates	387,677	387,267
	<u>54,074,349</u>	<u>49,921,586</u>
<p>The date of the last general revaluation of land for rating purposes within the municipal district was 1 January 2010, and the valuation first applied to the rating period commencing 1 July 2010.</p> <p>The date of the next general revaluation of land for rating purposes within the municipal district is 1 January 2012, and the valuation will be applied in the rating year commencing 1 July 2012.</p> <p>Supplementary rates and rate adjustments undertaken after the annual calculation incorporate a number of valuation objections.</p>		
Note 4		
Parking fees and fines		
Infringements and costs	564,025	598,350
PERIN court recoveries	35,927	47,189
Fees - ticket machines	359,728	378,156
Fees - parking meters	884,635	816,230
Permits	11,942	10,530
	<u>1,856,257</u>	<u>1,850,435</u>
Note 5		
User fees		
Aged and Disability services	623,756	705,191
Animal Control	591,137	581,202
Aquatic Facilities	2,627,658	2,424,862
Arts and Culture	817,731	691,584
Children's Services	1,849,957	1,710,465
Development Facilities	1,505,636	1,370,250
Environmental Health	286,301	272,674
Financial Services	899,663	725,900
Miscellaneous	176,119	103,748
Private Works	78,408	165,315
Recreational Facilities	677,971	619,344
Saleyards	1,216,929	1,160,629
Tourism	526,122	490,820
Waste Management	4,076,698	3,545,988
	<u>15,954,086</u>	<u>14,568,972</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

Note 6

Grants

Grants were received in respect of the following :

Commonwealth Government

Council Organisation and Management

Corporate Services

	2012 \$	2011 \$
	-	520,000
	<u>-</u>	<u>520,000</u>

Community Life

Aged & Disability Services

Children's Services

Other Community Programs

Public Open Space

	897,634	804,088
	18,920	1,817,236
	-	651,531
	33,180	-
	<u>3,083,928</u>	<u>3,272,835</u>

Infrastructure

Roads to Recovery

	1,600,467	1,452,960
	<u>1,600,467</u>	<u>1,452,960</u>

Economic Development

Development Services

Tourism

	192,877	136,443
	-	2,500
	<u>192,877</u>	<u>138,943</u>

Settlement and Housing

Development Facilities

Environmental Health

	-	142,043
	4,107	-
	<u>4,107</u>	<u>142,043</u>

Commonwealth Government Total

	<u>4,881,399</u>	<u>5,526,781</u>
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State Government

Council Organisation and Management

Victorian Grants Commission Unallocated

Victorian Grants Commission Local Roads

Management (Directorate)

Financial Services

Governance

	9,640,639	7,360,462
	3,459,015	2,690,217
	8,545	-
	260,000	9,218
	37,500	-
	<u>13,405,699</u>	<u>10,059,897</u>

Infrastructure

Local Roads

Parking Management

Planning Investigation & Design

Plant

Depot

	2,003,300	1,149,542
	67,768	75,042
	9,666	70,200
	7,800	106,490
	-	34,621
	<u>2,136,764</u>	<u>1,435,895</u>

Economic Development

Development Services

Tourism

	271,000	733,802
	-	250,000
	<u>271,000</u>	<u>983,802</u>

Settlement and Housing

Development Facilities

Environmental Health

	2,012,000	10,000
	82,636	86,731
	<u>2,094,636</u>	<u>96,731</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 6

	2012 \$	2011 \$
Grants (cont)		
<i>Community Life</i>		
Arts & Culture	1,247,366	366,000
Aged & Disability Services	2,824,748	2,944,084
Aquatic Facilities	60,000	5,000
Childrens Services	2,076,115	2,805,497
Development Facilities	215,000	-
Law Order & Safety	135,968	63,872
Public Open Space	72,000	107,000
Sports Facilities	280,357	137,585
Other Community Programs	589,169	1,426,144
	<u>7,510,723</u>	<u>7,857,162</u>
<i>Environment</i>		
Drainage	-	190,500
Environmental Management	586,768	2,800
Waste Management	416,120	48,455
	<u>1,002,888</u>	<u>241,755</u>
State Government Total	<u>26,423,730</u>	<u>20,675,242</u>
Total	<u>31,305,129</u>	<u>26,202,023</u>
Recurrent	24,486,738	20,642,511
Non-recurrent	6,808,391	5,559,512
Total	<u>31,305,129</u>	<u>26,202,023</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:

Shepparton Tertiary Education	-	33,500
Change Management for Kindergartens	-	36,000
Universal Access to Early Childhood Development	-	20,000
Strengthening Basins	12,711	-
Best Start	-	382,519
Active Service Management	-	39,500
Isobel Pearce Extension	-	143,071
Community Connections	126,036	78,605
Supported Parents Group	-	17,085
John Gray Shelter	-	80,000
Victorian Grants Commission	5,341,187	-
Merrigum Town Park	-	160,000
Stuart Reserve (Go Fish)	-	72,727
LEAD (Embracing Diversity)	24,414	55,903
TQUAL Funding	-	167,801
COAG Healthy Community Project	145,557	137,565
HACC minor capital grant - personal alarms	-	35,000
Vibert Reserve Development	-	312,564
Emergency Works Grants	-	31,500
Flood Resilience & Vulnerable Person Funding	110,000	-
Art Museum Program Funding	7,500	-
ICAA Funding	27,900	-
Indigenous Art Worker Residence Grant	6,446	-
Crouching Emu Grant	3,000	-
Waste Mitigation Works	250,000	-
Roads To Recovery	268,130	-
Culture Victoria Grant	4,773	-
LGIP Funding	1,990,000	-
Building Better Regional Cities	2,000,000	-
	<u>10,317,656</u>	<u>1,803,340</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 6		
Grants (cont)		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
Queens Gardens	-	442,480
Early Start Kindergarten	-	32,800
Strengthening Basins	-	20,000
Victorian Grants Commission	2,557,500	2,416,917
Health Youth Healthy Towns	-	97,850
River Connect Program	-	20,000
Minor grant for provision of transport to clients	-	35,000
Transport Connections	-	159,624
Shepparton Tertiary Education	33,500	-
Change Management Kindergartens	31,000	-
Best Start	112,490	-
Active Service Management	39,500	-
Supported Parents Group	17,085	-
John Gray Shelter	80,000	-
Merrigum Town Park	160,000	-
TQUAL Funding	167,601	-
HACC Minor Grants - Personal Alarms	35,000	-
Soccer Development (redirected grant from Vibert Reserve)	312,564	-
Emergency Works Grants	31,500	-
Tatura Flood Mitigation	100,000	-
SPPU	262,323	-
Gallery Kaieta	8,276	-
	<u>3,948,539</u>	<u>3,224,671</u>
Net increase(decrease) in restricted assets resulting from grant revenues for the year:	<u>6,369,117</u>	<u>(1,421,331)</u>
Note 7		
Contributions		
(a) Cash		
Developer contributions - Cash	1,066,546	898,907
Other contributions - Cash	952,827	1,278,236
	<u>2,019,373</u>	<u>2,177,143</u>
(b) Non-monetary assets		
Developer contributions - Non-monetary assets	3,338,306	2,212,480
	<u>3,338,306</u>	<u>2,212,480</u>
Total	<u>5,357,679</u>	<u>4,389,623</u>
Note 8		
Other revenue		
Interest	1,257,286	1,257,590
Rent	720,331	723,146
	<u>1,977,617</u>	<u>1,980,736</u>
Note 9		
Employee benefits		
Wages and salaries	32,126,172	29,715,929
Superannuation (note 31) *	8,628,764	3,754,071
Fringe benefits tax and work cover	813,441	781,623
	<u>41,568,377</u>	<u>34,231,623</u>
* Additional call to meet obligations in relation Defined Benefit Plan - \$5,831,820 (incl Contribution Tax):		

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

		2012	2011
		\$	\$
Note 10	Materials and services		
	Aged and Disability Services	3,320,146	3,232,747
	Childcare	1,790,246	1,553,708
	Local Laws	1,305,090	1,164,237
	Aquatic Facilities	1,200,604	966,744
	Arts and Culture	1,347,390	1,216,473
	Library	1,484,738	1,428,671
	Public Open Space Maintenance	4,089,861	3,862,228
	Local Roads	4,425,645	4,372,785
	Waste Management	6,994,464	6,095,867
	Saleyards	865,423	825,667
	Economic Development	3,222,423	3,159,531
	Administration	9,516,845	8,773,453
		<u>39,562,875</u>	<u>36,650,111</u>
Note 11	Bad and doubtful debts		
	Parking infringement debtors	120,696	100,221
	Other Debtors	79,730	10,639
		<u>200,426</u>	<u>110,860</u>
Note 12	Depreciation		
	Land Improvements	765,783	1,056,970
	Buildings	2,446,062	2,513,431
	Heritage Assets	26,867	22,056
	Plant, Machinery and Equipment	1,189,052	1,216,452
	Furniture, Equipment and Computers	1,483,241	1,542,819
	Roads	8,504,908	9,382,009
	Footpaths	716,815	627,999
	Kerb and Channel	605,790	620,868
	Drainage	1,092,074	1,287,688
	Roundabouts	15,665	14,873
	Bridges	121,692	141,923
	Regulatory Signs	251,978	237,454
	Naturestrip, Trees	110,796	109,136
	Street Furniture	105,805	50,576
	Bike Paths	86,562	86,543
		<u>17,523,090</u>	<u>18,912,777</u>
Note 13	Write off demolished assets		
	Old Search & Rescue Building	218,400	-
	Undera Wayside Stop Toilets	16,113	-
		<u>234,513</u>	<u>-</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 14

Net gain(loss) on disposal of assets

Plant and equipment

Proceeds from sale of assets	460,502	314,622
Written down value of assets sold	(389,897)	(323,408)
Net gain(loss) on sale of plant and equipment	70,605	(8,784)

Intangibles

Proceeds from sale of assets	12,992	90,665
Written down value of assets sold	(12,992)	(90,665)
Net gain(loss) on sale of intangible assets	-	-

Land and buildings

Proceeds from sale of assets	1,063,469	77,274
Written down value of assets sold	(24,135)	(71,774)
Selling expenses	-	(8,709)
Net gain(loss) on sale of land and buildings	1,039,334	(3,209)

Summary

Proceeds from sale of assets	1,536,963	482,561
Written down value of assets sold	(427,024)	(485,845)
Selling expenses	-	(8,709)
Net gain(loss) on sale of assets	1,109,939	(11,993)

Note 15

Investment in associates

Goulburn Valley Regional Library Corporation

Background

Investment percentage 61.76% in 2011/2012 (51.15% in 2010/2011)

Council's share of accumulated surplus(deficit)

Council's share of accumulated surplus(deficit) at start of year	(786,267)	(955,622)
Reported surplus(deficit) for year	127,362	157,400
Adjustments to last year's accounts	-	11,955
Council's share of accumulated surplus(deficit) at end of year	(658,905)	(786,267)

Movement in carrying value of specific investment

Carrying value of investment at start of year	1,093,015	923,680
Change in investment percentage	10,904	-
Share of surplus(deficit) for year	127,362	157,400
Adjustments to last year's accounts	-	11,955
Carrying value of investment at end of year	1,231,281	1,093,015

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Note 15		
Cash and cash equivalents		
Cash at bank and on hand	2,685,120	2,017,104
Bank bills	34,163,064	26,554,081
	<u>36,848,184</u>	<u>28,571,185</u>
Represented by:		
Cash on hand	7,940	8,780
Cash at bank	2,677,180	2,008,324
	<u>2,685,120</u>	<u>2,017,104</u>
Discretionary investments	-	189,451
Non-discretionary investments	32,863,064	21,074,634
Long service leave reserve (note 30)	1,300,000	5,289,996
	<u>34,163,064</u>	<u>26,554,081</u>
Total cash assets	<u>36,848,184</u>	<u>28,571,185</u>
Non-discretionary investments are funds held predominantly for Capital works.		
Note 17		
Trade and other receivables		
Current		
Rates debtors	2,296,245	2,726,795
Parking infringement debtors	279,398	305,396
Provision for doubtful debts - parking infringements	(115,803)	(101,070)
Loans and advances to community organisations	-	8,000
Other debtors	1,112,059	1,842,581
Provision for doubtful debts - other debtors	(50,000)	(50,000)
Net GST receivable	602,978	831,982
	<u>4,124,877</u>	<u>5,563,684</u>
Total	<u>4,124,877</u>	<u>5,563,684</u>
Note 18		
Intangible assets		
Current		
Right to receive revenue	52,339	65,331
	<u>52,339</u>	<u>65,331</u>
Non-current		
Right to receive revenue	1,157,661	1,371,049
Total	<u>1,210,000</u>	<u>1,436,380</u>
Note: Right represents the value held for Council's share of development and resale of Parkside Gardens. These are valued at lower of the last revaluation and recoverable amount. Annual impairment testing is undertaken to ensure that the carrying amount is not higher than the recoverable amount.		
Note 19		
Write down of intangible assets		
Rights to Council's share of resale of Parkside Gardens	213,388	-
	<u>213,388</u>	<u>-</u>

(a) based on reviewing the current market value and remaining anticipated Lot sales

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

Note 20

Property, plant and equipment, infrastructure

Summary

	2012 \$	2011 \$
at cost	96,492,380	69,086,950
Less accumulated depreciation	23,299,830	20,773,625
	<u>73,192,550</u>	<u>48,313,325</u>
at independent valuation as at 30 June 2008	84,395	12,929,616
Less accumulated depreciation	-	-
	<u>84,395</u>	<u>12,929,616</u>
at independent valuation as at 30 September 2011	14,532,541	-
at Council valuation as at 30 June 2009	606,305,182	606,305,182
Less accumulated depreciation	266,263,273	255,814,689
	<u>340,041,909</u>	<u>350,490,493</u>
at Council valuation as at 30 June 2011	292,866,776	293,469,354
Less accumulated depreciation	70,924,425	68,105,898
	<u>221,942,351</u>	<u>225,363,456</u>
Total	<u>649,795,746</u>	<u>637,096,890</u>
Property		
Land		
at cost	4,392,079	-
at independent valuation as at 30 June 2011	94,559,396	94,559,398
	<u>98,951,477</u>	<u>94,559,398</u>
Land under roads		
at cost	2,458,623	1,632,138
	<u>2,458,623</u>	<u>1,632,138</u>
Land improvements		
at cost	2,798,501	-
Less accumulated depreciation	40,591	-
	<u>2,757,910</u>	<u>-</u>
at independent valuation as at 30 June 2011	25,610,120	25,610,120
Less accumulated depreciation	5,860,699	5,135,507
	<u>19,749,421</u>	<u>20,474,613</u>
Total Land	<u>123,917,431</u>	<u>116,666,149</u>
Buildings		
at cost	4,814,274	-
Less accumulated depreciation	37,664	-
	<u>4,776,610</u>	<u>-</u>
at independent valuation as at 30 June 2011	168,764,136	169,364,714
Less Accumulated depreciation	63,840,657	61,774,189
	<u>104,923,479</u>	<u>107,590,525</u>
Total Buildings	<u>109,700,089</u>	<u>107,590,525</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 20		
Property, plant and equipment, infrastructure		
Heritage assets (cont)		
at independent valuation as at 30 June 2011	3,935,122	3,935,122
Less accumulated depreciation	1,223,069	1,196,202
	<u>2,712,053</u>	<u>2,738,920</u>
Total Heritage	<u>2,712,053</u>	<u>2,738,920</u>
Total Property	<u>236,329,573</u>	<u>226,995,594</u>
Valuation of land and buildings were undertaken by a qualified independent valuer, LG Valuation 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.		
Land under roads is valued at deemed cost. Deemed cost is based on council valuations at date acquired for acquisitions since 1 July 2008, adjusting for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services.		
Plant and Equipment		
Plant, Machinery and Equipment		
at cost	12,555,862	12,267,259
Less accumulated depreciation	7,333,733	7,230,105
	<u>5,222,119</u>	<u>5,037,154</u>
Furniture, Equipment and Computers		
at cost	20,302,605	19,253,020
Less accumulated depreciation	14,323,023	13,142,201
	<u>5,979,582</u>	<u>6,110,819</u>
Art Collection and Regalia		
at cost	120,806	367,559
at independent valuation as at 30 June 2008	84,395	12,929,616
at independent valuation as at 30 September 2011	14,532,541	-
	<u>14,737,742</u>	<u>13,297,175</u>
Total Plant and Equipment	<u>25,939,443</u>	<u>24,445,148</u>
Valuation of Art Collection was undertaken by an independent valuer, Leonard Joel Australia. Valuation of Regalia was undertaken by an independent valuer, P. Blashki & Sons Pty. Ltd. The valuations have been made considering the prevailing market conditions of commercial worth.		
Infrastructure		
Roads		
at cost	29,150,571	20,576,529
Less accumulated depreciation	1,191,227	293,188
	<u>27,959,344</u>	<u>20,283,341</u>
at Council valuation as at 30 June 2009	421,058,497	421,058,497
Less accumulated depreciation	169,273,992	161,667,123
	<u>251,784,505</u>	<u>259,391,374</u>
Bridges		
at cost	1,669,653	433,918
Less accumulated depreciation	18,458	3,786
	<u>1,651,195</u>	<u>430,132</u>
at Council valuation as at 30 June 2009	10,452,747	10,452,747
Less accumulated depreciation	2,812,822	2,705,802
	<u>7,639,925</u>	<u>7,746,945</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

Note 20

Property, plant and equipment, Infrastructure

Footpaths (cont)

	2012 \$	2011 \$
at cost	1,931,150	1,305,806
Less accumulated depreciation	81,196	11,357
	<u>1,889,954</u>	<u>1,294,449</u>
at Council valuation as at 30 June 2009	39,696,299	39,696,299
Less accumulated depreciation	24,343,223	23,676,247
	<u>15,353,076</u>	<u>16,020,052</u>

Drainage

at cost	7,622,184	4,435,666
Less accumulated depreciation	119,164	58,937
	<u>7,503,000</u>	<u>4,376,749</u>
at Council valuation as at 30 June 2009	89,427,409	89,427,409
Less accumulated depreciation	42,680,236	41,648,409
	<u>46,747,173</u>	<u>47,779,000</u>

Roundabouts

at cost	21,510	21,510
Less accumulated depreciation	1,345	269
	<u>20,165</u>	<u>21,241</u>
at Council valuation as at 30 June 2009	436,120	438,120
Less accumulated depreciation	246,253	233,664
	<u>189,867</u>	<u>204,456</u>

Kerb and Channel

at cost	1,442,222	852,618
Less accumulated depreciation	46,586	5,179
	<u>1,395,636</u>	<u>847,439</u>
at Council valuation as at 30 June 2009	33,862,910	33,862,910
Less accumulated depreciation	20,882,129	20,317,746
	<u>12,980,781</u>	<u>13,545,164</u>

Regulatory Signs

at cost	189,202	122,113
Less accumulated depreciation	27,202	6,685
	<u>162,000</u>	<u>115,428</u>
at Council valuation as at 30 June 2009	1,620,225	1,620,225
Less accumulated depreciation	1,388,764	1,157,303
	<u>231,461</u>	<u>462,922</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012 \$	2011 \$
Note 20		
Property, plant and equipment, infrastructure		
Naturestrip Trees (cont)		
at cost	161,349	78,340
Less accumulated depreciation	4,798	1,572
	<u>156,551</u>	<u>76,768</u>
at Council valuation as at 30 June 2009	5,378,440	5,378,440
Less accumulated depreciation	2,581,651	2,474,082
	<u>2,796,789</u>	<u>2,904,358</u>
Street Furniture		
at cost	1,095,137	718,121
Less accumulated depreciation	84,930	14,850
	<u>1,010,207</u>	<u>703,271</u>
at Council valuation as at 30 June 2009	630,750	630,750
Less accumulated depreciation	363,025	327,300
	<u>267,725</u>	<u>303,450</u>
Bike Paths		
at cost	224,345	218,994
Less accumulated depreciation	9,893	5,496
	<u>214,452</u>	<u>213,498</u>
at Council valuation as at 30 June 2009	3,739,785	3,739,785
Less accumulated depreciation	1,689,178	1,607,013
	<u>2,050,607</u>	<u>2,132,772</u>
Total Infrastructure	<u>381,984,413</u>	<u>378,852,809</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	5,542,317	6,803,339
Total Works in progress	<u>5,542,317</u>	<u>6,803,339</u>
Total Property, Plant and Equipment, Infrastructure	<u>649,795,746</u>	<u>637,086,890</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

Note 20 Property, plant and equipment, infrastructure (cont.)

2012	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26)	Depreciation (note 12)	Written down value of disposals	Contributed assets	Transfers to and transfers from W.L.P	Balance at end of financial year
	\$	\$	\$	\$	\$	\$	\$	\$
Property								
Land	94,559,396	3,862,930	-	-	-	-	529,149	98,951,477
Land under roads	1,632,138	-	-	-	-	826,485	-	2,458,623
Land improvements	20,473,666	1,921,891	-	(765,783)	-	-	876,609	22,506,583
Total Land	116,665,402	5,784,821	-	(765,783)	-	826,485	1,405,758	123,916,683
Buildings	107,591,272	3,494,714	-	(2,446,062)	(258,648)	-	1,319,561	109,700,837
Heritage assets	2,738,920	-	-	(26,867)	-	-	-	2,712,053
Total Buildings	110,330,192	3,494,714	-	(2,472,929)	(258,648)	-	1,319,561	112,412,890
Total Property	226,995,594	9,279,535	-	(3,238,712)	(258,648)	826,485	2,725,319	236,329,573
Plant and equipment								
Plant, machinery and equipment	5,037,154	1,769,802	-	(1,189,052)	(386,561)	-	(9,224)	5,222,119
Furniture, equipment and computers	6,110,819	1,346,116	-	(1,483,241)	(3,336)	-	9,224	5,979,582
Art collection and regalia	13,297,175	85,686	1,354,881	-	-	-	-	14,737,742
Total plant and equipment	24,445,148	3,201,604	1,354,881	(2,672,293)	(389,897)	-	-	25,939,443
Infrastructure								
Infrastructure	378,852,809	10,991,074	-	(11,612,085)	-	2,511,821	1,240,794	381,984,413
Total Infrastructure	378,852,809	10,991,074	-	(11,612,085)	-	2,511,821	1,240,794	381,984,413
Works in progress								
Works in progress	6,803,339	2,705,091	-	-	-	-	(3,966,113)	5,542,317
Total Works in progress	6,803,339	2,705,091	-	-	-	-	(3,966,113)	5,542,317
Total property, plant and equipment, infrastructure	637,096,890	26,177,304	1,354,881	(17,523,090)	(648,545)	3,338,306	-	649,795,746

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 20 Property, plant and equipment, infrastructure (cont.)

2011	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 26)	Depreciation (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	79,750,443	30,000	14,475,430			303,525		94,559,398
Land under roads	1,118,214					513,924		1,632,138
Land improvements	15,459,878	3,136,995	(396)	(1,056,970)			2,934,359	20,473,866
Total Land	96,328,535	3,166,995	14,475,034	(1,056,970)	-	817,449	2,934,359	116,665,402
Buildings	92,577,331	8,064,831	(1,370,487)	(2,513,431)			10,833,028	107,591,272
Heritage assets	2,349,651		411,325	(22,056)				2,738,920
Total Buildings	94,926,982	8,064,831	(959,162)	(2,535,487)	-	-	10,833,028	110,330,192
Total Property	191,255,517	11,231,826	13,515,872	(3,592,457)	-	817,449	13,767,387	226,995,594
Plant and equipment								
Plant, machinery and equipment	5,440,133	1,136,524		(1,218,452)	(321,051)			5,037,154
Furniture, equipment and computers	5,937,060	1,528,727		(1,542,819)	(2,355)		190,206	6,110,819
Art collection and regalia	13,144,798	152,377						13,297,175
Total Plant and equipment	24,521,991	2,817,628	-	(2,761,271)	(323,406)	-	190,206	24,445,148
Infrastructure								
Infrastructure	374,411,205	13,826,447		(12,559,049)		1,395,031	1,779,175	378,852,809
Total Infrastructure	374,411,205	13,826,447	-	(12,559,049)	-	1,395,031	1,779,175	378,852,809
Works in progress								
Works in progress	18,669,229	3,870,878					(15,736,768)	6,803,339
Total Works in progress	18,669,229	3,870,878	-	-	-	-	(15,736,768)	6,803,339
Total property, plant and equipment, infrastructure	608,857,942	31,746,779	13,515,872	(18,912,777)	(323,406)	2,212,460	-	637,096,890

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

Note 21

Trade and other payables

Current

Trade payables	727,005	2,108,670
Cosgrove landfill	101,816	94,991
Payroll deductions	242,851	-
Other payables	(87,710)	131,002
Defined Benefits Superannuation - GSCC	5,631,820	-
Accrued expenses	4,423,801	5,410,263
	<u>11,039,583</u>	<u>7,744,926</u>

Non-current

Cosgrove landfill	166,602	268,418
Defined Benefits Superannuation - GVRLC	239,655	-
	<u>406,257</u>	<u>268,418</u>
Total	11,445,840	8,013,344

Note 22

Trust funds and deposits

Refundable building deposits	9,179	(2,258)
Refundable contract deposits	381,929	487,576
Refundable landscaping deposits	20,930	-
Refundable civic facilities deposits	15,271	6,080
Refundable road crossing deposits	82,487	86,487
Refundable security deposits	1,455,032	1,511,112
Other refundable deposits	105,920	100,067
	<u>2,050,748</u>	<u>2,189,064</u>

Note 23

Provisions

	Annual leave	Long service leave	Total
	\$	\$	\$
2012			
Balance at beginning of the financial year	2,508,777	5,513,257	8,022,034
Additional provisions	2,109,373	1,136,321	3,245,694
Amounts used	(1,889,823)	(570,040)	(2,459,863)
Balance at the end of the financial year	<u>2,728,327</u>	<u>6,079,538</u>	<u>8,807,865</u>
2011			
Balance at beginning of the financial year	2,185,272	4,998,800	7,184,072
Additional provisions	2,137,746	870,617	3,008,363
Amounts used	(1,814,241)	(356,160)	(2,170,401)
Balance at the end of the financial year	<u>2,508,777</u>	<u>5,513,257</u>	<u>8,022,034</u>

	2012	2011
	\$	\$
(a) Employee benefits		
Current		
Annual leave	2,728,328	2,508,777
Long service leave	5,171,780	4,781,478
	<u>7,900,108</u>	<u>7,290,255</u>
Non-current		
Long service leave	907,758	731,778
	<u>907,758</u>	<u>731,778</u>
Aggregate carrying amount of employee benefits:		
Current	7,900,108	7,290,255
Non-current	907,758	731,778
	<u>8,807,866</u>	<u>8,022,033</u>

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

Weighted average increase in employee costs	4.00%	4.00%
Weighted average discount rates	2.74%	4.90%

Council expects to pay no more than \$1,393,997 from Current Long Service Leave provision and no more than \$2,098,860 from Annual Leave provision, with those more than 12 months being discounted to present value in accordance with AASB119.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT - YEAR ENDED 30 JUNE 2012

		2012	2011
		\$	\$
Note 24	Income received in advance		
	Other	24,500	-
	Lease payments	162,006	158,614
	Aquatic memberships	60,861	59,423
		<u>247,367</u>	<u>218,037</u>

Note 25	Interest bearing loans and borrowings		
	Current		
	Borrowings - secured	<u>389,095</u>	<u>63,526</u>
	Non-current		
	Borrowings - secured	<u>15,224,794</u>	<u>12,824,518</u>
	Total	<u>15,613,889</u>	<u>12,908,046</u>

The maturity profile for Council's borrowings is:

Not later than one year	389,095	83,526
Later than one year and not later than five years	1,882,254	997,619
Later than five years	13,342,540	11,826,899
	<u>15,613,889</u>	<u>12,908,046</u>

Note 26	Reserves	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
		\$	\$	\$
	Asset revaluation reserve			
	2012			
	Property			
	Land	61,966,415	-	61,966,415
	Land improvements	100,911	-	100,911
	Buildings	18,018,126	-	18,018,126
	Other - incl Artwork & Regalia	10,475,242	1,354,881	11,830,123
		<u>90,560,694</u>	<u>1,354,881</u>	<u>91,915,575</u>
	Infrastructure			
	Infrastructure	268,060,212	-	268,060,212
		<u>268,060,212</u>	<u>-</u>	<u>268,060,212</u>
	Total Asset revaluation reserve	<u>358,620,906</u>	<u>1,354,881</u>	<u>359,975,787</u>
	2011			
	Property			
	Land	47,386,655	14,579,760	61,966,415
	Land Improvements	101,307	(396)	100,911
	Buildings	19,081,618	(1,063,492)	18,018,126
	Other - incl Artwork & Regalia	10,475,242	-	10,475,242
		<u>77,044,822</u>	<u>13,515,872</u>	<u>90,560,694</u>
	Infrastructure			
	Infrastructure	268,060,212	-	268,060,212
		<u>268,060,212</u>	<u>-</u>	<u>268,060,212</u>
	Total Asset revaluation reserve	<u>345,105,034</u>	<u>13,515,872</u>	<u>358,620,906</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 27		
Reconciliation of cash flows from operating activities to surplus(deficit)		
Surplus (deficit) for the year	11,425,986	8,669,911
Depreciation/amortisation	17,523,090	18,912,777
(Profit)/loss on disposal of assets	(1,109,939)	3,284
Developer contributions - Non-monetary assets	(3,338,306)	(2,212,480)
Investment in GV Regional Library Corporation	(127,362)	(157,400)
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	1,294,469	(223,971)
Increase/(decrease) in income received in advance	29,330	(34,559)
Increase/(decrease) in Trust funds	(138,316)	(125,058)
Increase/(decrease) in accrued income	169,020	(328,380)
Increase/(decrease) in trade and other payables	3,079,930	(5,299,003)
(Increase)/decrease in inventories	(4,572)	(3,146)
Increase/(decrease) in provisions	785,833	897,328
(Increase)/decrease in other assets	125,430	181,730
Net cash provided by/(used in) operating activities	<u>29,714,593</u>	<u>20,280,433</u>
Note 28		
Reconciliation of cash and cash equivalents		
Cash and cash equivalents (note 16)	36,848,184	28,571,185
	<u>36,848,184</u>	<u>28,571,185</u>
Note 29		
Financing arrangements		
Unused facilities	470,000	470,000
	<u>470,000</u>	<u>470,000</u>
Note 30		
Restricted assets		
Council has cash and cash equivalents (note 16) that are subject to restrictions. As at the reporting date, Council had restrictions relating to Grant Funding and to employee entitlements (Long Service Leave).		
Current		
Long service leave (note 16)	1,300,000	5,289,996
Grants (note 6)	10,317,656	1,803,340
	<u>11,617,656</u>	<u>7,093,336</u>
Non-current		
Land and buildings on crown land	52,233,676	53,164,365
	<u>52,233,676</u>	<u>53,164,365</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 31

Superannuation

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

Council makes employer superannuation contributions in respect of its employees to other funds as nominated by its employee. Obligations for contributions are recognised as an expense in profit or loss when they are due. All other funds are accumulation funds none are defined benefits.

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

The Fund's Defined Benefit Plan is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated by employer, the Actuary is unable to reliably allocate benefit liabilities, assets and costs between employers. As provided under Paragraph 32 (b) of AASB 119, Council does not use defined benefit accounting for these 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 2011, Council makes the following contributions:-

- 9.25% of members' salaries (same as previous year);
- additional contributions to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit), plus contributions tax (effective from 1 October 2012 - further details to be provided); and
- a top-up contribution towards the \$406 million (plus contributions tax) payable on 1 July 2013.

The Local Authorities Superannuation Fund latest 31 December 2011 actuarial investigation identified an unfunded liability of \$406 million excluding the contributions tax in the defined benefit fund of which we are a member.

A call to Employers for additional contributions was made for the financial year ending 30 June 2012 with commitment from Employers from 1 July 2013.

Council was made aware of the expected short fall through the year and was formally informed of their share of the short fall in July 2012 which amounted to \$5,631,819.96 including contribution tax. Council have not yet considered their options for repayment of the shortfall.

Council has accounted for this short fall in the Comprehensive Income Statement in Employee Benefit (See Note 9) and in the Balance Sheet under Non-Current Liabilities in Trade and Other Payables (See Note 21).

Fund	2012 \$	2011 \$
Defined benefit plans		
Additional call to meet obligations in relation to Defined Benefit Plan	5,631,820	1,033,006
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	305,472	299,190
	<u>5,937,292</u>	<u>1,332,196</u>
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	2,127,171	2,006,231
Employer contributions to Funds other than Vision Super	564,301	415,644
	<u>2,691,472</u>	<u>2,421,875</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 32

Commitments

The Council has entered into the following commitments:

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
	\$	\$	\$	\$	\$
2012					
Operating					
Waste Management	3,146,000	1,335,000	1,075,000	-	5,556,000
Community	52,573	19,768	60,555	-	132,896
Aged and Disability Services	2,262,000	-	-	-	2,262,000
Saleyards	231,000	-	-	-	231,000
Consultancies	137,000	257,000	-	-	394,000
Planning	1,500	-	-	-	1,500
Construction	193,750	-	-	-	193,750
Hard & green waste collection	960,000	969,000	-	-	1,949,000
Total	6,983,823	2,600,768	1,135,555	-	10,720,146
Capital					
Construction	335,000	-	-	-	335,000
Information Technology	125,453	-	-	-	125,453
Planning	7,800	-	-	-	7,800
Total	468,253	-	-	-	468,253
Total	7,452,076	2,600,768	1,135,555	-	11,188,399
2011					
Operating					
Waste Management	3,675,405	3,985,570	2,632,227	-	10,493,202
Recreational Services	-	-	-	-	-
Community	111,279	19,099	57,297	-	187,675
Aged and Disability Services	2,411,311	2,507,763	671,065	-	5,590,139
Maintenance of Council Property	125,453	-	-	-	125,453
Saleyards	462,504	231,252	-	-	693,756
Consultancies	302,436	69,728	320,582	-	692,746
Administrative Services	-	-	-	-	-
Total	7,288,388	6,813,412	3,681,171	-	17,782,971
Capital					
Construction	750,916	-	-	-	750,916
Plant and equipment	-	-	-	-	-
Planning	764,749	-	-	-	764,749
Roads	-	-	-	-	-
Waste Management	2,519,000	-	-	-	2,519,000
Total	4,034,665	-	-	-	4,034,665
Total	11,323,053	6,813,412	3,681,171	-	21,817,636

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

	2012	2011
	\$	\$
Note 33		
Operating leases		
(a) 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	991,683	780,549
Later than one year and not later than five years	795,976	449,748
	<u>1,787,659</u>	<u>1,230,297</u>

(b) Operating lease receivables

At the reporting date, the Council had entered into commercial property leases. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge.

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

Not later than one year	282,080	520,331
Later than one year and not later than five years	715,172	883,398
Later than five years	-	286,441
	<u>997,252</u>	<u>1,690,170</u>

Note 34		
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 carries a \$400 Million Public/Products Liability Insurance that has an excess payment of \$10,000 per claim on this policy. Any exposure to the Council from incidents allegedly arising out of negligent management of its assets has a maximum liability of the excess payment on any single claim. MAV Insurance – Liability Mutual Insurance (LMI) is the Council's primary insurer and under the terms and conditions of the 2011/2012 policy the Council has made the insurer aware of any pending or existing claims. Financial outcomes pertaining to claims are unpredictable and are an estimate only. Payments for Public Liability claims are limited to the excess amount or part thereof.		
(ii) Contingent liabilities arising from professional indemnity		
As a local authority with statutory regulatory responsibilities, including the issuing permit approvals, the Council can be exposed to claims and demands for damages allegedly arising due to advice given by Council Officers. The Council carries \$300 Million Professional Indemnity Insurance with an excess payment of \$10,000 per claim on this policy. The maximum liability for the Council in any single claim is the extent of its excess payment. Civic Mutual Plus (CMP) is the Council's primary insurer and under the terms and conditions of the 2012/2013 policy the Council is not aware of any pending or existing claims.		
(iii) Contingent liabilities arising from Cosgrove Landfill Financial Assurance		
Council has a responsibility under the Environment and Protection Act 1970, for rehabilitation, site aftercare and remedial action at its landfill site at Cosgrove. While rehabilitation and site after care is funded through the annual budget, the EPA requires a financial assurance to meet the potential costs should the site require remedial works. The Council has previously lodged a Memorandum of Understanding (MOU) with the EPA making available to the EPA at call the sum of \$978,000 should remedial action be required.		
(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.		

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 35

Financial instruments

(a) Accounting policy, terms and conditions

Recognised financial instruments			
Financial instruments	Note	Accounting Policy	Terms and Conditions
Financial assets			
Cash and cash equivalents	16	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of 4.23% (4.40% in 2010/2011). The interest rate at balance date was 3.40% (4.65% in 2010/2011).
		Investments and bills are valued at cost.	Funds returned fixed interest rate of between 5.17% (5.15% in 2010/2011), and 5.80% (5.80% in 2010/2011) net of fees.
		Investments are held to maximise interest returns of surplus cash. Interest is recognised as it accrues.	
Trade and other receivables	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	21	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
Interest-bearing loans and borrowings	25	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 8.01% during 2011/2012 (7.97% in 2010/2011).
Trust funds and deposits	22	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	29	Facilities are recognised at the principal amount. Interest is charged as an expense as it accrues.	The facility is subject to annual review.

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 35

Financial instruments (cont.)

(b) Interest Rate Risk

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

2012

	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	2,677,180	34,163,064	-	-	7,940	36,848,184
Trade and other receivables	-	-	-	-	1,959,757	1,959,757
Total financial assets	2,677,180	34,163,064	-	-	1,967,697	38,807,941
Weighted average interest rate	4.88%					
Financial liabilities						
Trade and other payables	-	101,816	406,257	-	10,937,767	11,445,840
Trust funds and deposits	-	-	-	-	2,050,748	2,050,748
Interest-bearing loans and borrowings	-	389,095	1,882,254	13,342,540	-	15,613,899
Total financial liabilities	-	490,911	2,288,511	13,342,540	12,988,515	29,110,477
Weighted average interest rate	8.01%					
Net financial assets (liabilities)	2,677,180	33,672,153	(2,288,511)	(13,342,540)	(11,020,818)	9,697,464

2011

	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	2,008,324	26,554,081	-	-	8,780	28,571,185
Trade and other receivables	-	-	-	-	3,096,303	3,096,303
Total financial assets	2,008,324	26,554,081	-	-	3,105,083	31,667,488
Weighted average interest rate	5.64%					
Financial liabilities						
Trade and other payables	-	91,991	268,417	-	7,652,936	8,013,344
Trust funds and deposits	-	-	-	-	2,189,064	2,189,064
Interest-bearing loans and borrowings	-	83,528	997,619	11,826,899	-	12,908,046
Total financial liabilities	-	175,519	1,266,036	11,826,899	9,842,000	23,110,454
Weighted average interest rate	7.97%					
Net financial assets (liabilities)	2,008,324	26,378,562	(1,266,036)	(11,826,899)	(6,736,917)	8,557,034

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 35

Financial instruments (cont.)

(c) Net Fair Values

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

Financial instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2012	2011	2012	2011
	\$	\$	\$	\$
(1) Financial assets				
Cash and cash equivalents	36,848,184	26,571,185	36,848,184	26,571,185
Trade and other receivables	1,959,757	3,096,303	1,959,757	3,096,303
Total financial assets	38,807,941	31,667,488	38,807,941	31,667,488
(2) Financial liabilities				
Trade and other payables	11,445,840	8,013,344	11,445,840	8,013,344
Trust funds and deposits	2,060,748	2,189,064	2,060,748	2,189,064
Interest-bearing loans and borrowings	15,613,889	12,908,046	15,613,889	12,908,046
Total Financial liabilities	29,110,477	23,110,454	29,110,477	23,110,454
Net Financial Assets	9,697,464	8,557,034	9,697,464	8,557,034

(d) Credit risk

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

(e) Risks and mitigation

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

Market risk

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

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

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our long term borrowings are at fixed rates so we are not exposed to fair value interest rate risk.

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

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

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the provisions of the *Local Government Act 1989*. We manage interest rate risk by following a Council adopted investment policy that ensures:

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

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

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

(e) Risks and mitigation (cont.)

Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause the Council to make a financial loss. Council has exposure to credit risk on all financial assets (except rate receivables) included in the balance sheet. To help manage this risk:

- Council has a policy for establishing credit limits for the entities that Council deal with;
- Council may require collateral where appropriate; and
- Council only invests surplus funds with financial institutions which have a recognised credit rating specified in the adopted investment policy.

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised. Trade and other receivables are referred to at note 17. Bad and doubtful debts are written off, per note 11.

Liquidity risk

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

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

To help reduce these risks we:

- have an adopted cash management policy advising that a level of cash or equivalents must be maintained to cover transactions;
- have both readily accessible funds at call and other funding arrangements with the investment institutions in place to redeem invested funds before maturity only forfeiting the interest that would have been earned between the redemption date and maturity;
- have a portfolio structure that requires surplus funds to be invested at call until minimum is covered then to terms as required;
- monitor cashflow performance on a regular basis based on historical high and low flow periods.

The Council's exposure to liquidity risk is deemed insignificant based on prior period's data and current assessment of risk.

(f) Sensitivity disclosure analysis

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

- A parallel shift of +2% and -1% in market interest rates (AUD) from year-end rates of 5.17% (2010/11, 5.64%).

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

Market risk exposure	Interest rate risk				
	amount subject to interest	-1%		2%	
		Profit	Equity	Profit	Equity
2012	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	36,840,244	(368,402)	(368,402)	736,805	736,805
Financial liabilities:					
Interest-bearing loans and borrowings	15,613,889	156,139	156,139	(312,278)	(312,278)
2011	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets:					
Cash and cash equivalents	28,562,405	(285,624)	(285,624)	571,248	571,248
Financial liabilities:					
Interest-bearing loans and borrowings	12,908,046	129,080	129,080	(258,161)	(258,161)

Note 36

Auditors remuneration

	2012	2011
	\$	\$
Audit fee to conduct external audit - Victorian Auditor-General	62,304	58,740
Internal audit fees - Pitches Partners Consulting	99,949	100,714
	<u>162,253</u>	<u>159,454</u>

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

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	Michael Poian (Mayor) Kevin Ryan Jenny Houlihan Chris Hazelman Milvan Muto Cherie Crawford Geoff Dobson
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*** Chief Executive Officer** Julie Salomon (Acting) until Monday 16th January, 2012
Gavin Cator from Tuesday 17th January, 2012

(ii) Remuneration of Responsible Persons

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

	2012 No.	2011 No.
\$10,000 – \$19,999	5	6
\$20,000 – \$29,999	1	-
\$30,000 – \$39,999	1	1
\$40,000 – \$49,999	-	-
\$50,000 – \$59,999	1	1
\$70,000 – \$79,999	-	-
\$120,000 – \$129,999	-	-
\$290,000 – \$299,999	1	1
	<u>8</u>	<u>8</u>
	\$	\$
Total remuneration for the reporting year for Responsible Persons included above amounted to:	<u>341,801</u>	<u>494,815</u>

* CEO's role was shared during the 2011/12 financial year by Julie Salomon (Acting) and Gavin Cator. Only Gavin Cator's details are reflected in the above table. Julie Salomon's remuneration is reflected in the Senior Officer's Remuneration table.

(iii) No retirement benefits have been made by the Council to a Responsible Person during the reporting year: (2010/11, Nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2010/11, 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 (2010/11, Nil).

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 37

Related party transactions (cont.)

(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 \$127,000.

Income Range:	2012 No.	2011 No.
\$120,000 - \$129,999	-	2
\$130,000 - \$139,999	4	4
\$140,000 - \$149,999	1	3
\$150,000 - \$159,999	2	2
\$160,000 - \$169,999	1	-
\$170,000 - \$179,999	-	-
\$180,000 - \$189,999	-	1
\$190,000 - \$199,999	1	1
\$200,000 - \$209,999	-	-
\$210,000 - \$219,999	2	2
\$220,000 - \$229,999	1	-
	<u>12</u>	<u>15</u>
	\$	\$
Total remuneration for the reporting year for Senior Officers included above amounted to:	<u>1,998,251</u>	<u>2,354,258</u>

(vii) Other transactions

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 \$150 (\$390 in 2010/11).

Councillor Chris Hazelman held a beneficial interest with Harness Racing Victoria. There were no transactions for the 2011/12 financial year (\$0 in 2010/11).

Councillor Chris hazelman held office as a director with 'Chris Hazelman Consulting'. There were no transactions for the 2011/12 financial year (\$0 in 2010/11).

Councillor Jenny Houlihan held the position of Chairperson with Centrepont Body Corporate. There were no transactions for the 2011/12 financial year (\$0 in 2010/11).

Councillor Jenny Houlihan held a beneficial interest in local business, 'The Living Room'. There were no transactions for the 2011/12 financial year (\$0 in 2010/11).

Councillor Kevin Ryan held office with Merrigum Enterprises and the Tatura Caravan Park. There were no transactions for either in the financial year (\$0 in 2010/11).

Councillor Geoff Dobson held office with the following bodies. 'Shepparton Access Foundation' - the value of transactions for the 2011/12 financial year were \$55,000 (\$0 in 2010/11); 'Kaiela Institute' - the value of transactions were \$31,312 (\$0 in 2010/11); and 'Terenway Pty Ltd' - the value of transactions were \$4,079 (\$34,224 in 2010/11).

Councillor Milvan Mulo is secretary of the board of the Shepparton Hotel. Their were no transactions for the financial year (\$0 in 2010/11).

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 38

Revenue, expenses and assets by functions/activities

2012	Community Life	Economic Development	Infrastructure	Environment	Settlement & Housing	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Grants (note 6)	10,594,652	463,877	3,739,271	1,002,887	2,098,743	13,405,700	31,305,130
Other	7,777,927	4,321,678	7,729,420	11,243,262	5,108,892	54,055,893	90,237,072
TOTAL	18,372,579	4,785,555	11,468,691	12,246,149	7,207,635	67,461,593	121,542,202
EXPENSES	34,936,665	6,892,598	26,975,677	11,065,843	5,946,189	24,299,244	110,116,216
TOTAL	34,936,665	6,892,598	26,975,677	11,065,843	5,946,189	24,299,244	110,116,216
SURPLUS(DEFICIT) FOR THE YEAR	(16,564,086)	(2,107,043)	(15,506,986)	1,180,306	1,261,446	43,162,349	11,425,986
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	167,241,161	32,961,119	362,810,122	72,769,764	15,167,029	42,993,401	693,942,596

2011	Community Life	Economic Development	Infrastructure	Environment	Settlement & Housing	Council Organisation and Management	Total
	\$	\$	\$	\$	\$	\$	\$
REVENUE							
Grants (note 6)	11,129,997	1,122,745	2,888,855	241,755	238,773	10,579,897	26,202,022
Other	7,143,008	3,400,721	8,225,797	10,228,964	3,599,467	49,992,985	82,590,942
TOTAL	18,273,005	4,523,466	11,114,652	10,470,719	3,838,240	60,572,882	108,792,964
EXPENSES	32,367,314	6,385,860	28,109,874	10,043,667	5,378,947	17,837,391	100,123,053
TOTAL	32,367,314	6,385,860	28,109,874	10,043,667	5,378,947	17,837,391	100,123,053
SURPLUS(DEFICIT) FOR THE YEAR	(14,094,309)	(1,862,394)	(16,995,222)	427,052	(1,540,707)	42,735,491	8,669,911
ASSETS ATTRIBUTED TO FUNCTIONS/ACTIVITIES*	163,515,712	26,805,094	360,636,234	71,575,397	15,263,187	36,540,015	674,335,639

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

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

Community Life

Aged & Disability Services
Aquatic Facilities
Arts & Culture
Children's Services
Law Order & Safety
Other Community Programs
Public Open Space
Sports Facilities
Stock & Domestic Water Supply

Economic Development

Development Services
Salesyards
Tourism

Infrastructure

Aerodrome
Depot
Local Roads
Parking Management
Planning Investigation & Design
Plant
Private Works Services Contracts
Private Works Services Minor Works
Public Buildings

Environment

Drainage
Environmental Management
Waste Management

Settlement & Housing

Development Facilities
Environmental Health

Council Organisation and Management

Corporate Services
Financial Services
Governance
Information Systems
Management (Directorate)
Rates

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 39	Financial ratios (Performance indicators)	2012	2011	2010
	(a) Debt servicing ratio (to identify the capacity of Council to service its outstanding debt)			
	<u>Debt servicing costs</u>	$\frac{1,033,763}{111,762,418} = 0.92\%$	$\frac{483,500}{99,058,782} = 0.49\%$	$\frac{0}{94,257,643} = 0.00\%$
	Total revenue			
	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>	$\frac{1,327,920}{54,074,349} = 2.46\%$	$\frac{565,454}{49,921,586} = 1.13\%$	$\frac{0}{45,814,785} = 0.00\%$
	Rate revenue			
	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>	$\frac{54,074,349}{111,762,418} = 48.38\%$	$\frac{49,921,586}{99,058,782} = 50.40\%$	$\frac{45,814,785}{94,257,643} = 48.61\%$
	Total revenue			
	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>	$\frac{34,814,962}{254,481,173} = 1 : 8.8$	$\frac{23,871,464}{233,196,534} = 1 : 9.8$	$\frac{18,735,120}{223,346,553} = 1 : 11.9$
	Total realisable assets			
	For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.			
	Any liability represented by a restricted asset (note 30) is excluded from total indebtedness.			
	The following assets are excluded from total assets when calculating Council's realisable assets:			
	Land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.			
	This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council. Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the 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>	$\frac{41,757,808}{21,626,901} = 1.9 : 1$	$\frac{34,774,685}{17,525,810} = 2.0 : 1$	$\frac{35,445,106}{20,926,204} = 1.7 : 1$
	Current liabilities			
	The ratio expresses the level of current assets the Council has available to meet its current liabilities.			

FINANCIAL STATEMENTS

NOTES TO THE FINANCIAL REPORT – YEAR ENDED 30 JUNE 2012

Note 40 Pending Accounting Standards

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

Standard / Interpretation	Summary	Applicable for annual reporting periods beginning or ending on	Impact on Local Government financial statements
AASB 9: Financial Instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	<p>These standards are applicable retrospectively and amend the classification and measurement of financial assets. Council has not yet determined the potential impact on the financial statements. Specific changes include:</p> <ul style="list-style-type: none"> * simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value; * removing the tainting rules associated with held-to-maturity assets; * simplifying the requirements for embedded derivatives; * removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost; * allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument; * reclassifying financial assets where there is a change in an entity's business model as they are initially classified based on: <ol style="list-style-type: none"> a. the objective of the entity's business model for managing the financial assets; and b. the characteristics of the contractual cash flows. 	Applicable for annual reporting periods commencing on or after 1 January 2013.	These changes are expected to provide some simplification in the accounting for and disclosure of financial instruments
AASB 2011-3 Amendments to Australian Accounting Standards - Orderly Adoption of Changes to the ABS GFS Manual and Related Amendments	These standards are aimed at limiting certain recognition and measurement options to align with GFS, and supplemented by additional disclosures	Applicable for annual reporting periods commencing on or after 1 July 2011.	These amendments are not expected to impact Council
Key Characteristics of the Public Sector with Potential Implications for Financial Reporting	These standards detail with numerous non-urgent but necessary changes to accounting standards arising from the IASB's annual improvements project.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
Amendments to Australian Accounting Standards - Financial Instruments: Disclosures, Recognition and Measurement [AASB 7, 138]	These standards detail the proposed changes to be made to the recognition, disclosure and measurement of impairment of financial instruments.	Applicable for annual reporting periods commencing on or after 1 July 2011 but before 1 July 2012.	These amendments are not expected to impact Council
AASB 2010-9: Amendments to Australian Accounting Standards - Additional Exemptions for First-time Adopters [AASB 1]	These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome.	Applicable for annual reporting periods commencing on or after 1 January 2011.	These amendments are not expected to impact Council
AASB 2010-10: Amendments to Australian Accounting Standards - Classification of Rights Issues [AASB 132]	These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instrument for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments.	Applicable for annual reporting periods commencing on or after 1 February 2011.	These amendments are not expected to impact Council

FINANCIAL STATEMENTS

CERTIFICATION OF THE FINANCIAL REPORT

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



G Cator
PRINCIPAL ACCOUNTING OFFICER
and CHIEF EXECUTIVE OFFICER

Date: 18/9/2012

In our opinion the accompanying financial statements present fairly the financial transactions of Greater Shepparton City Council for the year ended 30 June 2012 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 18th September 2012 to certify the financial statements in their final form.



M Polan (Mayor)
COUNCILLOR

Date: 18/9/2012



C Hazelman (Deputy Mayor)
COUNCILLOR

Date: 18/9/2012

A close-up photograph of a cylindrical object, possibly a pipe or a post, showing significant weathering and peeling paint. The object is painted with a dark blue color, which is chipped away in several places, revealing a lighter, off-white or beige material underneath. The background is a bright, clear blue sky. A dark teal vertical bar is overlaid on the right side of the image, containing the text.

06 STANDARD STATEMENTS

STANDARD STATEMENTS FOR 2011/12.

STANDARD INCOME STATEMENTS

YEAR ENDED 30 JUNE 2012

	Budget	Variances		Note	Actuals
	2011/2012	\$	%		2011/2012
	\$	\$	%		\$
Revenue					
Rates and Charges	53,480,000	175,160	0.3		53,655,160
Operating Grants and Contributions	18,525,000	6,854,526	37.0	1	25,379,526
Capital Grants and Contributions	5,860,000	5,420,074	92.5	2	11,280,074
Interest	1,477,000	177,963	12.0	3	1,654,963
User Charges	12,537,000	422,036	3.4		12,959,036
Statutory Fees	2,417,000	277,481	(11.5)	4	2,139,519
Proceeds from Sale of Assets	1,514,000	12,067	(0.8)		1,501,933
Other	1,100,000	402,965	36.6	5	1,502,965
Parking Fees and Fines	1,930,000	73,744	(3.8)		1,856,256
Rent	638,000	82,331	12.9	6	720,331
Total Revenue	99,478,000	13,171,763	13.2		112,649,763
Expenses					
Employee Benefits	35,839,000	5,880,031	16.4	7	41,719,031
Materials and Consumables	25,969,000	1,548,105	6.0		27,517,105
External Contracts	10,641,000	440,005	(4.1)		10,200,995
Utilities	2,424,000	88,013	(3.6)		2,335,987
Borrowing Costs	1,115,000	59,020	(5.3)		1,055,980
Depreciation and Amortisation	18,651,000	1,127,910	(6.0)		17,523,090
Written Down Value of Assets Sold	184,000	687,589	373.7	8	871,589
Total Expenses	94,823,000	6,400,777	6.8		101,223,777
Net surplus(deficit) from operations	4,655,000	6,770,986	145.5		11,425,986

STANDARD BALANCE SHEET

YEAR ENDED 30 JUNE 2012

	Budget 2011/2012		Variances		Note	Actuals 2011/2012	
	\$	\$	\$	%		\$	\$
Current Assets							
Cash	\$ 3,234,000	-\$ 548,880		-16.97%	9	\$ 2,685,120	
Receivables	\$ 5,402,000	-\$ 982,403		-18.19%	10	\$ 4,419,597	
Investments	\$ 17,293,000	\$ 16,870,064		97.55%	11	\$ 34,163,064	
Other	\$ 492,000	-\$ 1,873		-0.38%		\$ 490,127	
Non current assets held for resale	\$ 72,000	-\$ 72,000		-100.00%	12	\$ -	
Total assets	\$ 26,493,000	\$ 15,264,908		57.62%		\$ 41,757,908	
Non Current Assets							
Receivables	\$ 8,000	-\$ 8,000		-100.00%	13	\$ -	
Infrastructure etc	\$ 675,373,000	-\$ 25,577,254		-3.79%		\$ 649,795,746	
Other	\$ 2,386,000	\$ 2,942		0.12%		\$ 2,388,942	
Total Non Current Assets	\$ 677,767,000	-\$ 25,582,312		-3.77%		\$ 652,184,688	
TOTAL ASSETS	\$ 704,260,000	-\$ 10,317,404		-1.46%		\$ 693,942,596	
Current Liabilities							
Payables	\$ 11,371,000	-\$ 331,417		-2.91%		\$ 11,039,583	
Interest Bearing Liabilities	\$ 384,000	\$ 5,095		1.33%		\$ 389,095	
Trust Funds	\$ 2,386,000	-\$ 335,252		-14.05%	14	\$ 2,050,748	
Employee Benefits	\$ 6,473,000	\$ 1,427,108		22.05%	15	\$ 7,900,108	
Other	\$ 335,000	-\$ 87,633		-26.16%	16	\$ 247,367	
Total Current Liabilities	\$ 20,949,000	\$ 677,901		3.24%		\$ 21,626,901	
Non Current Liabilities							
Payables	\$ 363,000	\$ 43,257		11.92%	17	\$ 406,257	
Employee Benefits	\$ 711,000	\$ 196,758		27.67%	18	\$ 907,758	
Interest Bearing Liabilities	\$ 15,231,000	-\$ 6,206		-0.04%		\$ 15,224,794	
Total Non Current Liabilities	\$ 16,305,000	\$ 233,809		1.43%		\$ 16,538,809	
TOTAL LIABILITIES	\$ 37,254,000	\$ 911,710		2.45%		\$ 38,165,710	
NET ASSETS	\$ 667,006,000	-\$ 11,229,114		-1.68%		\$ 655,776,886	
Represented By:							
Accumulated Surplus	\$ 289,901,000	\$ 5,900,099		2.04%		\$ 295,801,099	
Reserves	\$ 377,105,000	-\$ 17,129,213		-4.54%		\$ 359,975,787	
TOTAL EQUITY	\$ 667,006,000	-\$ 11,229,114		-1.68%		\$ 655,776,886	

STANDARD CASH FLOW STATEMENTS

YEAR ENDED 30 JUNE 2012

	Budget	Variances		Note	Actuals
	2011/2012	\$	%		2011/2012
	\$	\$	%		\$
Receipts from customers	72,102,000	3,924,752	5.44%		76,026,752
Payments to suppliers	- 75,057,000	- 2,975,206	3.96%		- 78,032,206
Net cash inflow/(outflow) from customers/suppliers	- 2,955,000	949,546	-32.13%		- 2,005,454
Interest received	1,477,000	- 192,630	-13.04%	19	1,284,370
Government receipts	21,433,000	9,869,040	46.05%	20	31,302,040
Other	- 1,160,000	293,637	-25.31%	21	- 866,363
Net cash inflow/(outflow) from operating activities	18,795,000	10,919,593	58.10%		29,714,593
Cash inflows from investing activities					
Proceeds from sale of property, plants and equipment, infrastructure	1,514,000	22,963	1.52%		1,536,963
Payments for sale of property, plants and equipment, infrastructure	- 32,935,000	7,254,600	-22.03%	22	- 25,680,400
Net cash inflow/(outflow) from investing activities	- 31,421,000	7,277,563	-23.16%		- 24,143,437
Cash inflows from financing activities					
Proceeds from interest bearing loans and borrowings	3,000,000	-	0.00%		3,000,000
Repayment of interest bearing loans and borrowings	- 293,000	- 1,157	0.39%		- 294,157
Net cash inflow/(outflow) from financing activities	2,707,000	- 1,157	-0.04%		2,705,843
Net increase/(decrease) in cash and cash equivalents	- 9,919,000	18,195,999	-183.45%		8,276,999
Cash and cash equivalents at the beginning of the year	30,446,000	- 1,874,815	-6.16%		28,571,185
Cash and cash equivalents at the end of the year	20,527,000	16,321,184	79.51%		36,848,184

STANDARD CAPITAL WORKS STATEMENT

YEAR ENDED 30 JUNE 2012

Capital Works Area	Budget	Variances		Note	Actuals
	2011/2012	\$	%		2011/2012
	\$	\$	%		\$
Roads	11,802,000	- 3,099,209	-26.26%		8,702,791
Drainage	4,447,000	- 2,160,302	-48.58%		2,286,698
Open Space	5,381,000	- 2,066,388	-38.40%		3,314,612
Buildings	3,754,000	3,476,977	92.62%		7,230,977
Plant, equipment and other	2,919,000	100,965	3.46%		3,019,965
Waste Management	2,248,000	- 1,094,656	-48.69%		1,153,344
Other	2,384,000	- 1,915,083	-80.33%		468,917
Total capital works	32,935,000	- 6,757,696	-20.52%		\$ 26,177,304

Represented by:

Renewal	17,326,000	- 3,728,347	-21.52%		13,597,653
Upgrade/Expansion	4,600,000	4,809,477	104.55%		9,409,477
New	11,009,000	- 7,838,826	-71.20%		3,170,174
Total capital works	32,935,000	- 6,757,696	-20.52%		\$ 26,177,304

Property, plant and equipment, infrastructure movement reconciliation worksheet	Budget	Variances		Note	Actuals
	2011/2012	\$	%		2011/2012
	\$	\$	%		\$

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	32,935,000	- 6,757,696	-20.52%	23	26,177,304
Asset revaluation movement	16,000,000	- 14,645,119	-91.53%	24	1,354,881
Depreciation and amortisation	- 18,651,000	1,127,910	-6.05%		- 17,523,090
WDV of assets sold	- 184,000	687,589	373.69%	25	- 871,589
Contributed Assets	3,000,000	338,305	11.28%	26	3,338,305
Net movement in property, plant and equipment, infrastructure	33,100,000	- 20,624,189	-62.31%		12,475,811

NOTES ACCOMPANYING THE STANDARD STATEMENTS

YEAR ENDED 30 JUNE 2012

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 annual budget adopted by Council on 28 June 2011. The budget was based on assumptions that were relevant at the time of adoption. 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 is 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

NOTE	ITEM	EXPLANATION
STANDARD INCOME STATEMENT - INCOME		
1	Operating Grants and Contributions	Funding and contributions received in advance or above budget expectations include Grant Commission Funding of \$5.34m
2	Capital Grants and Contributions	Capital grants are directly linked to the completion and subsequent acquittal of capital projects. Capital contributions can be either cash or non-cash (assets) and generally relate to commercial and residential developments.
		Projects explaining the variance include the Building Better Regional Cities grant \$2.00m, Local Government Investment Pool funding \$1.99m and Art Museum Upgrade funding of \$900k.

NOTES ACCOMPANYING THE STANDARD STATEMENTS

YEAR ENDED 30 JUNE 2012

3	Interest	Treasury investments earned \$156k greater than expected mostly due to larger amounts invested.
4	Statutory Fees	Building and Planning fees/fines were \$83k lower than budgeted, whilst cat and dog registrations were \$138k behind budget.
5	Other	Share of profit on Library \$127k. Also includes \$402k resulting from maintenance and closure of aged, incomplete and unrequired purchase orders.
6	Rent	Business Centre rental income reported \$43k of unbudgeted income. Additional income was also received for General Leases \$38k.

STANDARD INCOME STATEMENT - EXPENSE

7	Employee Benefits	Inclusion of \$5,631,820 for Greater Shepparton City Council's portion of Vision Super's unfunded Defined Benefits superannuation, and \$239,655 as share of Library's liability for the same.
8	Written Down Value of Assets Sold	Disposal of assets was \$688k more than expected due to an unbudgeted property sale and the timing of vehicles being sold.

STANDARD BALANCE SHEET - CURRENT ASSETS

9	Cash	Timing of creditor payments and debtor receipts.
10	Receivables	Increased focus on collections for both Trade and Rates Debtors. Includes payment by Administrator of \$700k for liquidated company.
11	Investments	Surplus funds invested due to receiving 2012/13 grants and funds in advance. Refer notes 1 and 2.
12	Non current assets held for resale	Budgeted land sale occurred in last financial year after budget had been adopted.

STANDARD BALANCE SHEET - NON-CURRENT ASSETS

13	Receivables	Nil balance as at year end.
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STANDARD BALANCE SHEET - CURRENT LIABILITIES

14	Trust funds	Holdings are down in line with incompleting capital works program.
15	Employee Benefits	Both Annual and Long Service Leave provisions have been impacted by the fall in current interest rates and its impact on future discount rates.
16	Other	Timing difference Tax and Deductions.

STANDARD BALANCE SHEET - NON-CURRENT LIABILITIES

17	Payables	Includes \$5.63m Unfunded Superannuation liability.
18	Employee Benefits	Falling interest rates have affected the discount rate applied to provisions.



NOTES ACCOMPANYING THE STANDARD STATEMENTS

YEAR ENDED 30 JUNE 2012

CASH FLOW STATEMENT

19	Interest Received	Timing issue in interest received \$194k.
20	Government Receipts	As per Notes 1 & 2.
21	Other	Timing of interest payments.
22	Payments PP&E	Capital Works program incomplete by \$6.8m.

PROPERTY PLANT AND EQUIPMENT RECONCILIATION

23	Total Capital Works	Capital works program for 2011/2012 was not completed. Mooroopna West Precinct Floodway \$1.35m, Tatura Flood Mitigation \$545k, Land purchases \$330k, GV Freight Hub Stage 1 \$320k, Raftery Road reconstruction \$284k, Shepparton Town Entries program \$165k, Isobel Pearce Extension and Senior Citizens upgrade \$153k.
24	Asset revaluation	Some planned asset revaluations did not go ahead this year. The Art collection was revalued.
25	Written down value of assets sold	More property was sold than anticipated.
26	Contributed Assets	More contributed assets were received than anticipated.

CERTIFICATION OF THE STANDARD STATEMENTS

YEAR ENDED 30 JUNE 2012

In my opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2012 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*.



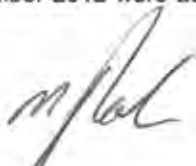
G Cator
PRINCIPAL ACCOUNTING OFFICER
and CHIEF EXECUTIVE OFFICER

Date: 18/9/2012

In our opinion, the accompanying standard statements of Greater Shepparton City Council for the year ended 30 June 2012 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 18 September 2012 were authorised by the Council to certify the standard statements in its final form on behalf of the Council.



M Polan (Mayor)
COUNCILLOR

Date: 18/9/2012



C Hazelman (Deputy Mayor)
COUNCILLOR

Date: 18/9/2012





06 INDEPENDENT AUDITOR'S REPORT

VICTORIAN AUDITOR GENERAL'S OFFICE
REPORT 2011/12.

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Greater Shepparton City Council

The Financial Report and Standard Statements

The accompanying financial report for the year ended 30 June 2012 of Greater Shepparton City Council which comprises the comprehensive income statement, balance sheet, statement of changes in equity, cash flow statement, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2012 of the Council which comprises the standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, the related notes and the certification of the standard statements have been audited.

The Councillors' Responsibility for the Financial Report and Standard Statements

The Councillors of the Greater Shepparton City Council are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in Note 1 to the statements and the requirements of the *Local Government Act 1989*.

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

Auditor's Responsibility

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

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

- the appropriateness of the accounting policies used in the financial report
- the reasonableness of accounting estimates made by the Councillors
- the overall presentation of the financial report and standard statements.

Independent Auditor's Report (continued)

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

Independence

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

Opinion

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of Greater Shepparton City Council as at 30 June 2012 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*.
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in Note 1 to the statements and comply with the requirements of the *Local Government Act 1989*.

Basis of Accounting for Standard Statements

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

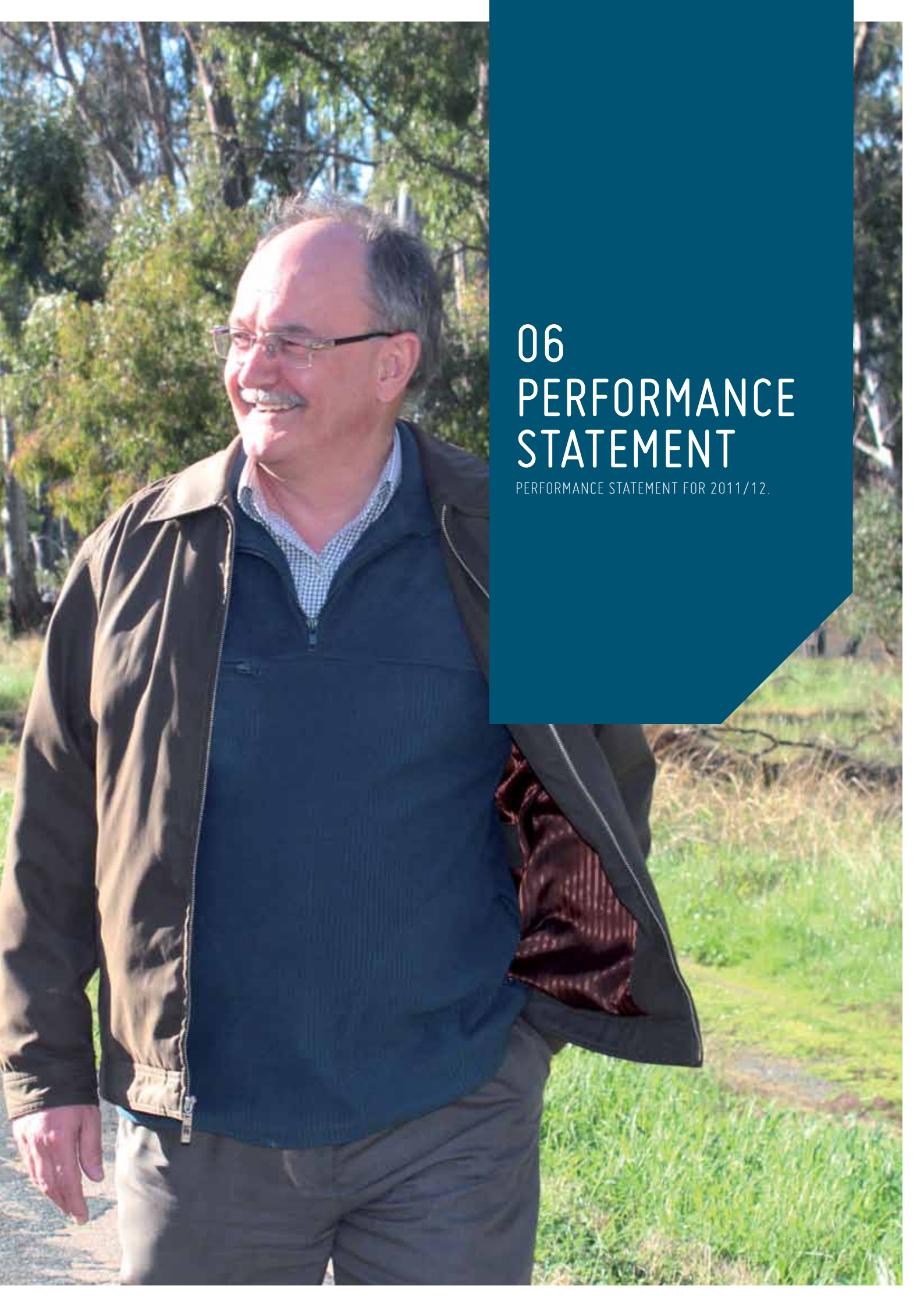
Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements

This auditor's report relates to the financial report and standard statements of the Greater Shepparton City Council for the year ended 30 June 2012 included both in the Greater Shepparton City Council's annual report and on the website. The Councillors of the Greater Shepparton City Council are responsible for the integrity of the Greater Shepparton City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE
21 September 2012


D D R Pearson
Auditor-General





06 PERFORMANCE STATEMENT

PERFORMANCE STATEMENT FOR 2011/12.

PERFORMANCE STATEMENT

YEAR ENDED 30 JUNE 2012

INTRODUCTION TO THE PERFORMANCE STATEMENT

Council is required under Section 127 of the Local Government Act 1986 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 the Council's 2011-2012 budget compared to actual results for the year.

Key Strategic Activity	Target Performance	Target Date	How Target is Reported	Target Met	Comments
Settlement and Housing					
Revitalise and promote the Shepparton CBD as the region's premier retail entertainment destination.	Continue to pursue the implementation of the CBD Strategy and focus on achieving short term actions as listed in the Council Plan.	Jun-12	Report to Council	Met	Redevelopment plans for Vaughan/Maude Street precinct have been prepared. Extended retail trading hour promotion held in the CBD on Saturday's over the summer. The Showgrounds continue to be redeveloped in accordance with the masterplan. The following items have not been included in a Report to Council. A draft activity centre zone has been drafted to implement the design guidelines proposed in the CBD Strategy. Stage 1 of Queens Gardens masterplan has been implemented.
Encourage innovative, appropriate, sustainable and affordable housing solutions.	Implement recommendations from the Housing Strategy, which is scheduled to be endorsed by Council in May 2011.	Jun-12	Report to Council	Not Met	Housing Working Group established. Implementation plan has been developed. BBRC funding has been secured. Housing Strategy incorporated into Greater Shepparton Planning Scheme and preparation progressing with implementation and/or preparation/revision of five growth corridors. Investigation progressing into numerous residential proposals. An Annual Report is being prepared to present consolidated information regarding Housing Strategy.
Community Life					
Embrace and strengthen cultural harmony and diversity.	Adopt a Safer City Strategy 2011-2014.	Jun-12	Council meeting minutes	Met	On 21 June 2011 Council adopted the Safer City Strategy for the CBD and Victoria Park Lake Precinct.
Provide a safe and family friendly community.	Commence implementation of the outcome of the Community Safety Plan through the Community Safety Committee.	Dec-11	Council meeting minutes	Met	Safer City Strategy is currently being implemented. The Greater Shepparton Safe Communities Advisory Committee meet quarterly to support implementation.
Environment					
Enhance the community's use and appreciation of the Goulburn and Broken Rivers.	Implement recommendations from the RiverConnect Strategy, which is scheduled to be endorsed by Council in May 2011.	Jun-12	Report to Council	Met	RiverConnect Strategic Plan was endorsed by Council in May 2011. Recommendations are currently being implemented and are overseen (and supported) by the Implementation Advisory Committee.
Promote and demonstrate environmental sustainability.	Adopt an Environment and Sustainability Strategy.	Dec-11	Council meeting minutes	Not Met	The Environmental and Sustainability Strategy is still in the development stage and is now due to go before Council in April 2013.
Economic Development					
Establish the Goulburn Valley Freight Logistics Centre to improve the efficiencies and competitiveness of regional business.	Complete detailed design for Stage 2.	Jun-12	Report to Council	Not Met	Completion of design consultant contract has experienced delays. Submission to council expected by December 2012.
Council Organisation and Management					
Responsible management of resources.	Achievement of the operation result within 10% of the budgeted result excluding extraordinary items and depreciation.	Jun-12	Financial Statements	Not Met	Receipt of 2012/13 funding in advance totals \$9,330,000. Partially offset by Defined Benefits unfunded superannuation expense \$5,632,000, but still a significantly favourable excess to budget.
Working capital ratio.	Current assets to current liabilities 2.0:1.	Jun-12	Financial Statements	Not Met	Based on Currents Assets of \$41,757,908 and Current Liabilities of \$21,626,901, Council's result shows a 1.9 : 1 Working Capital Ratio. This includes the Unfunded Defined Benefits liability.
Rates, fees and charges outstanding.	3% outstanding at 30 June 2012.	Jun-12	Financial Statements	Not Met	3.78% remained outstanding as at 30 June 2012. Result unfavourably impacted by debt collection processes being placed 'on hold' for a six week period after March flood event.
Infrastructure					
Undertake beautification works for the main streets and entrances to urban areas and townships.	A landscape Strategy for Numurkah Rd is in progress. Council has conducted public consultation and had discussions with Vic Roads. A member of the public has offered to head a corridor landscape interest group.	Jun-12	Report to Council	Not Met	A report has not been made to Council. Works completed in 2011/12 include: - Installation of Undera Town Entry Signs. - Stage 1 Landscaping of Shepparton Southern town entry. - Design and Consultation for landscaping of Shepparton Northern and Eastern town entries. - Design and consultation for town entry signs at Toolamba and Murchison. - Update to Tatura town entry signs.

CERTIFICATION OF THE PERFORMANCE STATEMENT

YEAR ENDED 30 JUNE 2012

In our opinion, the accompanying Performance Statement of the Greater Shepparton City Council in respect of the 2011/2012 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.



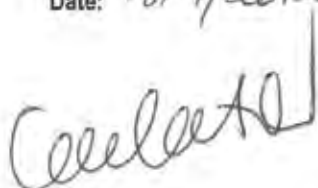
M Polan (Mayor)
COUNCILLOR

Date: 18/9/2012



C Hazelman (Deputy Mayor)
COUNCILLOR

Date: 18/9/2012



G Cator
CHIEF EXECUTIVE OFFICER

Date: 18/9/2012

INDEPENDENT AUDITOR'S REPORT

To the Councillors, Greater Shepparton City Council

The Performance Statement

The accompanying performance statement for the year ended 30 June 2012 of the Greater Shepparton City Council which comprises the statement, the related notes and the certification of the performance statement has been audited.

The Councillors' Responsibility for the Performance Statement

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

Auditor's Responsibility

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

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

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

Independence

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

Independent Auditor's Report (continued)

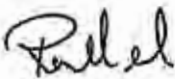
Auditor's Opinion

In my opinion, the performance statement of the Greater Shepparton City Council in respect of the 30 June 2012 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

Matters Relating to the Electronic Publication of the Audited Performance Statement

This auditor's report relates to the performance statement of the Greater Shepparton City Council for the year ended 30 June 2012 included both in the Greater Shepparton City Council's annual report and on the website. The Councillors of the Greater Shepparton City Council are responsible for the integrity of the Greater Shepparton City Council's website. I have not been engaged to report on the integrity of the Greater Shepparton City Council's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE
21 September 2012


D D R Pearson
Auditor-General



CONTACT US

GREATER SHEPPARTON CITY COUNCIL

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Email: council@shepparton.vic.gov.au

Web: www.greatershepparton.com.au

Twitter: @GreaterShepp

Facebook: Greater Shepparton City Council

National Relay Service (NRS) Greater Shepparton City Council is NRS friendly.

If you are deaf, hearing-impaired, or speech-impaired, we ask that you call us via the National Relay Service:

TTY users: 133 677 then ask for (03) 5832 9700

Speak & Listen users: (speech-to-speech relay) 1300 555 727 then ask for (03) 5832 9700

Internet relay users: Connect to the National Relay Service via www.relayservice.com.au and then ask for (03) 5832 9700.

A hearing loop is also available at Council's customer service centre and Council meeting room.

Interpreter service available.



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